

MEDIA RELEASE

29 November 2018

Auditor-General's Report on the Financial Statements of State Entities

The Auditor-General, Mr Rod Whitehead, today tabled his report on the outcomes of the financial audits of state entities Volume 4 for 2017-18.

In summary:

- 114 state entity financial statement audits were undertaken with 111 unmodified audit reports issued
- two qualified audit reports were issued - National Trust of Australia (Tasmania) in relation to the incomplete valuation of their heritage collection and King Island Council in relation to the valuation of their road and aerodrome assets
- one audit had not commenced as the entity had not submitted financial statements for audit.

Key matters highlighted in the report include:

- There were 136 audit findings raised by the Tasmanian Audit Office relating to accounting issues or weaknesses in internal control, including 11 high risk findings covering asset valuations, review of journal adjustments, financial report preparation, lack of segregation of duties and a shortage of senior accounting staff.
- Of 295 prior period findings raised by the office, 165 were resolved, leaving 133 unresolved. Mr Whitehead said, "Efficient resolution of audit findings is crucial to reduce an entity's exposure to risk," adding that "over 55% of issues previously reported were resolved in 2018".
- 21 prior period errors were identified in 16 entities, with 16 of these related to oversights during the preparation of the previous year's financial statements. The remaining five errors related to mathematical errors and incorrect interpretation or application of accounting policies. Mr Whitehead noted "the circumstances that gave rise to the errors were substantively unique for each entity. This uniqueness makes it difficult to predict the likelihood of other undetected errors across entities. However, this analysis will assist in identifying future audit focus areas and will enhance client awareness of potential omissions or misstatements".

The report outlines how the *Audit Act 2008* captures different state entities including subsidiaries and his approach to their audits.

The complete Report can be downloaded from www.audit.tas.gov.au.

Ends

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