



19 July 2024

FOI Reference: 109840

Dear Mr. Lindsay,

By email only: alric.lindsay@gmail.com

Re: Freedom of Information Request dated 14 May 2024

1. We write with reference to your application under the Freedom of Information Act (2021 Revision) (“the Act”), dated 14 May 2024. Your request was originally made to the Office of the Auditor General. It was subsequently transferred to the Information Manager for Parliament on 5 June 2024 and then subject to a further onward transfer to the Portfolio of Legal Affairs (“the Portfolio”), by the Information Manager for Parliament, on 21 June 2024. Pursuant to section 7(4)(b) of the Act, our deadline for a response is Monday 22 July 2024.
2. For ease of reference we have reproduced your request in its entirety at **Appendix A** to this letter.
3. Please note that a request made under the Act is strictly for access to records held by a public authority, rather than information. In particular, public authorities are under no obligation, under the Act, to answer questions aimed at eliciting information as to the reasons behind particular decisions which have been taken, absent the existence of a responsive record which is relevant to that particular question.
4. Having conducted appropriate searches, including consulting with colleagues in the Portfolio’s Finance Department, I can confirm that the Portfolio does hold some records which are responsive to aspects of your request. A summary of those records is outlined in the table below. Given that the records are not readily transmissible by email due to their size, I have provided a link to a shared folder from which the records can be retrieved:

<https://govky.sharefile.com/d-sd94fc4a5858e43818cb1dbef45dfcc5f>

Description of record	Aspects the request to which the record is responsive
Purchase Agreement CIG- CILPA 2020-2021	Questions 1, 2, 4, 14
Purchase Agreement CIG-CILPA 2022-2023	Questions 1, 2, 4, 14
Purchase Agreement CIG-CILPA 2024-2025	Questions 1, 2, 4, 14
Invoices and supporting docs 2020	Questions 5, 7, 13b
Invoices and supporting docs 2021	Questions 5, 7, 13b
Invoices and supporting docs 2022	Questions 5, 7, 13b
Invoices and supporting docs 2023	Questions 5, 7, 13b
Memorandum – CARA outputs 2020	Questions 10a, 13b
Memorandum – CARA outputs 2021	Questions 10a, 13b
Memorandum – CARA outputs 2022	Questions 10a, 13b
Memorandum – CARA outputs 2023	Questions 10a, 13b
CARA Financial Statements 2020	Question 10b
CARA Financial Statements 2021	Question 10b
CARA Financial Statements 2022	Question 10b

5. For the reasons outlined at paragraph 3 above, we consider that the Portfolio is not obliged to address questions 6, 8, 9, 10 (the first question), 15 and 17 (the first question) and as those do not appear to be formulated as requests for records.
6. In relation to the remainder of your request, given its expansive nature we need further time to conduct appropriate searches for any responsive records. Pursuant to section 7(4)(b) of the Act we seek an extension of 30 days to conduct those searches. You can therefore expect a response on or before 21 August 2024 (which is 30 days from our original deadline of Monday 22 July 2024).
7. Should you have any queries in relation to this letter, please contact me, quoting the reference number cited above.

Yours sincerely,

H. Walker

Heather Walker
Deputy Information Manager
Portfolio of Legal Affairs
Email: FOI.PLG@gov.ky

