

PRESS RELEASE

Grand Cayman, 25 June 2013

The Auditor General, Alastair Swarbrick, made public today his General Report on Financial and Performance Reporting in Statutory Authorities and Government Companies for the year ended 30 June 2011. The report provides an overview of the results of the audits conducted of the financial statements and discusses the significant findings that have been reported to the various entities.

Due to the work by these entities to clear the backlog of financial statement audits over the last three years, this is the first time the Auditor General has been able to provide a report like this since 2004 when the new Public Management and Finance Law (PMFL) was introduced. Mr. Swarbrick reports that he has seen continued progress in the timeliness and quality of the financial statements his auditors have been getting from the 26 government owned entities. For the year ended 30 June 2011, he reported that 8 entities had their financial statements completed and audited by the deadline provided in the law while audits of four entities are still outstanding. While the Auditor General is clear that progress is being made, he makes a point of saying that more needs to be done to provide timely reporting to the Legislative Assembly.

In his report, Mr. Swarbrick also includes the details of concerns regarding the internal controls and governance frameworks in these government entities. Of significance, he included a number of findings about how Boards of Directors are mismanaging the activities of these organizations. For example, at the Cayman Islands Airport Authority, he highlights concerns about how the Board operated beyond their capacity while not complying with conflict of interest reporting requirements.

"Statutory authorities and government companies still have a long way to go before I will be satisfied that the Legislative Assembly is getting the accountability it needs for the public funds being spent by these entities," said Mr. Swarbrick. "My auditors will continue to work with these entities by identifying the issues and supporting management with their responsibilities to bring the level of reporting up to a reasonable level."

The Auditor General also expressed concerns around the information being provided by the Government to the Legislative Assembly required by the PMFL. He reported that only 15 of the 26 entities have so far tabled annual reports for the year ended 30 June 2011 and in most cases those reports still don't measure up to what the Law requires, including being tabled far too late to be of use and not having the information required to inform Legislators about how their moneys were spent.

The report is available in PDF format at www.auditorgeneral.gov.ky. More information about this report can be obtained by contacting Martin Ruben at the Office of the Auditor General at (345)244-3206.