
Summary

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The audit of the financial statements of public bodies and the presentation of those financial statements to the Oireachtas are fundamental in ensuring that there is effective accountability for the use of public funds. This report reviews the timeliness of public sector financial reporting, including the timeliness of presentation of audited financial statements to the Oireachtas. It identifies those bodies where delays in reporting have occurred, and the causes of those delays.

The report deals primarily with financial statements for periods ending in 2014. For the 2014 year of account, the Comptroller and Auditor General was responsible for the audit of the annual financial statements of almost 300 public bodies and funds in the central government sector with an aggregate turnover of just over €193 billion.

Production of financial statements and audit completion

For most public bodies, financial statements should be presented for audit within two to three months of the end of the accounting period. The appropriation accounts of Government departments were all produced within the required timeframe. In contrast, two thirds of other bodies did not produce financial statements until three months or more after the end of the accounting period. Four public bodies had not produced 2014 financial statements for audit by the end of 2015. *

Overall, the audits of 66% of 2014 financial statements had been completed by the end of September 2015, accounting for 95% of the turnover value subject to audit.

Accounts in arrears

There were 25 sets of financial statements in respect of prior years that had not been certified by the end of 2015.

The education and training boards had a particularly high level of arrears, with the 2013/2014 financial statements for nine of the 16 boards not certified at the end of 2015. Organisational change in the sector was a key factor in the delays. In 2013, the education and training boards replaced vocational education committees. They also took over responsibility for further education and training. Their first period of account was the 18 months to the end of 2014. By the end of November 2016, all but two of the 2013/2014 financial statements had been certified.

There have been ongoing delays in the production of financial statements and the finalisation of audits of universities. A number of factors have contributed to this, including the Higher Education Authority's requirement for the universities to prepare annual financial statements in two formats¹ and the fact that, in most cases, the governing authorities of universities have chosen to appoint commercial auditors to carry out an audit of the financial statements in addition to the statutory audit carried out by the Comptroller and Auditor General.

* **Correction:** the originally published report incorrectly stated the number of public bodies as six. The correct number is now shown. See paragraph 2.4.

¹ In addition to consolidated financial statements, the Higher Education Authority requires funding statements to ensure direct accountability for Exchequer funding received by universities.

Presentation of accounts to the Oireachtas

Most financial statements audited by the Comptroller and Auditor General are required by law to be laid before the Oireachtas. The general requirement is that the audited financial statements should be presented within three months of certification. Almost 60% of the 2014 financial statements (certified in 2015) were presented on time. The balance were presented late or had not been presented. The examination found that at 31 May 2016, there were six bodies whose financial statements had never been presented to the Oireachtas. Three of these have since been presented.