

# VAGO

Victorian Auditor-General's Office

## Follow-up of Management of the Student Resource Package

May 2024

Independent assurance report to Parliament  
2023–24:14



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# Follow-up of Management of the Student Resource Package

Independent assurance report to Parliament  
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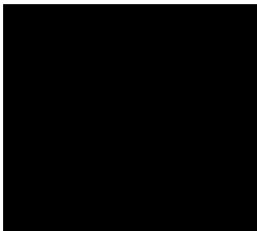
The Hon Shaun Leane MLC  
President  
Legislative Council  
Parliament House  
Melbourne

The Hon Maree Edwards MP  
Speaker  
Legislative Assembly  
Parliament House  
Melbourne

Dear Presiding Officers

Under the provisions of the *Audit Act 1994*, I transmit my report *Follow-up of Management of the Student Resource Package*.

Yours faithfully



Andrew Greaves  
*Auditor-General*  
1 May 2024

The Victorian Auditor-General's Office (VAGO) acknowledges the Traditional Custodians of the lands and waters throughout Victoria. We pay our respects to Aboriginal and Torres Strait Islander communities, their continuing culture, and to Elders past and present.

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# Review snapshot

## What we examined

We assessed if the Department of Education (the department) has addressed the recommendations from our 2020 report *Management of the Student Resource Package*.

## Why this is important

Government schools rely on Australian and Victorian government funding to teach and support students, maintain buildings and grounds and run programs, such as swimming in schools.

The department uses the Student Resource Package (SRP) to distribute this funding.

It introduced the SRP in 2005 to improve students' learning outcomes by:

- distributing funds based on student needs
- making the school funding process fair and more transparent.

In 2020 we made 7 recommendations for the department to improve the fairness, consistency, and transparency of SRP funding allocations.

The department accepted all our recommendations. It planned to address most of them by December 2021.

## What we concluded

The department has fully addressed 5 of the 7 recommendations from our 2020 report.

It finished 4 of these 5 recommendations by or close to the planned completion dates.

It revised the other recommendation's completion date because it paused an expenditure review to prioritise student learning and wellbeing during the COVID-19 pandemic.

The department has partially addressed the remaining 2 recommendations.

It still has outstanding work to:

- improve its approach to assuring the quality of data it uses to calculate SRP funding allocations
- update its guidance for schools to fully and accurately explain SRP funding allocations.

## Key facts

### In 2023:

The department distributed



**\$8.9bn**  
through the SRP



**1,573**  
Victorian Government  
schools received funding  
through the SRP



**654,535**  
students were taught full-time  
at Victorian Government  
schools

Source: VAGO, based on department data.

# Our previous recommendations

In 2020 we made 7 recommendations to the then Department of Education and Training. In this review we found the Department of Education (the department) has fully addressed 5 recommendations. It still has outstanding actions for the final 2 recommendations.

Figure 1: Summary of our 2020 recommendations and their current implementation status

We recommended that the department:	Planned completion date	Implementation status
1 improves Student Resource Package governance arrangements.	March 2021	Addressed just after the planned date.
2 regularly reviews the Student Resource Package against its objectives and refines it as required based on evidence.	December 2022	Addressed by the planned date.
3 review the basis of the Student Resource Package's core student learning funding line by assessing school resourcing needs using statistically valid methods and provide advice to government on the results and any subsequent changes necessary to the Student Resource Package.	April 2021	Addressed in December 2023, with implementation delayed to allow schools to prioritise student wellbeing and learning during the COVID-19 pandemic.
4 regularly reviews all individual Student Resource Package references (and updates the formula, criteria and any other components as required) to ensure funding allocations align with the needs of each school and student cohort in the year of funding.	March 2021	Addressed by the planned date.
5 develops and regularly maintains a Student Resource Package operating manual.	December 2021	Addressed by the planned date.
6 strengthens and regularly monitors controls over the systems it uses to calculate the Student Resource Package references and assurances over the Student Resource Package.	June 2021	<ul style="list-style-type: none"> <li>Addressed 3 of 4 actions by the planned date</li> <li>One outstanding action on improving its approach to assuring the quality of data used to calculate SRP funding allocations. Efforts to address this action were not consistent with the Victorian Government's <i>Data Quality Information Management Framework Standard</i>.</li> </ul>
7 improves the transparency of the Student Resource Package for schools and the community.	December 2020	<ul style="list-style-type: none"> <li>Addressed 2 of the 3 actions after the planned date</li> <li>One outstanding action on updating its guidance for schools to fully and accurately explain SRP funding allocations. There is a plan to complete this action by 2026.</li> </ul>

Source: VAGO.

