

# C6 Statement of Performance

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AUDITOR-GENERAL AN OFFICER  
OF THE ACT LEGISLATIVE ASSEMBLY 

**Sensitive: Auditor-General**

A18/09

Ms Natalie Howson  
Director-General  
Education Directorate  
Level 6, 220 Northbourne Avenue  
BRADDON ACT 2612

Dear Ms Howson

**REPORT OF FACTUAL FINDINGS - EDUCATION DIRECTORATE  
STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018**

The ACT Audit Office has completed the review of the statement of performance of the Education Directorate for the year ended 30 June 2018.

I have attached the statement of performance and an unqualified report of factual findings.

I have provided a copy of the statement of performance and report of factual findings to the Minister for Education and Early Childhood Development, Ms Yvette Berry MLA.

Yours sincerely

A handwritten signature in black ink, appearing to read 'B Stanton'.

Brett Stanton  
Director, Performance Audits  
18 September 2018

c.c. Ms Carol Lilley, Chair, Audit Committee  
Ms Lynette Daly, Chief Financial Officer  
Ms Megan Young, Chief Internal Auditor

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## REPORT OF FACTUAL FINDINGS

### EDUCATION DIRECTORATE

#### To the Members of the ACT Legislative Assembly

##### Review opinion

I am providing an **unqualified review opinion** on the statement of performance of the Education Directorate (the Directorate) for the year ended 30 June 2018.

During the review, no matters were identified which indicate that the results of the accountability indicators reported in the statement of performance are not fairly presented in accordance with the *Financial Management Act 1996*.

##### Basis for the review opinion

The review was conducted in accordance with Australian Auditing Standards. I have complied with the requirements of the Accounting Professional and Ethical Standards 110 *Code of Ethics for Professional Accountants*.

I believe that sufficient evidence was obtained during the review to provide a basis for the review opinion.

##### Responsibility for preparing and fairly presenting the statement of performance

The Director-General of the Directorate is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

##### Responsibility for the review of the statement of performance

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*, the Auditor-General is responsible for issuing a report of factual findings on the statement of performance of the Directorate.

As required by Australian Auditing Standards, the auditors:

- applied professional judgement and maintained scepticism;
- identified and assessed the risks of material misstatements due to error or fraud\* and implemented procedures to address these risks so that sufficient evidence was obtained to form a review opinion; and
- reported the scope and timing of the review and any significant deficiencies in reporting practices identified during the review to the Director-General.

(\*The risk of not detecting material misstatements due to fraud is higher than the risk due to error, as fraud may involve collusion, forgery, intentional omissions or misrepresentations or the override of internal controls.)

### Limitations on the scope of the review

The review was conducted in accordance with Australian Auditing Standards applicable to review engagements, to provide limited assurance that the results of the accountability indicators reported in the statement of performance have been fairly presented in accordance with the *Financial Management Act 1996*.

A review is primarily limited to making inquiries with representatives of the Directorate, performing analytical and other review procedures and examining other available evidence. These review procedures do not provide all of the evidence that would be required in an audit, therefore, the level of assurance provided is less than that given in an audit. An audit has not been performed and no audit opinion is being expressed on the statement of performance.

This review does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations;
- adequacy of controls implemented by the Directorate; or
- integrity of the reviewed statement of performance presented electronically or information hyperlinked to or from the statement of performance. Assurance can only be provided for the printed copy of the reviewed statement of performance.



Brett Stanton  
Director, Performance Audits

18 September 2018

# **EDUCATION DIRECTORATE**

## **STATEMENT OF PERFORMANCE**

**For the Year Ended June 2018**

**Education Directorate  
Statement of Performance  
For the Year Ended 30 June 2018**

**Statement of Responsibility**

In my opinion, the Statement of Performance is in agreement with the Directorate's records and fairly reflects the service performance of the Directorate for the year ended 30 June 2018 and also fairly reflects the judgements exercised in preparing it.



Natalie Howson  
Director-General  
18 September 2018

**Education Directorate  
Statement of Performance  
For the Year Ended 30 June 2018**

**Output Class 1: Public School Education**

**Description**

Public primary school education spans the years from preschool to year 6. It is available, on average, for eight years with a preschool age of four years and a kindergarten starting age of five years. A balanced curriculum allows the students to develop the qualities needed for lifelong learning. Public high school education covers the years 7 to 10. ACT public high schools offer a broad and comprehensive education across all key learning areas. Public secondary college education covers years 11 and 12, offering courses catering for a broad range of student needs and interests.

A range of educational settings are available in ACT public schools for students with a disability. These include special needs schools, special classes or units in mainstream schools and additional support in mainstream classes.

	2017-18 Target	2017-18 Result	Percentage variance from the target	Explanation of material variance (±10% or higher)
<b>Cost (\$'000) <sup>a</sup></b>				
1.1 Public Primary School Education	386,631	391,733	1.3%	
1.2 Public High School Education	191,317	188,969	(1.2%)	
1.3 Public Secondary College Education	125,429	121,496	(3.1%)	
1.4 Disability Education in Public Schools	74,713	74,972	0.3%	
<b>Total Output Class 1</b>	<b>778,090</b>	<b>777,170</b>	<b>(0.1%)</b>	
<b>Controlled Recurrent Payments (\$'000) <sup>a</sup></b>				
1.1 Public Primary School Education	327,082	322,756	(1.3%)	
1.2 Public High School Education	166,043	164,513	(0.9%)	
1.3 Public Secondary College Education	107,061	105,991	(1.0%)	
1.4 Disability Education in Public Schools	66,640	65,918	(1.1%)	
<b>Total Output Class 1</b>	<b>666,826</b>	<b>659,178</b>	<b>(1.1%)</b>	

**Notes:**

- a. Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*.

