

# Financial Report

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- Statement of Fund's Position as at 30 June 2021
- Notes to the Financial Report for the year ended 30 June 2021



## Statement by the Minister

Pursuant to Section 14 of the *Digital Restart Fund Act 2020 (the Act)*, I declare that in my opinion:

- a) the accompanying financial report provides details of the transactions of the Digital Restart Fund (the fund) for the period ended 30 June 2021;
- b) the financial report is a special purpose financial report which has been prepared in accordance with the basis of accounting as described in note 2.
- c) payments from the fund have been made in accordance with the Act.

The financial report and scope of the Independent Auditor's report are included in this annual report.

Section 14(2)(b)(iv) and (vii) of the Act requires a subjective assessment as to the likeness that a project will achieve its objective and are excluded. I am not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.



**The Hon. Victor Dominello MP**

**Minister for Customer Service, and Minister for Digital**

Dated: 22 October 2021





## INDEPENDENT AUDITOR'S REPORT

### Digital Restart Fund

To Members of the New South Wales Parliament

### Opinions

#### Opinion on the audit of the financial report

I have audited the accompanying special purpose financial report (the financial report) of the Digital Restart Fund (the Fund), which comprises the Statement by the Minister, the Statement of the Fund's Activities for the period 3 August 2020 to 30 June 2021, the Statement of the Fund's Position as at 30 June 2021 and notes to the financial report. The financial report has been prepared by the Minister for Customer Service and Minister for Digital (the Minister), using the basis of accounting described in Note 2 to the financial report for the purpose of fulfilling the Minister's annual reporting obligations under section 14 of the Digital Restart Fund Act 2020 (the Act).

In my opinion, in all material respects, the financial report presents fairly, the Fund's position as at 30 June 2021 and its activities for the period 3 August 2020 to 30 June 2021, in accordance with the basis of accounting described in Note 2 to the financial report.

#### Opinion on whether payments complied with the Act

I have undertaken an audit to provide reasonable assurance on whether payments from the Fund have, in all material respects, been made in accordance with section 9 of the Act for the period 3 August 2020 to 30 June 2021.

In my opinion, in all material respects, payments from the Fund have been made in accordance with section 9 of the Act for the period 3 August 2020 to 30 June 2021.

My opinions should be read in conjunction with the rest of this report.

### Basis for Opinions

I conducted my audit in accordance with Australian Auditing Standards and Standards on Assurance Engagements, including ASAE 3100 'Compliance Engagements' (ASAE 3100). My responsibilities under the standards are described in the 'Auditor's Responsibilities' section of my report.

I am independent of the Fund in accordance with the requirements of the:

- Australian Auditing Standards and Standards on Assurance Engagements
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as the auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

In conducting my audit, I have applied ASQC 1 'Quality Control for firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements and Related Service Engagements'.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to Note 2 to the financial report which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Minister's annual reporting responsibilities under the Act. As a result, the financial report may not be suitable for another purpose.

### **The Minister's Responsibilities for the Financial Report**

The Minister is responsible for the preparation and fair presentation of the financial report in accordance with the basis of accounting described in Note 2 to the financial report. The Minister's responsibility also includes such internal control as the Minister determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. The Minister has determined that the accounting policies described in Note 2 are appropriate for fulfilling the Minister's annual reporting responsibilities under the Act.

### **The Minister's Responsibilities under the Act**

The Minister is responsible for ensuring payments made from the Fund have been made in accordance with the Act. The Minister's responsibility also includes such internal control as the Minister determines is necessary to comply with the requirements of the Act.

### **Auditor's Responsibilities**

#### **Audit of the financial report**

My objectives are to:

- obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial report.

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Fund's activities are carried out effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.

#### **Audit of whether payments complied with the Act**

My responsibility is to express an opinion on whether payments from the Fund, in all material respects, have been made in accordance with section 9 of the Act. ASAE 3100 requires that I plan and perform procedures to obtain reasonable assurance whether payments from the Fund have, in all material respects, complied with specific requirements of the Act.

