



FINANCIAL AUDIT

19 DECEMBER 2023

# Health 2023

NEW SOUTH WALES AUDITOR-GENERAL'S REPORT

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## THE ROLE OF THE AUDITOR-GENERAL

The roles and responsibilities of the Auditor-General, and hence the Audit Office, are set out in the *Government Sector Audit Act 1983* and the *Local Government Act 1993*.

We conduct financial or 'attest' audits of state public sector and local government entities' financial statements. We also audit the Consolidated State Financial Statements, a consolidation of all state public sector agencies' financial statements.

Financial audits are designed to give reasonable assurance that financial statements are true and fair, enhancing their value to end users. Also, the existence of such audits provides a constant stimulus to entities to ensure sound financial management.

Following a financial audit the Audit Office issues a variety of reports to entities and reports periodically to Parliament. In combination, these reports give opinions on the truth and fairness of financial statements, and comment on entity internal controls and governance, and compliance with certain laws, regulations and government directives. They may comment on financial prudence, probity and waste, and recommend operational improvements.

We also conduct performance audits. These assess whether the activities of government entities are being carried out effectively, economically, efficiently and in compliance with relevant laws. Audits may cover all or parts of an entity's operations, or consider particular issues across a number of entities. Our performance audits may also extend to activities of non-government entities that receive money or resources, whether directly or indirectly, from or on behalf of government entities for a particular purpose.

As well as financial and performance audits, the Auditor-General carries out special reviews, compliance engagements and audits requested under section 27B(3) of the *Government Sector Audit Act 1983*, and section 421E of the *Local Government Act 1993*.

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In accordance with section 52B of the *Government Sector Audit Act 1983*, I present a report titled '**Health 2023**'.

**Margaret Crawford PSM**

Auditor-General for New South Wales  
19 December 2023



## RECONCILIATION COMMITMENT STATEMENT

The Audit Office of New South Wales pay our respect and recognise Aboriginal people as the traditional custodians of the land in NSW.

We recognise that Aboriginal people, as custodians, have a spiritual, social and cultural connection with their lands and waters, and have made and continue to make a rich, unique and lasting contribution to the State. We are committed to continue learning about Aboriginal and Torres Strait Islander peoples' history and culture.

We honour and thank the traditional owners of the land on which our office is located, the Gadigal people of the Eora nation, and the traditional owners of the lands on which our staff live and work. We pay our respects to their Elders past and present, and to the next generation of leaders.

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# **Section one**

## **Health 2023**

This report analyses the results of our audits of the Health portfolio of agencies for the year ended 30 June 2023.

# 1. Introduction

This report provides Parliament and other users of the Health portfolio of agencies' financial statements with the results of our audits, analysis, conclusions and recommendations in the following areas:

- financial reporting
- audit observations.

## 1.1 Snapshot of the portfolio of agencies

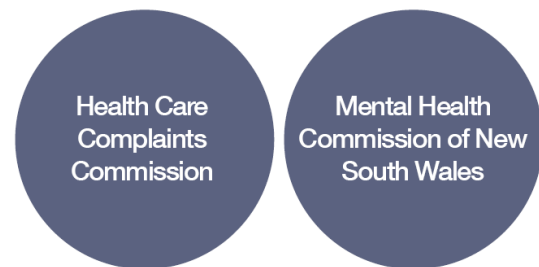
# Health

### Key agencies

Principal Department



Agencies



Source: NSW Budget Papers 2023–24.

The NSW Government announced in the 2023–24 budget papers its intention to shift from agency-based outcomes to a broad set of wellbeing and performance measures. The outcomes that were applicable to this portfolio of agencies in 2022–23 are listed below.

**Key objective(s) of the Health portfolio:** Provide a world-class, sustainable health system that delivers high-quality care and treatment, is personalised, invests in wellness and is digitally enabled.

State outcomes	Description
<b>People receive high-quality, safe care in our hospitals</b>	Delivering world-class medical and surgical care within clinically recommended timeframes, with NSW Health managing the largest public hospital system in Australia.
<b>People can access care in out of hospital settings to manage their health and wellbeing</b>	Extending beyond the hospital and connects across a range of care settings to reduce the burden of chronic disease, assist people with conditions to live well and avoid complications, support people to recover from illness and injury, and prevent avoidable hospitalisations.
<b>People receive timely emergency care</b>	Managing and operating ambulance and emergency services.
<b>Keeping people healthy through prevention and health promotion</b>	Promoting public health, controlling infectious disease, reducing preventive diseases and death, helping people manage their own health including mental health, and promoting equitable health outcomes in the community.
<b>Our people and systems are continuously improving to deliver the best health outcomes and experiences</b>	Providing a skilled workforce with access to world-leading education and training, and a system that harnesses research and digital innovation to inform service delivery is essential to continuously improve outcomes and experiences across the system.

Source: NSW Budget Papers 2022–23.

## 1.2 Changes to the portfolio

### **Commencement of the *Greater Sydney Parklands Trust Act 2022***

Effective 1 July 2022, the *Greater Sydney Parklands Trust Act 2022* resulted in the transfer of Wistaria Gardens, including \$9.4 million in land and buildings, from Western Sydney Local Health District (the district) to the Parramatta Park Trust.

This report is focused on agencies in the Health portfolio as at 30 June 2023. The Ministry of Health includes 26 controlled entities, including 15 local health districts. The entities comprising NSW Health and their financial data are at [Appendix four](#).

## 2. Financial reporting

Financial reporting is an important element of good governance. Confidence and transparency in public sector decision-making are enhanced when financial reporting is accurate and timely.

This chapter outlines our audit observations related to the financial reporting of agencies in the Health portfolio of agencies (the portfolio) for 2023.

### Section highlights

- Unqualified audit opinions were issued for all portfolio agencies required to prepare general purpose financial statements.
- The total number of errors (including corrected and uncorrected) in the financial statements increased compared to the prior year.
- The Ministry of Health retrospectively corrected an \$18.9 million adjustment in its financial statements relating to long service leave entitlements for certain employees.
- Graythwaite Charitable Trust retrospectively corrected a \$4.2 million adjustment in its financial statements related to prior period valuations.

### 2.1 Portfolio financial information 2023

Agency	Total assets \$m	Total liabilities \$m	Total income* \$m	Total expenses** \$m
<b>Principal department</b>				
Ministry of Health***	34,228.6	7,440.2	30,181.4	29,778.1
<b>Other portfolio agencies listed in Appendix A of Treasurer's Direction TD21-02</b>				
Health Care Complaints Commission	8.8	4.3	24.7	23.8
Mental Health Commission of New South Wales	1.6	1.1	8.3	8.4

\* Includes other gains.