**Education Directorate**  
**Statement of Performance**  
**For the Year Ended 30 June 2018**

<b>Output Class 1: Public School Education</b>	<b>2017-18 Target</b>	<b>2017-18 Result</b>	<b>Percentage variance from the target</b>	<b>Explanation of material variance (±10% or higher)</b>
<b>Accountability Indicators</b>				
<b>Early childhood education</b>				
a. Number of enrolments in preschool in public schools	4,650	4,677	0.6%	
b. Number of enrolments of Aboriginal and Torres Strait Islander students in preschool in public schools	250	289	15.6%	Note 1
<b>School participation</b>				
a. Attendance rate of public school students in year 1 to year 10	91.5%	91.6%	0.1%	
<b>Education and care services</b>				
a. Assessment and ratings completed within legislated timeframes	100%	99%	(1%)	
b. Annual compliance audit is delivered in full	100%	100%	-	
<b>Disability education</b>				
a. Individual Learning Plans completed for students in special and mainstream schools who access special education services	100%	99%	(1%)	
<b>Senior secondary education</b>				
a. Percentage of year 10 students who proceed to public secondary college education	85%	92.3%	8.6%	
b. Percentage of year 10 Aboriginal and Torres Strait Islander students who proceed to public secondary college education	80%	87.6%	9.5%	
c. Apparent retention of public school students from year 7 to year 12	100%	100%	-	
d. Apparent retention of Aboriginal and Torres Strait Islander public school students from year 7 to year 12	75%	100%	33.3%	Note 2
e. Percentage of year 12 students who receive a Tertiary Entrance Statement	50%	46.7%	(6.6%)	
f. Percentage of year 12 Aboriginal and Torres Strait Islander students who receive a Tertiary Entrance Statement	20%	14.7%	(26.5%)	Note 3
g. Percentage of year 12 students who receive a nationally recognised vocational qualification	60%	33.5%	(44.2%)	Note 4
h. Percentage of year 12 Aboriginal and Torres Strait Islander students who receive a nationally recognised vocational qualification	50%	37%	(26%)	Note 5
<b>Regulatory and process reform initiative</b>				
a. Commenced implementation of red tape reduction initiatives	30 June 2018	13 February 2018	-	
<b>Average cost (\$) per student per annum in public:</b>				
a. Preschools	7,326	7,162	(2.2%)	
b. Primary schools	14,860	14,795	(0.4%)	
c. High schools	19,226	18,634	(3.1%)	
d. Secondary colleges	19,718	19,310	(2.1%)	
e. Special schools	65,165	66,190	1.6%	
f. Mainstream Schools' student with a disability	27,110	26,771	(1.3%)	

The above accountability indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

**Education Directorate**  
**Statement of Performance**  
**For the Year Ended 30 June 2018**

**Notes to variances**

1. More Aboriginal and Torres Strait Islander children were enrolled in preschool than projected.
2. Apparent Retention Rate is an indicative measure of the number of school students who have stayed in school for a designated year and grade of education. It is expressed as a percentage of the respective cohort group that those students would be expected to have come from, assuming an expected rate of progression of one grade per year. The variance is result of increasing enrolments of Aboriginal and Torres Strait Islander students in public schools over time.
3. The variance is a result of a smaller number of Aboriginal and Torres Strait Islander students receiving a Tertiary Entrance Statement (TES). The number of Aboriginal and Torres Strait Islander students receiving a TES was 17 (of 116 enrolled in year 12 in 2017) leading to a result of 14.7 percent as opposed to an expected number of 23 students (of 116 enrolled in year 12 in 2017) which could have achieved a target of 20 percent.
4. The variance is a result of a decrease in uptake of nationally recognised vocational qualifications by year 12 students. A total of 1,076 students (of 3,213 enrolled in year 12 in 2017) received a nationally recognised vocational qualification leading to a result of 33.5 percent as opposed to an expected number of 1,928 students (of 3,213 enrolled in year 12 in 2017) which could have achieved a target of 60 percent.
5. The variance is a result of a smaller number of Aboriginal and Torres Strait Islander students receiving a nationally recognised vocational qualification. The number of Aboriginal and Torres Strait Islander students receiving a nationally recognised vocational qualification was 43 (of 116 enrolled in year 12 in 2017) leading to a result of 37 percent as opposed to an expected number of 58 students (of 116 enrolled in year 12 in 2017) which could have achieved a target of 50 percent.

**Education Directorate  
Statement of Performance  
For the Year Ended 30 June 2018**

**Output Class 2: Non-government Education**

**Output 2.1: Non-government Education**

**Description**

The Directorate contributes to the maintenance of standards in non-government schools and home education through compliance and registration, and the accreditation and certification of senior secondary courses through the Board of Senior Secondary Studies. The Directorate also undertakes the administration and payment of the Commonwealth and ACT Government grants.

	2017-18 Target	2017-18 Result	Percentage variance from the target	Explanation of material variance (±10% or higher)
<b>Cost (\$'000)<sup>a</sup></b>	3,855	3,610	(6.4%)	
<b>Controlled Recurrent Payments (\$'000)<sup>a</sup></b>	3,233	2,968	(8.2%)	
<b>Accountability Indicators<sup>b</sup></b>				
a. All non-government schools operating in the ACT during the reporting period are registered	100%	100%	-	
b. The provisional registration of home educated students is completed within ten school days of the receipt of the application	100%	100%	-	
c. Grants paid within the required period of receiving funds from the Commonwealth Government	100%	100%	-	

**Notes**

- a. Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*.
- b. The accountability indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.