

Western Australian Auditor General's Report



Audit Results Report – 2020 Financial Audits of Universities and TAFEs



Report 26: 2020-21

2 June 2021

**Office of the Auditor General
Western Australia**

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The Office of the Auditor General acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures, and to Elders both past and present.

WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

**Audit Results Report –
2020 Financial Audits of
Universities and TAFEs**

Report 26: 2020-21
June 2021



**THE PRESIDENT
LEGISLATIVE COUNCIL**

**THE SPEAKER
LEGISLATIVE ASSEMBLY**

AUDIT RESULTS REPORT – 2020 FINANCIAL AUDITS OF UNIVERSITIES AND TAFES

This report has been prepared under the provisions of section 24 of the *Auditor General Act 2006* and covers financial audits completed since 4 November 2020 including:

- opinions and results of audits on controls, financial statements and key performance indicators of WA's 4 universities and 5 TAFEs for the year ended 31 December 2020
- opinions and results of audits of university subsidiaries and request audits
- key financial indicators commonly used to analyse financial health, and graduate survey results for the tertiary education sector
- other audit opinions issued, including statutory authorities and cemetery boards
- audit certifications of financial and statistical information produced by entities to discharge conditions of Commonwealth funding, grants and other legislation and Royalties for Regions program agreements.

I wish to acknowledge the assistance provided by the senates, governing councils, vice chancellors, managing directors, chief executive officers, chief finance officers and others during the conduct of the annual financial audit program and in finalising this report.

A handwritten signature in black ink, appearing to read 'C Spencer'.

CAROLINE SPENCER
AUDITOR GENERAL
2 June 2021

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Auditor General's overview

This report summarises the results of the annual audits of the 4 public universities, their subsidiaries and the 5 TAFEs for the 31 December 2020 reporting year. The report also contains the results of a small number of other annual audits of statutory authorities and cemetery boards.



We issued clear (unqualified) opinions for all the universities and TAFEs on their financial statements, controls and key performance indicators.

The COVID-19 pandemic had a significant impact on university and TAFE staff, students and operations in 2020. International travel bans and government-imposed gathering restrictions contributed to this. Educational entities re-scoped their operations and developed other strategies to deliver educational programs for their students, both onshore and overseas. This report outlines some of the significant measures taken and impacts on entities within the tertiary sector.

We found assets, expenditure and revenue to be the main areas where the universities and TAFEs had control weaknesses. Seventy-six percent of our findings in these areas were rated as moderate and of sufficient concern to warrant prompt action to prevent them from escalating to significant or high risk.

Our information systems auditors identified 103 IT control weaknesses, an increase on the 88 reported last year. Forty-two percent were unresolved issues from the previous year. I recommend that executive management in each entity gives priority to monitoring the confidentiality, integrity and availability of information systems.

I wish to thank my staff and the staff and leaders in the audited entities who contributed to the audit process and outcomes.

Executive summary

This report contains the findings from the financial audits of universities and TAFEs for the reporting period ending on 31 December 2020. It also includes other State government entities and cemetery board audits finalised since 4 November 2020.¹

Western Australia's public tertiary education sector comprises 4 public universities and 5 TAFEs (2 metropolitan and 3 regional). The universities had combined assets of \$7.1 billion and the TAFEs \$1.2 billion at 31 December 2020. The sector's total revenue from both Commonwealth and State funding in 2020 was \$3.2 billion. This was down from \$3.4 billion last year mainly due to COVID-19 restrictions and reduced enrolments of onshore overseas students, but in some instances partly offset by an increase in domestic student revenue. Universities' revenue was \$2.7 billion and TAFEs \$518 million, following results in 2019 of \$2.9 billion and \$509 million respectively. Further details of the sector's revenue and expenditure are included in Appendix 3.

To ensure the sector produces timely and accurate financial reports, it is important that university and TAFE management keep appropriate accounts and records. An effective internal control system is essential for accurate reporting, to alert management to irregularities in electronic environments and manual procedures, and to help prevent, detect and investigate errors and fraud.

The *Auditor General Act 2006* requires the Auditor General to annually audit the financial statements, controls and key performance indicators (KPIs) of universities and TAFEs, all of which have a 31 December reporting date.

A clear (unqualified) audit opinion generally indicates that satisfactory financial controls are in place. It also indicates that financial statements are complete, accurate, comply with relevant legislation and applicable accounting standards; and fairly represent performance during the year and the financial position at year end.

Key findings

- We issued clear audit opinions:
 - on financial statements, controls and KPIs of the 4 public universities and the 5 TAFEs (page 6)
 - on the financial statements of 8 university subsidiaries and request audits
 - for 7 other State government entities (page 26)
 - for 38 audit certifications of financial and statistical information. (Appendices 1 and 2)

Management issues

- There were 38 financial and management control weaknesses identified at universities and TAFEs, compared to 23 last year. Twenty-six percent were unresolved from the previous year, a similar result compared to last year. (page 8)
- We identified 103 information systems control issues at the universities and TAFEs, compared to 88 last year. Forty-two percent were unresolved issues from the previous year, compared to 48% last year. (page 9)

¹ Audit Results Report – Annual 2019-20 Financial Audits of State Government Entities, Report 7, November 2020 reported on the 2019-20 financial audits completed by 4 November 2020

- Annual leave and long service leave liabilities of the universities increased by 3.7% and by 8.8% for TAFEs in 2020, with a combined total of \$367.3 million at year end. (page 12)

Impacts of COVID-19 in 2020

- Most universities and TAFEs reported reduced student enrolments and revenue due to COVID-19 restrictions, although some reported increased training hours. (page 10)

Casual employee entitlements

- The universities and TAFEs are assessing the impact on their financial report and operations as a result of recent State government advice that casual employees are entitled to long service leave and may be eligible for other permanent employee entitlements. (page 11)

Current accounting standard adoption

- Universities and TAFEs reported certain assets that meet the criteria of service concession assets, and the corresponding liabilities, in their end of 2020 financial reporting under a new accounting standard AASB 1059 from 1 January 2020. This largely related to student accommodation. (page 13)

Financial and performance measures

- The universities mostly rated low to medium risk for their performance against financial indicators in 2020. The ratios indicated slightly higher financial risk levels than in 2019. (page 15)
- We have summarised significant financial transactions of universities and TAFEs noted during our audits. Key financial ratios and information commonly used for assessing financial performance are also presented. (pages 15 and 21)
- The results of university and TAFE student and graduate surveys are presented to show performance measures for each institution. (pages 20 and 24)

Recommendation

1. Universities, TAFEs and other entities should address identified financial management, KPI and information systems control weaknesses in a timely manner to ensure the integrity of their financial controls and external reporting. (page 10)

Audit opinions for universities and TAFEs

University and TAFE management are responsible for keeping proper accounts and records to enable the timely and accurate preparation of financial reports.

An effective internal control system should operate to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and to alert management to irregularities in procedures. They also assist universities and TAFEs to prevent, detect and investigate errors and fraud.

The Auditor General is required to issue an audit opinion for each university and TAFE to the responsible Minister. The opinion relates to:

- Financial statements – assurance that the financial statements and supporting notes are materially complete, accurate, reliable and comply with relevant legislation and applicable accounting standards. The vast majority of State government financial statements are general purpose and, as a minimum, must comply with Australian Accounting Standards and, for most, with the Treasurer's Instructions.
- Controls – assurance that, in all material respects, controls were adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities were in accordance with legislative provisions.

The scope of this opinion addresses the specific requirements of the *Auditor General Act 2006*, and is not as broad as it would be if required to address all aspects of Australian Auditing Standard ASAE 3150 *Assurance Engagements on Controls*. To issue our opinion, we test the design and implementation of key controls.

- KPIs – assurance that the KPIs are relevant, appropriate, based on reliable data and, in all material respects, fairly present the performance of the entity in achieving its desired outcomes. Our audits include testing manual and computerised processes for collecting and reporting the KPIs, and verifying the accuracy and completeness of the information reported.

Some universities use subsidiary companies to conduct activities on their behalf. The audit opinions we issue for these subsidiaries relate to financial statements only as they are not required to submit KPIs.

Similarly, universities may request appointment of the Auditor General to conduct the audit of their interests in associated companies, trusts or other ventures. These interests are marked with * in Table 3.

It should be noted that the audit opinions relate to historical information reported in the financial statements and KPIs and are not predictive of future performance.

Clear opinions were issued for all universities and TAFEs

For the year ended 31 December 2020, we issued clear audit opinions on the financial statements, controls and KPIs of all universities and TAFEs. University and TAFE audit opinions are included in their annual reports which are tabled in Parliament.

