




Appendix two – Status of 2022 recommendations

Last year's report on our audits of NSW universities' 2022 financial statements included three recommendations. The table below describes the status of these recommendations.

Recommendation	Current status
Common accounting issues	
<p>Universities should conduct a comprehensive assessment of their employment agreements and historical pay practices to identify potential underpayments. The review should include consideration of:</p> <ul style="list-style-type: none"> • payroll system configuration for different wage types • adequacy of manual payroll processes and controls • interpretation of enterprise agreements on employee entitlements. 	<p>All universities conducted an assessment of their employment agreements and pay practices to identify potential underpayments during 2023.</p> <p>Six universities engaged an expert to assess the full scale of any potential underpayments and identified new categories of underpayments during 2023. This contributed to an increase in the total wage remediation provisions recorded by the universities from \$110 million as at 31 December 2022 to \$183 million as at 31 December 2023.</p>
Internal controls	
<p>Universities should prioritise actions to address repeat findings on internal control deficiencies in a timely manner, particularly those that have been repeat findings for a number of years.</p>	<p>Twenty-nine per cent of universities had repeat issues in 2023 compared to 47% in 2022.</p> <p>All of these Universities have set a timeframe for implementing the recommendations, or assigned responsibility/monitoring actions.</p>
<p>Entities should review their personally identifiable information (PII) retention policies to ensure PII stored is limited to the entity's needs, held only for the minimum duration it is legally and operationally required, and access is strictly limited.</p>	<p>Nine universities reviewed or started to review their PII retention policies in 2023 whereas one university has scheduled to complete the review in 2024.</p> <p>Four universities have made changes or planned to make changes to their PII retention policy or storage of PII as a result of their review.</p>
<p>Key</p>	<p>  Fully addressed  Partially addressed  Not addressed </p>