# What we found

This section summarises our key findings. The numbered sections detail our complete findings, including supporting evidence.

When reaching our conclusions, we consulted with the department and considered its views. The department's full response is in Appendix A.

## Why the SRP is important

Government schools rely on Australian and Victorian government funding to operate.

In 2023 the department distributed \$8.9 billion through the SRP for 1,573 government schools to teach 654,535 students.

The SRP has 3 funding streams:

The ...	Provides funding for ...	For example ...
student-based stream	core student learning needs and equity requirements.	<ul style="list-style-type: none"> <li>• student per capita funding</li> <li>• approved early education programs</li> <li>• equity (social disadvantage) loading</li> <li>• the Program for Students with Disabilities</li> <li>• interpreter staff salaries.</li> </ul>
school-based stream	school infrastructure and school-specific programs.	<ul style="list-style-type: none"> <li>• cleaning</li> <li>• grounds allowances</li> <li>• building area allowances</li> <li>• coordinating buses.</li> </ul>
targeted initiatives stream	programs with specific criteria or defined life spans.	<ul style="list-style-type: none"> <li>• the Primary Welfare Officer initiative</li> <li>• the Swimming in Schools initiative</li> <li>• respectful relationships initiatives.</li> </ul>

## Our 2020 audit

In 2020 we assessed if the then Department of Education and Training fairly, consistently and transparently allocated the SRP.

We found the department did not:

- effectively oversee the SRP
- keep all the methods and data inputs it used to calculate funding allocations up to date
- have sufficient controls for the systems it used to calculate allocations
- transparently allocate funds.

This meant there was a risk that schools were not getting the funds they were eligible for to meet their students' needs.

We made 7 recommendations for the department to address these issues.

The department accepted all our recommendations. It told us it planned to address most of them by December 2021.



It also said it would continue to improve how it oversees and controls the SRP.  
We did this review to assess the department's progress.

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## Key finding: The department has fully addressed 5 of the 7 recommendations

**Commitment to improving the SRP** The department's actions in response to our recommendations demonstrate their commitment to improving the fairness, consistency, and transparency of SRP funding allocations.

The department addressed 4 recommendations by or close to the completion dates it gave us when it responded to our 2020 report.

These recommendations related to:

- improving its internal governance arrangements for the SRP
- reviewing references against the SRP's objectives and refining them as required
- regularly reviewing individual references to make sure funding allocations align with schools' and students' needs
- developing and maintaining an SRP operating manual.

### SRP references

SRP references are a funding item of the SRP.

SRP references provide funding to schools for specific purposes, such as student per capita funding, equity (social disadvantage) loading and cleaning.

Not all types of funding are available to all schools. The department assesses a school's eligibility based on its type and students' need.

**Recommendation addressed but significantly delayed** The department addressed one recommendation 32 months after its original completion date. This recommendation related to reviewing core student learning references under the student-based funding stream and advising the government on any required changes.

The department planned to complete it in April 2021. But it revised the completion date to September 2023 and completed it in December 2023.

The department's work on the recommendation was delayed because it needed to pause an expenditure review so schools could prioritise student learning and wellbeing during the COVID-19 pandemic.

The expenditure review required significant involvement from schools.

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**Outstanding recommendations** Each year we send a survey to agencies to see how they are progressing with our recommendations.

We publish their responses in our Responses to Performance Engagement Recommendations: Annual Status Update reports.

In the surveys for the 2021, 2022 and 2023 reports the department told us that it had completed actions to address 6 of the 7 recommendations.

But in this review we concluded that 2 recommendations the department told us were complete had only been partially addressed.

The 2 recommendations related to ...	The department has made progress in this area, but has further work to ...
strengthening the data and systems it uses to calculate SRP funding allocations (Recommendation 6).	improve its approach to assuring the quality of data it uses to calculate funding allocations.
making SRP funding allocations more transparent (Recommendation 7).	update its guidance for schools to fully and accurately explain funding allocations.

## Recommendation 6

**Stronger controls** In 2020 we identified a risk that staff could make unauthorised changes to the systems the department uses to calculate SRP funding allocations.

The department has improved its controls by:

- reviewing who has access to the systems quarterly
- logging changes to the systems in a secure environment and monitoring any changes
- getting 3 staff to independently review the accuracy of its funding allocations on an ongoing basis.

This has addressed the risk we identified in 2020.

**Assuring data quality** In 2020 we identified a risk that if the department used inaccurate data to calculate SRP funding allocations, then schools:

- may not get the funds they are eligible for
- may get funds they are ineligible for.