UNIVERSITIES Opinion on financial statements, controls and KPIs	Opinion issued
Curtin University (Curtin)	22/03/2021
Edith Cowan University (ECU)	15/03/2021
Murdoch University (Murdoch)	12/03/2021
The University of Western Australia (UWA)	05/03/2021

Source: OAG

Table 1: Audit opinions issued for universities

TAFES Opinion on financial statements, controls and KPIs	Opinion issued
Central Regional TAFE	19/03/2021
North Metropolitan TAFE	18/03/2021
North Regional TAFE	22/03/2021
South Metropolitan TAFE	22/03/2021
South Regional TAFE	19/03/2021

Source: OAG

Table 2: Audit opinions issued for TAFES

For the year ended 31 December 2020, we issued clear audit opinions on the financial statements of all universities' subsidiaries and interests in associated companies, trusts or other ventures. The financial results are included in the financial reports of their controlling university. Annual reports of these subsidiaries and interests are not required to be tabled in Parliament.

UNIVERSITIES' SUBSIDIARIES and OTHER INTERESTS Opinion on financial statements	Opinion issued
Edith Cowan University	
Australian Pathways Education Group Pty Ltd (for year ended 30/06/2020)	26/11/2020
Murdoch University	
Alan and Iris Peacocke Research Foundation *	19/03/2021
Innovative Chiropractic Learning Pty Ltd	19/03/2021
Murdoch Retirement Services Pty Ltd	19/03/2021
The University of Western Australia	
Perth USAsia Centre Limited *	01/04/2021
The University Club of Western Australia Pty Ltd	09/04/2021
UWA Accommodation Services Pty Ltd	Audit in progress
UWA Sport Pty Ltd	29/04/2021
Young Lives Matter Foundation UWA Ltd	17/05/2021

Source: OAG

* Interests in associated companies, trusts or other ventures.

Table 3: Audit opinions issued for universities' subsidiaries and other interests

Management and reporting issues at universities and TAFEs

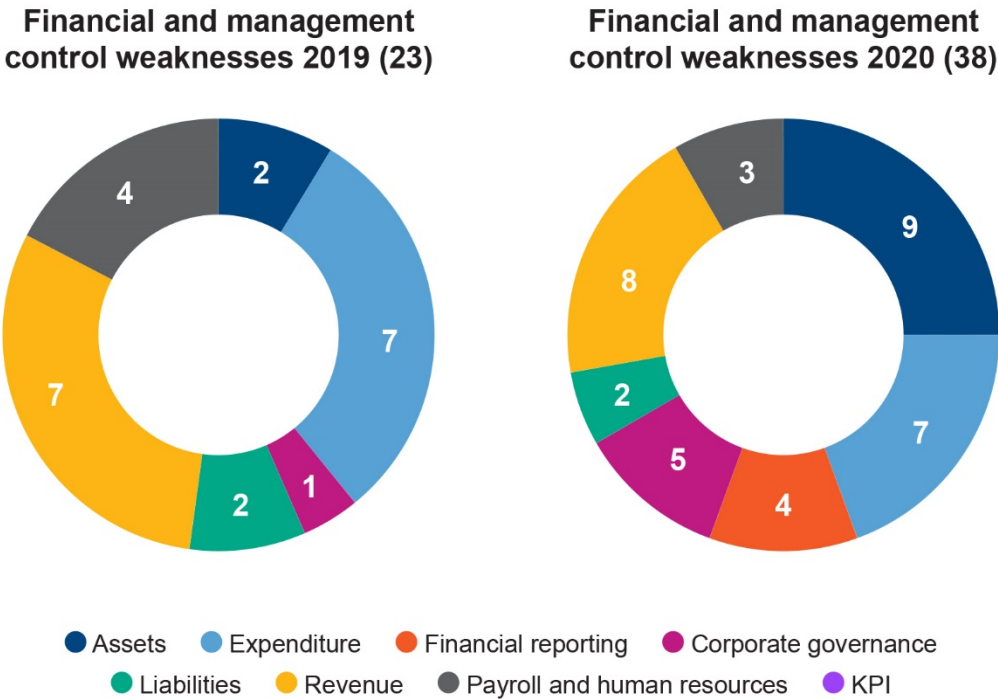
Financial control and reporting issues

Every entity is required to develop and maintain adequate systems of internal control to ensure legislative compliance, and accurate recording and reporting of financial information and KPIs. These control systems reduce the risk of error and fraud, and provide assurance to management and auditors that management reports and financial statements are materially correct.

During our audits, we assess compliance with key aspects of legislation, current best practice and the ability of internal control systems and procedures to record and report reliable financial information and KPIs.

We reported 38 financial and management control weaknesses to the universities and TAFEs for 2020, compared to 23 for 2019.

We rated 76% of the control weaknesses as moderate risk, meaning they were of sufficient concern to warrant taking corrective action as soon as possible. Normally these matters require procedural improvements and if not addressed, they could escalate to a significant risk. Twenty-six percent were unresolved prior year issues, a similar result compared to last year.



Source: OAG

Figure 1: Financial and management control weaknesses for 2019 and 2020

We found that asset stocktakes were not conducted appropriately, stocktake sheets were not signed, asset reconciliations were not routinely completed, and asset balances and depreciation expenses were impacted by the timing of asset capitalisation.

Late acquittal of purchasing card transactions was again reported, along with delays in notifying the financial institution to cancel cards that were no longer required.

The main revenue control weaknesses related to discounts and concessions processed that were not appropriately authorised, or the necessary evidence was not retained.

Information systems control issues

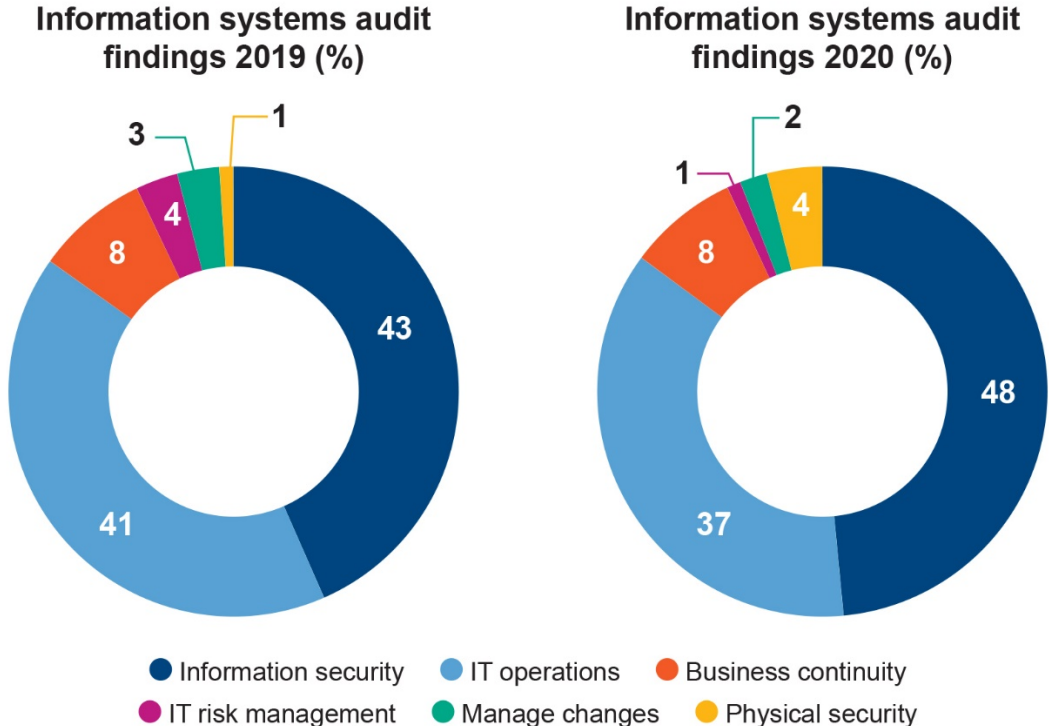
Each year we audit the design, implementation and operating effectiveness of information systems controls at universities and TAFEs. These audits provide insights about the extent to which controls enable reliable and secure processing of financial and key performance information.

In 2020, we identified 103 information systems control weaknesses across the 4 universities and 5 TAFEs. We rated 51% of the weaknesses as moderate and the remaining 49% as minor. Entities should action moderate findings as soon as practicable.

Of the 103 weaknesses identified:

- 48% related to information security issues. These included system and network vulnerabilities and unauthorised and inappropriate access
- 37% related to IT operations issues. These included the processing and handling of information, monitoring and logging of user activity, and management and review of access privileges
- 42% were unresolved findings from our previous audits.

Information systems control weaknesses have the potential to compromise the confidentiality, integrity and availability of key computer systems. Figure 2 shows the distribution of our findings across the 6 control categories we assessed during our audits.



Source: OAG

Figure 2: Information systems audit findings in 2019 and 2020

More information on our information systems audit results will be included in our next annual Information Systems Audit Report.

Recommendation

Universities, TAFEs and other entities should address identified financial management, KPI and information systems control weaknesses in a timely manner to ensure the integrity of their financial controls and external reporting.

