

# Report highlights

## What this report is about

Results of the Education portfolio of agencies' financial statements audits for the year ended 30 June 2023.

## What we found

Unqualified audit opinions were issued for all Education portfolio agencies.

An 'other matter' paragraph was included in the TAFE Commission's independent auditor's report as it did not have a delegation or sub-delegation from the Minister for Education and Early Learning to incur expenditure on grants from other portfolio agencies.

## What the key issues were

Comprehensive valuations of buildings at the Department of Education (the department) and at the TAFE Commission found that certain assumptions applied in previous years needed to be updated, resulting in prior period restatements.

The department prepaid a building contractor for early works on a project and some of the prepayment is in legal dispute.

The department duplicated a claim for project funding from Restart NSW in 2021.

New parental leave legislation increased employee liabilities for portfolio agencies. The department and the NSW Education Standards Authority (the Authority) updated their financial

statements to record parental leave liabilities.

A high risk matter was raised for the Authority to improve the quality and timeliness of information to support their financial statement close process.

## What we recommended

Portfolio agencies should ensure any changes to employee entitlements are assessed for their potential financial statements impact under the relevant Australian Accounting Standards.

The department should:

- improve processes to ensure project claims are not duplicated
- assess the risks associated with providing prepayments to contractors.

## Fast facts

The Education portfolio administers and delivers education and training services for New South Wales students, workers and industry.

\$48.4b

property, plant and equipment as at 30 June 2023

100%

unqualified audit opinions issued on agencies' 30 June 2023 financial statements

22

monetary misstatements reported in 2022–23

\$25.0b

total expenditure incurred in 2022–23

1

high risk finding identified

22%

of reported issues were repeat issues