



Audit  
**Tasmania**

Audit of State entities and audited  
subsidiaries of State entities  
31 December 2024 and 30 June 2025  
Volume 1  
Annual Audit Update  
Report of the Auditor-General  
No.2 of 2025-26

# Introduction

- This report is the first of 4 volumes
- Volume 1:
  - this volume reports on the audit findings related to the control frameworks of State entities
  - progress by management in relation to prior year findings from our financial audits
  - progress against implementation of our performance audit recommendations and other investigations
- Volume 2:
  - will report on the status of financial statements audits and provides analysis and commentary on State entities and audited subsidiaries in the Public Financial and Public Non-Financial Corporations sector. To be tabled in November 2025

# Introduction (cont.)

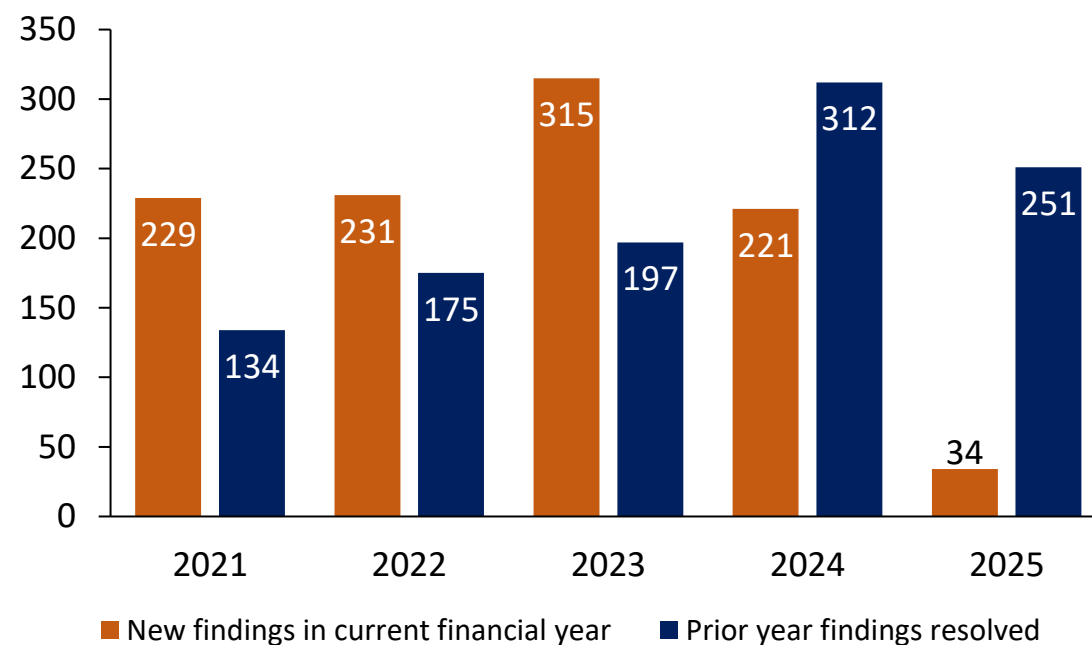
- Volume 3
  - will report on the status of financial statements audits and provides analysis and commentary on State entities and audited subsidiaries in the General Government Sector and other uncategorised State entities and audited subsidiaries. To be tabled in December 2025.
- Volume 4
  - will report on the status of financial statements audits and provides analysis and commentary on State entities and audited subsidiaries in the Local Government Sector. To be tabled in Q3 of 2025-26.

