

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2006-2007 SUPPLEMENTARY ESTIMATES HEARING

**Outcome:** 1

**Output Group:** 1.2 – Assistance for individuals including those with special needs

#### **DEST Question No. E699\_07**

Senator Crossin provided in writing.

#### **Question:**

What audit checks do DEST carry out on IESIP usage – do you actually check that these funds are used for genuine indigenous education projects rather than nebulous projects which may involve say the purchase of a 4 wheel drive for headquarters based officers to drive around in as curriculum developers (as happened in the NT under the CLP Government).

#### **Answer:**

##### *Indigenous Education Agreements*

Indigenous Education Agreements (IEAs) between DEST and eligible education providers for the provision of Indigenous Education programme (IEP) funding set out the rights and obligations of each of the parties in respect of that funding.

IEAs require providers to submit a financial acquittal each year which includes:

- a statement by the Chief Executive officer or equivalent; and
- an audit statement

The financial acquittal confirms that funds paid under the agreement have been spent, or committed to be spent in that year, for the purposes specified in the agreement.

The audit of IEP funding must be carried out by an appropriately qualified person registered as a company auditor under the Corporations Act 2001, or a member of the Institute of Chartered Accountants in Australia, or of CPA Australia or the National Institute of Accountants; and not a principal, member, shareholder, officer or employee of the provider or and holding company or subsidiary, and comply with Australian Auditing Standards.

Where the provider is audited by an Auditor-General for the entire term of the agreement and the funding is included in the income and expenditure that is subject to audit, the audit statement may be signed off by the senior executive officer employed by the provider who has primary responsibility for managing its audit functions.

IEAs also include provision which allows DEST to commission an audit of a provider.