\*\* Includes other losses.

\*\*\* Figures disclosed are for the consolidated entity.

Source: Agencies' audited 2022–23 financial statements.



## 2.2 Quality of financial reporting

### Audit opinions

#### Unqualified audit opinions were issued on agencies' financial statements

Unqualified audit opinions were issued on all Health portfolio agencies' 30 June 2023 financial statements. Sufficient and appropriate audit evidence was obtained to conclude the financial statements were free of material misstatement.

The Health entities below present 'adjusted budget information' in their financial statements:

- each of the 15 local health districts
- the two specialty networks
- the five Pillar agencies, which provide specialist services and support to frontline staff
- Health Administration Corporation.

These Health entities make disclosures in their financial statements that this budgetary information is not prepared on the same basis required within AASB 1055 'Budgetary Reporting'. Original budgeted information is not presented.







Our Independent Auditor's Report for each of the above entities includes an emphasis of matter paragraph, which does not modify the audit opinion, but draws attention to each of the portfolio agencies' disclosures about the basis of preparation of its budgetary information.

#### The number of identified monetary misstatements increased in 2022–23

The number of monetary misstatements identified during the audits of portfolio agencies' financial statements increased from 34 in 2021–22 to 62 in 2022–23. A monetary misstatement is an error in an amount recognised in the financial statements initially submitted for audit.

Reported corrected misstatements increased from nine in 2021–22 to 23 with a gross value of \$481 million in 2022–23. Reported uncorrected misstatements increased from 25 in 2021–22 to 39 with a gross value of \$184 million in 2022–23. The number of uncorrected misstatements increased because changes to the paid parental leave scheme were not recognised in individual NSW Health entities' financial statements. The Ministry of Health recognised the total liability at 30 June 2023 for the consolidated group. This is further explained in [section 2.4](#) below.

The table below shows the number and quantum of monetary misstatements for the past two years.

Year ended 30 June	2023		2022	
				
Less than \$50,000	--	3	--	--
\$50,000 to \$249,999	1	5	--	1
\$250,000 to \$999,999	4	4	--	2
\$1 million to \$4,999,999	3	12	1	7
\$5 million and greater	15	15	8	15
<b>Total number of misstatements</b>	<b>23</b>	<b>39</b>	<b>9</b>	<b>25</b>
<b>Key</b>		<b>Corrected misstatements</b>		<b>Uncorrected misstatements</b>

Source: Engagement Closing Reports issued by the Audit Office of New South Wales.

Refer to [Appendix one](#) for details of corrected and uncorrected monetary misstatements by agency.

Of the 23 corrected monetary misstatements, 15 had a gross value of greater than \$5 million and related to the following:

Agency	Description of corrected misstatements > \$5 million
Ministry of Health - Consolidated Entity	<ul style="list-style-type: none"> <li>Understatement of employee entitlement provisions estimated at \$117 million arising from the recent changes to the paid parental leave scheme effective from 1 October 2022.</li> </ul>
Health Administration Corporation and Ministry of Health	<ul style="list-style-type: none"> <li>\$76.9 million understatement of a receivables balance for capital project funding from the Ministry of Health (the Ministry) that was written off against costs incurred on capital projects in 2016–17. The Ministry recognised a corresponding payable for the same amount.</li> </ul>
Nine health entities	<ul style="list-style-type: none"> <li>Property, plant and equipment was understated by \$134 million as nine health entities processed fair value adjustments after the financial statements were submitted following indexation updates.</li> </ul>
Three health entities	<ul style="list-style-type: none"> <li>Property, plant and equipment was overstated by \$65.1 million as they incorrectly processed fair value adjustments to work in progress balances.</li> </ul>

Of the 39 uncorrected monetary misstatements, 15 had a gross value of greater than \$5 million, which comprise the following:

Agency	Description of uncorrected misstatements > \$5 million
Nine health entities	<ul style="list-style-type: none"> <li>Provisions and employee related expenses were understated by \$84.3 million for nine health entities that did not recognise a provision for paid parental leave entitlements. The misstatements for these entities ranged from \$5.1 million to \$14.2 million. Whilst these health entities did not recognise the paid parental leave provision in their financial statements, the Ministry processed the adjustment in its consolidated financial statements (refer to corrected misstatements above).</li> </ul>
Ministry of Health - Consolidated Entity	<ul style="list-style-type: none"> <li>Employee related expenses and acceptance by the Crown of employee benefits and other liabilities revenue were understated by \$19.7 million because the Ministry did not update its calculations for the revised long service leave present value factor, which was received after the financial statements were submitted for audit.</li> </ul>
Health Administration Corporation	<ul style="list-style-type: none"> <li>HealthShare NSW's Rapid Antigen Tests inventory valuation was overstated by \$17 million due to errors in its impairment calculations.</li> <li>Health Infrastructure's work in progress accruals, and the related receivable from NSW health entities, were overstated by \$8 million. Accruals were based on management's estimates, which were higher than actual costs.</li> </ul>
Western Sydney Local Health District	<ul style="list-style-type: none"> <li>Payables were overstated by \$6.1 million as the district incorrectly recognised a liability, and associated prepayment, for dental vouchers issued to patients where the services had not been performed.</li> </ul>
Ministry of Health	<ul style="list-style-type: none"> <li>Provisions and operating expenses were understated by \$5.8 million as the Ministry did not recognise a provision for costs it estimates will be required to be paid. The Ministry also did not recognise a receivable from its insurer for the reimbursement of these costs.</li> </ul>

## Twenty-nine agencies were exempt from financial reporting in 2022–23

Part 3A Division 2 of the Government Sector Finance Regulation 2018 (GSF Regulation) prescribes certain kinds of GSF agencies not to be a reporting GSF agency. Twenty-nine portfolio agencies assessed and determined they met the reporting exemption criteria under the GSF Regulation, and therefore were not required to prepare annual financial statements.

