



Summary

Results of the 2018 school audits

Our report sets out the results of the school audits for 2018.

Overall, we continue to see improvements in school reporting, although fewer schools reported on time this year. The Ministry of Education (the Ministry) has also made progress on many of the recommendations from our previous reports on the results of school audits.

For most schools we audited, we did not identify any significant issues. We issued standard audit reports on the financial statements of most schools.

We completed 82% of the 2018 school audits by the statutory deadline of 31 May. This is a disappointing result because we had begun to see an improvement in timeliness in the past few years.

In our report, we set out details of schools where we have reported on specific matters. We also comment on matters we have identified from our audits and make some recommendations for the Ministry.

We have seen less sensitive expenditure matters referred to us compared to previous years. However, we have reported on a small number in our audit reports. Where auditors have raised concerns with us in areas such as gifts, hospitality, and entertainment, we have seen a reduction in the amount of money spent.



2018 school audits at a glance

We audited 2444 schools and related entities for 2018

By the 31 May statutory deadline:

We expect to complete

95% of audits

We completed only

82% of audits

We issued:

20
modified audit
opinions
for 2018 audits

and

11
modified audit opinions
for previous-year audits

Audits still outstanding at 30 September

123

from 2018

47

from previous years

37 schools are considered to be in serious financial difficulty

At the time the 2018 audits were completed:

773

hadn't published their 2017
annual reports online.

Of those that were published

457

were late.

Not publishing an annual report shows a lack of accountability to the school community (as well as a breach of legislation).

Breaches* by schools

42

borrowed more
than allowed

2

did not comply
with banking
arrangements

10

lent money to staff

1

did not use the
Ministry's payroll
service to pay teachers

4

had conflicts of
interest

5

invested \$ without
approval

2

other breaches

* Breaches of the Education Act 1989 and Crown Entities Act 2004, either disclosed by the school or those that we reported in a school's audit report.