

## MEDIA RELEASE

25 March 2021

### **Auditor-General's Report on the Financial Statements of State Entities Volume 2 - Audit of State entities and audited subsidiaries of State entities 31 December 2019 and 30 June 2020**

The Auditor-General, Rod Whitehead, today tabled Volume 2 of his report to Parliament on the audit of financial statements of State entities and audited subsidiaries of State entities.

This second volume contains findings from audits completed for the years ended 31 December 2019 and 30 June 2020 with the commentary on the local government sector. This report updates and completes the information provided in *Report of the Auditor-General No.8 of 2020-21: Auditor-General's Report on the Financial Statements of State entities, Volume 1*.

Of the 120 financial statement audits completed at 3 March 2021, all except two received an unmodified audit opinion. Qualified opinions were issued on the financial statements of King Island Council and National Trust of Australia (Tasmania). Both qualifications related to 2018-19 comparative balances resulting in a material understatement of the value of relevant asset classes in their Statement of Financial Position.

Nine high risk findings were identified out of a total of 146. High risk findings pose a significant business or financial risk to the entity or that could potentially result in a modified audit opinion if not addressed urgently. All nine High risk findings were identified in local government entities and related to asset recognition and measurement issues involving valuations, recording of commissioned assets and internal controls weaknesses including segregation of duties, management review and reconciliation processes.

Commentary on the local government sector includes summaries of key developments, aggregated financial information, analysis of underlying results, sources of revenue, capital investment, asset sustainability and financing and debt. The report includes commentary on the impact of COVID-19 on councils' operations, including the impact on their financial performance.

There are no recommendations contained in this report.

The complete Report can be downloaded from [www.audit.tas.gov.au](http://www.audit.tas.gov.au).

**Ends**

**Further information contact:**

**Mr Rod Whitehead**

**AUDITOR-GENERAL**

**Phone: (03) 6173 0900**