

**BUILDING THE EDUCATION REVOLUTION
GUIDANCE MEMO 5**

AUDIT AND CERTIFICATION REQUIREMENTS

FEBRUARY 2010

This Guidance Memo provides clarification on the Building the Education Revolution (BER) Audit and Certification requirements for the *Bilateral Agreements on the Nation Building and Jobs Plan* for States Education Authorities and of the *Funding Agreements* for Block Grant Authorities (BGA).

Requirements for State and Territory Education Authorities

The Audit and Certification requirements of *Bilateral Agreements on the Nation Building and Jobs Plan for States, Part 4 Reporting and Performance Benchmarks*, for State Education Authorities (EA) should be interpreted as follows:

The National Coordinator expectations are:

1. that State EAs provide an annual 'Statement of income and expenditure' (noting this is a special purpose financial statement and not a request for annual Financial Statements), within 30 days of the end of each relevant financial year, that clearly shows:
 - i. the amount of BER program funding received by the State EA from the Commonwealth of Australia, exclusive of Administration Funding;
 - ii. the amount of BER program funding provided by the State EA to each individual school, identifying each individual school;
 - iii. the amount of BER Administration Funding received by the State EA from the Commonwealth of Australia; and
 - iv. the amount of BER Administration Funding spent by the State EA, broken down into expense types (for examples of expense types please refer to the BER Guidance Memo—*BER Administration Funding and Interest Earned*, issued November 2009).
2. the 'Statement of income and expenditure' to be audited by the State Auditor-General in accordance with Australian Auditing Standards and generally accepted audit practice;
3. that the Auditor sign a statement certifying that the 'Statement of income and expenditure' gives a true and fair view of income and expenditure in accordance with relevant Australian Accounting Standards; and
4. that the State EA Chief Executive Officer and Chief Financial Officer (or equivalent) sign a statement certifying that all funding received from the Commonwealth has been spent or committed for the purposes for which it was granted under:
 - i. the *Bilateral Agreement on the Nation Building and Jobs Plan* between the Commonwealth of Australia and the State; and

- ii. the *National Partnership Agreement on the Nation Building and Jobs Plan* between the Commonwealth of Australia and the States, specifically, the *Objectives, Outcomes and Outputs* under *Schedule D, D4 to D8* (pp21).
5. The statement referred to in (1) and (4) is due within 30 days (i.e., 31 July) of the end of each relevant financial year while the statement referred to in (2) and (3) is due within 120 days (i.e., 31 October) of the end of each relevant financial year.

Requirements for Block Grant Authorities

The Audit and Certification requirements, under the clause 9 Funding Acquittal and Reporting Requirements and the sub-clause 9.1 of the Funding Agreements between the Commonwealth and the BGAs should be interpreted as follows:

The National Coordinator expectations are:

1. that BGAs provide an annual 'Statement of income and expenditure' (noting this is a specific purpose financial statement and not a request for annual Financial Statements), within 30 days of the end of each relevant financial year, that clearly shows:
 - i. the amount of BER program funding received by the BGA from the Commonwealth of Australia, exclusive of Administration Funding;
 - ii. the amount of BER program funding provided by the BGA to each BGA Participant, identifying each BGA Participant;
 - iii. the amount of BER Administration Funding received by the BGA from the Commonwealth of Australia; and
 - iv. the amount of BER Administration Funding spent by the BGA, broken down into expense types (for examples of expense types please refer to the *BER Guidance Memo—BER Administration Funding and Interest Earned*, issued November 2009).
2. the 'Statement of income and expenditure' to be audited by an independent, external, qualified Auditor in accordance with Australian Auditing Standards and generally accepted audit practice;
3. that the Auditor sign a statement certifying that the 'Statement of income and expenditure' give a true and fair view of income and expenditure in accordance with relevant Australian Accounting Standards;
4. that the BGA Chief Executive Officer and Chief Financial Officer (or equivalent) sign a statement certifying that all funding received from DEEWR has been spent or committed for the purposes for which it was granted under the Funding Agreement between the Commonwealth of Australia and the BGA; and
5. The statement referred to in (1) and (4) is due within 30 days (i.e., 31 July) of the end of each relevant financial year while the statement referred to in (2) and (3) is due within 120 (i.e., 31 October) days of the end of each relevant financial year.