Agencies	GSF Regulation reference	Basis for reporting exemption
<b>Special purpose service entities</b>		
Agency for Clinical Innovation Special Purpose Service Entity	Part 3A, Division 2, Section 9F of the GSF Regulation	The GSF Regulation prescribes that a GSF agency that comprises solely of persons who are employed to enable another particular GSF agency to exercise its function not to be a reporting GSF agency.  Service entities satisfy this requirement and therefore are exempted from preparing financial statements in 2022–23. These exemptions are standing in nature and continue from the previous year.
Ambulance Service of NSW Special Purpose Service Entity		
Bureau of Health Information Special Purpose Service Entity		
Cancer Institute NSW Special Purpose Service Entity		
Central Coast Local Health District Special Purpose Service Entity		
Clinical Excellence Commission Special Purpose Service Entity		
Far West Local Health District Special Purpose Service Entity		
Health Care Complaints Commission Staff Agency		
Health Education and Training Institute Special Purpose Service Entity		
Health Infrastructure Employment Division		
Hunter New England Local Health District Special Purpose Service Entity		
Illawarra Shoalhaven Local Health District Special Purpose Service Entity		
Justice Health and Forensic Mental Health Network Special Purpose Service Entity		
Mental Health Commission Staff Agency		
Mid North Coast Local Health District Special Purpose Service Entity		
Murrumbidgee Local Health District Special Purpose Service Entity		
Nepean Blue Mountain Local Health District Special Purpose Service Entity		
Northern NSW Local Health District Special Purpose Service Entity		
Northern Sydney Local Health District Special Purpose Service Entity		
NSW Health Pathology Special Purpose Service Entity		

Agencies	GSF Regulation reference	Basis for reporting exemption
Public Health System Support Employment Division		
South Eastern Sydney Local Health District Special Purpose Service Entity		
Southern NSW Local Health District Special Purpose Service Entity		
South Western Sydney Local Health District Special Purpose Service Entity		
Sydney Local Health District Special Purpose Service Entity		
The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children) Special Purpose Service Entity		
Western NSW Local Health District Special Purpose Service Entity		
Western Sydney Local Health District Special Purpose Service Entity		
<b>Small agency</b>		
Albury Wodonga Health Employment Division	Part 3A, Division 2, Section 9D of the GSF Regulation	<p>The GSF Regulation prescribes that a GSF agency that meets all of the following requirements is not to be a reporting GSF agency:</p> <ul style="list-style-type: none"> <li>• the assets, liabilities, income, expense, commitments and contingent liabilities of the agency are each less than \$5 million</li> <li>• the total cash or cash equivalent held by the agency is less than \$2.5 million</li> <li>• at least 95% of the agency's income is derived from money paid out of the Consolidated Fund or money provided by other GSF agencies</li> <li>• the agency does not administer legislation for a Minister by or under which members of the public are regulated.</li> </ul>

Matters around the effectiveness of the exemptions framework will be reported in our Report on State Finances.

## 2.3 Timeliness of financial reporting

### Early close procedures

#### Early close mandatory procedures were submitted on time

NSW Treasury introduced early close procedures to improve the quality and timeliness of year-end financial statements. In February 2023, NSW Treasury reissued Treasurer's Direction TD19-02 'Mandatory Early Close as at 31 March each year' (TD19-02) and reissued Treasury Policy and Guidelines TPG22-11 'Agency Direction for the 2022–23 Mandatory Early Close'. These pronouncements require the GSF agencies listed in Appendix A of TD19-02 to perform the mandatory early close procedures and provide the outcomes to the audit team by 27 April 2023. The 17 mandatory procedures are listed in [Appendix two](#).

Portfolio agencies met the statutory deadline for submitting their 2022–23 early close financial statements and other mandatory procedures.

### Year-end financial reporting

#### NSW Treasury required all agencies to submit their financial statements by 1 August 2023

In June 2023, NSW Treasury issued a suite of Treasurer's Directions and Treasury Policy and Guidelines for 2022–23 financial reporting requirements and timetables:

- Treasurer's Direction TD21-02 'Mandatory Annual Returns to Treasury' (TD21-02) and Treasury Policy and Guidelines TPG23-13 'Agency Direction for the 2022–23 Mandatory Annual Returns to Treasury' require agencies listed in the Appendix A of TD21-02 to submit their 2022–23 financial statements to both NSW Treasury and the Audit Office by 1 August 2023.
- Treasury Policy and Guidelines TPG23-14 'Agency guidelines for the 2022–23 Mandatory Annual Returns to Treasury for New South Wales public sector agencies that are not included in TD21-02' requires New South Wales public sector agencies not listed in Appendix A of TD21-02 to submit their draft 2022–23 financial statements to NSW Treasury by 1 August 2023.
- Treasurer's Direction TD21-03 'Submission of Annual GSF Financial Statements to the Auditor-General' requires reporting GSF agencies that are not listed in Appendix A of TD21-02 to submit their annual financial statements for audit within six weeks after the year end.

#### Financial statements were submitted on time for all portfolio agencies

Portfolio agencies met the reporting deadlines for submitting their 2022–23 year-end financial statements. The *Government Sector Audit Act 1983* does not specify the statutory deadline for issuing the audit reports.

[Appendix three](#) shows the timeliness of the year-end financial reporting for portfolio agencies.

## 2.4 Key accounting issues

The following section describes the range of accounting issues that were considered and concluded on through the course of the 2022–23 financial statement audits. Some of these are new matters, whilst others were a re-assessment of previously reported matters to ensure that the accounting treatment remained applicable. Not all matters necessarily resulted in a monetary adjustment but where this has occurred, these have been disclosed below.

### Recognition of a \$117 million liability for Paid Parental Leave

On 27 September 2022 the former Department of Premier and Cabinet issued a determination that provided for a change to the paid parental leave scheme for all NSW Government employees with children born on or after 1 October 2022. This change expanded on previous parental leave entitlements and provided greater access to paid parental leave to eligible public sector employees, regardless of gender. These changes created a new legal obligation for agencies, which needed to be assessed and recorded within their financial statements.

Agencies within the Health portfolio had not evaluated the change to the paid parental scheme for any financial statement related impacts prior to financial statements being submitted for audit. Given the accumulating nature of the entitlement, the Ministry of Health recognised a \$117 million liability for the consolidated entity's total estimated liability at 30 June 2023. Individual health entities elected not to record the liability in their financial statements. Agencies concluded that the effect of not correcting the misstatements was not material individually, or in aggregate to their financial statements.

### Recommendation

**Portfolio agencies should ensure any changes to employee entitlements are assessed for their potential financial statements impact under the relevant Australian Accounting Standards.**

### National Health Reform Agreement (NHRA)

Revenue under the NHRA consists of Activity Based Funding, Public Health Funding and Block Funding. Activity Based Funding revenue is recognised when the hospital services are performed, while Public Health and Block funding are recognised when the funds are received as there are no specific performance obligations required to be met. NHRA revenue recognised in 2022–23 was \$7.5 billion (2021–22: \$7.1 billion).

