

Report highlights

What the report is about

Results of the Stronger Communities cluster agencies' financial statement audits for the year ended 30 June 2022.

What we found

Unqualified audit opinions were issued on all completed 30 June 2022 financial statement audits. One audit is ongoing.

All 13 cluster agencies that have accommodation arrangements with Property NSW derecognised right-of-use assets and lease liabilities of \$917 million and \$1 billion respectively. The agencies also collectively recorded a gain on derecognition of \$136 million.

The Department of Communities and Justice (the department) assumed the responsibility for delivery of the Process and Technology Harmonisation program from the Department of Customer Service. In 2021–22, the department incurred costs of \$42.8 million in relation to the project, which remains ongoing.

The number of monetary misstatements identified during the audits decreased from 50 in 2020–21 to 48 in 2021–22.

What the key issues were

Six of the 15 cluster agencies required to submit 2021–22 mandatory early close procedures did not meet the statutory

deadlines. One agency did not complete all mandatory procedures.

Five high-risk findings were identified in 2021–22. They related to deficiencies in:

- user access administration at the department, NSW Rural Fire Service and New South Wales Aboriginal Land Council (NSWALC)
- segregation of duties at the NSW Trustee and Guardian and NSWALC.

Recommendations were made to those agencies to address these control deficiencies.

Fast facts

The Stronger Communities cluster, consisting of 26 agencies, aims to deliver community services to support a safe and just New South Wales.

\$12.5b

property, plant and equipment as at 30 June 2022

100%

unqualified audit opinions issued on all completed 30 June 2022 financial statement audits

48

monetary misstatements reported in 2021–22

\$23.5b

total expenditure incurred in 2021–22

5

high-risk findings identified

43%

of reported issues were repeat issues