

15 October 2015

PRESS RELEASE

Government needs to collect revenues more efficiently

A report made public by the Office of the Auditor General (OAG) today identified areas where Government should do more to collect its revenues efficiently and raises concerns about how it grants revenue waivers.

"Government is generally doing a good job of collecting the revenues it is mandated to collect," said Garnet Harrison, the Acting Auditor General. "However, we found that it is missing many opportunities to save money by doing the job more efficiently."

The report, *"Collecting Government Revenues,"* describes several areas where more efficient processes and better controls would ensure that Government is collecting all of the revenues it is supposed to collect. The report notes that Ministries do not work together to collect revenue in the most cost effective way. One only has to go as far as the government lobby with its multitude of wickets for revenue transactions to see some of the inefficiencies. The wickets have different hours, and staff at each wicket handle certain transactions but not others.

The audit also found a significant weakness in how revenue waivers are managed. As a result of poor procedures, poor controls and poor record keeping, the auditors were unable to determine how much revenue Government had agreed to waive over at least the last five years. In the absence of that information, there has been no transparency or accountability for the decisions made by government officials and politicians. Furthermore, this information is required for Government to prepare its financial statements.

"Government officials have not been acting in accordance with the Public Management and Finance Law," said the acting Auditor General. "I am dismayed at the lack of proper record keeping for this important role in the Ministry of Finance. No one knows how much revenue has been lost to the public purse or whether government officials and politicians have acted improperly by forgiving certain revenues. No one will ever know."

The report includes seven recommendations that the Government has generally agreed to implement.

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.