The [2022 Auditor-General's Report to Parliament](#) recommended the Ministry continue to undertake detailed reviews of all Australian Government funding streams, to minimise the risk of future material misstatements in the financial statements.

The Ministry completed its reviews, which the audit team reviewed, and no significant misstatements were noted. The recommendation is now closed.

### COVID-19 inventory impairment assessment

As at 30 June 2023, HealthShare NSW reported COVID-19 related inventory of \$162.1 million (30 June 2022: \$571.2 million), of which the value of Rapid Antigen Tests (RATs) was \$113.8 million (30 June 2022: \$313.7 million). There were price reductions totalling \$61.3 million impacting inventory lines. HealthShare NSW also recognised net impairments of \$88.8 million because it does not expect to use those inventories before they expire.

The [2022 Auditor-General's Report to Parliament](#) recommended management consider recent developments and ensure consumption patterns used in all impairment assessments are supported by relevant data and plans.

In 2022–23 HealthShare NSW revised the impairment model and ensured the assessment was supported by relevant data and plans. The Audit Office acknowledges the improvements made in response to our 2022 recommendation and the recommendation is now closed.

### COVID-19 vaccination inventories

During the COVID-19 pandemic, the Commonwealth procured and distributed COVID-19 vaccines to all states and territories for nil consideration. Because the Commonwealth had entered into non-disclosure agreements with vaccine suppliers, management used alternate sources of information to estimate the fair value of its inventories for financial reporting purposes.

COVID-19 vaccine inventories reduced as mass vaccination clinics were progressively closed towards the end of the 2021–22 financial year and early into the 2022–23 financial year. COVID-19 vaccines are now primarily delivered through primary health providers (for example, GPs and Pharmacists). These networks are funded by the Commonwealth through the Medicare Benefits Scheme (MBS).

### Hotel Quarantine (HQ)

The recoverability of outstanding hotel quarantine debts has previously been reported as a high-risk matter.

At 30 June 2022, the outstanding debtors' balance was reported at \$58.1 million, with an expected credit loss provision of \$38.2 million (65.7% of the debt owed). The majority of the provision related to overseas passengers for whom there was no readily available contact information, and domestic travellers who had not entered a payment plan with Revenue NSW.

The [2022 Auditor-General's Report to Parliament](#) recommended management develop a tailored assessment methodology to estimate likely recoverability, including a review of historic rates of collection, and work with Revenue NSW to understand the potential for successful recovery actions for domestic debtors.

Management has updated its expected credit loss provision for nearly all of the remaining debtors' balance. At 30 June 2023, the gross HQ debtors balance was \$45.8 million. The provision was \$43.8 million, representing 95.6% of the remaining uncollected gross HQ receivables balance.

No significant misstatements were identified and this recommendation is now closed.

### **Correction of permanent part time long service leave provision**

In 2022–23, NSW Health identified an error regarding the recognition and calculation of long service leave provisions for employees with ten or more years of service who had periods of part time service within their first ten years of service.

Upon reaching ten years of service, employees are entitled to an accelerated rate of accrual. This had not been recognised correctly where there were periods of part time service within the first ten years of service. Each local health entity recognised this as a corrected prior period error in their respective sets of financial statements.

The overall impact of this issue was a retrospective adjustment of \$16.5 million increasing the opening balance of the long service provision to the consolidated financial statements.

### **Comprehensive revaluation of the Graythwaite Rehabilitation Facility**

The revaluation of the Graythwaite Rehabilitation Facility identified an error in the square meterage for the facility, which is a valuation input for financial reporting purposes.

The overall impact of this issue was a retrospective adjustment of \$4.7 million increasing the opening balance of property, plant and equipment.



## 2.5 Key financial statement risks

The table below details our specific audit coverage and response over key areas of financial statements risks that had the potential to impact the financial statements of significant portfolio agencies.

	Key financial statement risk	Audit response
 <p data-bbox="307 587 526 718">Valuation of Property, plant and equipment \$28.4 billion</p>	<p data-bbox="568 501 984 722">At 30 June 2023, NSW Health reported \$28.4 billion in property, plant and equipment measured at fair value. This is comprised of \$26 billion of land and buildings; \$1.5 billion of plant and equipment; and \$0.9 billion of infrastructure systems.</p> <p data-bbox="568 734 984 792">This was considered a key audit matter due to the:</p> <ul data-bbox="568 804 984 1663" style="list-style-type: none"> <li>• financially significant, geographical distribution and specialised or unique nature of health and health infrastructure assets</li> <li>• high degree of management judgement required in respect of classifying project costs as capital or expense</li> <li>• complexities associated with the application of 'AASB 13 Fair Value Measurement' being dependent on assumptions that require significant judgement in areas such as: <ul data-bbox="617 1280 984 1663" style="list-style-type: none"> <li>– identifying components of buildings and determining their current replacement cost</li> <li>– forecasting remaining useful lives</li> <li>– application of discount rates</li> <li>– assessment of the conditions of the assets</li> <li>– assessment of the financial impact of indicators of impairment.</li> </ul> </li> </ul>	<p data-bbox="1019 501 1344 536">The audit procedures included:</p> <ul data-bbox="1019 548 1430 1942" style="list-style-type: none"> <li>• assessed the adequacy of management's review of the valuation process</li> <li>• assessed the competence, capabilities, and objectivity of management's valuers</li> <li>• reviewed the scope and instructions provided to valuers and obtained an understanding of the methodology used and its appropriateness with reference to relevant Australian Accounting Standards and Treasurer's Directions</li> <li>• assessed the appropriateness of the components of buildings used for measuring gross replacement cost with reference to common industry practice</li> <li>• tested a sample of costs allocated to work in progress to assess the appropriateness of capitalisation in accordance with the Australian Accounting Standards</li> <li>• evaluated whether the useful lives applied to the various asset classes were consistent with management's planned usage of those assets</li> <li>• assessed the reasonableness and appropriateness of judgement used by management to assess non-financial assets for impairment. This included the process employed to monitor impairment indicators</li> <li>• assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards and Treasurer's Directions.</li> </ul>