## Introduction (cont.)

- We have replaced our previous Memorandum of Audit Findings, which was typically issued between August and December with an Annual Audit Outcomes Report issued by 30 June 2025.
- The number of new findings raised in this report is significantly less than in previous years; this in part represents the transition from our previous reporting practices.
- State entities have continued to address a significant number of audit matters each year.
- The University recorded a fourth consecutive deficit from core operations, resulting in the accumulated total deficits from over the last 4 years now exceeding \$122.40 million

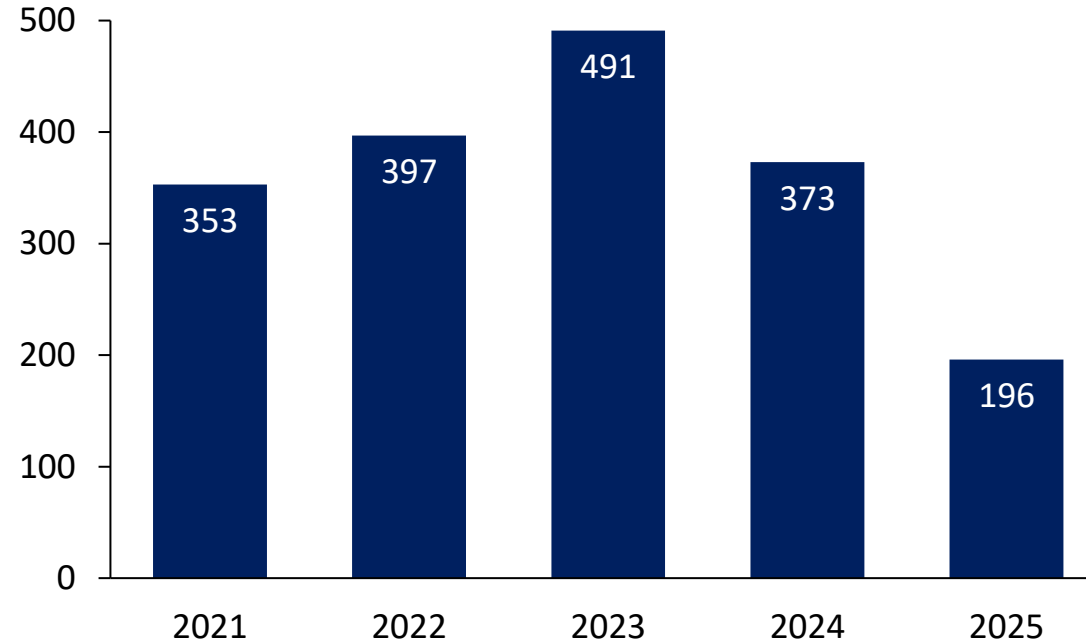
# New and resolved findings

- The report notes ongoing improvements by entities in resolving findings raised in past audits and a significant number of prior period matters that have been resolved.



