



Phone: (345) - 244-3211 | 3rd Floor, Anderson Square
Fax: (345) - 945-7738 | 64 Shedden Road, George Town
AuditorGeneral@oag.gov.ky | PO Box 2583
www.auditorgeneral.gov.ky | Grand Cayman, KY1-1103, Cayman Islands

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PRESS RELEASE

Public entities have significantly improved financial management and reporting but more can be done

The report *“Improving Financial Accountability and Transparency: Financial Management and Reporting”* was issued today by the Office of the Auditor General (OAG).

Auditor General, Sue Winspear says “It is pleasing to report that public entities have made significant improvements in financial management and reporting over the past decade.” Ms. Winspear continues, “The Ministry of Finance and Economic Development has played a pivotal role in this by improving its financial leadership and starting a number of initiatives to strengthen financial management.”

The report highlights that the quality of financial reporting has improved considerably over the last decade, which has led to a significant reduction in the number of qualified audit opinions.

The Auditor General says “We have moved from a situation when many public entities received qualified audit opinions to this being a rare occurrence. However, much needs to be done to improve the consolidated financial statements for the entire public sector to remove the adverse audit opinion.”

The report concludes that there continues to be a lack of accountability and transparency, as many financial statements and annual reports have not been tabled in the Parliament.

“Despite the improvement in financial reporting, there continues to be a lack of accountability and transparency, as many financial statements and annual reports have not been presented to, or tabled in, the Parliament.” Ms. Winspear adds, “This is an essential part of the accountability process.”

The report provides a summary of financial performance at the entire public sector (EPS) level and assesses performance against the six principles for responsible financial management for core government required by the *Public Management and Finance Act*.

“The Government has performed well against most of the principles of responsible financial management.” Ms. Winspear adds, “However, it is essential that the Government reports its actual performance against the principles in a clear, accurate and timely manner.”

More information about the report can be obtained by contacting Sue Winspear at (345) 938-3201 or Angela Cullen, Deputy Auditor General (Performance Audit) at (345) 244-3220.

The report can also be found at www.auditorgeneral.gov.ky.

Notes to the editor:

1. The OAG is publishing a trilogy of reports on *Improving Financial Accountability and Transparency*. This report is the second in the trilogy and covers financial management and reporting. The first report on the budgeting framework and process was published in December 2020. The third report will look at long-term financial sustainability, including the impact of the COVID-19 pandemic on costs and foregone revenues.
2. As at February 2021, the audits of eight sets of financial statements for the three financial years 2016–17, 2018 and 2019 had still to be completed. These covered Ministry of Health, Environment Culture and Housing (all 3 years), Cayman Islands Airport Authority (all 3 years), Cayman Airways Limited (2019) and the Utility Regulation and Competition Office (2019). The audits of the consolidated financial statements for the entire public sector (EPS) for 2018 and 2019 were also incomplete.
3. For the 2019 financial year, all (37) audit opinions issued so far were unqualified or ‘clean’. In 2009–10 only 15 (of 38) entities and SAGCs received unqualified audit opinions on their financial statements.
4. The Auditor General provided an adverse audit opinion on the EPS financial statements between 2013–14 and 2016–17.
5. As at February 2021, 118 of 160 sets (74 per cent) of audited financial statements for the four years 2015–16 to 2019 had been tabled; 17 sets of audited financial statements for 2019 had not been tabled.