	Key financial statement risk	Audit response
 <p data-bbox="315 374 522 495">Existence and valuation of COVID-19 general inventories</p>	<p data-bbox="568 288 987 443">At 30 June 2023, NSW Health reported \$451.6 million in inventory. This comprised a gross inventory balance of \$737.4 million, offset by a total impairment provision of \$285.8 million.</p> <p data-bbox="568 460 987 518">This was considered a key audit matter due to the:</p> <ul data-bbox="568 529 987 831" style="list-style-type: none"> <li>• procurement and distribution processes with the Commonwealth</li> <li>• obtaining a reliable measurement base for vaccines received free of charge</li> <li>• an evolving environment where responses to the COVID-19 pandemic during 2023 were different to previous years.</li> </ul>	<p data-bbox="1014 288 1348 311">The audit procedures included:</p> <ul data-bbox="1014 327 1422 831" style="list-style-type: none"> <li>• reviewed and verified the key components of management's approach to valuing COVID-19 inventory lines</li> <li>• obtained an understanding of the systems and processes relied upon to manage inventory holdings</li> <li>• assessed the inputs and logic applied in arriving at the 2023 inventory impairment assessment</li> <li>• tested a sample of transactions verifying price and quantity movements back to supporting documentation.</li> </ul>
 <p data-bbox="323 936 513 1122">Recognition and measurement of Commonwealth grants and contributions revenue</p>	<p data-bbox="568 855 987 1041">During the year, over \$8 billion was received in Commonwealth grants and contributions through the National Health Reform Agreement (NHRA) and the National Partnership Agreement (NPA).</p> <p data-bbox="568 1052 987 1110">This was considered a key audit matter due to the:</p> <ul data-bbox="568 1122 987 1591" style="list-style-type: none"> <li>• significance of the balance relative to the consolidated entity's Statement of Comprehensive Income</li> <li>• different types of performance obligations attached to each revenue stream</li> <li>• continuous funding received over more than one financial reporting period</li> <li>• evolving environment where certain funding streams and agreements were wound up in 2023.</li> </ul>	<p data-bbox="1014 855 1348 878">The audit procedures included:</p> <ul data-bbox="1014 890 1422 1466" style="list-style-type: none"> <li>• documented and understood the nature of the key revenue streams relating to the NHRA and NPA</li> <li>• reviewed the terms and conditions contained within the key funding agreements entered with the Commonwealth</li> <li>• assessed the key accounting treatments applied to each type of grant funding stream</li> <li>• understood and assessed the implications resulting from expiration of any agreement</li> <li>• reviewed a sample of transactions to ensure the appropriate accounting treatment had been applied.</li> </ul>

## 3. Audit observations

Appropriate financial controls help ensure the efficient and effective use of resources and administration of agency policies. They are essential for quality and timely decision-making.

This chapter outlines observations and insights from our financial statement audits of agencies in the Health portfolio.

### Section highlights

- The 2022–23 audits identified one high-risk and 57 moderate risk issues across the portfolio.
- The high-risk matter related to the forced-finalisation of time records.
- The total number of findings increased from 67 to 111 in 2022–23.
- Thirty per cent of the issues were repeat issues. Most repeat issues related to internal control deficiencies or non-compliance with key legislation and/or central agency policies.
- Forced-finalisation of time records, accounting for the new paid parental leave provision and user access review deficiencies were the most commonly reported issues.
- Qualified Assurance Practitioner's reports were issued on:
  - the design and operation of controls as documented by HealthShare NSW
  - the Ministry's Annual Prudential Compliance Statements in relation to residential aged care facilities.

### 3.1 Findings reported to management

#### The number of findings reported to management has increased with 30% of all issues reported being repeat matters

Breakdowns and weaknesses in internal controls increase the risk of fraud and error. Deficiencies in internal controls, matters of governance interest and unresolved issues were reported to management and those charged with governance of agencies. The Audit Office does this through management letters, which include observations, related implications, recommendations and risk ratings.

In 2022–23, there were 111 findings raised across the portfolio (67 in 2021–22). The increase in findings was largely due to deficiencies in controls over time records and user access reviews, and accounting for the new paid parental leave provision. Thirty per cent of all issues were repeat issues (48% in 2021–22). Of the 33 repeated issues reported this year, one issue was rated high risk and 16 issues were rated as moderate risk.

A delay in implementing audit recommendations increases the risk of error in processing information, producing management reports and generating financial statements. This can impair decision-making, affect service delivery and expose agencies to fraud, financial loss and reputational damage. Ineffective controls may also mean agency staff are less likely to follow internal policies, inadvertently causing the agency not to comply with legislation, regulation and central agency policies. For these reasons, it is important that management address repeat issues as soon as possible.

## 2022–23 audits identified one high-risk finding, which was raised in previous years and remains outstanding








A high risk repeat finding was reported at the Ministry of Health and was applicable to the consolidated entity.





Agency	Description
<b>Repeat findings from prior years</b>	
NSW Health	<p><b>Forced-finalisation of HealthRoster time records</b></p> <p>Forced-finalisation of time records by system administrators within HealthRoster remains an issue. Systems administrators can finalise rosters so that payruns can be processed. But this overrides the control that requires a delegate to be satisfied that the roster and timesheets are accurate. When rosters are finalised to process employee pay, changes to planned or unplanned leave taken; general variations or allowances may not necessarily be captured in the roster and hence the pay run may be inaccurate.</p> <p>The NSW Health average forced-finalisation rate over the past three years was:</p> <ul style="list-style-type: none"> <li>• 5.7% in 2020–21</li> <li>• 7.5% in 2021–22</li> <li>• 4.8% in 2022–23.</li> </ul> <p>Despite the exception rate falling in 2022–23, there continues to be a significant performance gap between health entities. Four local health districts forced-finalisation rates exceeded ten per cent in 2022–23, whilst ten health entities rates were less than five per cent.</p> <p>The financial audits also reported in our management letters instances where there was no subsequent review of the time records that were forced-finalised, which increases the risk of unrecorded changes due to planned or unplanned leave, and general variations or allowances not being captured in the roster, which increases the risk of errors remaining undetected in the payroll.</p>




Two high-risk findings reported in the management letters in 2021–22 were remediated and closed.

Agency	Description
<b>2021–22 high risk findings</b>	
HealthShare NSW	<p><b>Impairment of COVID-19 inventories</b></p> <p>A high-risk management letter point was raised in relation to inventory impairment, including errors in the consumption data used as an input to the inventory impairment model and difficulties reconciling the consumption data used in the inventory impairment model with the consumption recorded in the general ledger.</p> <p>In 2022–23, HealthShare NSW updated the consumption model, which was supported by relevant data and plans.</p> <p>No further issues were identified and this matter is considered closed.</p>
NSW Health	<p><b>COVID-19 vaccination inventories - data quality issues</b></p> <p>A high-risk management letter point was raised in relation to anomalies in the COVID-19 vaccination data set provided by the State Health Emergency Operation Centre (SHEOC).</p> <p>Each local health district has now developed systems and processes for the ordering, receipt and distribution of the vaccine program. Further, COVID-19 vaccine inventories reduced as mass vaccination clinics were progressively closed towards the end of the 2021–22 financial year and early into the 2022–23 financial year.</p> <p>No further issues were identified and this matter is considered closed.</p>

The table below describes the common issues identified across the portfolio by category and risk rating.

