

# Education: 2016–17 results of financial audits

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(Report 15: 2017–18).

Tabled 16 May 2018.

## Slide 1: Welcome

This presentation summarises the results of our 2016–17 financial audits of the entities in the Queensland public education sector. The Department of Education, TAFE Queensland and some statutory bodies have a 30 June 2017 year end, while universities, grammar schools and some other statutory bodies have a 31 December 2017 year end.

Please note that this is a summary. The full report can be read on our website.

## Slide 2: Audit results

This year, we provided unmodified audit opinions on all 35 education sector entities' financial statements within the statutory deadline. Unmodified means that they prepared their financial statements according to the relevant legislative requirements and standards, and that they can be relied upon.

The Department of Education, TAFE Queensland, the seven Queensland public universities, the eight Queensland grammar schools, statutory bodies and controlled entities generally use good financial reporting practices and produce their financial statements in a timely manner. However, there were some delays in the provision of draft financial statements, and the quality of financial statements varied across the sector with some adjustments being made. There is scope for some entities to improve their quality assurance processes over the review of their financial statements.

## Slide 3: Financial performance

The overall performance of Queensland education entities improved in 2016–17. They reported a collective surplus of \$325.5 million, an increase of \$98.3 million from the last financial year.

Most entities continue to rely heavily on Australian and Queensland government funding. They need to be aware of the risks that may reduce this major source of revenue.

Most entities have managed to contain their total expenses to a level that is lower than their revenue. The most significant expense for each entity continues to be employee expenses.

Across Queensland education entities:

- revenue grew by six per cent, due to increased appropriation funding from the Queensland Government, and increases in fees paid to universities by onshore overseas students
- expenditure growth was slightly lower at four per cent and related to increased spending on staff costs. This was a consequence of an enterprise bargaining agreement increase provided to teachers in October 2016 and a general increase in staffing numbers from last year
- net assets increased by six per cent mainly due to upward movements in the valuation of land, buildings and leased assets; and increased capital acquisitions.

## Slide 4: Internal controls

This year we identified two significant internal control deficiencies in the sector and raised 43 deficiencies for management to address.

All entities continue to take steps to improve their internal controls; however, there are still deficiencies that we have raised in prior years that entities are yet to resolve. We recommend that entities take prompt action to address individual recommendations and resolve deficiencies in a timely manner.

## Slide 5: For more information

For more information on the results and financial performance highlighted in this summary presentation, please see the full report on our website.

Thank you.