This audit involved performing procedures to obtain audit evidence on whether payments from the Fund complied with section 9 of the Act. The procedures selected depend on my judgement, including the identification and assessment of the risks of material non-compliance with specific requirements of the Act.

### **Inherent Limitations**

Because of the inherent limitations of any compliance procedure, together with the Fund's internal control structure it is possible that fraud, error or non-compliance with the Act may occur and not be detected.

An audit for the period 3 August 2020 to 30 June 2021 does not provide assurance on whether compliance with the Act will continue in the future.

### **Use of Report**

My report was prepared for the purpose of fulfilling the Minister's annual reporting obligations under the Act. I disclaim any assumption of responsibility for any reliance on the report for any other purpose other than for which it was prepared.

A handwritten signature in blue ink, appearing to read 'W. Liao', with a vertical line extending downwards from the end of the signature.

Weini Liao  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

26 October 2021  
SYDNEY

## Digital Restart Fund

### Statement of the Fund's Activities from 3 August

2020 to 30 June 2021

	Note	<b>2021</b> <b>\$'000</b>
<b>Receipts</b>		
Appropriations	3	413,000
Contributions from other Government agencies	3	37,923
<b>Total receipts</b>		<b>450,923</b>
<b>Payments</b>		
DRF funded projects	4	239,019
Administrative expenses	4	2,367
<b>Total payments</b>		<b>241,386</b>
<b>Net receipts/ (payments)</b>		<b>209,537</b>

The accompanying notes form an integral part of the Financial Report.



## Digital Restart Fund

### Statement of the Fund's Position as at 30 June 2021

	<b>2021</b>
	<b>\$'000</b>
Opening balance of the Fund	-
Net Receipts/(Payments)	<u>209,537</u>
Closing balance of the fund	<u><b>209,537</b></u>
Balance of Fund held in	
Cash and Cash Equivalents	<u><b>209,537</b></u>

The accompanying notes form an integral part of the Financial report.



# Digital Restart Fund

## Notes to the Financial Report from 3 August 2020 to 30 June 2021

### 1. Information on the Digital Restart Fund

#### Reporting entity

Digital Restart Fund (the Fund) is required to prepare an annual report under Section 14 (1) of the *Digital Restart Fund Act 2020* (the Act). Section 6 of the Act states that the purpose of the Fund is to support digital and information and communications technology initiatives across the government sector, and for that purpose, to fund projects that:

- develop and implement digital and information and communications technology products or services that, for the purpose of improving the delivery of services by government agencies and related interactions:
  - i. identify the actions required to be taken by an individual (or on the individual's behalf) in respect of significant events during the individual's life, and
  - ii. record related interactions between the individual (or on the individual's behalf) and government agencies or non-government entities or other bodies or persons connected with the delivery of services by a government agency, and
  - iii. identify impediments to the delivery of related services by government agencies and develop and implement solutions to those impediments, or
- develop and implement digital and information and communications technology products or services that are capable of being used by multiple government agencies in a cost-effective manner, or
- optimise existing technologies, applications, computer systems or processes used by government agencies to improve the functionality and operational life of those technologies, applications, computer systems or processes, or
- provide persons employed in or by a government agency with education, training and information relating to digital and information and communications technology.

Section 5 of the Act establishes the Fund as a Special Deposit Account (SDA). Section 4.15 of the *Government Sector Finance Act 2018* (GSF Act) defines an SDA to consist of all accounts of money that the Treasurer is, under statutory authority, required to hold otherwise than for or on account of the Consolidated Fund, and all accounts of money that are directed or authorised to be paid to the SDA by or under legislation.

Under Section 7 of the Act, the Minister for Customer Service and Minister for Digital is to control and manage the Fund.



