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## **Clear report card for universities and TAFEs but more needs to be done to manage contract extensions and variations**

The Auditor General has tabled his annual financial audit results report giving clear audit opinions to all 4 public universities and 5 TAFEs for their financial statements, controls and key performance indicators for 2017.

Mr Murphy said 3 universities and 1 TAFE had achieved best practice status for good financial controls and reporting practices.

The report summarises the results of the annual audits of the 4 public universities and their subsidiaries and the 5 TAFEs for the year ended 31 December 2017, as well as a small number of various other audits.

‘Over a third of the financial and management control issues we identified were unresolved from previous years,’ Mr Murphy said.

‘I encourage institutions to promptly address financial management and information systems control issues to ensure the continuing integrity of their financial controls and external reporting.’

The report also includes the results of an assessment on the management of contract extensions and variations at 7 of the tertiary entities.

WA universities and TAFEs spend hundreds of millions of dollars annually on purchasing a wide range of goods and services – a significant number of these purchases are made through contracts.

Mr Murphy said that all 7 entities had satisfactory controls over contract variations, but that management of contract extensions, including the review of contractor performance, needed to be improved.

‘The contract records of most entities did not have all key information required for effective management of the contracts,’ he said.

‘Robust contract management processes help to ensure that contracting is effective, meets standards expected by Parliament and public, and provides good value for money for tax payers.

‘Good management of contract extensions and variations is essential to achieving these outcomes.’

The Auditor General’s report *Audit Results Report – Annual 2017 Financial Audits and Management of Contract Extensions and Variations* (Report 6 – May 2018) is available on the Office of the Auditor General website at [www.audit.wa.gov.au](http://www.audit.wa.gov.au).

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