

Report highlights

What this report is about

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

The results of the audit of the NSW Government's consolidated Total State Sector Accounts (TSSA), which are prepared by NSW Treasury, will be reported separately in our report on 'State Finances 2023'.

The audit found

Unqualified audit opinions were issued on all general purpose financial statement audits.

Qualified audit opinions were issued on two of the 24 other engagements prepared by portfolio agencies. These related to payments made from Special Deposit Accounts that did not comply with the relevant legislation.

The number of monetary misstatements identified in our audits increased from 29 in 2021–22 to 39 in 2022–23.

The new parental leave policy impacted agencies across all portfolios. NSW Treasury should perform annual assessments to identify changes in legislation and regulation and provide timely guidance to the sector.

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 agencies' financial statements is required.

The key audit issues were

Five high-risk issues were reported in 2022–23. Three were new findings on contract management, accounting treatments for workers compensation renewal premium adjustments and the management and oversight of a Special Deposit Account. Two repeat issues referred to the need to improve quality review processes over financial reporting and the timely approval of administration costs.

Portfolio agencies should prioritise and action recommendations to address internal control deficiencies.

Fast facts

NSW Treasury aims to support the NSW Government's achievement of a sustainable economic and financial position, and the transition to net zero and a clean energy future.

\$202b

total assets as at 30 June 2023

100%

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

39

monetary misstatements reported in 2022–23

\$7.8b

total expenditure incurred in 2022–23

5

high-risk findings identified

20%

of reported issues were repeat issues