The department has partially addressed this risk. It has:

- included information on the Victorian Government’s *Data Quality Information Management Framework Standard* (the data quality standard) in the SRP operating manual, which staff use to understand the data inputs, processes and calculations that determine funding allocations
- included a brief summary of its assessments against the data quality standard in the SRP operating manual
- started requiring program areas to attest to the quality of data the department uses to calculate SRP funding allocations.

But the department has not given us any documentation to show that it:

- takes a risk-based approach to assuring data quality
- has processes and business rules to ensure program areas consistently assess data assets against the data quality standard.

### Program areas

Program areas are business units within the department who are responsible for individual SRP references.

## Recommendation 7

**Transparency of funding allocations** In 2020 we found gaps in the department's guidance to schools on the purpose, eligibility criteria or calculation methods for some SRP references.

This meant some schools could not confirm they were getting the funding they were eligible for.

The department has partially addressed this issue. It:

- clarified the funding it allocates through the SRP in August 2021
- made the data it uses to calculate funding allocations available to schools in September 2023.

But the department had not addressed all the information gaps. Some references still do not:

- clearly explain the funding's purpose
- have a numeric formula or sufficiently explain how the department calculates them
- have clear eligibility criteria.

The department told us it will review these references over the next 3 years.

Addressing these gaps will continue to make the SRP more transparent for schools. It will also make it easier for schools to confirm they get the funds they are eligible for.

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# 1.

## Strengthening oversight and coordination

In our 2020 report we made 3 recommendations for the department to strengthen how it oversees and coordinates the SRP.

The department addressed 2 of these recommendations by or close to its planned completion dates.

The other recommendation was delayed because the department paused working on it to help schools prioritise student learning and wellbeing during the COVID-19 pandemic.

### The department addressed recommendation 1 close to the planned date

#### What we recommended in 2020

The department improves Student Resource Package internal governance arrangements, including:

- clarifying roles and responsibilities for overall oversight and coordination of the Student Resource Package
- clarifying responsibilities for determining and calculating all individual references
- strengthening oversight and controls over systems that it uses to calculate Student Resource Package references
- increasing oversight over quality assurance of Student Resource Package input data, eligibility criteria, formulae and allocation calculations
- improving oversight over evaluation against the Student Resource Package objectives and reporting on its performance against them.

We made this recommendation because the department:

- did not have robust governance arrangements to oversee the SRP
- had not delegated overall accountability for the SRP and its references.

This meant there was no committee or individual responsible for making sure:

- schools get the funding they are eligible for
- the department allocates funding in line with the SRP's objectives.

#### Implementation status

The department addressed this recommendation by May 2021.

This was 2 months after the planned completion date.

**SRP governance framework** The department developed an SRP governance framework to address this recommendation. Figure 2 shows the reporting lines in the framework.

Figure 2: SRP governance framework



Source: VAGO, based on information from the department.

The ...	Is responsible for ...
executive board	executive governance of the SRP.
budget and financial management committee	<ul style="list-style-type: none"> <li>the SRP's objectives</li> <li>reviewing all SRP references every 5 years.</li> </ul>
SRP governance subcommittee	overseeing the SRP.
financial services division	<ul style="list-style-type: none"> <li>coordinating the SRP</li> <li>implementing and reviewing the department's manual and system-based controls for the SRP.</li> </ul>
program areas, including the financial services division	<ul style="list-style-type: none"> <li>making relevant policy decisions</li> <li>giving the department data on individual references to:               <ul style="list-style-type: none"> <li>update the SRP operating manual</li> <li>provide to schools through its Policy and Advisory Library</li> </ul> </li> <li>calculating funding allocations, or providing data to calculate funding allocations, for individual references</li> <li>assuring the quality of data it is responsible for.</li> </ul>

The governance framework also names the program areas responsible for each reference.

**Policy and Advisory Library**  
 The Policy and Advisory Library is a website the department hosts to share its operational policies, guidance and resources for government schools.

## The department addressed recommendation 2 by the planned date

### What we recommended in 2020

The department regularly reviews the Student Resource Package against its objectives and refines it as required based on evidence.

We made this recommendation because the department had not reviewed if the SRP was achieving its objectives since it introduced it in 2005.

### Implementation status

The department addressed this recommendation by its planned completion date of December 2022.

### Reviewing and updating the SRP's objectives

In December 2020 the department started assessing if the SRP's objectives were still suitable. It finished the review in December 2022.

The department found that the objectives were no longer suitable. It revised them to better align with:

- its strategic priorities
- best-practice principles for funding models
- its goal-setting principles.

The case study below lists the revised objectives.

The department communicated these objectives to schools in September 2023 through its Policy and Advisory Library.

