
Appendix two – About the audit

Audit objective

This audit assessed the effectiveness of the Department of Education's support and oversight of school planning and use of needs-based funding.

Audit criteria

We addressed the audit objective by through the following audit questions and criteria:

1. Effective accountability arrangements have been established to ensure that public schools are managing needs-based funding efficiently and effectively.
 - a) The department has well defined roles and responsibilities and sets clear expectations for how schools should use needs-based funding.
 - b) The department ensures schools consider community input and broader strategic priorities in their school planning process.
 - c) The department ensures schools use needs-based funding in line with the expectations set by the department.
 - d) The department identifies schools struggling to generate improvements, and targets interventions and support accordingly.
2. The department effectively supports public schools to build the capacity required to develop school plans and use needs-based funding.
 - a) The department has effectively planned how it will strengthen capacity in public schools to develop school plans and use needs-based funding
 - b) The department periodically assesses the relevance and effectiveness of support for planning and use of needs-based funding in public schools and uses evaluations to improve services.
 - c) Schools are using systems, tools and guidance to develop school plans and use needs-based funding.

Audit scope and focus

In assessing the criteria, we focused on the following aspects:

1. arrangements for oversight of school planning and reporting including:
 - a) policies and guidelines for how schools should allocate needs-based funding
 - b) policies, processes and roles for providing oversight
 - c) policies and guidelines for community engagement in school planning
 - d) school improvement processes.
2. support provided to schools including:
 - a) budgeting and reporting systems and tools
 - b) policy, guidelines and good practice examples
 - c) professional learning, mentoring and development programs
 - d) reviews and evaluations of support provided to schools.

Audit exclusions

The audit did not assess:

- the impact of needs-based funding on education outcomes
- planning or use of school operational, initiative or targeted funding.

Audit approach

Our procedures included:

1. Interviewing:
 - relevant head office staff responsible for developing and reviewing policies, guidelines, professional learning, and support systems
 - principals, business managers and school administration managers from 12 primary, secondary schools and schools for specific purposes.
2. Examining relevant documents and data including:
 - school budget allocation reports, school plans, annual reports and evidence sets prepared for external validation panels
 - departmental planning documents, guidelines and communication materials
 - training program materials, number of participants and evaluations.

The audit approach was complemented by quality assurance processes within the Audit Office to ensure compliance with professional standards.

Audit methodology

Our performance audit methodology is designed to satisfy Australian Audit Standard ASAE 3500 Performance Engagements and other professional standards. The standards require the audit team to comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance and draw a conclusion on the audit objective. Our processes have also been designed to comply with requirements specified in the *Public Finance and Audit Act 1983* and the *Local Government Act 1993*.

Acknowledgements

We gratefully acknowledge the co-operation and assistance provided by the Department of Education throughout the audit. We also thank staff at schools we selected to interview and other stakeholders who met with us to discuss the audit.

Audit cost

The estimated cost of this audit including travel and overheads is \$325,000.