



Summary

Central government: Results of the 2018/19 audits

This report summarises our audit of the *Financial Statements of the Government of New Zealand for the year ended 30 June 2019* (the Government's financial statements).

Government spending in New Zealand is about 37% of gross domestic product. How the Government manages its finances is therefore a significant determinant of the financial state of our nation.

The Government's financial statements draw on the financial information of more than 2000 public organisations. Together, they provide an account of what the Government collected in revenue (largely, people's taxes), what it spent, and how much we collectively own (the Crown's assets) and owe (the Crown's debt).

Importantly, behind the numbers are matters that make a real difference in all our lives – the taxes we pay, hospitals, schools, and the highways on which we drive. Although New Zealand operates a sound and transparent financial management system, we need to always look for improvements.

We would, for example, like to see more performance-related information reported together with the Government's financial statements. This would tell a richer overall story of what the public are receiving for the taxes they pay.

This report also summarises our carrying out of the Controller function. We want New Zealanders to have assurance that the money Parliament allocated to particular activities has been spent as intended. It is a strength of our financial management system that breaches to what has been approved by Parliament are very much the exception. For 2018/19, there were few breaches. These amounted to 0.2% of government expenditure. However, when they did happen, such as the Winter Energy Payments, they remind us of necessary rules for sound financial management.

It is important, as Parliament considers future changes to the public management system, that accountability of government to Parliament for the money it has approved to spend remains a central focus.

