# Results of 2020 Audits: Technical and Further Education Institute

## Tabled 24 June 2021



#### About this report

Twelve technical and further education (TAFE) institutes and their 14 controlled entities make up the Victorian TAFE sector. Each year, we audit these entities' financial reports and performance reports and consider the sector's risks to financial sustainability.

This report outlines the results of these audits for 2020.

#### **Results of audits**

We issued clear audit opinions across the sector. This means that TAFEs' financial and performance reports and their controlled entities' financial reports are reliable.

#### **Financial resilience**

Due to the coronavirus pandemic, TAFEs had to reduce the amount of training they delivered, which negatively affected their revenue. In response, the government adjusted its funding arrangements with TAFEs from April to December 2020 to meet revenue shortfalls.

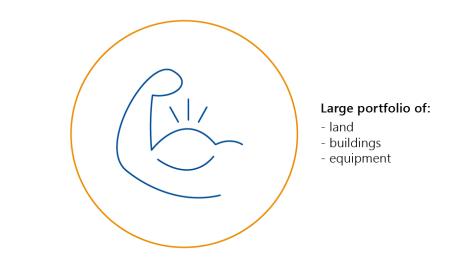
The Department of Education and Training also gave letters of comfort to eight TAFEs. These letters represent the department's commitment to support these TAFEs to pay their debts until April 2022, if the need arises.

Despite the pandemic, the sector's net asset position is still strong due to its large portfolio of land, buildings and equipment, which TAFEs use to deliver their services.

#### **Key audit matters**

We are concerned that we continue to find internal control issues relating to information technology weaknesses at some TAFEs. TAFEs must prioritise and address these issues promptly, particularly because the shift to remote working and learning increases cybersecurity risks.

### **Financial resilience**



#### Recommendation

We made one recommendation for all TAFEs to prioritise resolving prior-year internal control issues.

To view our full report and interactive dashboard on Victorian TAFEs, head to www.audit.vic.gov.au