Impact of COVID-19 on the tertiary education sector

Our May 2020 report² on this sector recognised the uncertainty of the anticipated effect of COVID-19 on university and TAFE operations. A note in the 2019 financial statements of each of the universities and the 2 metropolitan TAFEs reported this as an event subsequent to reporting date. The state of emergency declared in WA on 15 March 2020 imposed unprecedented restrictions on individuals' movements, social gatherings and business operations. These restrictions required universities and TAFEs to significantly modify their operations. Their actions included:

- extensive use of online teaching, learning and working capabilities, with investment in software and IT equipment to support staff and students working or studying from home
- adjusting academic calendars to enable variations to student assessments and investing in online exam software
- reducing the financial burden on students through parking permit refunds, student services and amenities fee reductions, waiving late payment fees and allowing additional time for students to pay fees rather than withdrawing
- making support payments or grants to students experiencing severe financial hardship to support them to remain enrolled and studying. Benefits included food vouchers, essential living expenses, welfare packages, rent and accommodation support, and computer and IT purchases. Equipment loans with data packages were offered to students in some instances
- all universities recorded significantly reduced investment revenue in 2020, and reductions in revenue from consultancy and contracts, and research grants
- employee related expenses increased for all universities except UWA, mostly due to voluntary redundancies and recognition of long service leave liabilities for casual employees
- university expenses for travel, staff development, professional fees and consultancies, and utilities and rates were less than the previous year
- eligible university subsidiaries received payments for their staff under the Commonwealth Government's Job Keeper programs
- only Murdoch University reported suspending progress on a range of major capital projects in 2020 due to COVID-19.

² Report 21, May 2020, Audit Results Report – Annual 2019 Financial Audits

Universities' student numbers, student fees and revenue

Three of the universities had reductions in student numbers and reduced income from course fees and charges of between 0.87% and 10.2% in 2020 compared to the previous year. Most of this reduction was due to less fees paid by onshore overseas students, although in some instances partially offset by an increase in domestic student revenue.

In contrast, ECU had a 2.5% increase in student numbers, including a 2.6% increase in the Equivalent Full Time Student Load (EFTSL) for onshore international students. ECU's income from course fees and charges increased by 1.6% compared to the previous year, attributed in part to an increase in onshore international students and an increase in domestic student fees.

All universities reported a decrease in total income in 2020, ranging from 0.9% at ECU to 8.4% at UWA.

The Commonwealth Government announced one-off relief to universities to alleviate financial pressures during the COVID-19 pandemic. This includes a \$1 billion injection into research support for universities and the 2020 Commonwealth Grant Scheme guarantee. WA universities will receive a share of this additional funding in 2021.

TAFEs' student numbers, student fees and revenue

A range of State Government initiatives in response to COVID-19 helped to mitigate falls in training activity and revenue in the TAFE sector. From 1 January 2020, the State Government reduced TAFE course fees by up to 72% for targeted qualifications. In July 2020, as part of the WA Recovery Plan, the State Government announced further fee reductions of 50% to 72% for qualifications considered high priority and free short courses for students to upskill for new jobs. To fund these initiatives, State Government grants and subsidies paid to all TAFEs increased by between 6.0% and 10.7% compared to the previous year.

The 2 metropolitan TAFEs and South Regional TAFE, increased the hours of training delivered by between 0.3% to 5.6%, while the other regional TAFEs reported decreases of 6.6% and 7.2%. Overall, total TAFE training hours increased from 21 million in 2019 to 21.5 million in 2020. The hours of training delivered by each TAFE for the years 2018 to 2020 are shown in Table 16 on page 22.

The percentage decrease in revenue from user charges and fees was smaller for the metropolitan TAFEs (2.3% to 11%) compared to regional TAFE decreases of 20% to 34.8%.

Casual employee entitlements

The employment status and reporting of casual employee entitlements changed in 2020. Universities and TAFEs are assessing the impact of a recent court case and updates to previous policy advice on their operations.

Long service leave for casual employees

In September 2019, the Public Sector Labour Relations division of the Department of Mines, Industry Regulation and Safety corrected earlier advice to State government entities about the entitlement of casual public sector employees to long service leave (LSL). The corrected position is that casual employees may be eligible for LSL under the *Long Service Leave Act 1958* (WA), even if they are paid a casual loading that is stated to be in lieu of LSL or other types of leave such as personal leave, annual leave and public holidays. On 19 February 2021, Public Sector Labour Relations issued a guidance note on the transitional and ongoing arrangements for casual employees.

TAFEs are assessing the impact of these changes to ensure accurate reporting under the corrected position.

The universities, although not subject to the State public sector industrial relations directives, are also assessing potential impacts on their operations.

Renegotiation of public sector industrial agreements is underway to clarify and formalise the requirements for casual public sector employees to accrue LSL.

Casual employees’ eligibility for permanent employee entitlements

In addition to the LSL issue, there is also confusion and uncertainty about leave entitlements when casual workers may be considered to be permanent employees. This follows from the May 2020 decision of the Federal Court of Australia in *WorkPac Pty Ltd v Rossato* [2020] FCAFC 84 (Rossato case) which dealt with the casual employment classification.

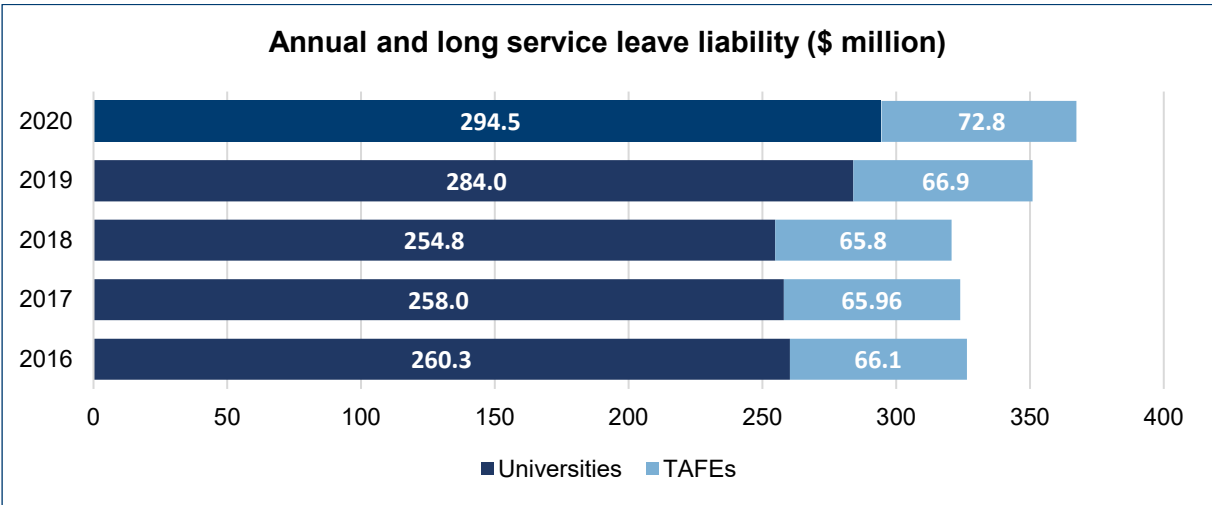
Importantly, the Rossato case found that employers could not offset leave entitlements against the casual loading paid to the reclassified employee. Universities, TAFEs and other similarly affected employing entities need to conduct their own due diligence and seek legal or professional advice to ensure they pay employees the correct accrued entitlements.

The Rossato case is currently on appeal before the High Court of Australia with a decision expected to be handed down later in 2021. The outcome of the appeal, together with the recent amendments to the *Fair Work Act 2009* (Commonwealth) addressing casual employment, will be of particular interest to entities subject to the national fair work industrial relations system.

These matters were considered during the audits of the 31 December 2020 reporting entities covered in this report and will be included in our 30 June 2021 audits of State and local government entities.

Universities’ and TAFEs’ management of leave liabilities

Universities and TAFEs have significant leave liabilities, \$294.5 million and \$72.8 million respectively, which require proactive management. The combined total at 31 December 2020 was \$367.3 million, up 4.7% from \$350.9 million at the end of 2019. Of the 9 universities and TAFEs, only Murdoch University reported a leave liability reduction in 2020.



Source: OAG calculated from annual financial statements of universities and TAFEs

Figure 3: Universities and TAFEs’ leave liabilities

Note: The 2019 universities increase was largely due to an adjustment to correct timing of long service leave entitlement in accordance with the requirements of the Fair Work Act 2009.

Universities and TAFEs need to ensure that their leave liabilities do not escalate and that staff take regular leave for their health and wellbeing. It is important that faculties develop and adhere to leave management plans and develop their staff to perform the tasks of others to reduce the likelihood of large balances and ensure business continuity. Further, staff rotation and segregation of duties, are recognised as risk management tools to prevent and identify practices that contribute to error, collusion or fraud. Staff should be discouraged from accumulating large balances which may need to be paid out at higher pay rates than when the entitlements were accrued. Educational institutions may also consider adopting a leave payout plan to reduce future leave liability.

New accounting standard adopted in 2020

The universities and TAFEs applied a new accounting standard issued by the Australian Accounting Standards Board (AASB) in 2020. From 1 January 2020, the new standard AASB 1059 *Service Concession Arrangements: Grantors* applies to public sector entities (grantors) that enter into service concession arrangements with third party operators. The new standard also required a restatement of comparatives for 2019.

