

**REPORT OF
THE AUDITOR-GENERAL**

NO 1 OF 1998

PUBLIC ACCOUNT 1997-98

September 1998

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1998

PARLIAMENT OF TASMANIA

REPORT OF THE AUDITOR-GENERAL

PUBLIC ACCOUNT- 1997-98

No 1 of 1998 - September 1998

*Presented to both Houses of Parliament in accordance with the provisions of Section 57
of the Financial Management and Audit Act 1990*

By Authority:
G Priestley, Government Printer, Tasmania

24 September 1998

President
Legislative Council
HOBART

Speaker
House of Assembly
HOBART

Dear Mr President
Dear Mr Speaker

In accordance with the provisions of Section 57 of the Financial Management and Audit Act 1990, I present my Report on the audit of the Public Account for the year ended 30 June 1998.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'A J McHugh'.

A J McHugh
AUDITOR-GENERAL

AUDIT OF THE PUBLIC ACCOUNT

The Public Account is composed of the Consolidated Fund and the Special Deposits and Trust Fund established under the Public Account Act 1986.

The transactions and balances of the Public Account for each year are reported to Parliament through the Treasurer's Financial Statements in accordance with Section 26 of the Financial Management and Audit Act 1990 and the Financial Management and Audit Regulations 1990. Regulation 5 prescribes the minimum information to be shown in the Statements.

On 1 September 1998 I issued an unqualified audit report on the Treasurer's Financial Statements. A copy of my audit report was published with those Statements and a copy is included in this Report.

REPORTING ISSUES TO PARLIAMENT

No issues relating to the accuracy of the Public Account arose at the conclusion of the audit.

It is my intention to deal with any issues either systemic or narrowly focussed on a single agency in the next report to Parliament which is normally presented in late November. By this time, detailed financial audits of each department, government business enterprise, Council etc should have been completed and the information base will be more substantial.

STRUCTURE OF WHOLE OF GOVERNMENT REPORTING

The current structure of reporting in the Treasurer's Financial Statements is adequate to report on the cash transactions and cash position of the Public Account. This does not equate to a whole of government view because, for example, it excludes the operations and financial position of the Government Business Enterprises and it excludes the physical assets and the liabilities of departments. It does not provide information on the market value of State debt.

The present disclosures are commendable in going further than is strictly required by law, but they are piecemeal and not integrated. It is increasingly clear that it is not an option to delay reporting to Parliament on a broad basis let alone serving as a basis for strategic planning in relation to such contemporary issues as State debt and unfunded superannuation liabilities.

The Department of Treasury and Finance publication titled "Tasmania's Financial Management Reform Strategy" dated July 1996 discusses reporting on an accrual basis, the financial performance and financial position of the State as a whole. I trust that the incoming government will confirm and accelerate the Department of Treasury and Finance's indication that reform in this area is essential.

INDEPENDENT AUDIT REPORT

To the Treasurer

Scope

I have audited the special purpose financial report comprising financial statements prepared on the cash basis of accounting, and notes and supplementary information in respect of the Public Account for the year ended 30 June 1998. The Treasurer is responsible under Section 26(1) of the Financial Management and Audit Act 1990 for the preparation of the financial report in accordance with the reporting framework prescribed in the Financial Management and Audit Regulations. I have conducted an independent audit of the financial report in order to express an opinion on it to the Treasurer.

The audit has been conducted in accordance with Australian Auditing Standards and used procedures which included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether in all material respects, the financial report is presented fairly in accordance with the Financial Management and Audit Regulations and the accounting policies described in the report. Those Regulations and policies do not require the application of Accounting Standards and Urgent Issues Group Consensus Views.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion the financial report presents fairly, in accordance with the Financial Management and Audit Regulations and the cash basis of accounting referred to in the notes to the report, the financial transactions of the Public Account for the year ended 30 June 1998 and such components of the financial position of the State at that date as are required to be disclosed under the Regulations.



A J McHugh
AUDITOR-GENERAL

1 September 1998

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