


Financial and Performance Reporting

Status Update as at
30 September 2013





Our independent work
promotes good governance,
transparency and
accountability in the use
of public funds

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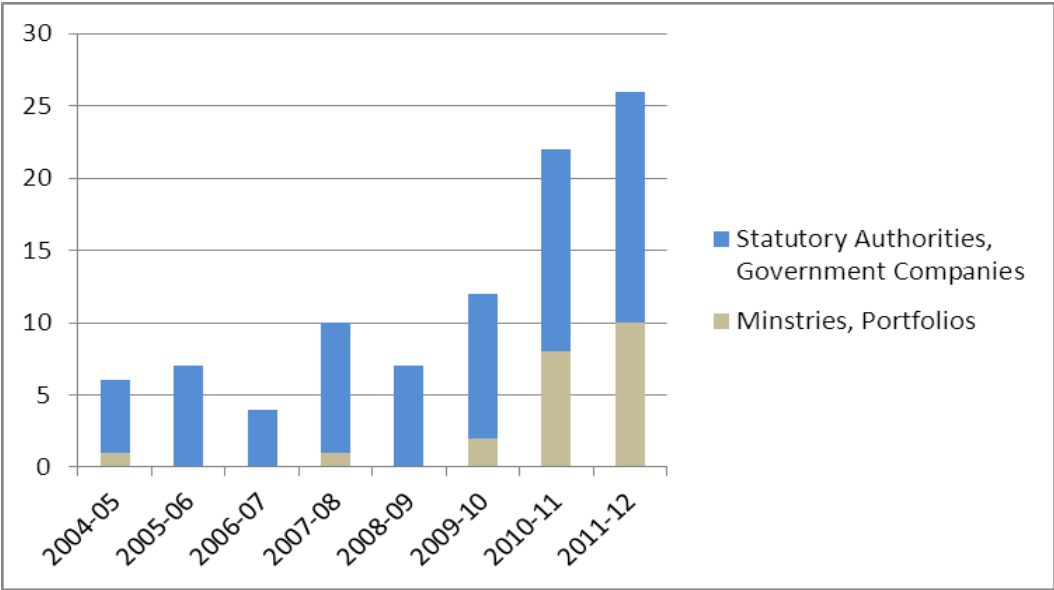
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INTRODUCTION

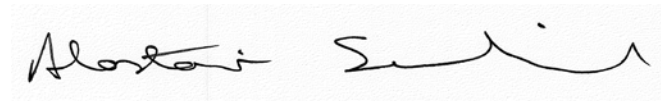
1. Timely, accurate and reliable financial information is a fundamental component in ensuring the effective governance and accountability of government and public entities. Without this information, the decision making of the Legislative Assembly, the Government and public bodies is compromised as legislators and officials cannot make effective and robust decisions regarding the allocation of resources and effectively manage the resources at their disposal. Furthermore, the Government and public bodies cannot be held accountable for how they have used public money.
2. The purpose of this report is to provide a status update on the completion of the financial statements audits up to the fiscal year 2011/12. In the following sections I have provided separate updates on ministries and statutory authorities and government companies. It does not report on the status of the Government’s requirement to report on the Entire Public Sector (EPS).
3. For the fiscal year ending 30 June 2012 the financial statements of 26 (63%) entities (2010/11: 22 (52%) entities) were recompleted and signed off within 12 months of the year end i.e. by 30 June 2013. Exhibit 1 shows the progress that has been made since the introduction of the PMFL in 2004/05 in the completion of audits within 12 months of the respective fiscal year ends.

Exhibit 1: Number of audits completed within 12 months of the year-end



4. This exhibit demonstrates that there has been continuous improvement in the timeliness of financial reporting across the public sector and that it is continuing on a positive path.

5. In July and August 2013, a further three sets of financial statements for 2011/12 were issued. Therefore, 29 (71%) of the 41 entity financial statements for the year ending 30 June 2012 were completed as at 30 August 2013.
6. The Public Management and Finance Law requires the audits of all government entities to be completed by 31 October of each year. With respect to the completion of the audits on the financial statements for the year ending 30 June 2012 by statutory deadline of 31 October 2012, 18 (47%) entities (2010/11: 10 entities) out of 41 managed to achieve this goal. Therefore whilst compliance with the statutory deadlines continues to improve, it remains challenging for entities to provide the information necessary to ensure their audits are completed on a timely basis.
7. Finally for the backlog of financial statements up to and including 30 June 2011, there are now only nine audits outstanding. Seven relate to small entities, five of which pertain to the Sister Islands Affordable Housing Development Corporation.
8. This will be my final report to the Legislative Assembly on the status of financial reporting which I have been providing to keep the Members up to date on the backlog.
9. It is my intention to report less frequently and more comprehensively in the future on the progress in financial reporting across the individual entities, addressing the issue of quality, along with the key matters arising from the individual audits of the entities that I believe should be brought to the attention of the Legislative Assembly.
10. I would like to take this opportunity to urge all Government entities to make the completed financial reports along with my opinions public as soon as possible and to make them available on the various Government websites.



*Alastair Swarbrick MA(Hons), CPFA
Auditor General
George Town, Grand Cayman
Cayman Islands*

11 October 2013

MINISTRIES AND PORTFOLIOS

OUTSTANDING FINANCIAL STATEMENTS UP TO THE YEAR ENDING 30 JUNE 2011

11. Two ministry and portfolio financial statements remain outstanding for the fiscal years up to and including the year ending 30 June 2011. In both instances the audits are now substantially complete and it is expected that they will be issued shortly after the date of this report. They are:

- Portfolio of Internal and External Affairs – Year ending 30 June 2011
- Ministry of Finance , Public Finance – Year ending 30 June 2011

STATUS OF THE AUDITS FOR THE YEAR ENDING 30 JUNE 2012

12. Exhibit 2 provides details of the dates that the audits of each individual ministry and portfolio were completed, the opinion that was placed on the financial statements and the date the statements were tabled in the Legislative Assembly if that has occurred. In cases where the audit it is not completed the status of the audit is provided. Definitions of the audit opinions and audit status are included in Appendix A.

