



## **ISA 260 REPORTING POLICY**

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**Policy and Procedures**

**Effective: October 2023**

**To be reviewed: October 2026**

*To help the public service  
spend wisely*

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## INTRODUCTION

1. International Standards on Auditing (ISA) requires that we communicate certain matters to those charged with governance. At the end of the financial statement audit, the Office of the Auditor General (the OAG) staff prepares an ISA 260 Report – to those charged with governance. The ISA 260 Report is prepared for the sole use of those charged with governance and we accept no responsibility for its use by third parties.
2. To aid transparency, the OAG’s policy is to publish these reports on our website: [www.auditorgeneral.gov.ky](http://www.auditorgeneral.gov.ky). This was discussed and agreed with the Honourable Deputy Governor and the Financial Secretary prior to the policy being first introduced in 2018.

## TIMING OF RELEASE OF ISA 260 REPORTS

3. Under the *Public Management and Finance Act (PMFA)*, the OAG is to complete the financial statement audits of the various government entities four months after year-end i.e. by 30<sup>th</sup> April each year.
4. The audited financial statements, which include the audit opinion, form a part of the entity’s annual report, which is to be tabled in Parliament prior to becoming a public document. The PMFA states that these should be presented to the Cabinet for review and noting within five months after the year end i.e. by 31<sup>st</sup> May each year. After the Cabinet has reviewed and noted the reports they should be presented to the Parliament at its next sitting.
5. At the completion of the financial statement audit the OAG prepares and issues the ISA 260 Report to the client. However, the ISA 260 Reports are not tabled in Parliament.
6. The OAG uses the ISA 260 reports to inform the annual General Report, which reports on the financial and performance reporting of ministries, portfolios, statutory authorities, government companies, and the Entire Public Sector. The OAG prepares the General Report as soon as possible after the completion of the financial statement audits.
7. The OAG’s policy is to publish ISA 260 Reports on its website six months after the statutory deadline for the completion of that year’s financial audits, i.e. 31<sup>st</sup> October, each year. This allows sufficient time for individual entities’ annual reports, including the audited financial statements to be tabled in the Parliament and the OAG to prepare and issue the annual General Report.

## FREEDOM OF INFORMATION ACT REQUIREMENTS

8. If we receive a request for an ISA 260 Report before it is published on our website we will release the report, after informing the audit client.
9. The OAG aims to write ISA 260s in a way that minimises the need for redactions as disclosures that are sensitive or contravene the Freedom of Information or the Data Protection Act (2021 revision). If there are items to be redacted, the OAG will contact the client to obtain agreement to the redaction(s).

## CLIENT RELATIONS & PUBLISHING THE ISA 260 REPORT

10. The OAG's engagement letters with clients for financial statement audits indicate that the ISA 260 Report will be published in accordance with this policy and in conjunction with the *Freedom of Information Act*. For contracted-out financial statement audits, this communication will be provided to the client and the audit firm conducting the audit.
11. The OAG will publish ISA 260 Reports that include client responses to recommendations made by auditors. In exceptional circumstances, if management's comments are not received in a timely manner, the Auditor General reserves the right to publish the ISA 260 Report indicating "No management response received".
12. The OAG will not issue press releases informing the public when the ISA 260 Reports are being published on its website.
13. The OAG encourages clients to publish their ISA 260 Reports on their websites.