### Revised SRP objectives

1. In combination with other funding, schools are appropriately resourced to create an inclusive environment where all students have access to a high-quality education.
2. Funding allocations are equitable, accounting for student needs, alongside school and community characteristics.
3. Funding allocations are informed by contemporary evidence of the cost of delivering quality school education.
4. Funding allocations to schools are transparent and coherent to ensure funding streams work together to support student outcomes.
5. Schools are provided with policies and guidelines to enable them to effectively plan their expenditure.

### Reviewing references against the revised objectives

In 2020 we found that the department had only reviewed 4 of the 52 references in 2018.

The department's review of the 4 references led to it changing how it distributes funding between year levels for one reference. It uses this reference to allocate 70 per cent of SRP funding.

The review also led to recommended changes for the 3 other references. But the department did not make them. The department:

- reviewed 23 references in 2022 and 2023 to see if they aligned with the revised objectives
- plans to review another 46 references by the end of 2026
- plans to review the SRP objectives every 5 years. It has scheduled the next review in 2027.

## The department addressed recommendation 3 after the planned date

### What we recommended in 2020

The department review the basis of the Student Resource Package's core student learning funding line by assessing school resourcing needs using statistically valid methods and provide advice to government on the results and any subsequent changes necessary to the Student Resource Package.

We made this recommendation because the department had not reviewed how much schools spend on staff and resources since 2002.

This created a risk that SRP funding allocations no longer reflected the cost of staffing and resourcing a school.

### Implementation status

The department addressed this recommendation when it finished an expenditure review and provided advice to the government in December 2023.

This was:

- 32 months after the completion date it gave us in 2020
- 3 months after its revised completion date.

The delay was due to the department pausing work on the expenditure review in 2021 and 2022 to help schools prioritise student learning and wellbeing during the COVID-19 pandemic.

The review required significant involvement from schools.

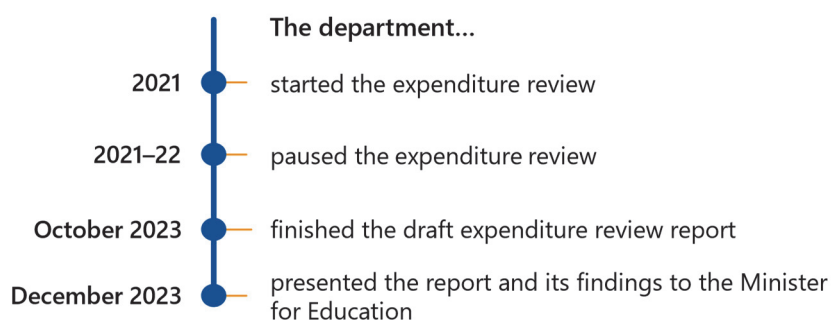
### Expenditure review

In 2021 the department started an expenditure review to assess:

- if the SRP still reflected the costs of staffing and resourcing a school
- how these costs vary across different school contexts. For example, primary and secondary schools, or metropolitan and regional schools
- how the SRP captures resource benchmarks.

Figure 3 shows the key dates for the expenditure review.

Figure 3: Expenditure review timeline



Source: VAGO.

As part of the review, the department:

- ran semi-structured interviews with leaders from 70 schools to get insights on:
  - schools' operating conditions and challenges
  - school communities' needs
  - how schools make strategic decisions

- surveyed 51 schools to better understand their spending on:
  - operations and business administration activities
  - core teaching and learning activities
  - other activities related to student needs
- checked all survey responses for completeness and reliability.

The department used a stratified sampling approach to analyse data meaningfully and reliably across different school types, sizes, locations and complexities.

But this meant the sample did not represent the Victorian school population.

For example, medium-sized schools represented 27.5 per cent of surveyed schools compared to 49.9 per cent of the statewide population.

The survey only had a 30.4 per cent response rate. This was because schools experienced high workforce pressure in 2023, which meant they could not prioritise completing it.

Despite the low response rate and the fact the sample was not representative, the stratified sampling approach meant that results could be meaningfully compared. This allowed the evaluation team to make findings on the costs of staffing and resourcing schools.

The department advised the Minister for Education in December 2023 about the results of the expenditure review including findings that detail the department's ongoing review of school funding.

#### **Stratified sampling**

Stratified sampling is where researchers divide a population into smaller groups based on specific characteristics.

For example, school type (primary, secondary or combined), location (city, town, rural or remote) and size. Researchers then select subjects (in this case, schools) from each group to include in the sample.



# 2.

## Keeping allocation methods and data inputs up to date

In our 2020 report we made 2 recommendations for the department to keep the methods and data inputs it uses to calculate funding allocations up to date.

