

Appendix A: Submissions and comments

We have consulted with the Department of Jobs, Skills, Industry and Regions, the Department of Treasury and Finance and the 12 TAFEs in Victoria, and we considered their views when reaching our audit conclusions. As required by the *Audit Act 1994*, we gave a draft copy of this report, or relevant extracts, to those agencies and asked for their submissions and comments.

Responsibility for the accuracy, fairness and balance of those comments rests solely with the agency head.

Responses received

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Department of Jobs, Skills, Industry and Regions	A-2

OFFICIAL



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Ref: CSEC-2-23-20103

Mr Andrew Greaves
Auditor General
Office of the Auditor General

Dear Mr Greaves

PROPOSED REPORT ON THE RESULTS OF 2022 AUDITS: TECHNICAL & FURTHER EDUCATION INSTITUTES

Thank you for your correspondence of 15 June 2023 inviting the Department of Jobs, Skills, Industry and Regions (the department) to provide submissions or comments on the proposed report *Results of 2022 Audits: Technical & Further Education Institutes (TAFE)*.

The department welcomes the Results of 2022 Audits: TAFE (the report) and its findings. I note your conclusion that the financial and performance reports of the TAFE sector and their controlled entities are reliable, and that Parliament and the community can use them with confidence.

The department has reviewed the report, accepts all recommendations made, and notes the following:

- In response to recommendation 1, the department will work with TAFEs to strengthen internal controls and financial reporting.
- In response to recommendation 2, the department will work with TAFEs to ensure that they continue to assess against the Essential Eight Maturity Model for their key finance and other IT systems.

The report indicates that four TAFEs (The Gordon, TAFE Gippsland, GOTAFE and Melbourne Polytechnic) received letters of support from the department, undertaking that it will provide adequate cashflow to those TAFEs, should the need arise, until April 2024. I would like to provide some further information in relation to this point.

The Gordon, TAFE Gippsland and GOTAFE each disclosed in their annual reports that they were provided with a formal letter of support from the department to support the finalisation of their financial statements. These institutes were all significantly impacted by the COVID-19 pandemic, and the department is continuing to work closely with them to support their long-term financial sustainability so that they can achieve their financial sustainability objectives into the future. The letters of support reflect the department's ongoing commitment to a strong regional TAFE presence.

The Melbourne Polytechnic annual report disclosed that the institute achieved its financial sustainability objectives for 2022 as part of a broader three-year financial sustainability plan, but that the institute has a substantial economic dependency on government operating and capital contributions. To support the finalisation of Melbourne Polytechnic's annual report, the



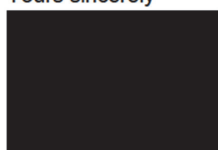
Response provided by the Secretary, Department of Jobs, Skills, Industry and Regions – *continued*

department provided the institute with formal confirmation of funding to be provided across 2023 consistent with the previously agreed sustainability plan so that the institute can continue to achieve their financial sustainability objectives into the future.

I would like to take this opportunity to recognise the work of VAGO and the Victorian TAFE sector that has led to the clear audit opinions for all Victorian TAFEs this year.

If your team would like to discuss this further, please contact David Miller, Acting Chief Executive Officer, Office of TAFE Coordination and Delivery of the Department of Jobs, Skills, Industry and Regions on [REDACTED] or email: [REDACTED]

Yours sincerely



Tim Ada
Secretary

Date: 22/06/2023