No TAFE had any service concession asset or arrangement in 2020.

Two of the 4 universities had service concession arrangements with third parties to provide public services, including in some cases building student accommodation. Under AASB 1059, a service concession asset is recognised together with a corresponding liability in the balance sheet. In 2020, the impact on the balance sheets of the universities³ was \$156.3 million (2019: \$90.2 million) for assets, and \$118.8 million (2019: \$53.8 million) for liabilities.⁴ There were related income statement impacts reported by the universities in 2020.

Best practice entities for financial reporting and controls

The universities and TAFEs were again timely in submitting their financial statements for audit. Six submitted their financial statements on the same date or earlier than the previous year. The quality of financial statements was also generally good. Two universities and 2 TAFEs submitted high quality statements within the agreed timelines, and also met our other best practice criteria. The 4 best practice entities for 2020 were:

- Edith Cowan University
- Murdoch University
- North Metropolitan TAFE
- South Metropolitan TAFE.

Our criteria for achieving best practice status include:

- clear (unqualified) opinions on the financial statements, controls and KPIs
- being audit ready early, ideally by 31 January
- good quality financial statements and KPIs, supported by reliable working papers and submitted for audit within the agreed timeframe

³ UWA and ECU did not have any service concession assets or arrangements in 2020. Also note that Curtin early adopted AASB 1059 in 2019. However, for completeness the service concession financial impacts have been included.

⁴ Note the financial impact includes assets relating to existing student accommodation that were reclassified from 'Owned Assets' to 'Service Concession Assets'.

- management resolution of accounting standards and presentation issues (before the audit process begins)
- key staff available during the audit process
- assessment of the number and significance of control weaknesses we identified.

Timely preparation of good quality financial statements and KPIs, and being audit ready, enables entities to release resources for other important tasks.

Universities' financial and other performance in 2020

Selected significant financial transactions

Details of significant 2020 financial transactions that we noted during our audits are listed below. While most of this information is reported in each university's annual report, we have included it here for the convenience of Parliament. Reporting here is not meant to imply that we have any residual concern with these transactions.

Assets

- Curtin's property, plant and equipment increased by \$140 million (13%) from the previous year, including \$77.3 million for construction of the new School of Design and Built Environment building and a \$66.5 million increase in the service concession asset construction of the Exchange project. The Exchange project includes new student accommodation, self-contained apartments, short stay accommodation and commercial and retail space.
- ECU's property, plant and equipment decreased by \$112 million (13%) from the previous year, due largely to a \$106 million revaluation decrement as a result of reducing the remaining useful life of ECU's Mt Lawley campus buildings. This adjustment is intended to align with completion of ECU's Perth City Campus.
- Murdoch University recognising \$45.4 million in service concession assets, comprising of \$23.4 million of existing land and building reclassified and \$22.0 million of new student accommodation buildings, as a result of the new accounting standard for service concession arrangements.
- UWA's other financial assets increased by \$90 million (10.6%) from the previous year, mainly due to improved investment returns, as well as deferred capital and operational spending in response to COVID-19. UWA's borrowings included \$56 million of debt drawn from the Western Australian Treasury Corporation in 2020, of which \$20 million was in response to cash spent in support of capital works during COVID-19.

Liabilities

- Curtin disclosed a contingent liability for leave entitlements (other than LSL) of casual employees, and recognised a \$4.7 million provision for casual employees LSL at 31 December 2020.
- UWA's contract liabilities increased by \$117 million, to \$120 million, mainly due to the initial application of AASB 15 and 1058 for the recognition of research income. In 2020 there was significant deferral of research income recognition due to funds being received in advance of grant activity being performed and expended.

Expenditure

- Voluntary redundancy programs resulted in Curtin's 2020 employment related expenses including \$25.5 million for 190 employee redundancies, and Murdoch's employment related expenses including \$15.2 million for 101 staff redundancies.

Key financial ratios of universities

The Commonwealth Government Department of Education, Skills and Employment (DESE) uses a number of benchmark indicators to assess the financial performance of universities. These measures include liquidity, diversity of revenue, dependence on international student fees, operating result and borrowings to equity ratio.

We have used each university's audited financial statements⁵ to show performance against these indicators for the 5 years ending 31 December 2020. Table 4 summarises the risk ratings inferred by these indicators.

2020 – Summary of universities' ratios	
Liquidity / current ratio	2 universities rated as low risk, 1 as medium and 1 as high risk (Same risk ratings in 2019)
Diversity of revenue	2 universities rated as low risk and 2 as medium risk (Same risk ratings in 2019)
Operating results	2 universities reported a surplus (All 4 reported a surplus in 2019)
Borrowings to equity ratio	2 universities rated as low risk, 1 as medium and 1 as high risk (3 rated low risk and 1 rated high risk in 2019)
Dependence on international students	2 universities rated as medium risk, 1 as low and 1 as high risk (3 rated medium risk and 1 low risk in 2019)

Source: OAG calculated from audited annual financial statements using DESE benchmarks

Table 4: University financial risk inferred by selected 2020 financial performance ratios

Note: These ratings are based on criteria set by the Commonwealth Government DESE.

Liquidity / current ratio

The liquidity or current ratio assesses an entity's ability to meet their debts when they fall due. The traditional accounting formula is current assets divided by current liabilities.

DESE considers a ratio of more than 1 low risk and below 0.75 high risk. Based on this rating, ECU and Murdoch were low risk, Curtin was medium risk and UWA high risk, when assessed on this indicator for 2020.

Liquidity / current ratio	2016	2017	2018	2019	2020	Trendline 2016 ↔ 2020
Curtin	1.2	1.3	1.3	1.0	0.9	
ECU	1.7	1.7	1.4	1.3	2.1	
Murdoch	1.9	1.7	1.6	1.1	1.03	
UWA	0.7	0.6	0.6	0.7	0.6	

Source: OAG calculated from audited annual financial statements

Table 5: Liquidity ratio for universities

As the liquidity ratio recognises current assets only, we have also shown in Table 6, details of the universities' total current and non-current cash and other financial assets for each year. Each university's liquidity ratio would improve if their non-current liquid assets were included in the calculation.

Current and non-current cash and other financial assets (\$ million)	2016	2017	2018	2019	2020
Curtin	504	567	630	688	638
ECU	315	328	371	495	502
Murdoch	195	171	208	196	209

⁵ Financial ratios are calculated using the university's figures, not their consolidated results.

Current and non-current cash and other financial assets (\$ million)	2016	2017	2018	2019	2020
UWA	830	889	871	922	1,055

Source: OAG calculated from audited annual financial statements

Table 6: Investments of universities (cash and other financial assets)

Diversity of revenue – dependence on Commonwealth Government funding

Universities can reduce their financial risk by diversifying their revenue sources. Each university has a different capacity to generate revenue, depending on factors such as location, size, courses offered, extent of research activity, perceived standing and student profiles.

For its 2020 benchmarking DESE considered universities with 55% or less of revenue received from Commonwealth Government funding low risk and between 55% and 65% medium risk. Commonwealth Government financial assistance includes the Commonwealth Grant Scheme and other grants, HECS-HELP and FEE-HELP payments. For 2020, Murdoch and UWA were low risk while Curtin and ECU were medium risk, when assessed on this indicator.

Diversity of revenue (%) (dependence on Commonwealth Government funding)	2016	2017	2018	2019	2020	Trendline 2016 ↔ 2020
Curtin	57	56	60	57	63	
ECU	62	61	61	58	60	
Murdoch	50	59	55	52	54	
UWA	52	50	51	47	51	

Source: OAG calculated from audited annual financial statements

Table 7: Diversity of revenue (dependence on Commonwealth Government funding) ratio

Operating result

Universities are not-for-profit organisations but their operating result is a useful measure of financial performance. Large deficits or a trend of consecutive deficits indicates a need for review and analysis.

ECU and UWA reported a surplus for 2020.

Operating result (%)	2016	2017	2018	2019	2020	Trendline 2016 ↔ 2020
Curtin	4	8	3	8	-0.1	
ECU	6	6	5	8	5	
Murdoch	11 *	0.6	3	5	-3	
UWA	3	8	3	11	6	

Source: OAG calculated from audited annual financial statements

Table 8: Operating result as a percentage of total operating revenue

* In 2016 Murdoch received revenue of \$34 million from its subsidiary, Murdoch Retirement Services Pty Ltd. Without this revenue the ratio would have been 2%.

Borrowings to equity ratio

Legislation permits universities to finance their activities by borrowing. DESE considers universities with 7% or less of their equity represented by borrowings to be low risk. Greater than 10% rates as high risk.

Curtin and Murdoch remain low risk, while UWA is medium risk and ECU is high risk on this indicator.

Borrowings to equity ratio (%)	2016	2017	2018	2019	2020	Trendline 2016 ↔ 2020
Curtin	1.4	1.4	0	0.8	0.6	
ECU	9	11	8	18	16	
Murdoch	1	0.5	0.4	0.7	0.8	
UWA	8	8	7	6	9	

Source: OAG calculated from audited annual financial statements

Table 9: Borrowings to equity ratio

Note: Curtin's borrowings exclude amounts for the Chemistry Centre (WA), as offset by lease revenue.

