

MEDIA RELEASE**16 December 2022****2021-22 Financial Audits
Financial Results and Audit Findings**

Mr Michael Harris, the Auditor-General, today presented a report on the financial results and audit findings from the 2021-22 financial audits to the Speaker for tabling in the ACT Legislative Assembly.

Mr Harris said, 'The financial results of the ACT Government and agencies provide useful information to the community about the state of the Territory's finances and the financial impact of government decisions over time'.

Territory's operating performance

The net operating balance measures the difference between the Territory's expenses and its revenue. The Territory incurred a net operating balance deficit of \$923 million in 2021-22 which means that the Territory's expenses exceeded its revenue by \$923 million. This was however \$340 million less than the deficit anticipated in the budget. The Territory estimates net operating balance deficits will continue to be incurred for the next four years as expenses are forecasted to continue to exceed revenue.

Unfunded superannuation liability

The unfunded superannuation liability at 30 June 2022 of \$6 117 million is estimated to decrease by \$2 396 million (39 percent) to \$3 721 million in 2023 and remain at a similar level until 2026. This is mainly due to the use of a higher long-term discount rate used to calculate this liability for the purposes of the Budget and forward estimates.

Borrowings

The Territory's borrowings have significantly increased over the last four years, more than doubling from \$3 441 million in 2018 to \$9 508 million in 2022. The Territory's borrowings increased in 2022 by \$1 180 million (14 percent) to \$9 508 million to provide further funding for the Government's COVID-19 pandemic response and investment in major infrastructure. Total borrowings are projected to increase further to \$14 043 million by 2026.

Audit findings

The total number of audit findings reported in 2021-22 remained unchanged at 48 from the prior year. Agencies performance in addressing the audit findings also remained largely consistent over the past two years with around 50 percent of previously reported findings resolved. As 24 of the 48 (50 percent) audit findings which were previously reported to agencies remained either partially resolved or not resolved, agencies will need to continue to give attention to addressing previously reported audit findings in a timely manner.

Copies of **2021-22 Financial Audits – Financial Results and Audit Findings: Report No. 10/2022** are available from the ACT Audit Office's website: www.audit.act.gov.au. If you need assistance accessing the report, please phone 6207 0833.