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Bermuda Public Accountability Board (BPAB)
The Rosebank Building, 2nd floor
12 Bermudiana Road, Hamilton HM 11
Website: http://bpab.bm

July 21, 2026

Annual Report to the Minister of Finance

Background

This Annual Report of the Bermuda Public Accountability Board (BPAB) has been prepared to provide information on the activities of BPAB during the fiscal year ended March 31, 2026, as required by Section 14 of the Bermuda Public Accountability Act 2011 and subsequent amendments thereto (the Act). Section 15 of the Act requires that BPAB, as soon as practicable after the end of each financial year, provide to the Minister of Finance a copy of the annual report of the operations of BPAB as well as a copy of the annual financial statements of BPAB audited by the Office of the Auditor General (OAG). The Minister is then required under Section 15 to lay such statement of accounts before the Houses of the Legislature.

BPAB was established to provide an independent oversight of Bermuda Public Interest Entity (PIE) public accountants, as defined by the Act and subsequent amendments thereto. The Act provided for a comprehensive and transparent system of oversight by establishing BPAB and granting it powers to carry out the independent supervision of Bermuda PIE public accountants, including registration and inspection activity, and, where deemed appropriate, investigation activity.

The auditing profession is overseen by the Chartered Professional Accountants of Bermuda (CPA Bermuda). In accordance with the Act, a Bermuda PIE public accountant must first be registered with CPA Bermuda in order to be eligible for registration with BPAB. There are currently 11 public accounting firms in Bermuda registered with CPA Bermuda of which five are currently registered with BPAB as Bermuda PIE public accountants to be able to issue audit reports on financial statements of Bermuda PIEs.

The Act provides the definition of a Bermuda PIE. There were 84 Bermuda PIEs reported as audited by four Bermuda PIE public accountants as of October 13, 2025. These PIEs were largely comprised of Class E or Class 4 insurers and banks licensed by the Bermuda Monetary Authority as well as certain publicly listed and trading entities.

Further information about BPAB and its activities can be found on the website at www.bpab.bm.

Board of Directors

The Directors of BPAB are responsible for oversight of BPAB's activities and affairs. All key decisions of BPAB require approval of the majority of the Board of Directors.

The Board currently has a Chair, Executive Director and two other non-executive members. Three of the directors are accountants providing the Board with accounting and auditing expertise. All members are seasoned business professionals that help deliver prudent independence and oversight. The Act specifies

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that a Board member is initially appointed for a three-year term, with staggered and extended terms upon approval by the Minister of Finance.

The following are the current non-executive members of the Board of Directors appointed by the Minister of Finance:

- Michelle Seymour-Smith, Chair
- Andrew M. Marsh, and
- Natalie Chaves.

In addition, Wanda Mwaura continues to serve as the Executive Director and Secretary to the Board of BPAB managing the operational, strategic, and financial day-to-day operations of BPAB, including the administration, programs, and strategic planning of BPAB.

Compliance Committee of BPAB

In accordance with Section 30 of the Act, BPAB has appointed a Compliance Committee to supervise compliance with the provisions of the Act and related regulations and rules made under the Act, particularly with respect to inspection and investigation activities.

The Committee consists of two Directors of BPAB, one of whom chairs the committee, and two other professionals as follows:

- Michelle Seymour-Smith, Chair of the Compliance Committee and Director representative
- Natalie Chaves, Director representative
- Trevor Smith, and
- Alison Morrison.

Report on Registration Activity

BPAB renewed the annual registrations for five Bermuda PIE public accountants: Deloitte Ltd., Ernst & Young Ltd., Grant Thornton (Bermuda) Limited KPMG Audit Limited, and PricewaterhouseCoopers Ltd., during the fiscal year ended March 31, 2026.

Report on Inspection Activity

The procedures of BPAB, including those related to inspections, are set out in the Act and in the following subordinate legislation made pursuant to the Act: the Bermuda Public Accountability (General) Rules 2015 (the BPAB Rules), the Bermuda Public Accountability (General) Regulations 2015, and the Bermuda Public Accountability (Review Proceedings) Regulations 2015, collectively referred to hereinafter as the Act, Rules and Regulations.

Inspections to date have been an assessment of the compliance of the Bermuda PIE public accountant with the provisions of the Act, Rules and Regulations, applicable professional standards and rules, as well as quality control policies of the Bermuda PIE public accountant, in connection with the issuance of audit reports on the general-purpose financial statements of Bermuda PIEs. Inspections are carried out to ensure compliance with the Act while investigations are carried out as considered necessary by the Compliance Committee.