Dependence on overseas student fees

Universities can diversify their revenue sources by encouraging overseas students to study their courses. However, the general view is that universities should not be overly dependent on this source of income.

For its 2020 benchmarking DESE considered universities with 15% or less of operating revenue from fee-paying overseas students as low risk, and between 15% and 25% as medium risk. Based on these criteria, ECU has increased into the high risk rating, while Curtin and Murdoch rate as medium risk, and UWA as low risk on this indicator.

Overseas student fees ratio (%)	2016	2017	2018	2019	2020	Trendline 2016 ↔ 2020
Curtin	20	19	18	17	18	
ECU	20	21	23	24	25.1	
Murdoch	11	12	16	21	21	
UWA	13	15	16	14	14	

Source: OAG calculated from audited annual financial statements

Table 10: Fees from overseas students as a proportion of total operating revenue

Equivalent Full Time Student Load for universities

Universities measure their student enrolments as Equivalent Full Time Student Load (EFTSL). As this information is released by the DESE in September of the following year, the 2020 student enrolment information is not yet available.

The following table shows the EFTSL for the universities from 2016 to 2019, and the percentage of these enrolments relating to international students. Three universities have reported an increase in their proportion of international students for at least the last 3 years. ECU and Murdoch have also reported an increase in their EFTSL for the same period.

EFTSL	2016		2017		2018		2019	
	EFTSL	% International	EFTSL	% International	EFTSL	% International	EFTSL	% International
Curtin	35,002	32	34,354	31	34,239	30	34,728	29
ECU	18,267	20	19,078	21	19,299	21	19,756	24
Murdoch	15,665	43	15,172	36	16,058	37	17,409	40
UWA	19,565	20	19,416	23	18,911	23	18,741	24

Source: Data from Commonwealth Government DESE

Table 11: EFTSL (all students) and percentage of EFTSL that is international students

Universities' graduate survey information

This section presents survey results of students graduating from university. These survey results are not usually reported in each university's annual report.

Tables 12 and 13 present graduate responses to the Graduate Outcome Survey, a national online course evaluation survey conducted by the Social Research Centre on behalf of the Commonwealth Government Department of Education, Skills and Employment (DESE)⁶. Graduates are surveyed approximately 4 months after completing their courses. The 2020 information relates to students who completed their studies in 2019.

Graduate satisfaction of undergraduate students

Table 12 shows the percentage of graduates who were satisfied with their overall undergraduate study experience.

Graduate satisfaction (%)	2017	2018	2019	2020
Curtin	81.1	80.5	83.5	82.2
ECU	85.3	84.0	83.5	84.5
Murdoch	80.3	80.2	83.0	83.8
UWA	74.2	75.2	76.0	75.1
Western Australian university average	81.4	81.1	82.5	82.6
National university average	79.4	79.7	80.0	80.7

Source: Australian Graduate Survey and Graduate Outcome Survey data (unpublished) from DESE

Table 12: Graduate satisfaction survey results for university graduates

Graduate destination of domestic undergraduate students

Table 13 shows the percentage of domestic undergraduate level graduates in employment, including full-time, part-time or casual, in the year after graduation. The numerator includes those graduates who are employed, irrespective of whether they want to work more hours.

Graduate destination (%)	2017	2018	2019	2020
Curtin	87.0	87.2	86.4	86.6
ECU	82.5	82.4	83.1	80.9
Murdoch	82.8	84.0	82.4	78.8
UWA	82.2	83.4	80.9	79.7
Western Australian university average	84.9	85.4	84.2	83.3
National university average	86.7	87.2	87.0	85.3

Source: Australian Graduate Survey and Graduate Outcome Survey (unpublished) data from DESE

Table 13: Graduate destination survey results for university graduates

⁶ University survey results available on the Quality Indicators for Learning and Teaching (QILT) website. QILT is administered by the Social Research Centre on behalf of the Commonwealth Government Department of Education, Skills and Employment.

TAFEs' financial and other performance in 2020

Selected significant financial transactions

Listed below are significant 2020 financial transactions we noted during our TAFE audits. While most of this information can be found in each TAFE's annual report, we have included it here for the convenience of Parliament. Reporting here is not meant to imply that we have any residual concern with these transactions.

Assets

- North Regional TAFE recorded a \$5.2 million increase in its property, plant and equipment, now totalling \$151.6 million. The increase included upgrades at the Karratha and Broome campuses, and completion of the major refurbishment of the trades workshops at the South Hedland Annex of the Pundulmurra campus. The Landgate valuation of property also resulted in a revaluation gain being recorded.

Liabilities

- South Metropolitan TAFE's receivables and other liabilities increased by \$2.6 million. The increase was mainly due to the TAFE opening its 2021 enrolments in September 2020, which is earlier than in previous years. Therefore, the fees received in advance are higher at 31 December 2020 than in the previous year.

Expenditure

- South Metropolitan TAFE's employee benefits expenses increased by \$6 million to \$125.3 million. This was predominantly due to additional hours required to deliver lectures to small classes and online classes due to COVID-19 restrictions.
- South Regional TAFE's employee benefits expenses increased by 5.6% or \$2.3 million. This was predominantly due to general salary increments, a marginal increase in FTE for permanent and contract lecturers, and provision for long service leave for casual staff and lecturers at 31 December 2020.
- North Metropolitan TAFE's supplies and services expenses decreased by \$2.9 million to \$32.3 million, including \$2.2 million for consumables and minor equipment and \$0.5 million for utilities expenses. This was due to the Term 2 closure of campuses, which resulted in significant savings in consumables and electricity.

Contingent liabilities

- In finalising their annual 2020 statements, the TAFEs were reviewing their obligations to pay LSL and other leave to casual employees as discussed on page 11. They also prepared estimates of any potential liability to be brought to account. Central Regional TAFE and South Regional TAFE both completed their review and reported their liability.

TAFE financial results and liquidity

We have used each TAFE's audited financial statement to present their financial results. In 2020, 4 of the 5 TAFEs reported deficits, as shown in the following table.

Surplus / (Deficit) financial results (\$ millions)	2018	2019	2020
Central Regional TAFE	(9.3)	(5.0)	(2.5)
North Metropolitan TAFE	(7.8)	(12.4)	(9.0)
North Regional TAFE	(3.1)	(5.2)	1.9

Surplus / (Deficit) financial results (\$ millions)	2018	2019	2020
South Metropolitan TAFE	(4.0)	(7.1)	(13.9)
South Regional TAFE	(5.3)	(3.6)	(5.6)

Source: OAG from audited annual financial statements

Table 14: Financial results of TAFEs

Note: TAFEs are not funded for depreciation and amortisation which is reported in their Income Statements. The combined total was \$39.8 million in 2020.

Although 4 TAFEs reported deficits for the period, most had a favourable liquidity ratio at 31 December 2020.

The liquidity or current ratio is a traditional way of assessing an entity's ability to meet its debts as and when they fall due. A ratio of more than 1 is generally accepted as low risk. Table 15 shows that on this basis, 4 TAFEs were low risk. However, care should be taken in concluding on the broader financial position of an entity solely on this indicator which compares current assets to current liabilities.

Liquidity / current ratio at year end	2018	2019	2020
Central Regional TAFE	1.3	0.8	0.5
North Metropolitan TAFE	1.6	1.3	1.3
North Regional TAFE	1.9	1.1	1.01
South Metropolitan TAFE	1.8	1.5	1.2
South Regional TAFE	1.8	1.4	1.1

Source: OAG calculated from audited annual financial statements

Table 15: Liquidity / current ratios for TAFEs

TAFE student enrolments

In 2020, a total of 21.5 million Student Curriculum Hours (SCH) of training was delivered by the 5 TAFEs through their Delivery and Performance Agreements (DPA) with the Department of Training and Workforce Development (DTWD). Overall this was a 2.4% increase on the 2019 delivery of 21.0 million SCH. SCH is the measure used to report the quantum of training delivered by the TAFEs.

DPA hours delivered	2018	2019	2020	Trendline 2018 ↔ 2020
Central Regional TAFE	1,857,162	1,890,188	1,753,856	
North Metropolitan TAFE	8,559,701	8,466,292	8,768,179	
North Regional TAFE	1,101,631	978,071	913,032	
South Metropolitan TAFE	7,464,046	7,226,171	7,630,080	
South Regional TAFE	2,480,070	2,444,591	2,452,698	
TOTAL DPA hours delivered	21,462,610	21,005,313	21,517,845	

Source: OAG from audited annual KPIs

Table 16: Hours of DPA training delivered

Cost per Student Curriculum Hour

The cost per SCH is a key financial performance measure that provides a high level indication of efficiency. It is calculated by dividing the total cost of services by the total number of SCH of training delivered, including both DPA and other training delivered.

Many factors influence this measure, so this data alone should not be used to compare TAFEs. Factors can include regional location and economic conditions, the relative cost of different courses offered and student demographics.