Appendix A

1. “Please confirm the date that the Finance Committee or the Parliament or the Cabinet or other person acting on behalf of the Government executed the purchase agreement with CLIPA.
2. Please provide a copy of the fully executed purchase agreement.
3. Please provide an extract of the Cabinet minutes (not the Cabinet deliberations) approving the purchase agreement and approving its execution.
4. In connection with the purchase agreement, please confirm the dollar amount of public funds that was approved by the Finance Committee or the Parliament or the Cabinet to subsidise or pay CILPA as a private sector association.
5. Please confirm the dollar amount of public funds actually paid to CILPA as a private sector association in each of the years 2019, 2020, 2021, 2022, 2023 and 2024.
6. Please provide the specific reasons or objectives behind the Government's decision to provide funding to CILPA Application made to: Office of the Auditor General as a private sector association whose board of directors comprised employees of private law firms in the Cayman Islands who would then be tasked to carry out inspections on themselves and their commercial competitors.
7. Please confirm the dollar amount of public funds allocated or appropriated by the Government to CILPA pursuant to the terms of the purchase agreement that was directly or indirectly paid to one or more members of the Cayman Attorneys Regulatory Authority (CARA) in each of the years 2019, 2020, 2021, 2022, 2023 and 2024.
8. Where public funds were paid directly or indirectly paid to one or more members of CARA for the years queried in 7 above, please confirm the reasons for this decision since neither CARA nor any of CARA’s members were understood to be parties to the purchase agreement.
9. Bearing in mind that the National Risk Assessment for the Cayman Islands states that “the overall inherent ML/TF/PF risk for firms of attorneys-at-law conducting RFB in the Cayman Islands is considered to be medium-high, due to the materiality of the International Supervised Firms relative to Domestic Supervised Firms,” please confirm how the selection process was carried out by the Government to ensure that CILPA or CARA receiving the public funds was the most appropriate recipient, especially since at the time of the execution of the purchase agreement CILPA was a private sector association whose board of directors were made up of employees of private law firms in the Cayman Islands who would then be tasked to carry out inspections on themselves.
10. What governance measures were implemented by the Government to ensure transparency, accountability and to manage conflicts of interest in the use of public funds by CILPA or CARA? In addition, please confirm:
 - a. Whether the Government or the Cabinet or the Auditor General was provided with all minutes of CILPA and CARA relating to the spending of public funds allocated or appropriated by the Government.
 - b. Whether the Government or the Cabinet or the Auditor General required annual accounts to be produced by CILPA and CARA which would be expected to contain

details relating to the spending of public funds allocated or appropriated by the Government.

- c. Whether the Government or the Cabinet or the Auditor General reviewed or audited the annual accounts of CILPA and CARA to ascertain whether the public funds allocated or appropriated by the Government were properly spent in compliance with the terms of the purchase agreement.
 - d. Whether the Government or the Cabinet or the Auditor General were provided with governance policies of CILPA and CARA and whether the Government or the Cabinet or the Auditor General assessed whether such governance policies were effective in ensuring transparency and accountability in relation to the use of public funds allocated to CILPA and/ or CARA.
11. What assessments or evaluations has the Government or the Cabinet or the Finance Committee or the Public Accounts Committee or the Auditor General implemented to determine whether the Government received value for money from the funding provided to CILPA and/or CARA?
12. What were the findings of the assessments in 10(d) and 11 above?
13. Please confirm the following
- a. For the period from 2019 to 2024, the number of inspections carried out by CILPA without any delegation to CARA
 - b. For the period from 2019 to 2024, the number of inspections carried out by CARA following delegation to CARA by CILPA
 - c. For the period from 2019 to 2024, the number of money laundering or proceeds of crime offences identified as a result of the inspections in 13a and 13b above.
 - d. For the period from 2019 to 2024, the number of money laundering or proceeds of crime convictions obtained as a result of the inspections and offences identified in 13a and 13b above.
 - e. For the period from 2019 to 2024, the number and nature of complaints lodged against CARA, CILPA or their members in connection with the carrying out of functions which utilised public funds.
 - f. For the period from 2019 to 2024, the number and nature of legal proceedings commenced or threatened against CARA, CILPA or their members.
 - g. For the period from 2019 to 2024, the outcomes of legal proceedings commenced against CARA, CILPA or their members
 - h. For the period from 2019 to 2024, any direct or indirect commercial or personal conflicts of interest existing between any member of CILPA and any member of CARA
 - i. For the period from 2019 to 2024, any direct or indirect commercial or personal conflicts of interest existing between any member of CARA and the persons or firms being inspected by CARA
14. Please provide a copy of the agreements, contracts, or terms that were established between the Government and CILPA authorising payment of public funds to CARA and please explain the expected outcomes which were to be delivered.

