

Audit Results Report

Annual 2015 Financial Audits

Report 5: May 2016

This report covers the audits of financial statements, controls and key performance indicators of entities with a financial year ending 31 December 2015, primarily universities and state training providers. It also includes the results of other audits finalised since 1 November and concludes the 2015 annual audit cycle reporting.

Audit opinions

- We issued clear audit opinions for all 4 universities, their subsidiaries and the 11 state training providers for the year ended 31 December 2015.
- We issued 8 other clear audit opinions. In addition, the Art Gallery of Western Australia received a qualified opinion on its financial statements as we were unable to determine whether the reported value of its works of art represented fair value as the collection had not been valued since 2010.
- 49 certifications were also issued, including 39 for Royalties for Regions projects.

Management issues

- We reported 74 financial and management control weaknesses to universities and state training providers, up slightly from 72 last year. Twenty-seven percent were unresolved from the previous year.
- 113 information systems control issues were identified, up from 97 last year. Thirty-six percent were unresolved issues from previous audits.
- Universities' and state training providers' annual and long service leave liabilities showed an overall reduction of \$10.4 million, interrupting the recent trend of increasing leave liabilities. Part of the reduction was due to a voluntary separation scheme accepted by 231 employees of state training providers.
- Two universities and 4 state training providers met our best practice standard for their good financial controls and reporting practices in 2015.

Financial performance and graduate survey information

This report also includes selected financial indicators and summarised key performance information for universities and state training providers.

- Since the introduction of higher fees for vocational education and training in January 2014, student fee revenue of state training providers has increased while the amount of training delivered has continued to decrease.
- The state's 4 public universities and 11 state training providers were, for the most part, a low to medium risk when measured against selected financial performance indicators, though the risk level increased slightly overall in 2015.
- Graduate survey information for each educational institution and combined revenue and expenses for the two sectors, universities and state training providers, are also provided in this report to assist Parliament in monitoring of performance for the tertiary education sector.



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