

## NEWS RELEASE

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### Audit of Public Accounts raises concerns: Auditor General

WINNIPEG – Manitoba Auditor General Tyson Shtykalo says he's concerned about an increasing number of control deficiencies and errors identified during his audit of the 2021-22 Public Accounts. To address these concerns, the Auditor General is launching a new audit examining the comptrollership model used by the Province of Manitoba.

"During our 2022 audit of the Public Accounts, we continued to encounter many of the same issues as prior years, including an increasing amount of control and accounting deficiencies," said Shtykalo, who today released his report, *Public Accounts and Other Financial Statement Audits*. The report provides an overview of the Auditor General's 2021-22 financial statement audit work.

In 2021-22, control and accounting deficiencies were found throughout the departments. These deficiencies included poor compliance with controls over purchases and expenses, inadequate accounting processes, and other control environment weaknesses. "Without the proper accounting controls in place, there is a greater risk of errors in financial reporting," Shtykalo said.

The Auditor General said that in order to mitigate the risk of undetected errors, his office this year expanded its financial statement audit work, which increased the time it took to complete the audit of the Public Accounts. The Public Accounts include the Province's consolidated financial statements. Next year, there will be new accounting standards which will require significant work on the part of the Province to implement, Shtykalo said. "Given the additional work required in 2023, I am concerned that without improvements to the Province's control and accounting deficiencies, there will be unacceptable delays in the finalization of the Public Accounts," he said.

The report notes concerns from officials regarding job vacancies and turnover, as well as a lack of adequate accounting knowledge in departments, as contributing to the deficiencies. "Regardless of these issues, it remains the responsibility of the Province to ensure appropriate controls are in place," the Auditor General said.

Under the current, decentralized comptrollership model, department officials are accountable for the performance of their divisions, and for ensuring compliance with the internal controls and accounting processes. The objective of the upcoming audit will be to assess whether the current comptrollership model provides an effective internal control structure and produces reliable financial information.

To view the report, please visit <http://www.oag.mb.ca/reports>.

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#### ABOUT THE AUDITOR GENERAL OF MANITOBA

The Auditor General is an officer of the Legislative Assembly mandated to provide independent assurance and advice to Members of the Legislative Assembly. Through its audits, the Office of the Auditor General seeks to identify opportunities to strengthen government operations and enhance performance management and reporting. For more information visit <http://www.oag.mb.ca/>

**For more information contact:**

Frank Landry, Communications Manager

204.792.9145

[frank.landry@oag.mb.ca](mailto:frank.landry@oag.mb.ca)