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Mixed annual financial audit results

The Auditor General's annual [Audit Results Report](#) (Report 24 – November 2016), tabled in Parliament today, covers the 2015-16 audits of 167 agencies with combined assets of \$214 billion, and 238 certifications.

Auditor General Colin Murphy said that although many agencies are performing satisfactorily in relation to their financial reporting and controls, there is room for improvement.

Mr Murphy said 7 agencies received qualified audit opinions due to inaccuracies, deficiencies, or control weaknesses in their financial statements or key performance indicators (KPIs).

'Although this is a similar number to last year, a qualified audit opinion is a serious matter that agencies need to work harder to avoid.

'It was pleasing to see a decrease in the number of financial and management control deficiencies rated as significant, but disappointing that 31% of weaknesses at 36 agencies were unresolved from last year'.

Controls relating to expenditure, payroll and human resources, and governance had the most weaknesses.

'Also unacceptable is the higher number of information system control weaknesses of which 36% are unresolved from last year,' Mr Murphy said.

KPI weaknesses were similar in number to last year, with several agencies continuing to struggle to keep their KPIs relevant to their current mandate and operations, and the evolving information needs of users.

This year there was an increase in the number of agencies ready for us to audit them within 20 days of their year-end, and slightly less errors in the financial statements submitted for audit.

The report also includes information and ratios relating to State finances as well as a brief description of some of the more significant agency financial transactions that occurred in 2015-16.

Mr Murphy again urged the government to consider reducing the financial reporting requirements for the approximately 60 small agencies that together spend just 1% of State funds.

'Changes could be made to simplify financial reporting by these small agencies that would not in any way compromise the reporting of useful information.

'Parliament and the community need to know the State's finances are well managed and I expect all agencies to take note and act on the findings throughout the report,' Mr Murphy said.

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The Auditor General also tabled [*Opinion on Ministerial Notification*](#) (Report 25 – November 2016) that found the decision by the Minister for Regional Development not to provide Parliament with the Bunbury Waterfront Project business case was reasonable and appropriate.

Both reports are available on the Office of the Auditor General website at www.audit.wa.gov.au

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