

# Report highlights

## What this report is about

Results of the audit of the Consolidated State Financial Statements of the New South Wales General Government Sector (GGS) and Total State Sector (TSS) for the year ended 30 June 2023.

## Findings

The audit opinion on the 2022–23 Consolidated State Financial Statements was qualified in relation to two issues and included an emphasis of matter.

The first qualification matter is a continuation of the prior year limitation of scope on the audit relating to the Catholic Metropolitan Cemeteries Trust (CMCT), a controlled state entity, who continued to deny access to its management, books and records for the purposes of a financial audit. As a result, the Audit Office was unable to obtain sufficient appropriate audit evidence to support the assets, liabilities, income and expenses relating to CMCT recorded in the TSS and the equity investment

recognised in the GGS relating to the net assets of CMCT.

The second qualification matter relates to the limitations on the accuracy and reliability of financial information relating to Statutory Land Managers (SLMs) and Common Trust entities (CTs) controlled by the State and were either exempted from requirements to prepare financial reports, or who were required to submit financial reports and have not done so. The Audit Office was unable to obtain sufficient appropriate audit evidence to determine the impact on the value of non-land assets and liabilities, income and expenses that should be recognised in the 2022–23 Consolidated State Financial Statements and which have not been recorded in the Consolidated State Financial Statements.

The independent audit opinion also includes an emphasis of matter drawing attention to key decisions made by the NSW Government regarding the

future of the Transport Asset Holding Entity of New South Wales (TAHE).

## Recommendations

The report includes recommendations for NSW Treasury to address several high-risk findings, including:

- ensuring accurate and reliable financial information is available to recognise the non-land balances of SLMs and CTs
- ensuring the CMCT, SLMs and CTs meet their statutory reporting obligations
- conducting a broader review of the financial reporting exemption framework
- continued monitoring of TAHE's control over its assets
- providing timely guidance to the sector relating to legislative or policy changes that impact financial reporting
- developing an accounting policy for the reimbursement of unsuccessful tender bid cost contributions.

## Fast facts

\$489b

property, plant and equipment recorded in the TSS as at 30 June 2023

\$6b

increase in the GGS' investment in other public sector entities in 2022–23. \$4 billion increase due to asset revaluation

29

monetary misstatements exceeding \$20 million identified in agencies' financial statements in 2022–23

\$10.6b

budget deficit of the GGS in 2022–23

\$74.9b

net debt position of the GGS at 30 June 2023

7

high-risk findings identified