

## State agencies 2024

### About this report

Results and key themes from our audits of the state agencies' financial statements for the year ended 30 June 2024.

It also includes observations on the following areas of focus:

- risk management
- capital projects
- shared service arrangements.

### Findings

The Treasurer did not table the audited Total State Sector Accounts (TSSA) in Parliament as required by the *Government Sector Finance Act 2018*, and Responsible Ministers did not table 16 annual reports in Parliament by the required date.

### Audit results

Unqualified opinions were issued for all but one agency. The quality of financial statements submitted for audit improved, with reported misstatements down to a gross value of \$3.9 billion in 2023–24, compared to \$10.8 billion in 2022–23.

### Key themes

Errors in accounting for assets led to financial statements adjustments of \$1.4 billion.

Our audits identified deficiencies in key controls across financial management, payroll, contract management and procurement.

### Risk management

Risk management maturity is low across most agencies. Some of the largest 40 agencies self-assess their risk maturity as requiring improvement.

### Capital projects

There is a lack of transparency in the NSW budget papers relating to significant capital projects. The estimated total costs for some major projects are not published as the amounts are considered commercially sensitive. The budget papers do not provide a complete and accurate reflection of the actual costs of large infrastructure projects.

### Shared service arrangements

Three of the five agencies that provide shared services to 108 customer agencies did not obtain independent assurance over the effectiveness of their control environment.

### Recommendations

The report makes recommendations to agencies to improve controls and processes in relation to:

- financial reporting
- financial management
- risk management
- shared service arrangements
- capital projects.

## Fast facts

258

reported misstatements

\$3.9 billion

gross value of errors

1

agency received a qualified audit opinion

5 of 15

of the most significant ongoing projects did not have an estimated completion date

8 of 15

of the most significant ongoing projects did not have an estimated total cost

3 of 5

shared service providers did not obtain independent assurance over their control environment