

28 July 2017

## PRESS RELEASE

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### **Office of Auditor General Calls for Action to Strengthen SAGC Governance**

A review of governance in Cayman Islands' three aviation bodies found that a number of the issues identified in a December 2013 report remained, although some actions have now been taken, says Sue Winspear, Auditor General of the Cayman Islands, in a report issued today.

The report, *"Governance in aviation bodies – Summary of key findings"*, highlights the common themes arising from the audits of governance in Cayman Airways, Ltd., Cayman Islands Airport Authority and the Civil Aviation Authority of the Cayman Islands.

The audits measured progress in addressing issues raised in the Office of the Auditor General reports on accountability and governance of Statutory Authorities and Government Companies (SAGCs) that were published in December 2013.

"We concluded that a number of the issues that we previously identified in our original report on governance in Statutory Authorities and Government Companies remained," Ms. Winspear explains. "We therefore identified a number of recommendations for improvement. Some of these need to be taken by the organisations themselves and others need to be taken by Government."

The Auditor General's report provides a high-level summary of the common themes that emerged from the three audits. It highlights the need for proper rotation of board members, consideration of skills and experience needed when appointing board members, clarity around the roles and responsibilities of board members and better training for board members.

"It is pleasing that in response to our original report, the government prepared the Public Authorities Law 2017 to strengthen governance in the Statutory Authorities and Government Companies," Ms. Winspear adds. "This legislation addresses some of the recommendations that we would have been making from undertaking these governance reviews."

The report also identifies the need for boards to provide a strategic focus, discuss and approve important documents, such as annual agreements with Government, have clear processes for transparent decision making, improve their engagement with stakeholders and review Chief Executive Officers' job descriptions.

"We reported back to each of the bodies on our findings and made recommendations to them," the Auditor General notes. "Since our audits were completed, all three bodies have taken actions and plan to take further action to improve their governance arrangements. We are pleased with the progress all have made and that further actions are planned during 2017."

More information about these reports can be obtained by contacting Ms. Winspear at (345) 244-3201 or Angela Cullen, Director of Performance Audit and report author, at (345) 244-3220.

The reports are available at [www.auditorgeneral.gov.ky](http://www.auditorgeneral.gov.ky).

Notes to the editor:

1. The Office of the Auditor General published two reports – *“The Accountability of Statutory Authorities and Government Companies”* and *“A Survey of Statutory Authorities and Government Companies Governance”* - in December 2013.
2. The audits carried out covered different periods ranging from 1 July 2012 to 31 December 2015.
3. Each of the three bodies received a separate report. The recommendations made and the actions taken or planned by them to respond to these recommendations are outlined in Appendices 2 to 4 in the report.
4. As many of the actions taken are relatively recent, the Office of the Auditor General has not audited the effectiveness of these.