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PRESS RELEASE

Auditor General reports on abuse and mismanagement of travel and hospitality spending

The Auditor General, Alastair Swarbrick, made public today his Office's performance audit report on the government's management of travel and hospitality expenditures. Mr. Swarbrick's report is very critical of Government's management practices for approximately \$8.6 million of expenditures over three years and concludes that there is a potential waste of significant public funds. Because of deficient record keeping, the Auditor General was unable to determine exactly how much travel and hospitality expenditure was incurred and wasted over the three year period he audited, but outlines enough examples in his report to make his point.

"When my auditors can't obtain documentation to support how money is being spent, I believe it's time for the public to sit up and take notice," said Mr. Swarbrick.

The report includes eleven recommendations for the Deputy Governor and his officials to implement. The recommendations build on Government's action taken in 2013 to provide public servants with a global travel policy.

In his report, the Auditor General provides many examples of potentially wasteful government expenditure relating to travel and hospitality. Mr. Swarbrick outlines how a lack of good management led to a litany of inappropriate behaviour in the departments he audited including misinforming the public about how much is actually being spent on travel and hospitality.

"While the Government has taken an important first step by implementing a travel policy, the problems my auditors found will not be fixed by simply doing this one thing." said Mr. Swarbrick. *"I have reported to the Legislative Assembly on a number of occasions that there are insufficient controls and practices for government expenditures, and the problems I have reported in respect of travel and hospitality expenditures are indicative of these wider concerns. I have been assured that further work will be undertaken to address these problems."*

The Auditor General has issued a number of audit reports since taking office in July 2010 calling for greater leadership of the financial function and more attention to the controls needed to ensure public servants do their jobs properly, most recently in his reports on Governance issued in December 2013.

"I believe there has to be greater accountability for the actions of public servants," said Mr. Swarbrick. *"I really hope that this report and its very clear examples of waste and abuse will provide the impetus for the management of public resources with more diligence and in line with the public's expectations. It's time to change how we do things."*

More information regarding this report can be obtained by contacting Martin Ruben at the Office of the Auditor General at (345) 244-3206. A copy of the report is available at www.auditorgeneral.gov.ky.