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Results of annual financial audits of state sector entities tabled in Parliament

The Auditor General, Caroline Spencer, presented to Parliament today the *Audit Results Report – Annual 2017-18 Financial Audits of State Government Entities*, which provides a summary of 146 audits completed for the 2017-18 financial year.

Ms Spencer said that as a result of ongoing Machinery of Government changes, the audit effort of the Office this year had increased to evaluate the controls and key performance indicators of the new entities and to verify the transfer of asset and liability account balances.

‘I am pleased to report that State entities are adapting quite well in a time of significant change,’ she said.

‘While fewer entities were audit-ready within 20 days of year end (63% compared to 70% last year), the vast majority received clear audit opinions and just 6 received a qualified opinion, down from 9 last year.

‘The number of findings reported in our management letters to entities also declined.’

The report also includes a summary of other matters identified during the 2017-18 audits relating to the Annual Report on State Finances and operations of individual entities.

Ms Spencer used the report to call for simplified financial reporting for small entities.

‘Since my appointment as Auditor General, I have identified aspects of financial reporting that are very time consuming for report preparers and auditors,’ she said.

‘Consistent with the views of my predecessor, I believe that ultimately we need to reduce the financial reporting burden on small entities without compromising their accountability.’

Ms Spencer also encouraged all state sector audit committees and management to consider the good practice and common issues presented in this report.

‘The findings and recommendations of my audit reports, including this one, can alert internal audit to potential issues they should be considering in their own entities,’ she said.

‘In doing so, risks will be addressed more efficiently and new opportunities will be identified to stimulate continuous improvement and informed decision making within organisations.’

The *Audit Results Report – Annual 2017-18 Financial Audits of State Government Entities*, is available on the Office of the Auditor General website at www.audit.wa.gov.au.

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