Cost per SCH (\$)	2018	2019	2020
Central Regional TAFE	30.42	28.77	32.68
North Metropolitan TAFE	17.68	18.01	17.82
North Regional TAFE	52.27	54.64	60.38
South Metropolitan TAFE	17.70	19.69	20.15
South Regional TAFE	22.70	22.75	23.94

Source: OAG from audited annual KPIs

Table 17: Cost per SCH

TAFE student and graduate survey information

TAFE student satisfaction

DTWD conducts the student satisfaction survey for TAFEs. This annual survey is a measure of the quality of the service provided by the TAFEs.

The student satisfaction rating reports the percentage of 'satisfied' and 'very satisfied' respondents to the survey. Table 18 compares satisfaction ratings provided by students studying in the last 3 years against the State average of our TAFEs including the Western Australian Academy of Performing Arts (WAAPA). Figures are from the TAFEs audited KPIs.

Student satisfaction rating (%)	2018	2019	2020
Central Regional TAFE	92.0	92.6	91.6
North Metropolitan TAFE	85.3	83.5	85.6
North Regional TAFE	93.1	91.1	88.9
South Metropolitan TAFE	87.8	87.7	86.8
South Regional TAFE	90.3	91.7	92.1
State average for TAFEs and WAAPA	88.2	87.5	87.6

Source: OAG from audited annual KPIs

Table 18: Student satisfaction survey results for TAFE students

Note: The student satisfaction results are from an annual survey of students who are funded under the National Agreement of Skills and Workforce Development and exclude international full fee-paying students, students undergoing training through a school-based program (vocational education and training in schools), students who are in a correctional facility and students aged less than 15 years.

TAFE graduate achievement and destination ratings

The National Centre for Vocational Education Research (NCVER) also surveys TAFE graduates at the end of each year. The aim of the survey is to measure vocational education and training graduates' employment, further study and other opinions of the training undertaken. Tables 19 and 20 show the results published in 2018, 2019 and 2020 for TAFE graduates who completed their TAFE courses during 2017, 2018 and 2019 respectively. Figures in the tables below are from the TAFEs audited KPIs.

TAFE graduate achievement

The graduate achievement rating is an indicator of the extent to which TAFE graduates consider they have fully or partly achieved their main reason for undertaking their training.

Graduate achievement rating (%)	2018	2019	2020
Central Regional TAFE	87.2	87.7	84.4
North Metropolitan TAFE	76.9	79.0	78.1
North Regional TAFE	92.4	83.3	86.0
South Metropolitan TAFE	79.5	76.8	78.6
South Regional TAFE	84.1	79.6	82.1
TAFE Australia	82.1	81.9	81.8

Source: OAG from audited annual KPIs

Table 19: TAFE graduate achievement survey results

TAFE graduate destination

The graduate destination indicator is the proportion of graduates in employment and shows the extent to which TAFE is providing relevant and quality training that improved graduates' employability.

Graduate destination rating (%)	2018	2019	2020
Central Regional TAFE	78.9	79.3	75.0
North Metropolitan TAFE	64.1	61.2	55.9
North Regional TAFE	88.4	84.4	73.8
South Metropolitan TAFE	68.4	66.3	59.3
South Regional TAFE	75.1	75.3	65.5
TAFE Australia	72.4	71.3	65.7

Source: OAG from audited annual KPIs

Table 20: TAFE graduate destination survey results

Note: The graduate destination indicator has seen a large decrease in rating Australia wide. One reason for this significant change is the inclusion of students aged 15 to 17 years and vocational education and training in schools students in the 2020 survey for the first time.

Audit work completed for State government entities

Seven other audit opinions were issued

In addition to the tertiary education sector audits reported above, we issued a further 7 opinions for State government entities since 4 November 2020. These were all clear audit opinions. Refer to Appendix 1 on page 27.

We reported 8 financial and management control findings to 5 of these entities during their audits. One finding was rated significant, 3 moderate and 4 minor. These included non-compliance with Treasurer's Instructions for segregation of duties, and the absence of service level agreements or current memorandums of understanding where required.

Matters of Significance and Emphasis of Matter paragraphs

Western Australian Institute of Sport – Matter of Significance

The Matter of Significance paragraph in the Western Australian Institute of Sport's opinion reported that the Under Treasurer approved an exemption from reporting the key performance indicators for 'Percentage of national team representatives from WA and supported by the Western Australian Institute of Sport', 'Percentage of Australian podium performances from WA and supported by the Institute' and 'Percentage of the Institute's scholarship holder national team representatives reflecting the personal value of a champion'. These exemptions were approved due to the cancellation or postponement of major sporting competitions due to the COVID-19 pandemic.

Legal Contribution Trust – Emphasis of Matter

The opinion of the Legal Contribution Trust includes an Emphasis of Matter paragraph as the Trust did not comply with Treasurer's Instruction 953: Publication and Presentation of Annual Estimates.

Thirty-eight audit certifications were issued

Throughout the year, we conduct audit work to certify financial and statistical information produced by entities. The audit opinion enables entities to meet conditions of State or Commonwealth funding or specific grant requirements or legislation. Our opinion is usually also required to enable entities to receive ongoing funding under existing agreements or to apply for new funding.

Our tabled report⁷ on the annual 2019-20 financial audits of State Government entities detailed 85 certifications issued by 4 November 2020, including 71 certifications under the Royalties for Regions program – predominantly for the 30 June 2020 period. We have since issued a further 38 certifications. Refer to Appendix 2 on page 27.

Agreed-upon procedures engagements completed

We issued 3 factual findings reports on the regulatory financial statements of the Electricity Networks Corporation (Western Power) for the 3 years ending on 30 June 2018, 2019 and 2020. The reports were prepared in accordance with the Standard of Related Services ASRS 4400 *Agreed-Up On Procedures Engagement to Report Factual Findings*. The reports dated 14 October 2020 (for both the 2018 and 2019 years), and 17 March 2021 (for the 2020 year), were prepared for submission to the Economic Regulation Authority. This work is separate to the annual financial audits.

⁷ Report 7: November 2020, Audit Results Report on the Annual 2019-20 Financial Audits of State Government Entities

Appendix 1: Other audit opinions issued since 4 November 2020

31 December 2019 reporting date Statutory authorities Opinion on financial statements, controls and KPIs	Opinion issued
Legal Contribution Trust – for 6 months ending 31/12/2020	29/03/2021
The Anzac Day Trust	31/03/2021
Western Australian Institute of Sport	12/03/2021

Source: OAG

30 June 2020 reporting date – Audits completed since 4 November 2020	Opinion issued
Tertiary Institutions Service Centre Ltd (Request audit)	25/11/2020

Source: OAG

30 June 2020 reporting date – Audits completed since 4 November 2020 Cemetery Boards – audited under the <i>Cemeteries Act 1986</i> Financial statements only. There is no statutory deadline for the Boards to submit their financial statements for years ending on 30 June	Opinion issued
Albany Cemetery Board	14/05/2021
Bunbury Cemetery Board	23/04/2021
Geraldton Cemetery Board	Audit in progress
Kalgoorlie-Boulder Cemetery Board	Audit in progress

Source: OAG

2020-21 Final audit completed	Opinion issued
Commissioner for Equal Opportunity (Final audit 01/07/2020 – 30/11/2020)	23/02/2021

Source: OAG

Appendix 2: Certifications issued since 4 November 2020

Unless stated, the following certifications were for the year ended 30 June 2020. The statements prepared by management were confirmed and no adverse reports were issued.

Client	Certification relates to	Date certification issued
Commonwealth Department of Infrastructure, Transport, Regional Development and Communications	Indian Ocean Territories – Service Delivery Arrangements	21/12/2020
Department of Local Government, Sport and Cultural Industries	Local Government (Financial Assistance) Act 1995: Commonwealth funding to local government entities	10/11/2020
Electricity Generation and Retail Corporation	Compliance with Electricity Corporations (Electricity Generation and Retail Corporation) Regulations 2013, Part 2, Division 3, on Segregation Arrangements for year ended 31 December 2020	16/04/2021
Police Service	Road Trauma Trust Account funding for: Automated Number Plate Recognition (ANPR) Technology	06/11/2020
	Automated Traffic Enforcement (ATE) – Expansion Program	06/11/2020
	Breath and Drug Operations Buses	06/11/2020
	Expansion of Drug Testing Capabilities	06/11/2020
	Increase Breath and Drug Testing	06/11/2020
	Infringement Management Operations (IMO) – Administration Costs	06/11/2020
	Roadside Alcohol & Drug Testing – Election Commitment	06/11/2020
Speed Camera Replacement Program	06/11/2020	