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The Compliance Committee of BPAB is responsible for ensuring that inspections of registered Bermuda PIE public accountants are conducted at least once every three years.

No Bermuda PIE public accountant firms were inspected during the year ended March 31, 2026. Four Bermuda PIE public accountant firms were inspected during the year ended March 31, 2025. One firm is due for a triennial inspection during the fiscal year ending March 31, 2027.

Inspection reports in its entirety are not made public; however, portions of the inspection report are made public if it relates to findings of weaknesses, deficiencies and recommendations, as provided in BPAB Rule 14(1), where the PIE public accountant failed to submit evidence or otherwise demonstrate to the satisfaction of the Committee that it has adequately addressed such weaknesses and deficiencies and implemented such recommendations. There were no such matters to report related to the inspections conducted during the year ended March 31, 2025.

Report on Investigation Activity

There were no investigation activities conducted by BPAB during the fiscal year ended March 31, 2026, and to the date of this annual report.

Report on Other Activities

BPAB issued a consultation paper dated September 16, 2024 to seek feedback with respect to its purpose, scoping and funding. Comments were due by November 30, 2024. BPAB considered the feedback received in order to recommend actions to the Ministry of Finance as considered appropriate regarding the future of independent audit oversight in Bermuda.

BPAB's application to become a member of the International Forum of Independent Audit Regulators (IFIAR) continues to be on hold pending a decision on the future of independent audit oversight in Bermuda referred to above. IFIAR is comprised of independent audit oversight regulators from around the world and its mission is to serve the public interest, including investors, by enhancing audit oversight globally.

BPAB has in prior years been subjected to equivalency reviews by the United Kingdom's (UK's) Financial Reporting Council (FRC) and certain European Union (EU) independent audit oversight regulatory bodies with respect to Bermuda's independent audit oversight practices. Equivalency continues to not be economically relevant given there has been only two Bermuda audit firms registered with the UK FRC and one Bermuda audit firm registered with one EU member state independent audit oversight regulator with respect to audits of Bermuda entities listed and trading on a UK or UE member state stock exchange, respectively.

On July 3, 2026, the Board received a letter of comfort from the Ministry of Finance with an undertaking that the Bermuda Government will provide strategic and financial support to the Board to ensure it can meet its obligations as they fall due in the normal course of business for a period of at least 12 months from that date and that there are no plans to discontinue the operations of the Board within 12 months from the date of the letter.

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Report on Financial Results for the Fiscal Year Ended March 31, 2026

BPAB generated an annual deficit for the fiscal year ended March 31, 2026 of $156,747, compared to a budgeted annual deficit of $374,184, primarily as a result of incurring fewer expenses than budgeted. BPAB budgeted for an annual deficit in order to reduce the level of accumulated surplus arising from historically incurring expenditures below the budgeted levels. The accumulated surplus as of March 31, 2026 was $234,591.

The annual surplus was comprised of revenues of $147,616, net of expenses of $304,363.

Revenues were generated from a government grant to fund operations, registration fees from five audit firms, and donated audit services by the OAG.

Expenses consisted of professional fees totaling $286,651 and general administration expenses of $17,712. Professional fees were largely comprised of employment costs, fees to directors and compliance committee members, and donated audit fees. General administration expenses were largely comprised of office space rent and online subscriptions and license fees.

The donated audit fees have no impact on annual surplus as the revenue offsets the expense.

The Statement of Operations and Accumulated Surplus for the fiscal year ended March 31, 2026 is as follows:

REVENUES	
Government grants	$97,416
Inspection fees	-
Donated audit services	25,200
Registration fees	25,000
	$147,616
EXPENSES	
Professional fees	$286,651
General administration	17,712
	$304,363
ANNUAL DEFICIT	(156,747)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	391,338
ACCUMULATED SURPLUS, END OF YEAR	$234,591

The financial statements have been prepared by BPAB, audited by the OAG, and are submitted to the Minister of Finance under a separate cover with an unqualified opinion for the year ended March 31, 2026.

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Further information on BPAB and its activities can be found in the audited financial statements, on the website at www.bpab.bm,or by request by email to info@bermudapab.com.

Respectfully submitted on behalf of BPAB,

Signed by:
83DE95A4EDD040A...

Michelle Seymour-Smith

Chair