The financial report of the Fund is a special purpose financial report with the “financial period” being from 3 August 2020 to 30 June 2021, which is the first year of reporting for the Digital Restart Fund and hence no comparative periods.

The “Financial Report” was authorised for issue by the Minister for Customer Service and Minister for Digital on the date the accompanying Statement by the Minister was signed.

## **Key Activities**

The Fund was established to provide funding for digital and information and communications technology initiatives:

- to improve the delivery of services by government agencies, including improving interactions between members of the public and government agencies involving digital and information and communications technology, and
- to facilitate whole of government digital transformation, including upgrading and standardising systems and processes used by government agencies, and
- to improve operational and cost efficiencies across the government sector.

## **Funding Sources for Digital Restart Fund**

### **Payments into the Fund**

The Act 2020 s8(1)-(3) below, focuses on what is payable into the Fund.

1. There is payable into the Fund when:
  - a) All money appropriated by Parliament, or advanced by the Treasurer, for the purposes of payment into the fund,
  - b) All money appropriated by Parliament to the Treasurer for the general purposes of the Government and directed by the Treasurer to be paid into the fund,
  - c) The proceeds of the investment of money in the fund,
  - d) All other money directed or authorised to be paid into the fund by or under any Act or other law,
  - e) All money received from voluntary contributions to the fund made by a government agency or other person or body.
2. To avoid doubt, money appropriated by Parliament before the commencement of this section for purposes that reflect the purpose of the fund may be paid into the fund.
3. Money paid into the fund under subsection (2) is taken to have been appropriated out of the consolidated fund for the purposes of payment into the fund.

## Payments by the Fund

Money from the Fund will predominantly be used to fund all or part of projects that promote the purpose of the Fund and are approved by the Minister on the recommendation of the Secretary of the Department of Customer Service.

The Act s9 prescribes the permitted payments from the Fund, these are:

- (a) projects that promote the purpose of the Fund and is approved by the Minister, on the recommendation of the Secretary of the Department of Customer Service.
- (b) administration expenses of the Fund
- (c) money authorised to be paid by the Act or any other Act.

Further to the Act section 9(b), money from the Fund will also be used to meet administrative expenses related to the Fund which is set at 1% of the fund's budgeted amount. This equates to approximately \$15.9 million over the life of the Fund. The accounting for the 1% (of the total fund's budget) administration fund will be on a cash basis.

The Act s10 stipulates that before approving the payment of money under section 9 (a) above, the Minister must obtain and have regard to advice from the Information Commissioner and the Privacy Commissioner as to the effect the projects may have on:

- (a) access to government information under the Government Information (Public Access) Act 2009, and
- (b) the protection of personal information under the Privacy and Personal Information Protection Act 1998 or health information under the Health Records and Information Privacy Act 2002.



## **2. Summary of Significant Accounting Policies**

### **Basis of preparation**

The Digital Restart Fund (the fund) financial statements are special purpose financial report which have been prepared on a cash basis. The cash basis of accounting recognises transactions and events only when cash is received or paid by the Fund. Receipts are recognised and recorded when cash is received. Payments are recorded when cash is paid.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian dollars.

### **Statement of Compliance**

The financial report and notes have been prepared in accordance with the policies detailed in this accounting policy note.

### **Value of the Fund**

The total balance of the Fund consists of cash.

Cash is controlled by the Fund when the Fund can use the cash for the achievement of its own objectives or otherwise benefit from the cash and exclude or regulate the access of others to that benefit. Cash collected by, or appropriated or granted to the Fund, with which the Fund can use to meet its objectives.

The cash held by the Fund is classified as a restricted asset as it can only be applied as allowed by the Act, as detailed in Note 1.



### 3. Receipts

Receipts are recognised when received in cash.

The Fund is authorised to receive amounts in accordance with Section 8 of the DRF Act.

