

5 November 2015

## PRESS RELEASE

---

### Acting Auditor General reports on audits of the Government entities' financial statements

Acting Auditor General Garnet Harrison today made public two reports on his Office's audits of the 2012-13 and 2013-14 financial statements for Government ministries, portfolios and offices, as well as statutory authorities and government companies. The reports provide a summary of the audit opinions on those financial statements and the auditor's assessment of the entities' financial performance. The reports were sent to the Legislative Assembly at the end of September by outgoing Auditor General, Alastair Swarbrick.

*"As we reported last year, the timeliness and quality of the accounting information presented for audit continues to improve,"* said Mr. Harrison. *"However, tabling audited financial statements without providing performance information to explain what was done with the money is not very useful to the Legislators and the public. The Government still needs to work out how it will provide the Legislative Assembly with that kind of meaningful information."*

In the two reports, the Acting Auditor General notes the significant progress made since 2010, when the former Auditor General found audits backlogged for years and a significant lack of capacity in Government that prevented the preparation of these important accountability reports. He points out that for the first time since 2004, when the *Public Management and Finance Law* came into effect, two of the largest government ministries did not receive an adverse or disclaimer of opinion. In addition, the audit backlog of ministries, portfolios and offices has been almost cleared. And more statutory authorities and government companies are meeting the October 31 statutory reporting deadline.

However, Mr. Harrison criticized the Government for again failing to make financial reports public on a timely basis. Many of the completed financial statements that Mr. Harrison audited for 2012-13 and 2013-14 had still not been tabled in the Legislative Assembly when his Office issued the two audit reports. He noted that when financial reports are tabled late without any management discussion and analysis or the necessary performance information, the Legislative Assembly has no opportunity to hold Government to account for the use of public funds. Mr. Harrison explained that Government officials first need to develop the systems and practices to collect the information for the required reports. It has not yet begun that work.

*"The hard work of Government's accountants and my Office to meet the statutory deadlines is undermined by these delays,"* said Mr. Harrison. *"Any opportunity for real accountability is lost, as long as the reports sit on someone's desk."*

More information regarding these reports can be obtained by contacting Martin Ruben at the Office of the Auditor General at (345) 244-3206. Copies of the reports are available at [www.auditorgeneral.gov.ky](http://www.auditorgeneral.gov.ky).