Risk rating	Issue
<b>Information technology</b>	
<ul style="list-style-type: none"> <li> Moderate: 7 new, 1 repeat</li> <li> Low: 1 repeat</li> </ul>	<p>The financial audits identified deficiencies in agencies' information technology processes and controls that support the integrity of financial data used to prepare financial statements. Of particular concern are issues with:</p> <ul style="list-style-type: none"> <li>• insufficient evidence of user access reviews which increases the risk of inappropriate access, unauthorised access and unauthorised transactions</li> <li>• patch management policy remains in draft. Some high and medium risk findings identified by internal audit in 2021 are still being addressed. Failure to have an endorsed patch management policy increases the risk of system vulnerabilities and data breaches</li> <li>• password control deficiencies, which were first raised in 2019 and need to be addressed by management.</li> </ul>
<b>Internal control deficiencies or improvements</b>	
<ul style="list-style-type: none"> <li> High: 1 repeat</li> <li> Moderate: 25 new, 7 repeat</li> <li> Low: 20 new, 7 repeat</li> </ul>	<p>The financial audits identified internal control deficiencies across key business processes, including:</p> <ul style="list-style-type: none"> <li>• critical data fields manually entered into the payroll system should be reviewed by an independent officer. Exceptions noted in the regularity of this control led to a qualified audit opinion in a controls assurance report</li> <li>• failure to submit conflict of interest declaration in tender evaluation process</li> <li>• insufficient records to substantiate hours claimed, and payments to, visiting medical officers (VMO)</li> <li>• VMO claims submitted well after the services were performed</li> <li>• forced finalisation of rosters to finalise processing of payroll. There was also no evidence that rosters were subsequently reviewed</li> <li>• completed projects were not transferred out of work in progress and capitalised in the fixed asset register on a timely basis. Examples of projects which had been finished two years earlier still had not been capitalised</li> <li>• a lack of processes to identify changes in legislation, including employee entitlements</li> <li>• purchase orders were approved after goods and services were received.</li> </ul>
<b>Financial reporting</b>	
<ul style="list-style-type: none"> <li> Moderate: 4 new, 2 repeat</li> <li> Low: 5 new, 2 repeat</li> </ul>	<p>The financial audits identified deficiencies in agencies' financial reporting processes and controls including:</p> <ul style="list-style-type: none"> <li>• delays and data integrity issues in providing critical transactional data necessary for the audit of the statutory financial statements</li> <li>• health entities obtained capital work in progress ledger extracts from Health Infrastructure and processed these in the financial statements with limited visibility over the underlying documentation. Because health entities did not have access to relevant contracts and invoices, the nature of the transactions within the ledger extracts was not well understood, which led to incorrect classification in the financial statements and disclosure deficiencies.</li> </ul>

Risk rating	Issue
<b>Governance and oversight</b>	
<p> Moderate: 1 new, 1 repeat</p> <p> Low: 4 new, 1 repeat</p>	<p>The financial audits identified deficiencies in agencies' governance and oversight processes and controls, including:</p> <ul style="list-style-type: none"> <li>ensuring service agreements are signed, and in place before the start of the financial year in which the services are to be provided to manage the risk of disagreements over service levels, financial performance, governance and other requirements</li> <li>progress has been made finalising agreements with respect to cross border patient funding agreements for patients needing medical care in a jurisdiction where they are not generally domiciled. Where agreements have not been finalised, settling debts for these services is protracted</li> <li>in October 2022, the Ministry of Health signed an Intergovernmental Agreement which provided for settlement of payments for cross border patients dating back to 2014–15. The Ministry needs to finalise its reconciliation and complete its negotiations to ensure timely settlement of receivables and payables with other states</li> </ul>
<b>Non-compliance with key legislation and/or central agency policies</b>	
<p> Moderate: 4 new, 5 repeat</p> <p> Low: 8 new, 5 repeat</p>	<p>The financial audits identified deficiencies in agencies' processes and controls to ensure compliance with key legislation and central agency policies, including:</p> <ul style="list-style-type: none"> <li>instances where conflicts of interest were not declared. Data analytics identified employees who were directors or office holders in external entities that transacted with the entity they were employed by. Conflicts of interest declarations required by the NSW Health Code of Conduct and Conflicts of Interest and Gifts and Benefits policy were subsequently completed</li> <li>a significant number of agencies' policy and procedures were past their scheduled review dates. Examples were noted where the review of key policies were eight years overdue</li> <li>ensuring all relevant contracts are published on the NSW Government's eTendering website. Eight contracts above \$150,000, for one health entity were not disclosed on the website as required by the <i>Government Information Act (Public Access) Act 2009</i>.</li> </ul>

-  High-risk from the consequence and/or likelihood of an event that has had, or may have a negative impact on the entity.
-  Moderate risk from the consequence and/or likelihood of an event that has had, or may have a negative impact on the entity.
-  Low risk from the consequence and/or likelihood of an event that has had, or may have a negative impact on the entity.

Note: Management letter findings are based either on final management letters issued to agencies, or draft letters where findings have been agreed with management.

### Internal control qualification on HealthShare NSW's controls

The 2022–23 Independent Auditor's Assurance Report on the design and operation of controls as documented by HealthShare NSW (HSNSW) was modified. HSNSW acts as a service provider to other entities within the health portfolio. The absence of an independent review of manual changes made to critical payroll data fields was identified at the Westmead Service Centre.

Except for this matter, in all material respects the controls documented by HSNSW operated effectively throughout the year.