15. For the period from 2019 to 2024, how did the Government ensure that the interests of the public were being safeguarded throughout the process of providing public funding to CILPA and/or CARA?
16. Since the coming into force of Parts 1 and 2 and sections 99 and 101 of the Legal Services Act, 2020 on October 14, 2022, please confirm the following:
 - a. The date of the establishment of the Cayman Islands Legal Services Council.
 - b. The members of the Cayman Islands Legal Services Council.
 - c. The remuneration paid to the members of the Cayman Islands Legal Services Council.
 - d. The date of the execution of the purchase agreement between the Cayman Islands Legal Services Council and the Government.
 - e. The amount of public funds approved by the Finance Committee or the Parliament or the Cabinet in 2021, 2022, 2023 & 2024 to subsidise the Cayman Islands Legal Services Council.
 - f. The amount of public funds allocated to the Cayman Islands Legal Services Council that was directly or indirectly paid to CILPA in 2021, 2022, 2023 & 2024.
 - g. The amount of public funds allocated to the Cayman Islands Legal Services Council that was directly or indirectly paid to the members of CARA in 2021, 2022, 2023 & 2024.
 - h. In the case of 16(f) and 16(g), what was the rationale behind the decision?
17. Since the date of inception of the Cayman Islands Legal Services Council, what governance measures were implemented by the Government to ensure transparency, accountability and to manage conflicts of interest in the use of public funds by the Cayman Islands Legal Services Council? In addition, please confirm (since the date of inception of the Cayman Islands Legal Services Council):
 - a. The number of meetings held by the Cayman Islands Legal Services Council.
 - b. Whether the Government or the Cabinet or the Auditor General was provided with all minutes of the Cayman Islands Legal Services Council relating to functions required to be executed by the Cayman Islands Legal Services Council and decision-making connected to the spending of public funds allocated or appropriated by the Government.
 - c. Whether the Government or the Cabinet or the Auditor General required annual accounts to be produced by the Cayman Islands Legal Services Council.
 - d. Whether the Government or the Cabinet or the Auditor General reviewed the annual accounts of the Cayman Islands Legal Services Council to ascertain whether the public funds allocated or appropriated by the Government were properly spent in compliance with the terms of the purchase agreement or any other agreed terms.
 - e. Whether the Government or the Cabinet or the Auditor General were provided with governance policies of the Cayman Islands Legal Services Council and whether the Government or the Cabinet or the Auditor General assessed whether such governance policies were effective in ensuring transparency and accountability in relation to the use of public funds allocated to the Cayman Islands Legal Services Council.

18. What assessments or evaluations has the Government or the Cabinet or the Finance Committee or the Public Accounts Committee or the Auditor General implemented to determine whether the Government received value for money from the funding provided to the Cayman Islands Legal Services Council?
19. What were the findings of the assessments in 17(e) and 18 above?
20. Please confirm the following
 - a. From the date of inception of the Cayman Islands Legal Services Council to date, the number of inspections carried out by the Cayman Islands Legal Services Council without any further delegation to CARA or CILPA.
 - b. From the date of inception of the Cayman Islands Legal Services Council to date, the number of inspections carried out by the Cayman Islands Legal Services Council with further delegation to CARA or CILPA.
 - c. From the date of inception of the Cayman Islands Legal Services Council to date, all matters other than inspection functions delegated by the Cayman Islands Legal Services Council to CARA or CILPA.
 - d. From the date of inception of the Cayman Islands Legal Services Council to date, the number of money laundering or proceeds of crime offences identified as a result of the inspections in 20a and 20b above.
 - e. From the date of inception of the Cayman Islands Legal Services Council to date, the number of money
 - f. From the date of inception of the Cayman Islands Legal Services Council to date, the number and nature of complaints lodged against the Cayman Islands Legal Services Council.
 - g. From the date of inception of the Cayman Islands Legal Services Council to date, the number and nature of legal proceedings commenced or threatened against the Cayman Islands Legal Services Council or its members.
 - h. From the date of inception of the Cayman Islands Legal Services Council to date, the outcomes of legal proceedings commenced against the Cayman Islands Legal Services Council or its members.
 - i. From the date of inception of the Cayman Islands Legal Services Council to date, any direct or indirect commercial or personal conflicts of interest existing between any member of the Cayman Islands Legal Services Council and any member of CARA or CILPA.
 - j. From the date of inception of the Cayman Islands Legal Services Council to date, any direct or indirect commercial or personal conflicts of interest existing between any member of the Cayman Islands Legal Services Council and the persons or firms being inspected by the Cayman Islands Legal Services Council.”