Exhibit 2: Ministry and portfolios audit status for the year ending 30 June 2012

Entity	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly
Office of the Complaints Commissioner	31 October 2012	Unqualified	10 December 2012
Portfolio of Internal and External Affairs	Substantially Complete		
Cabinet Office	31 October 2012	Qualified	10 December 2012
Portfolio of the Civil Service	31 October 2012	Unqualified	10 December 2012
Portfolio of Legal Affairs	16 November 2012	Unqualified	
Judicial Administration	31 October 2012	Unqualified	
Information Commissioners Office	31 October 2012	Unqualified	
Director of Public Prosecution	30 January 2013	Unqualified	
Ministry of Health, Environment, Youth, Sports and Culture	31 October 2012	Qualified	15 March 2013
Ministry of District Administration, Works, Lands and Agriculture	In progress		

Entity		Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly
Ministry of Education, Training and Employment		Substantially Complete		
Ministry of Community Affairs, Gender and Housing		25 June 2013	Qualified	
Ministry of Finance, Tourism and Development	Finance and Economics	Substantially Complete		
	Financial Services	28 June 2013	Qualified	
	Tourism	Substantially Complete		

STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES

OUTSTANDING FINANCIAL STATEMENTS UP TO THE YEAR ENDING 30 JUNE 2011

13. The following SAGC financial statements remain outstanding for the fiscal years up to and including the year ending 30 June 2011:

- Cayman National Cultural Foundation - Year ending 30 June 2011
- Children & Youth Services Foundation - Year ending 30 June 2011
- Sister Islands Affordable Housing Development Corporation- Years ending 30 June 2007, 30 June 2008, 30 June 2009, 30 June 2010 and 30 June 2011

STATUS OF THE SAGC AUDITS FOR THE YEAR ENDING 30 JUNE 2012

14. Exhibit 3 provides details of the dates that the audits of each individual SAGC were completed, the opinion that was placed on the financial statements and the date the statements were tabled in the Legislative Assembly if that has occurred. In cases where the audit it is not completed the status of the audit is provided. Definitions of the audit opinions and audit status are included in Appendix A.

Exhibit 3: SAGCs audit status for the year ending 30 June 2012

Entity	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly
Cayman Airways Limited	17 May 2013	Unqualified	
Cayman Islands Airport Authority	In progress		
Cayman Islands Development Bank	26 June 2013	Qualified	
Cayman Islands Monetary Authority	31 October 2012	Unqualified	14 March 2013
Cayman Islands National Museum	15 August 2013	Qualified	
Cayman National Cultural Foundation	In progress		
Cayman Islands Stock Exchange	5 November 2012	Unqualified	15 March 2013
Cayman Turtle Farm (1983) Ltd.	23 October 2012	Qualified	
Children & Youth Services Foundation	Not commenced		
CINICO	27 August 2013	Qualified	

Entity	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly
Civil Aviation Authority	30 October 2012	Qualified	13 March 2013
Electricity Regulatory Authority	31 October 2012	Unqualified	
Health Services Authority	Substantially Complete		
Information and Communications Technology Authority	19 October 2012	Unqualified	
Maritime Authority of the Cayman Islands	31 October 2012	Unqualified	13 March 2013
National Drug Council	31 October 2012	Unqualified	
National Gallery of the Cayman Islands	31 October 2012	Qualified	13 March 2013
National Housing Development Trust	Finalised		
National Roads Authority	25 October 2012	Unqualified	4 Sept 2013
Port Authority of the Cayman Islands	10 December 2012	Qualified	14 March 2013
Public Service Pensions Board	9 July 2013	Qualified	
Segregated Insurance Fund	31 October 2012	Unqualified	
Sister Islands Affordable Housing Development Corporation	In progress		
Tourism Attractions Board	Substantially Complete		
University College of the Cayman Islands	31 October 2012	Unqualified	15 March 2013
Water Authority of the Cayman Islands	31 October 2012	Qualified	

APPENDIX A – DEFINITIONS

The opinions that I can render on an entity's financial statements and their definitions are as follows:

- **Unqualified** - The information contained within the financial statements can be relied upon;
- **Qualified** - A qualified opinion means that a portion of the financial statements cannot be relied upon, but that the rest of the statements can be relied upon by the reader;
- **Adverse** - There are such significant deficiencies with the information in the financial statements they should be considered unreliable for the user and the information contained therein is not trustworthy; and
- **Disclaimer** - I was not provided with sufficient information to conduct an audit.

The definitions of the audit status are as follows:

- **Finalized** - Financial statements completed/draft opinion provided (awaiting approval by entity)
- **Substantially complete** - Financial statements submitted/audit fieldwork complete
- **In progress** - Financial statements submitted/audit in progress
- **Not commenced** - Financial statements submitted/audit not started due to clearance of backlog

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Complaints

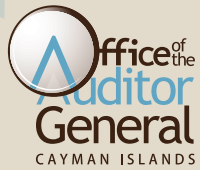
To make a complaint about one of the organisations we audit or about the OAG itself, please contact Garnet Harrison at our address, telephone or fax number or alternatively email: garnet.harrison@oag.gov.ky

Freedom of Information

For freedom of information requests please contact Garnet Harrison at our address, telephone or fax number. Or alternatively email: foi.aud@gov.ky

Media enquiries

For enquiries from journalists please contact Martin Ruben at our phone number or email: Martin.Ruben@oag.gov.ky



October 2013