### **A qualified audit opinion was issued for the compliance audit of the Ministry's Annual Prudential Compliance Statement**

The Ministry operated seven Residential Aged Care Facilities (RACF) in New South Wales during 2022–23. The Ministry is required to comply with the *Fees and Payments Principles 2014 (No. 2)* (Fees and Payments Principles) when entering into agreements with, and managing payments of, aged care recipients. We reported 20 instances of non-compliance (2021–22: 20), 16 of which were material relating to five of the 20 prudential requirements at six of the seven RACFs in 2022–23. We observed:

- 14 instances where refunds of recipient bond and deposit balances within the required time frames under sections 65 to 69 of the Fees and Payments Principles did not occur.
- 2 instances where the correct levels of liquidity were incorrectly calculated and reported.
- 2 instances where interest was miscalculated resulting in underpayments being made on refunds of deposits.
- 1 written accommodation agreement did not outline the maximum accommodation amount payable before the individual entered the RACF.
- 1 written accommodation agreement was not executed with a care recipient within 28 days of the individual entering the RACF.

## **Section two**

### Appendices



## Appendix one – Misstatements in financial statements submitted for audit

	2022–23			2021–22		
	Uncorrected	Corrected	Total	Uncorrected	Corrected	Total
Ministry of Health - Consolidated Entity	--	1	1	3	--	3
Ministry of Health - Parent Entity	3	1	4	1	6	7
<b>Local Health Districts and Specialty Health Networks</b>						
Central Coast Local Health District	1	2	3	1	1	2
Far West Local Health District	--	2	2	1	--	1
Hunter New England Local Health District	1	--	1	7	--	7
Illawarra Shoalhaven Local Health District	2	--	2	--	--	--
Mid North Coast Local Health District	2	1	3	--	--	--
Murrumbidgee Local Health District	1	1	2	1	--	1
Nepean Blue Mountains Local Health District	2	--	2	1	--	1
Northern NSW Local Health District	2	2	4	--	--	--
Northern Sydney Local Health District	1	1	2	1	--	1
South Eastern Sydney Local Health District	2	1	3	1	--	1
South Western Sydney Local Health District	4	1	5	1	--	1
Southern NSW Local Health District	1	--	1	2	--	2
Sydney Local Health District	1	1	2	--	--	--
Western NSW Local Health District	1	1	2	--	--	--
Western Sydney Local Health District	3	1	4	3	--	3

	2022-23			2021-22		
	Uncorrected	Corrected	Total	Uncorrected	Corrected	Total
The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)	1	2	3	--	--	--
Justice Health and Forensic Mental Health Network	2	--	2	--	--	--
<b>Pillar agencies</b>						
Agency for Clinical Innovation	1	--	1	--	--	--
Bureau of Health Information	--	1	1	--	--	--
Cancer Institute NSW	1	--	1	--	--	--
Clinical Excellence Commission	1	--	1	--	--	--
Health Education and Training Institute	1	--	1	1	--	1
<b>Shared state-wide services</b>						
Health Administration Corporation	4	1	5	1	2	3
<b>Other controlled entities</b>						
Albury Base Hospital	--	--	--	--	--	--
Albury Wodonga Health Employment Division	--	--	--	--	--	--
Graythwaite Charitable Trust	--	--	--	--	--	--
<b>Other agencies listed in Appendix A of Treasury Direction TD21-02</b>						
Health Care Complaints Commission	--	3	3	--	--	--
Mental Health Commission of New South Wales	1	--	1	--	--	--
<b>TOTAL</b>	<b>39</b>	<b>23</b>	<b>62</b>	<b>25</b>	<b>9</b>	<b>34</b>

Source: Engagement Closing Reports issued to portfolio agencies.

## Appendix two – Early close procedures

No.	Procedure	Description
1	Revaluation of material non-financial assets	Complete (as required) the comprehensive revaluation of property, plant and equipment and other non-financial asset valuations by early close.
2	Fair value assessment of non-financial assets	Document the annual assessment of the fair value of non-financial assets, including property, plant and equipment. This should consider their useful lives and residual values, and the reasons why the carrying value was not materially different to the fair value. This assessment is performed between comprehensive revaluations.
3	Update employee annual leave provisions	Reconcile and calculate annual leave provisions. The balances calculated for the early close 31 March financial statements must be rolled forward with adjustments for monthly accruals and actual payments as part of the 30 June financial statements.
4	Inter and intra (cluster/portfolio) agency transactions and balances	Agree and confirm all inter and intra (cluster/portfolio) agency balances and transactions with the counterparty agency.
5	Significant management judgements and assumptions	Document all significant management judgements and assumptions made when estimating transactions and balances.
6	Reconciliation of key account balances	Reconcile all key account balances (including annual leave provisions) and clear reconciling items.
7	Reconcile March 2023 month-end Prime submission to the proforma financial statements	Reconcile the March 2023 month-end Prime submission to the proforma financial statements and provide explanations for variances above \$5 million.
8	Changes in accounting policy	Review and agree changes in accounting policy with the principal cluster/portfolio agency.
9	Proforma financial statements and supporting information	Complete proforma financial statements and provide supporting information in relation to the notes to the financial statements.
10	Finalise right-of-use assets and lease liability balances	Ensure that all lease arrangements are accurate and complete.
11	Finalise assessment of all revenue contracts	Ensure revenue is accurate and complete and has been correctly accounted for under AASB 15 'Revenue from Contracts with Customers' or AASB 1058 'Income of Not-for-Profit Entities'.
12	Correction of material prior period errors	Confirm there are no changes to the 2021–22 closing balances. Proposed changes are accompanied by journals, explanations and proposed disclosures.
13	Monthly management reports	Perform variance analysis with meaningful explanations for actuals versus budget, and year-to-date actuals for the previous year.
14	Accounting treatment for restructures and discontinued/abolished agencies	Identify and document the accounting treatment for changes to agency structures resulting from legislative or other changes.

No.	Procedure	Description
15	Delegations	Ensure all material transactions are supported by appropriate delegations.
16	Prior year Management Letter and Engagement Closing Report issues	Agreed action plans are in place to address prior year Management Letter and Engagement Closing Report issues. Explanations are provided for any unresolved issues(s).
17	Complete Commonwealth Funding Agreement – Revenue Assessment Form for Commonwealth Funding Agreements	Complete and return the 'Commonwealth Funding Agreement – Revenue Assessment Form for Commonwealth Funding Agreements' for all new and amended Commonwealth Funding Agreements entered or amended during the 2022–23 financial year.

