

PRESS RELEASE

31 August 2011

Financial and Performance Reporting – Progress Update

The Auditor General, Alastair Swarbrick, made public today a report on the status of financial accountability reporting in the Cayman Islands Government as at 31 July 2011. The report is an update on his December 2010 and April 2011 reports assessing financial and performance reporting in government entities and at the consolidated level.

Mr. Swarbrick reported in his December 2010 report that based on commitments by government officials, it was expected that most entities would be fully up to date by 28 February 2011. In April 2011, he reported that this had not been achieved and that progress was slower than expected.

At July 31, 2011, the report stated that 12 ministry and portfolio (down from 22 at March 31) and 14 statutory authority and government company (down from 33 at March 31) financial statements remained outstanding. The audit report also discusses the quality of the financial statements being prepared by reporting that only 15% of ministry and portfolio and 55% of statutory authority and government company financial statements were unqualified and considered credible for use by readers.

"While there has been more progress since my last report, it has been slower than I had hoped," said Mr. Swarbrick. "I fully support the Government's more strategic approach to concentrate on the current year's financial results; however, the delays in clearing the backlog will definitely impact on the Government's capacity to prepare the 2010/11 financial statements and my ability to audit them."

The Auditor General's report provides further details about which entities are not compliant and issues relating to the quality of the financial statement audited thus far. The report is available on the Office of the Auditor General website at: www.auditorgeneral.gov.ky.

More information regarding this report can be obtained by contacting Martin Ruben at the Office of the Auditor General at (345) 244-3206.