



Appendix two – Status of 2017 recommendations

Last year's report on our audits of NSW universities' 31 December 2017 financial statements included four recommendations. The table below describes the status of those recommendations.

Recommendation	Current status
Financial reporting and performance	
NSW universities should clarify the recognition and measurement of their liability for payroll tax on their defined benefit superannuation obligations before 31 December 2018.	NSW universities' financial statements for the year ended 31 December 2018 have included consistent recognition and measurement of the liability.
NSW universities should assess their student market concentration risk where they rely heavily on students from a single country of origin. This increases their sensitivity to economic or political changes in that country.	NSW universities have developed strategies to explore the student market in other regions as well as expand other sources of revenue. The results of these strategies are expected to be reflected in future years.
Financial controls and governance	
NSW universities should ensure controls, including information technology controls, are properly designed and operate effectively to protect intellectual property, staff and student data, and assets. Universities should rectify identified deficiencies in a timely manner.	Whilst NSW universities are implementing recommendations to address control risks, we identified an increase of internal control deficiencies from last year (99 in 2018 compared to 83 in 2017), including more repeat issues (38 in 2018 compared to 24 in 2017). Refer to Section 3.1 for more details.
NSW universities should strengthen their cyber security framework to manage cyber security risks. This includes developing: <ul style="list-style-type: none"> procedures, protocols and supporting systems to effectively identify, report and respond to cyber security threats and incidents staff awareness training and programs, including programs tailored for a range of audiences. 	NSW universities are still in the process of developing cyber security controls and training programs. Refer to Section 3.2 for more details.
Fully addressed	Partially addressed
	Not addressed