

Follow-up of Oversight of recurrent grants to non-state schools

(Report 15: 2018–19).
Tabled 26 March 2019.

Slide 1: Welcome

Welcome to our presentation on the performance audit report on our Follow-up of *Oversight of recurrent grants to non-state schools*.

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

Slide 2: Audit objective

In this follow-up audit, we examined whether the Non-State Schools Accreditation Board and the Department of Education have effectively implemented the recommendations we made in the original audit. We also assessed whether their actions addressed the underlying issues that led to our recommendations.

The entities involved were the:

- Department of Education
- Department of Housing and Public Works.

Slide 3: Background

In 2015, we tabled *Oversight of recurrent grants to non-state schools (Report 12: 2014–15)* in the Queensland Parliament. This report examined whether there was a systemic weakness in controls established by the Non-State Schools Accreditation Board and Department of Education in the recurrent grant paid to non-state schools. This was as a result of an incident of fraud where one non-state school made over \$8 million of ineligible claims against Commonwealth and state grants.

In the original audit, we concluded that some non-state schools claimed the grant for students who were not eligible by mistake (error) or intentionally (fraud). This led to the department overpaying grants to these schools.

The board was not auditing the school survey (census) data properly. Additionally, the department did not seek assurances from the board as to the accuracy and reliability of the data. This caused the department to pay grants based on unreliable estimates of student numbers.

Slide 4: Our findings

We found that the board and the department have fully implemented the recommendations we made in *Oversight of recurrent grants to non-state schools* (Report 12: 2014–15).

The board has:

- improved the instructions for how non-state schools are to complete the annual enrolment census
- updated the record-keeping requirement in the instructions
- developed, applied and is continuously reviewing its audit framework to verify the annual census.

The department has increased its assurance requirements on the accuracy of the enrolment information it receives from the board.

Slide 4: Our conclusions

We concluded that the board and the department, by implementing the recommendations we made in the original report, have increased the accuracy of the census information and reduced the risk of fraudulent claims.

They have addressed most of the underlying issues in our original audit. However, we have observed an increasing risk for the board regarding data security. Schools are increasingly using electronic student attendance data, and they have relatively immature processes in place to maintain its security and integrity. This could affect the board's ability to investigate errors or fraud that lead to grant overpayments.

Because grants are still open to fraudulent claims, the board and the department must continue to maintain the robustness of these processes and deal with emerging risks.

Slide 5: For more information

For more information on the issues and opportunities highlighted in this summary presentation, please see the full report on our website.

Thank you.