

Video transcript:

Results of 2021 Audits: Technical and Further Educations Institutes

Who and what we looked at

Each year, we audit Victoria's 12 Technical and Further Education institutes (or TAFEs) and the 14 entities they control.

Together, they teach over 200,000 students and generate more than \$1.2 billion in revenue and income.

We audit each entity's financial report and, where applicable, performance statement, and report on the sector's overall audit and financial outcomes and risks to financial sustainability.

Results of our audits

We issued clear audit opinions for all 26 entities for the 2021 calendar year.

This means we concluded that their financial reports and performance statements are reliable.

Financial analysis

In 2021, disruptions from COVID and rising costs continued to impact the sector's financial performance, leading to an overall net deficit.

Despite the uncertain environment caused by the pandemic, the sector's overall financial position is still strong because it has a large portfolio of land, buildings and equipment.

However, growing employee costs—a trend that started before the pandemic—are an issue. TAFEs must focus on managing these costs, and increasing alternative sources of revenue, to ensure their longer term financial sustainability.

In 2021, 4 TAFEs required support from the Department of Education and Training in the form of 'letters of comfort'. This means the department has committed to providing adequate cashflow if required to 3 TAFEs and conditional support to another.

Dashboard

You can explore our financial data in detail on our interactive dashboard. There, you can take a deep dive into the benchmarking information and raw data we gathered for all 12 TAFEs from 2017 to 2021.

This dashboard lets you dissect and compare financial summaries and compositions of individual TAFEs in different years.

Internal controls

We concluded that the sector's internal controls are adequate for preparing reliable financial reports.

However, we continue to find weaknesses in information technology controls at some TAFEs—a growing cybersecurity risk as TAFEs shift to remote working and learning.

What we recommended

We made one recommendation: that all TAFEs address the internal control issues we raised last year and for their audit committees to monitor how they resolve these issues.

More information

To explore our interactive dashboard on Victorian TAFEs, head to www.audit.vic.gov.au. You can also view our full report online.

To access the complete video, please go to <https://youtu.be/uexf21yfvzY>