







Appendix two – Status of 2019 and 2018 recommendations

Status of 2019 recommendations

Recommendation	Current status
The Department should:	
Table its financial statements in parliament earlier, in line with other NSW Government agencies.	The Department delays tabling its financial statements in parliament so it can report its operational outcomes, which are aligned to the calendar year, in a single report. This reduces transparency over the Department's financial statements as they are tabled more than ten months after the end of the financial year. The Department plans to publish its financial statements in December 2020 and table its annual report in parliament in May 2021.
Ensure all schools apply the Department's 'Finance in Schools Handbook' as it is a key internal control.	The Department should continuously update its 'Finance in Schools Handbook' for relevance and ensure all schools comply with it.
Cluster agencies should:	
Improve their quality assurance processes for financial reporting to improve the accuracy of financial statements presented for audit.	The number of misstatements in the financial statements has been reduced by more thorough quality assurance over the information underpinning the financial statements.
Finalise their plans to implement the new accounting standards as soon as possible.	Cluster agencies implemented three new accounting standards during 2019–20. We recommend the Department and NESA review and validate lease data and information supplied by third parties.
Prioritise and action recommendations to address internal control weaknesses.	All agencies are assigning ownership of recommendations and timeframes for completion. All agencies are also reporting on the status of outstanding recommendations to their audit and risk committee. Of the 55 recommendations raised in our management letters, 40 have been implemented.
Key	 Fully addressed  Partially addressed  Not addressed

Status of 2018 recommendations

Recommendation	Current status
The Department should:	
Confirm leave data and review assumptions following deployment of the new HR/Payroll system to better estimate the liability for employee benefits and the amount to be assumed by the Crown Entity.	The long-standing issues with the Department's leave data have been rectified.
Key	 Fully addressed  Partially addressed  Not addressed