## Appendix three – Timeliness of financial reporting

Portfolio agencies	2022–23 Financial statements submission	Date audit report was issued
Ministry of Health	✓	3 November 2023
Central Coast Local Health District	✓	29 September 2023
Far West Local Health District	✓	26 September 2023
Hunter New England Local Health District	✓	13 October 2023
Illawarra Shoalhaven Local Health District	✓	5 October 2023
Mid North Coast Local Health District	✓	6 October 2023
Murrumbidgee Local Health District	✓	3 October 2023
Nepean Blue Mountains Local Health District	✓	16 October 2023
Northern NSW Local Health District	✓	28 September 2023
Northern Sydney Local Health District	✓	27 September 2023
South Eastern Sydney Local Health District	✓	5 October 2023
South Western Sydney Local Health District	✓	26 October 2023
Southern NSW Local Health District	✓	9 October 2023
Sydney Local Health District	✓	19 September 2023
Western NSW Local Health District	✓	31 October 2023
Western Sydney Local Health District	✓	6 October 2023
The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)	✓	11 October 2023
Justice Health and Forensic Mental Health Network	✓	27 September 2023
Agency for Clinical Innovation	✓	25 September 2023
Bureau of Health Information	✓	28 September 2023
Cancer Institute NSW	✓	18 September 2023
Clinical Excellence Commission	✓	26 September 2023
Health Education and Training Institute	✓	22 September 2023
Albury Base Hospital	✓	31 October 2023
Graythwaite Charitable Trust	✓	31 October 2023
Health Administration Corporation	✓	30 October 2023

Portfolio agencies	2022–23 Financial statements submission	Date audit report was issued
Mental Health Commission of New South Wales	✓	29 September 2023
Health Care Complaints Commission	✓	20 October 2023
NSW Health Foundation	✓	3 November 2023

- ✓ Treasury's reporting deadline was met.
- Treasury's approved extension timeframe was met.
- ! Treasury's reporting deadline was not met.

## Appendix four – Financial data

	Total assets		Total liabilities		Total revenue*		Total expense**	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Portfolio lead entity</b>								
Ministry of Health	34,228.6	33,075.4	7,440.2	8,072.9	30,181.4	30,263.2	29,778.1	29,320.8
<b>Local Health Districts and Specialty Health Networks</b>								
Central Coast Local Health District	1,298.9	1,174.9	190.5	202.2	1,059.6	1,009.1	1,077.1	1,008.9
Far West Local Health District	169.7	159.9	24.9	26.6	151.6	149.0	148.7	145.9
Hunter New England Local Health District	3,523.0	3,320.8	581.1	629.7	3,003.8	2,672.2	2,877.2	2,731.5
Illawarra Shoalhaven Local Health District	965.9	865.6	251.8	249.9	1,320.8	1,167.2	1,256.2	1,198.9
Mid North Coast Local Health District	894.1	824.9	164.1	165.9	893.0	832.2	873.6	832.8
Murrumbidgee Local Health District	1,045.6	941.5	128.7	133.3	898.2	800.1	837.7	783.1
Nepean Blue Mountains Local Health District	1,383.8	1,259.8	232.6	220.7	1,205.1	1,130.5	1,122.0	1,061.7
Northern NSW Local Health District	1,528.0	1,231.7	186.8	180.0	1,372.1	1,199.1	1,162.8	1,004.7
Northern Sydney Local Health District	3,279.7	3,179.7	1,310.6	1,398.0	2,141.7	1,994.1	2,107.8	2,072.7
South Eastern Sydney Local Health District	2,787.1	2,572.3	520.1	516.9	2,349.1	2,178.1	2,223.6	2,163.6
South Western Sydney Local Health District	2,974.4	2,740.1	554.3	570.7	2,625.8	2,520.4	2,511.0	2,376.2
Southern NSW Local Health District	720.3	657.4	74.4	84.2	609.5	553.2	574.2	543.5
Sydney Local Health District	2,734.8	2,582.4	480.0	518.0	2,437.1	2,481.6	2,351.3	2,620.2

	Total assets		Total liabilities		Total revenue*		Total expense**	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Western NSW Local Health District	1,650.5	1,548.7	363.3	375.5	1,206.4	1,107.2	1,194.3	1,145.9
Western Sydney Local Health District	3,360.5	3,214.8	522.5	564.6	2,437.1	2,297.8	2,372.2	2,407.2
The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)	1,293.8	1,071.7	206.6	201.5	1,281.6	1,021.1	1,091.8	1,006.3
Justice Health and Forensic Mental Health Network	149.5	139.2	123.0	129.5	327.1	277.9	316.2	287.4
<b>Pillar agencies</b>								
Agency for Clinical Innovation	1.1	0.9	6.6	6.9	38.6	36.4	38.2	37.1
Bureau of Health Information	0.1	0.2	1.2	1.2	10.8	9.2	10.9	9.3
Cancer Institute NSW	10.3	9.7	15.5	16.4	187.0	172.3	185.6	171.8
Clinical Excellence Commission	1.7	1.6	4.8	4.7	25.3	22.2	25.4	22.7
Health Education and Training Institute	3.2	1.5	7.7	7.9	42.9	38.1	41.1	39.9
<b>Share state-wide services</b>								
Health Administration Corporation	4,073.9	4,629.0	1,575.2	2,146.1	5,409.6	6,054.5	5,447.4	5,694.9



	Total assets		Total liabilities		Total revenue*		Total expense**	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Other controlled health entities</b>								
Albury Base Hospital	78.7	78.3	--	--	1.6	--	4.8	3.9
Albury Wodonga Health Employment Division								
Graythwaite Charitable Trust	52.8	55.3	--	--	0.3	0.01	1.2	1.2
<b>Other entities in the portfolio</b>								
Health Care Complaints Commission	8.8	7.0	4.3	3.6	24.7	23.8	23.8	21.5
Mental Health Commission of New South Wales	1.6	1.8	1.1	1.3	8.3	9.8	8.4	9.8
Health Professionals Councils***	80.7	70.8	24.0	25.0	50.5	45.2	39.6	40.1
NSW Health Foundation	6.8	6.5	0.01	--	0.3	0.2	0.4	0.4

\* Includes other gains.

\*\* Includes other losses and taxes, if applicable.

\*\*\* Health Professional Councils is the aggregate of the Psychology, Physiotherapy, Pharmacy, Osteopathy, Optometry, Paramedicine, Podiatry, Occupational Therapy, Nursing and Midwifery, Medical Radiation Practice, Medical, Dental, Chiropractic, Chinese Medicine, and Aboriginal and Torres Strait Islander Health Practice Councils.

Source: Agencies' audited 2022–23 financial statements.

## OUR VISION

Our insights inform and challenge government to improve outcomes for citizens.

## OUR PURPOSE

To help Parliament hold government accountable for its use of public resources.

## OUR VALUES

Pride in purpose  
Curious and open-minded  
Valuing people  
Contagious integrity  
Courage (even when it's uncomfortable)

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