

## A. Full responses from entities

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As mandated in section 64 of the *Auditor-General Act 2009*, the Queensland Audit Office gave a copy of this report with a request for comments to the Director-General, Department of Education and the Director-General, Department of Employment, Small Business and Training.

We also provided a copy of the report to the following entities and gave them the option of providing a response:

- TAFE Queensland
- Central Queensland University
- Griffith University
- James Cook University
- Queensland University of Technology
- The University of Queensland
- University of Southern Queensland
- University of the Sunshine Coast
- Board of Trustees of the Brisbane Girls Grammar School
- Board of Trustees of the Brisbane Grammar School
- Board of Trustees of the Ipswich Girls' Grammar School
- Board of Trustees of the Ipswich Grammar School
- Board of Trustees of the Rockhampton Girls Grammar School
- Board of Trustees of the Rockhampton Grammar School
- Board of Trustees of the Toowoomba Grammar School
- Board of Trustees of the Townsville Grammar School.

We provided a copy of this report to the Premier; the Minister for Education; the Treasurer; the Under Treasurer; and the Director-General, Department of the Premier and Cabinet for their information.

This appendix contains their detailed responses to our audit recommendations.



## Comments received from Director-General, Department of Education



Office of the  
Director-General

Department of  
Education

8 MAY 2020

Mr Brendan Worrall  
Auditor-General  
Queensland Audit Office  
Email: [gao.mail@gao.qld.gov.au](mailto:gao.mail@gao.qld.gov.au)

Dear Mr Worrall *Brendan*

Thank you for your email dated 21 April 2020 providing a draft copy of your report to Parliament titled *Education: 2019–20 results of financial audits* (the Report) concerning the results of financial audits for education sector entities for the year ended 30 June 2019 and 31 December 2019.

I appreciate the opportunity to review the Report and I thank you and your team, led by Ms Michelle Reardon, for your collaborative approach. This report provides useful information that we will focus on to further strengthen our internal controls and improve our statutory reporting processes.

If you or Ms Reardon require further information or assistance, please contact Mr Duncan Anson, Assistant Director-General Finance and Chief Finance Officer, Department of Education, on \_\_\_\_\_ or by email at \_\_\_\_\_

Yours sincerely

A handwritten signature in blue ink that reads "Tony Cook".

**TONY COOK**  
Director-General

Ref: 20/245280

Level 33 1WS  
1 William Street Brisbane  
Queensland 4000 Australia  
PO Box 15033 City East  
Queensland 4002 Australia  
Telephone +61 7 3034 4754  
Facsimile +61 7 3034 4769  
Website [www.qed.qld.gov.au](http://www.qed.qld.gov.au)  
ABN 76 337 613 647

## Comments received from Vice-Chancellor and President, The University of Queensland



// May 2020

Ms Michelle Reardon  
Queensland Audit Office  
53 Albert Street  
BRISBANE QLD 4000

Office of the  
Vice-Chancellor and President

Email: [gao@gao.qld.gov.au](mailto:gao@gao.qld.gov.au)

Dear Ms Reardon,

Thank you for the correspondence sent to The University of Queensland (UQ) on Tuesday, 21 April, and for the opportunity for the University to respond. Please see below for our formal response to items presented in the proposed report.

### Asset Management

We note that the QAO recommends that institutions consider their building infrastructure plans (both capital and maintenance) in light of learnings from the sector's move to an online teaching environment due to COVID19 restrictions. We agree with the recommendation's spirit; however, at this early stage, it is our view that it is not likely to have the significant impact that many may predict.

While online is an efficient tool in some contexts, it cannot replace the practical needs of many academic courses (e.g. medicine, science, engineering, etc.). During this period, we have been reminded that students value the cultural learnings and network creation that come from face-to-face interactions with their peers and teaching staff. And of course, research-intensive universities require building infrastructure to facilitate cutting-edge research. The University of Queensland regularly plans its infrastructure needs regarding changing teaching pedagogies and research needs.

### Systems for New Revenue Standards

We note that the QAO recommends universities look to refine its processes to more efficiently and consistently analyse research contracts. The Australian Accounting Standards Board's implementation of AASB15 in 2019 was poor. Inadequate consultation and last-minute interpretation changes led to massive confusion for the sector and the auditing community. We were grateful to the QAO for their practical approach to resolving the issues that the AASB created. We believe the approach that QAO adopted was appropriate, and consequently, we do not think any further investment in systems or effort should be required.

If you require further information or clarification, please contact Mr Andrew Flannery, Chief Financial Officer, on

Yours sincerely

Professor Peter Høj AC  
Vice-Chancellor and President

D20/62514-3

## Comments received from Director-General, Department of Employment, Small Business and Training

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Department of  
Employment,  
Small Business  
and Training

Our Ref: 01112/20

15 May 2020

Mr Brendon Worrall  
Auditor-General  
Queensland Audit Office  
Email: [QAO.Mail@qao.qld.gov.au](mailto:QAO.Mail@qao.qld.gov.au)

Dear Mr Worrall

Thank you for your email dated 21 April 2020 regarding the Queensland Audit Office report to Parliament titled Education: 2018–19 results of financial audits (the Report).

The Department of Employment, Small Business and Training acknowledges the Report and the statements regarding the risks and impacts of the COVID-19 pandemic, and the requirement to strengthen internal controls and information security as a result of the change in working environments.

The department is working to ensure internal controls are appropriate and effective whilst delivering new priorities to support the Queensland community to respond and recover from the COVID-19 impacts.

As noted in the 2017–18 Education sector report, the department is continuing to work with TAFE Queensland to address its long term sustainability, with a strong focus on the impacts it is facing as a result of COVID-19.

Following a review of the report, I accept its findings and recommendations noting that the department recorded a non-cash loss at the end of 2018–19 due to a revaluation decrement in its land assets.

We appreciate the opportunity to provide comment on the report, including the findings and recommendations.

1 William Street Brisbane  
Queensland 4000 Australia  
PO Box 15483 City East  
Queensland 4002 Australia

ABN 84 375 484 963



Should you require any further information, please contact Ms Rhiannan Howell, Acting Head of Corporate, Corporate Services, Department of Employment, Small Business and Training by email at \_\_\_\_\_ or on telephone \_\_\_\_\_

Yours sincerely



Mary-Anne Curtis  
Director-General

