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Audit Tasmania continues to identify recurring weaknesses in core control disciplines.

The Auditor-General, Martin Thompson, today tabled Volume 1 of his report on the audit of financial statements of State entities and audited subsidiaries of State entities for the years ended 31 December 2025 and 30 June 2026.

This report focuses on the outcomes of all of Audit Tasmania's audit activity to assess the adequacy of the internal control structures of State entities. This activity occurs in both our financial and performance audits units. An effective internal control structure underpins the integrity and accuracy of financial data and helps in ensuring compliance and delivery of objectives in an efficient, effective and economical manner.

Our audits continue to identify recurring weaknesses in core control disciplines. These issues have been reported repeatedly over several years and should no longer be regarded as emerging challenges. They are known risks requiring sustained management attention. This includes matters on cyber security and information technology. However, due to the sensitive nature of these matters, only limited detail has been included in the report to avoid identifying potential security vulnerabilities.

During 2025-26, entities resolved 161 audit findings. While this reflects ongoing efforts to strengthen governance and control frameworks, it is the second lowest number of findings resolved since 2021. At the same time, we identified 227 new findings and 266 audit matters remained unresolved at 30 June 2026. These results indicate that, despite progress in some areas, many entities are not addressing control weaknesses in a timely manner.

We were particularly concerned about findings relating to procurement practices within the Department of Health. Our audit identified non-compliance with aspects of Treasurer's Instruction PF-3 Procurement Framework in relation to the engagement of ICT contractors. Compliance with established procurement requirements is not optional; it is fundamental to accountability, transparency and demonstrating value for money in the expenditure of public funds. While revised arrangements have now been agreed between the Department of Health and the Department of Treasury and Finance, we expect all entities to ensure procurement activities are undertaken in accordance with the requirements of the Treasurer's Instructions.

This report also provides an overview of the outcomes of our audits conducted for the year ended 31 December 2025. The most significant of these being the University of Tasmania. In the year ended 31 December 2025 the University improved its result from core activities by $19.80 million. Achieved during a period of ongoing external and internal challenges, this represents a significant improvement in performance. The improved performance enabled the University to consolidate its relatively strong financial position at the end of the 2025 financial year.

The recurring nature of many findings in this report demonstrates that there remains considerable work to be done. Accountable authorities, boards, audit committees and management must continue to focus on timely implementation of agreed actions, strengthening control environments and ensuring public resources are managed effectively. Maintaining community confidence in the public sector depends on it.

Click through to the reports – **AGR 2025-26 Volume 1**

ENDS

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