

Report highlights

What this report is about

Result of the Transport portfolio of agencies' financial statement audits for the year ended 30 June 2023.

The audit found

Unqualified audit opinions were issued for all Transport portfolio agencies.

An 'emphasis of matter' paragraph was included in the Transport Asset Holding Entity of New South Wales' (TAHE) independent auditor's report, which draws attention to management's disclosure regarding proposed changes to TAHE's operating model.

Government's decision to convert TAHE into a non-commercial Public Non-Financial Corporation may impact the future valuation and the control of TAHE's assets.

Transport for NSW's valuation of roads and bridges resulted in a net increase to its asset value by \$15.7 billion.

Transport for NSW and Sydney Metro have capitalised over \$300 million of tender bid costs paid to unsuccessful tender bidders relating to significant infrastructure projects. Whilst NSW Treasury policy provides clarity on the reimbursement of unsuccessful bidders' costs, clearer guidance on how to account for these costs in agency's financial statements is required.

The key audit issues were

The number of issues reported to management decreased from 53 in 2021–22 to 49 in 2022–23.

High-risk findings include:

- gaps in how Sydney Metro manages its contractors and how conflicts of interest are recorded and managed
- future financial reporting implications to account for government's proposed changes to TAHE's future operating model, including asset valuations and control

assessments of assets and operations

- Parramatta Park Trust's tree assets' valuation methodology needs to be addressed.

Recommendations were made to address the identified deficiencies.

Fast facts

The Transport portfolio plans, delivers and operates integrated services and infrastructure across all modes of public, private and active transport.

There are 19 agencies in the portfolio.

\$164b

Road and maritime infrastructure assets as at 30 June 2023

100%

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

27

monetary misstatements reported in 2022–23

\$46b

Rail system infrastructure assets as at 30 June 2023

4

high-risk findings identified

39%

of reported issues were repeat issues