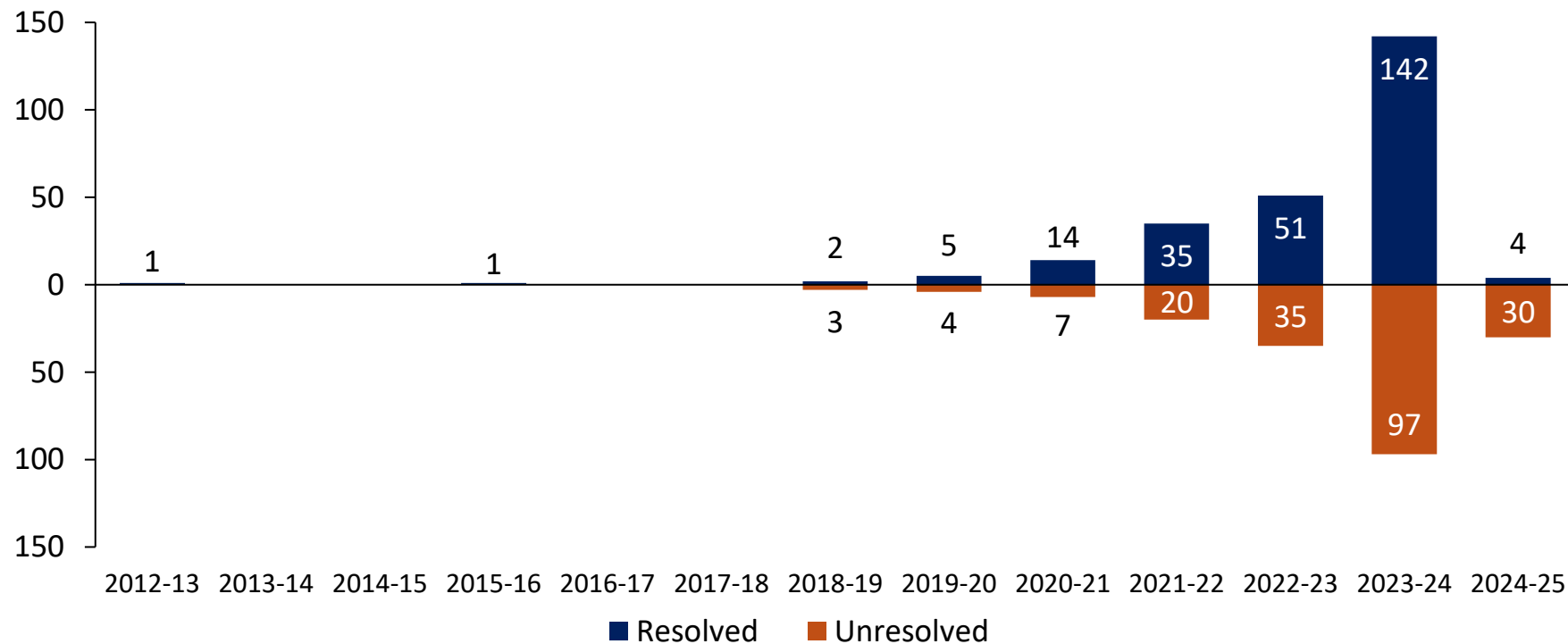
# Unresolved findings

- We acknowledge the efforts taken by many entities to continuously improve their control structures in the face of changing technology and risks.



# Resolved and unresolved findings

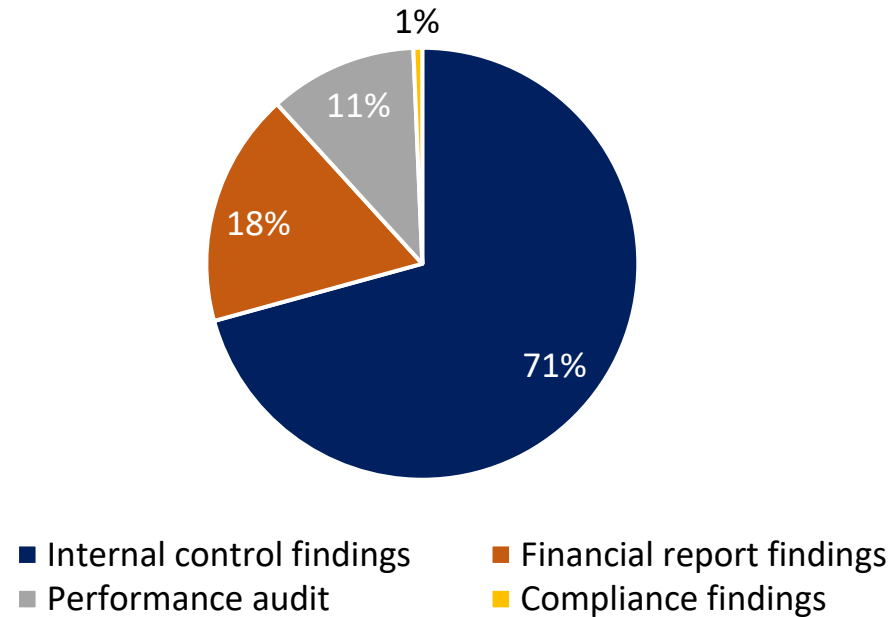
Number of resolved and unresolved audit matters by period first identified



# Finding classification

Audit Tasmania classifies audit matters into 1 of 4 categories, being:

- Internal control findings
- Financial report findings
- Compliance findings
- Performance audit matters.





