

Appendix C:

Audit scope and method

Scope of this audit

Who we examined

We examined the following agencies:

Agency	Their key responsibilities
Department of Jobs, Skills, Industry and Regions	Is responsible for managing and supporting subsidised vocational education and training in Victoria. It provides advice to the Minister on which courses should be funded by Free TAFE. It also manages TAFEs through its Office of TAFE Coordination and Delivery group.
Victorian Skills Authority	Provides evidence-based planning and solutions to meet current and future skills needs in Victoria.
Bendigo Kangan Institute	Deliver vocational education and training including Free TAFE courses. The TAFE's also set individual targets for commencements in Free TAFE courses and monitor this.
Box Hill Institute	
Chisholm Institute	
Wodonga TAFE	
South West TAFE	

Our audit objective

Is the Free TAFE initiative providing training for priority skills and delivering benefits to Victorians?

What we examined

We examined:

- the cost of the Free TAFE initiative
- student participation in Free TAFE courses and non-Free TAFE courses
- the modelling used to determine Victoria's priority skills in demand
- the department's process to evaluate select Free TAFE courses
- the department's internal and public monitoring and reporting systems.

Aspects of performance examined

Our mandate for performance audits and reviews includes the assessment of economy, effectiveness, efficiency and compliance (often referred to as the '3Es + C').

In this audit we focused on the following aspects:

Economy	Effectiveness	Efficiency	Compliance
○	●	○	○

Key:

- Primary focus
- Not assessed

Conducting this audit

Assessing performance

To form a conclusion against our objective we used the following lines of inquiry and criteria.

Line of inquiry	Criteria
1. The Free TAFE initiative is enabling Victorians to access training for priority skills.	1.1 The department and the skills authority use an evidence-based framework to identify the priority skills that are in demand in Victoria.
	1.2 Courses selected for the Free TAFE initiative are appropriately aligned with identified priority skills.
2. The department can demonstrate that the Free TAFE initiative is performing as expected.	2.1 The department monitors, evaluates and reports on: <ul style="list-style-type: none">the cost of the Free TAFE initiativethe achievement of intended outcomes.
	2.2 The Free TAFE initiative is achieving its intended outcomes and providing benefits including: <ul style="list-style-type: none">participants self-identifying as succeeding in the main reason for their studyparticipants having an improved employment status following their trainingparticipants going on to study at a higher levelincreasing participation (course enrolments and completions in VET).

Our methods

As part of the audit we:

- reviewed policies and procedures, internal communication, evidence of collaboration and economic methodology documents to determine whether the skills authority and the department use consistent, logical, and evidence-based modelling to support them in identifying Victoria's skills needs
- reviewed the department's procedure for selecting Free TAFE courses
- reviewed cabinet submissions, internal communication and evidence of stakeholder consultation to determine whether the department consistently followed its procedure for Free TAFE course selection
- reviewed cabinet submissions, evaluation reports and internal monitoring and reporting systems to determine whether Free TAFE has had specific performance targets and understand how the department monitors and reports the initiative's performance
- analysed student participation and cost data for Free TAFE and non-Free TAFE VET courses.

Level of assurance

In an assurance review, we primarily rely on the agency's representations and internally generated information to form our conclusions. By contrast, in a performance audit, we typically gather evidence from an array of internal and external sources, which we analyse and substantiate using various methods. Therefore, an assurance review obtains a lower level of assurance than a performance audit (meaning we have slightly less confidence in the accuracy of our conclusion).

Compliance

We conducted our audit in accordance with the *Audit Act 1994* and ASAE 3500 *Performance Engagements* to obtain reasonable assurance to provide a basis for our conclusion. We complied with the independence and other relevant ethical requirements related to assurance engagements.

We also provided a copy of the report to the Department of Premier and Cabinet and the Department of Treasury and Finance.

Cost and time

The full cost of the audit and preparation of this report was \$830,000. The duration of the audit was 17 months from initiation to tabling.
