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15 May 2019

## **Auditor General finds financial management controls and reporting at Western Australian universities and TAFEs are generally sound**

Western Australia's Auditor General, Ms Caroline Spencer, has presented her third audit report of the day to Parliament. This report focused on the management and financial performance of WA's public tertiary education sector.

[Audit Results Report – Annual 2018 Financial Audits](#) summarises the results of the 2018 annual cycle of financial audits at Western Australia's 4 public universities and 5 TAFEs.

WA's tertiary sector forms part of a significant international education industry. Its universities<sup>1</sup> had combined assets of \$6.5 billion at 31 December 2018, while the 5 TAFEs<sup>2</sup> had assets valued at \$1.2 billion.

The total revenue of this sector in 2018 was \$3.1 billion (\$2.6 billion attributed to the universities and \$501 million to TAFEs), including Commonwealth and State funding.

This audit revealed that financial management controls at the universities and TAFEs have generally improved across the board, but priority needs to be given to monitoring information system security, continuity and functionality.

We issued clear (unqualified) opinions for all the universities and TAFEs on their financial statements, controls and key performance indicators. A clear (unqualified) audit opinion generally indicates that satisfactory controls are in place and that information is fairly presented.

Ms Spencer said 'Our audit findings indicate a trend where universities and TAFEs have improved their financial and management controls, with 34 control weaknesses identified this year, compared to 60 weaknesses last year.'

'Edith Cowan University and South Metropolitan TAFE achieved our best practice status for good financial controls and reporting practices, which is a real positive in this space,' she said.

However, the audit also identified information system and risk management controls are generally not improving. We identified 90 information system control issues at the universities and TAFEs. Fifty-seven percent were unresolved issues from the previous year.

All universities, TAFEs and other government entities should address the financial management, key performance indicators, and information systems control weaknesses we identified in a timely manner to ensure the continuing integrity of their financial controls and external reporting.

'I recommend that executive management in each government entity gives priority to monitoring information system security, continuity and functionality,' said Ms Spencer.

You can read today's *Audit Results Report – Annual 2018 Financial Audits* report at [audit.wa.gov.au](http://audit.wa.gov.au).

ENDS

<sup>1</sup> Curtin University, Edith Cowan University, Murdoch University, and the University of Western Australia)

<sup>2</sup> Central Regional TAFE, North Metropolitan TAFE, North Regional TAFE, South Metropolitan TAFE, and South Regional TAFE

**Download the report**

[\*Audit Results Report – Annual 2018 Financial Audits\*](#) (Full PDF version)

**Last year's Audit Results Report - Annual 2017 Financial Audits**

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