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PRESS RELEASE

Public sector entities' financial reporting is good but the Government needs to focus on the Entire Public Sector (EPS) Account.

Today, the Office of the Auditor General (OAG) published its annual general report on the state of financial reporting in the Cayman Islands: "*Financial Reporting of the Cayman Islands Government: General Report 31 December 2020*". This report summarises the financial results of, and audit opinions given to, public sector entities for the 2020 year. It notes that, to date, 37 entities have received unqualified audit opinions, UCCI received a qualified audit opinion, and 5 entities and the consolidated EPS account have their 2020 audits outstanding.

Auditor General, Sue Winspear says "Public sector entity financial reporting continues to be good. However, the Government needs to focus on addressing the issues that are resulting in the adverse audit opinion on the EPS account. The 2019 and 2020 EPS audits are in progress but there are many issues needing resolution to move to a qualified and then unqualified audit opinion. This is possible but it will take time and concerted effort."

The Auditor General made two specific recommendations in the report. Firstly, that the Government should consider the need for the Sister islands Affordable Housing Development Corporation to exist as a separate entity. Ms. Winspear says "The Sister islands Affordable Housing Development Corporation has not built or sold any homes in the last two years yet the costs of maintaining the entity as a separate structure, including a full audit continue. This does not provide value for money to the Caymanian public purse when its functions could be discharged through another entity and overhead costs reduced."

Secondly, the Auditor General recommended that the Standards in Public Life Act be amended from its 2014 version to make the annual reporting date 31st December. Ms. Winspear says "If the annual reporting date were 31st December, the final day of the financial year, rather than 30th June it would avoid unnecessary work to provide year end assurances."

More information about the report can be obtained by contacting Sue Winspear at (345) 938-3201 or Patrick Smith, Deputy Auditor General (Financial Audit) at (345) 244-3204.

These reports are attached and can also be found at www.auditorgeneral.gov.ky.

Notes to the editor:

1. 37 out of 42 public sector entity audits for 2020 have been completed to date. The five audits outstanding are for the Ministry of Health, Environment, Culture & Housing, Cayman Islands Airports Authority, Cayman Airways Limited, Cayman Turtle Conservation & Education Centre, and the Maritime Authority of the Cayman Islands.