Source: OAG

Royalties for Regions certifications

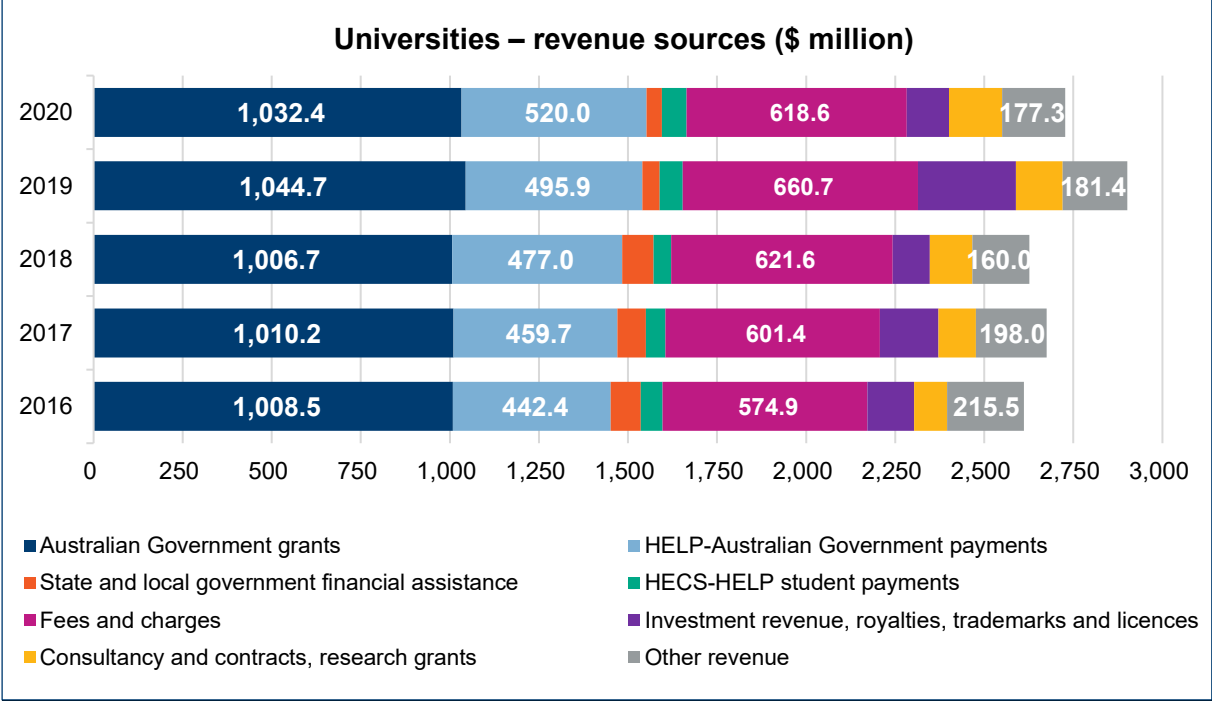
Delivering entity	Royalties for Regions approved projects	Date certification issued
Police Service	Community Safety Network – Regional Radio Network Replacement (01/07/2020 – 20/11/2020)	15/12/2020
Public Transport Authority of Western Australia	Australian Railcar Replacements	10/12/2020
	Mandurah train station – new parking bays	10/12/2020
	Rail to Kemerton Industrial Park	10/12/2020
	Upgrade to Cookernup and North Dandalup stations and completion of Yarloop	10/12/2020
WA Country Health Service	Albany Radiation Oncology	09/11/2020
	Collie Hospital Upgrade	09/11/2020

Delivering entity	Royalties for Regions approved projects	Date certification issued
	Derby Community Health Service	09/11/2020
	Digital Innovation, Transport and Access to Care	09/11/2020
	Dongara Aged Care	09/11/2020
	Emergency and Acute Workforce	09/11/2020
	Expand the Ear Bus Program	09/11/2020
	Geraldton Health Campus Redevelopment	09/11/2020
	Kalgoorlie Health Campus Magnetic Resonance Imaging Suite	09/11/2020
	Karratha Health Campus	09/11/2020
	Kimberley Mobile Dialysis Unit	09/11/2020
	Meet and Greet Service	09/11/2020
	Newman Health Service Redevelopment	09/11/2020
	Nickol Bay Hospital	09/11/2020
	Onslow Health Service Redevelopment	09/11/2020
	Pilbara Health Initiative Phase 3	09/11/2020
	Remote Indigenous Health Clinics	09/11/2020
	Renal Dialysis Services	09/11/2020
	Renal Hostels	09/11/2020
	Residential Aged and Dementia Care Investment Program	09/11/2020
	Southern Inland Health Service – Stream 2a, 3 and 4	09/11/2020
	Tom Price Hospital Redevelopment	09/11/2020

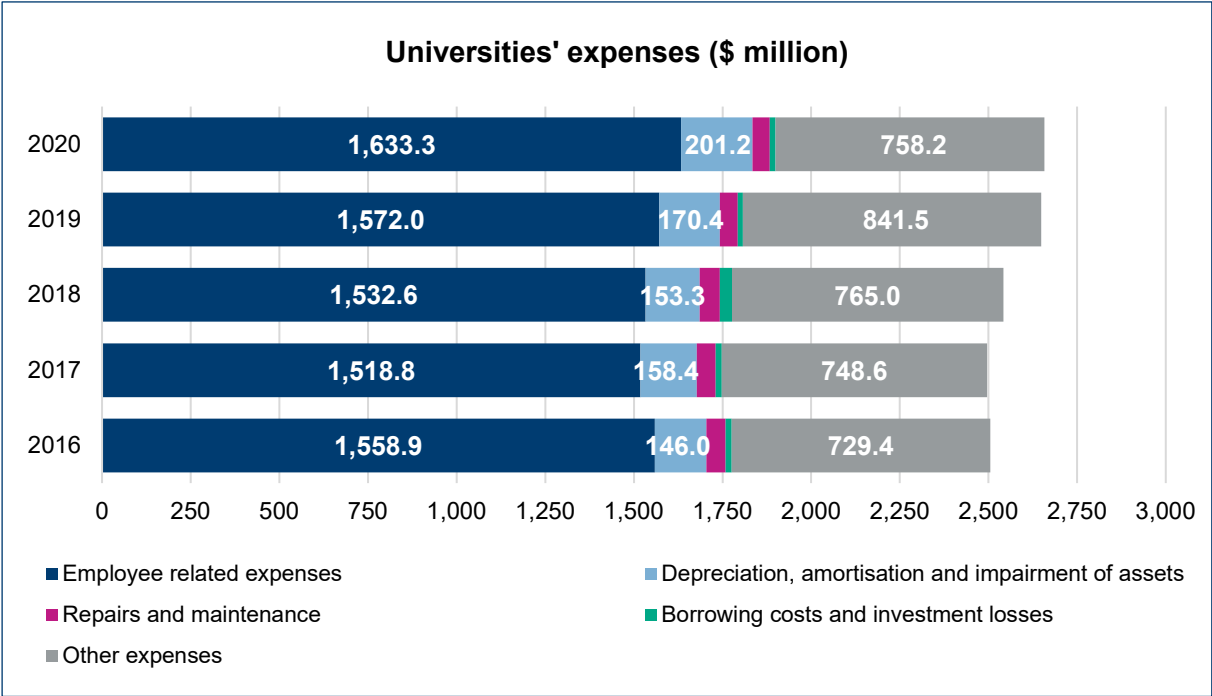
Source: OAG

Appendix 3: Universities' and TAFEs' expenditure and sources of revenue

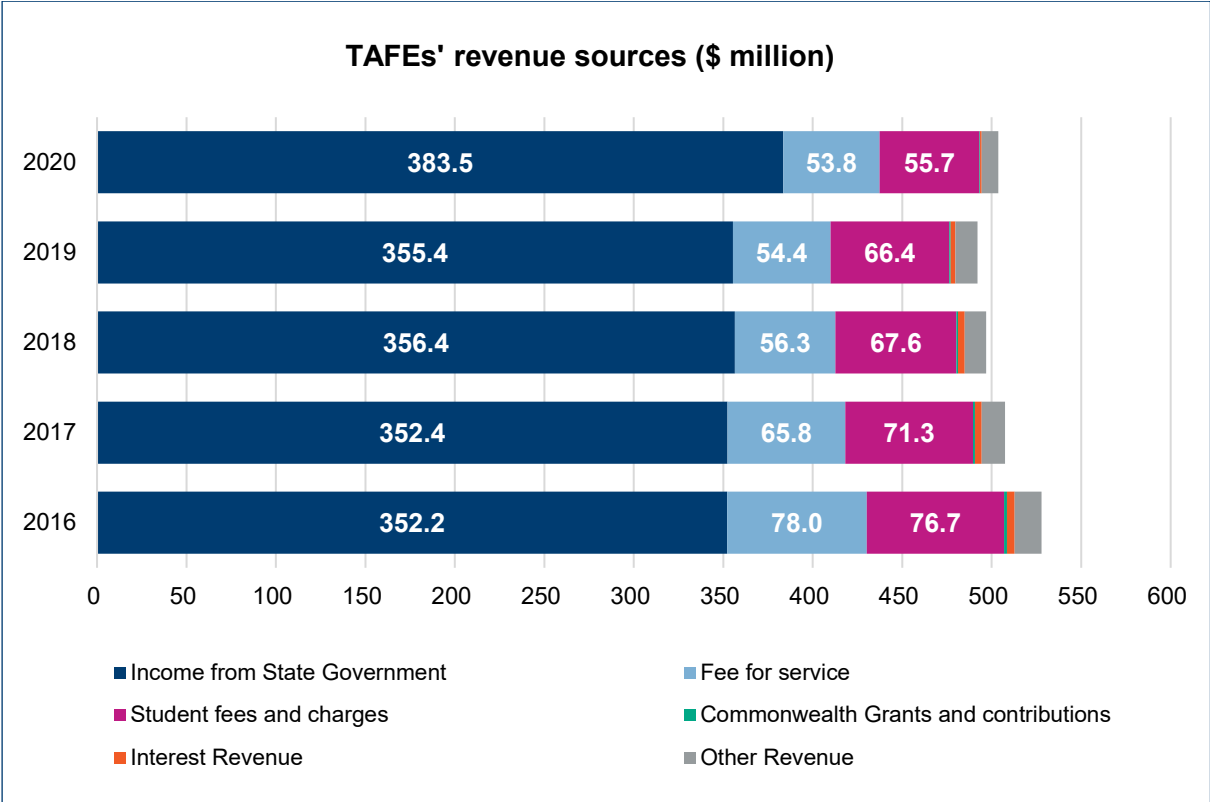
The following breakdown of total revenue sources and total expenses by categories for the past 5 years for the universities and TAFEs are provided for the information of Parliament.



