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PRESS RELEASE

Auditor General Commends Improvement in Government Financial Reporting

Today the Office of the Auditor General (OAG) published its compendium report “Financial Reporting of the Cayman Islands Government: General Report 30 June 2015 & 2016” which summarises the results of the audits of the 42 public sector entities in the Cayman Islands, and the consolidated Entire Public Sector (EPS) account for the Cayman Islands Government.

“The outcomes from our audits for 2014-2015 and 2015-2016 have continued to show good improvement in the quality and timeliness of annual financial reporting for the Entire Public Sector and Government entities,” Auditor General Sue Winspear said in introductory remarks.

The consolidated EPS account remains the only adverse audit opinion received, and the report details the various issues that contributed to this opinion, including not recognising the liabilities that result from long term employee benefits (such as post-retirement healthcare) and deficiencies in internal controls meaning that Government could not assert to the completeness of its revenues reported.

“Progress in Government financial reporting continues to be made with 30 entities receiving an unqualified audit opinion in 2015/2016, the highest number yet, and there are no adverse or disclaimed entity audit opinions at all,” Ms. Winspear explains. “This is markedly better than only four years ago when over half of all entities received either a qualified, adverse or disclaimed audit opinion.”

She adds: “It is also pleasing that for the first time in 2015/2016, all Government Ministries, Offices and Portfolios, as well as many of Government’s Statutory Authorities and Government Companies, produced an annual report to accompany their financial statements which helped contextualise and explain the financial results by telling the reader what they achieved for the money they have spent.”

The Auditor General made a series of recommendations to continue improving financial reporting in Government, including the formation of an Audit and Risk Committee to cover the business of core Government Ministries, further improvements in governance and internal controls and strengthening functional leadership in Government to make for a stronger, more efficient and effective public sector.

More information about these reports can be obtained by contacting Ms. Winspear at (345) 244-3201 or Patrick Smith, Director of Financial Audit at (345) 244-3204.

The report is available at www.auditorgeneral.gov.ky.