

Report highlights

What this report is about

Results of the financial statement audits of the public universities in NSW for the year ended 31 December 2022.

What we found

Unmodified audit opinions were issued for all ten universities.

Nine universities reported net deficits in 2022, and all showed a decline from their 2021 results.

Results were impacted by a decline in investment income and government grants.

Wage remediation provisions across the universities increased by 116% to \$110 million at 31 December 2022.

Expenditure increased as universities transitioned back to face-to-face teaching with the lifting of most COVID-19 restrictions.

Revenue from overseas students decreased by 0.5% overall in 2022, although not all universities were impacted equally.

Nearly 42% of fees and charges revenue came from overseas student revenue from three countries of origin (43% in 2021).

What the key issues were

We reported 88 findings to universities on internal control deficiencies (105 in 2021).

Six high risk findings were identified (four in 2021), relating to:

- IT control deficiencies in monitoring privileged user access
- password configuration
- cyber security process improvements
- lack of security over access to EFT payment files
- the status of a university's work in assessing its liability for underpayment of staff
- inadequate review of contracts leading to incorrect accounting treatments.

Two out of 13 entities reported financial losses

from cyber incidents in 2022.

Retention policies on personally identifiable information (PII) vary and universities can further reduce their PII exposure risk from cyber attack.

What we recommended

Universities should:

- conduct a comprehensive assessment of their employment agreements and historical pay practices to identify potential underpayments
- prioritise actions to address repeat findings on internal control deficiencies in a timely manner
- review their 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.

Fast facts

There are ten public universities in NSW, with 51 controlled entities in Australia and 23 overseas controlled entities.

\$11.1b

total revenue in 2022, a decrease of \$1 billion (9.5%) from 2021

79,123

overseas students in 2022, a decrease of 924 students (1.2%) from 2021

6

high risk findings identified (4 in 2021)

\$11.2b

total expenditure in 2022, an increase of \$694 million (6.6%) from 2021

200,073

domestic students in 2022, a decrease of 11,292 students (5.3%) from 2021

47%

of reported issues were repeat issues