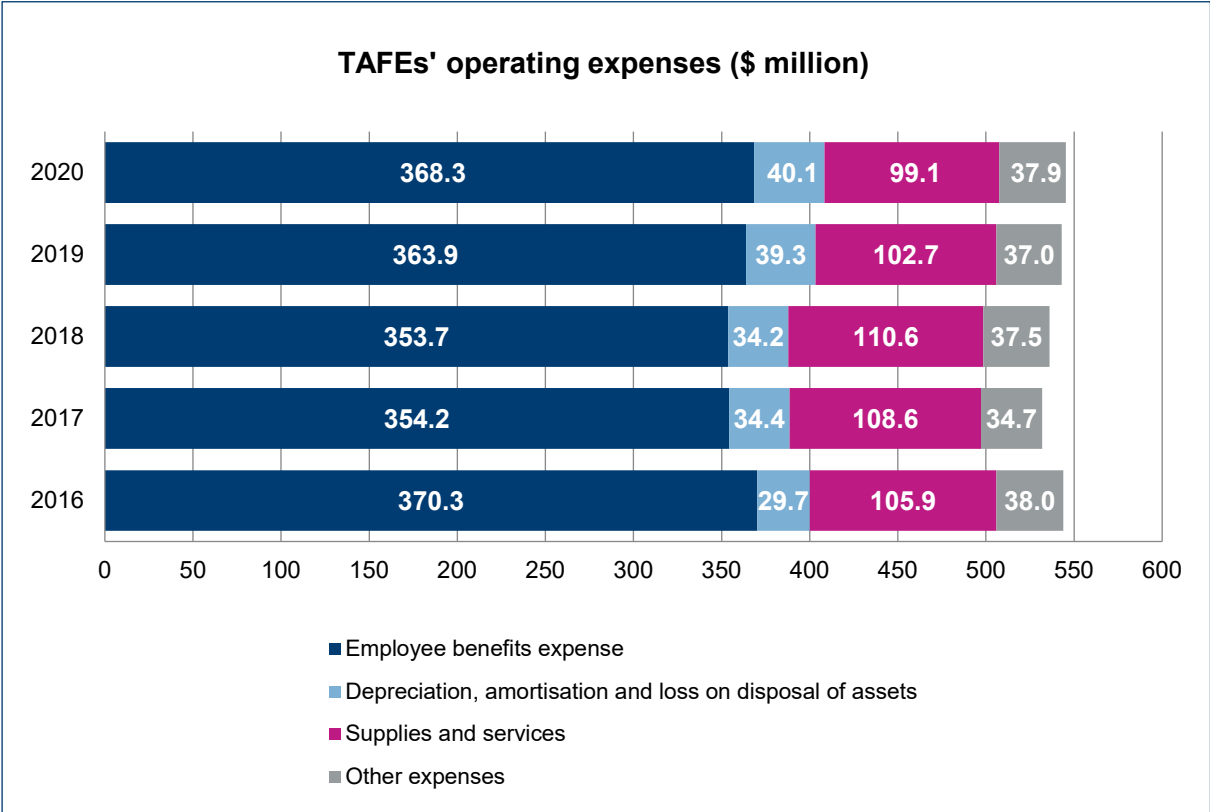
Source: OAG calculated from annual financial statements of universities



Source: OAG calculated from annual financial statements of universities



Source: OAG calculated from annual financial statements of TAFEs



Source: OAG calculated from annual financial statements of TAFEs

Glossary

Clear opinion (or unqualified opinion)	Auditor General's opinion expressed when an audit concludes that in all material respects the financial statements, controls and KPIs are presented fairly in accordance with the enabling legislation of the entity, Australian Accounting Standards (including Australian Accounting Interpretations) and the Treasurer's Instructions, where applicable.
DESE	Commonwealth Government Department of Education, Skills and Employment, formerly functions of the Commonwealth Government Department of Education and Training
DPA	Delivery and Performance Agreements between each TAFE and the Department of Training and Workforce Development for training to be delivered
DTWD	Western Australian Department of Training and Workforce Development
Entity	Term used to describe clients audited by the Auditor General, including departments, statutory authorities, corporations, subsidiaries, cemetery boards and request audits.
EFTSL	Equivalent Full Time Study Load – a measure of universities' student enrolments.
Financial audit	Work performed to enable an opinion to be expressed regarding a report about financial or performance matters prepared by the party who is accountable for the financial transactions or the performance summary.
KPI	Key performance indicator – information about service performance or outcome achievement.
Materiality	Magnitude of an omission or misstatement of accounting or performance information that, in the light of context or circumstances, makes it probable that the judgement of a reasonable person relying on the information would have been changed or influenced.
NCVER	National Centre for Vocational Education Research – conducts student outcomes surveys of vocational education and training students, including TAFE students.
OAG	Office of the Auditor General
QILT	Quality Indicators for Learning and Teaching – reports universities' survey results on behalf of the DESE.
Qualified opinion	Auditor General's opinion expressed when an audit identifies that the financial statements or KPIs are likely to be misleading to users, controls were inadequate, there was material conflict between applicable financial reporting frameworks, or an unavoidable limitation on audit work.
SCH	Student Curriculum Hours – a measure used by TAFEs for student training hours delivered.
Significance	Relative importance in the circumstances, in relation to audit objectives, of an item, event or information, variation or problem the auditor identifies.
TAFEs	TAFEs from April 2016, previously state training providers. An acronym for technical and further education but now used as name for colleges providing vocational education and training.
Treasurer's instructions	Prescribed requirements at a minimum level with respect to financial administration that have the force of law and must be observed by public sector entities under the <i>Financial Management Act 2006</i> , which includes the TAFEs.

Auditor General's 2020-21 reports

Number	Title	Date tabled
25	Delivering Essential Services to Remote Communities	2 June 2021
24	Opinion on Ministerial Notification – DPIRD Capability Review	18 May 2021
23	Local Government General Computer Controls	12 May 2021
22	Opinion on Ministerial Notification – Hospital Facilities Services	6 May 2021
21	Regulation and Support of the Local Government Sector	30 April 2021
20	Opinions on Ministerial Notifications – Policing Information	28 April 2021
19	Opinion on Ministerial Notification – Bennett Brook Disability Justice Centre	8 April 2021
18	Regulation of Consumer Food Safety by the Department of Health	1 April 2021
17	Department of Communities' Administration of Family and Domestic Violence Support Services	11 March 2021
16	Application Controls Audits 2021	8 March 2021
15	Opinions on Ministerial Notifications – Tax and Funding Information Relating to Racing and Wagering Western Australia	26 February 2021
14	Opinion on Ministerial Notification – Hotel Perth Campaign Reports	24 February 2021
13	Opinion on Ministerial Notification – Release of Schedule of Stumpage Rates	24 February 2021
12	Grants Administration	28 January 2021
11	COVID-19 Relief Fund	21 December 2020
10	COVID-19: Status of WA Public Testing Systems	9 December 2020
9	Western Australian Registry System – Application Controls Audit	26 November 2020
8	Regulating Minor Pollutants	26 November 2020
7	Audit Results Report – Annual 2019-20 Financial Audits of State Government Entities	11 November 2020
6	Transparency Report: Major Projects	29 October 2020
5	Transparency Report: Current Status of WA Health's COVID-19 Response Preparedness	24 September 2020
4	Managing the Impact of Plant and Animal Pests: Follow-up	31 August 2020
3	Waste Management – Service Delivery	20 August 2020

Number	Title	Date tabled
2	Opinion on Ministerial Notification – Agriculture Digital Connectivity Report	30 July 2020
1	Working with Children Checks – Managing Compliance	15 July 2020

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