# Themes

## Payroll, related party, KMP

High: 1  
Moderate: 6  
Low: 13

20

## Review and approval

High: 1  
Moderate: 9  
Low: 6

16

## Other

High: 2  
Moderate: 10  
Low: 9

21

21

## Non-FA Findings

196

## General IT Controls

High: 4  
Moderate: 37  
Low: 21

63

## Non-financial assets

High: 8  
Moderate: 8  
Low: 10

26

## Documentation

High: 0  
Moderate: 3  
Low: 24

27

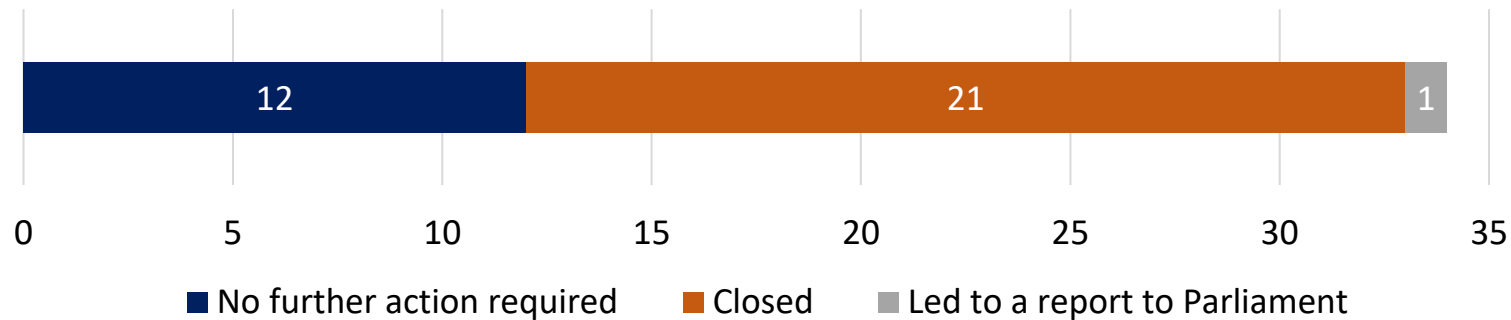
# Themes

Several common areas of concern continue to appear. The higher risk areas include continued weaknesses in relation to:

- Inadequate information technology controls
- Gaps in the management of infrastructure
- Inadequate segregation, review and approval processes
- Inadequate supporting documentation

# Referrals

- We received a total of 34 referrals in 2024-25, down from the 38 received in 2023-24.
- Of these, 12 were assessed as requiring no further action, 21 were reviewed with the matter closed and 1 has resulted in an investigation included in the [Annual Plan for 2025-26](#), with the report planned to be tabled in quarter 1 of 2025-26



# Outcomes of 31 December 2024 audits

- The most significant finding in relation to these audits is the continued financial challenges facing the University of Tasmania.
- The University recorded a fourth consecutive deficit from core operations, resulting in the accumulated total deficits from over the last 4 years now exceeding \$122.40 million.
- Continued deficits from core operations are not sustainable and the University will need to ensure it follows through with its plans to address the current trend of deficits.
- A response from the University of Tasmania to this matter is provided in the body of this report on page 25.

# Auditing the auditor

- Audit Tasmania is subject to a periodic review of the efficiency, effectiveness and economy of our operations at least once in every period of 5 years (section 44 of the *Audit Act 2008*). The last section 44 review was conducted by Moore Stephens Audit (Vic) in March 2024 and covers the period 2019-2023.
- Audit Tasmania is subject to annual audits of its financial statements by our external auditors, Newton & Henry. The process of appointing an auditor of Audit Tasmania is conducted by the Department of Treasury and Finance.
- Additionally, Newton & Henry sign and Independent Auditor's Review Report on Audit Tasmania's Performance Report each year; making Audit Tasmania the only State entity that has a review performed over its Performance Report.