The Fund's cash are held in the Treasury Banking System and interest is paid monthly to Treasury and will not be remitted to the fund. Therefore, interest received was nil as at 30 June 2021.

The Fund is expected to receive \$117 million of voluntary contribution from Department of Education as cash. Out of the \$117 million, \$35 million for FY21 has already been received and deposited into DRF's bank account.

	<b>2021</b>
	<b>\$'000</b>
<b>Section 8(1)(a) &amp; (b) receipts - Appropriations</b>	<b>413,000</b>
<b>Section 8(1)(e) receipts - other monies authorised to be paid into the Fund</b>	
Contribution revenue – Department of Education	35,000
Contribution revenue - HealthShare NSW	423
Contribution revenue – Department of Customer Service	2,500
<b>Total Contribution revenue</b>	<b>37,923</b>
<b>Total Receipts</b>	<b>450,923</b>



## 4. Payments

Payments from the Fund are in accordance with Section 9 of the Act. Payments are recorded when cash is actually paid.

### Section 9(a) payments: DRF Funded Projects

Agency	Projects	2021 \$'000
Department of Education	Rural Access Gap Tranche1 & Tranche 2	85,500
Department of Customer Service	Whole of Government ERP	23,000
Department of Communities and Justice	DRP Criminal Justice	17,490
Department of Customer Service	Whole of Government Website	13,980
Department of Customer Service	Assured Revenue Program Tranche 1 & Tranche 2	13,625
Department of Customer Service	DCS Modernise Licencing & Compliance Program	12,692
Department of Customer Service	Cyber NSW (DCS Digital.NSW)	9,550
Department of Planning, Industry and Environment	ePlanning Phase 4 (DPIE)	9,500
NSW Police Force	Police Cyber Security Transformation Phase 1	7,400
Department of Communities and Justice	DCJ - PHSDIP Cyber Program	6,588
Department of Customer Service	eConstruction	5,534
Department of Customer Service	Service NSW Cyber Security Program	4,950
Department of Education / TAFE	Strengthening DoE Cybersecurity Program	4,910
Department of Customer Service	DCS/GovConnect Cyber Resilience Program	4,900
Transport for NSW	Transport Regulatory Services Optimisation Prototype (DRIVES)	2,000
Service NSW	Gov Mad Easy - Proof of Identity	1,916
Department of Customer Service	Park n Pay	1,800
Service NSW	Facial Verification	1,787
Service NSW	Digital Renewal Notices (DRN)	1,725

**Section 9(a) payments: DRF Funded Projects (Continued)**

<b>Agency</b>	<b>Projects</b>	<b>2021 \$'000</b>
Department of Customer Service	Mineral Royalties	1,473
Department of Premier and Cabinet	DPC Cluster Cyber Uplift & Resilience Program	1,300
Service NSW	WoG Online Booking	1,305
Department of Planning, Industry and Environment	DPIE Cyber Security Uplift	1,058
Department of Customer Service	Death Notification	1,005
TAFE Commission	TAFE NSW Cyber Security Program	875
Department of Planning, Industry and Environment	Pets Data Entry and Pre-Rego	800
NSW Government Telecommunications Authority	RANalytics	800
Department of Premier and Cabinet	DataFlow Gen DPC / Workforce Analytics	700
NSW Treasury	Treasury Cybersecurity Program	456
Transport for NSW	Smart Kerbs	400
<b>Total Section 9(a) payments</b>		<b>239,019</b>

**Section 9(b) payments - Administrative expenses**

<b>Agency</b>	<b>2021 \$'000</b>
Department of Customer Service	2,167
NSW Treasury	200
<b>Total Section 9(b) payments</b>	<b>2,367</b>

<b>Total Payments - Section 9(a) + Section 9(b)</b>	<b>241,386</b>
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## . **Events after the reporting date**

There are no known events after the Fund reporting period which would give rise to a material impact on the reported results or financial position of DRF as at 30 June 2021.

**End of Audited Financial Report**