The department addressed both recommendations by its planned completion dates.

### The department addressed recommendation 4 by the planned date

#### What we recommended in 2020

The department regularly reviews all individual Student Resource Package references (and updates the formulae, criteria and any other components as required) to ensure funding allocations align with the needs of each school and student cohort in the year of funding, including:

- updating the out-of-date information the department uses to determine school eligibility for each reference
- updating school classifications to align with its entity register and applying them consistently.

We made this recommendation because the department used some outdated data to assess schools' eligibility for funding.

This meant there was a risk that some schools:

- may not get the funding they were eligible for
- may get funding they were ineligible for.

#### Implementation status

The department addressed this recommendation by its planned completion date of March 2021.

The department still uses data that is up to 8 years old to calculate schools' eligibility for location-based funding.

But it has confirmed this approach does not disadvantage any school.

#### Updating data to assess eligibility

In 2020 we found 6 references that used:

- the University of Adelaide's Accessibility/Remoteness Index of Australia (ARIA) data, which gives information on a school's distance to the nearest town or service centre, from 1996
- the Australian Bureau of Statistics' (ABS) Urban Centres and Localities (UCL) data, which gives information on an area's population density, from 1997.

In 2021 the department updated its database with UCL and ARIA data from the 2016 Census.

The ABS updated UCL data in 2022 and the University of Adelaide updated ARIA data in 2023 to reflect the 2021 Census.

The department could not update its database for the 2024 school year due to the timing of the ARIA data release.

This means the department will use data that is up to 8 years old to calculate schools' eligibility for 3 references in the 2024 school year.

The department told us that it:

- has done analysis that shows no school is disadvantaged by this approach
- will update its database in time for the 2025 school year
- intends to review these 3 references as part of a broader review into location-based funding.

### Aligning school classifications and the entity register

In 2020 we found that the department's school classifications in the eligibility criteria for some references did not align with its entity register classifications.

This created an inconsistent approach to allocating funds to schools that had classifications in the entity register which were not reflected in the eligibility criteria for individual references.

In 2021 the department reviewed and updated its school classifications to align with its entity register.

It also did annual compliance checks in 2022 and 2023 to confirm the school classifications aligned with the entity register. It plans to keep doing these annual reviews.

In its 2023 review the department found no discrepancies between the school classifications and the register except for 3 known exceptions.

#### Entity register and classifications

A school classification reflects the characteristics of a school's student cohort. For example, primary, secondary and primary/secondary combined.

The department's entity register lists each school and individual campus's classification.

## The department addressed recommendation 5 by the planned date

### What we recommended in 2020

The department develops and regularly maintains a Student Resource Package operating manual that documents:

- policy decisions on the purpose and intent for each reference
- definitions of key terms
- details on how funding allocations are to be determined for each Student Resource Package reference, including the formulae, eligibility criteria, exemptions, exclusions and inclusions
- specifications of the software used to calculate each reference
- the source data, how frequently it is accessed, how it is adjusted and ultimately used to calculate a reference.

We made this recommendation because the department:

- relied on staff's implicit knowledge to manage the SRP
- had not documented enough information on SRP calculations to allow it to check the completeness and accuracy of funding allocations.

**Implementation status** The department addressed this recommendation by its planned completion date of December 2021.

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**SRP operating manual** The department released the first version of its SRP operating model in May 2021. Since then it has revised it 7 times.

The manual collates information from several program areas.

The department reviews the template it uses to collect information from program areas at least once a year.

This has improved the quality and consistency of information they provide and helps the department make sure it is asking them for the right information.

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# 3.

## Improving the transparency of funding allocations

In our 2020 report we made 2 recommendations for the department to be more transparent about how it allocates SRP funds.

The department partially addressed these recommendations. Actions relating to data quality assurance and fully and accurately explaining SRP references are still in progress.

### The department has not fully addressed recommendation 6

#### What we recommended in 2020

The department strengthens and regularly monitors controls over the systems it uses to calculate the Student Resource Package references and assurances over the Student Resource Package by:

- restricting and monitoring access to systems used to calculate the SRP, including databases and Excel files, to approved users
- logging changes in a secure location and monitoring changes made within the systems used to calculate the Student Resource Package
- segregating responsibilities for performing Student Resource Package calculations, assuring calculations for each reference (including assuring accuracy of data inputs used, and distributing funds)
- ensuring the quality assurance over the data inputs comply with the Victorian Government's data quality standard.

We made this recommendation to reduce the risk of:

- staff making unauthorised changes in the systems the department uses to calculate SRP allocations
- schools not getting funding they are eligible for or getting funding they are ineligible for due to inaccurate or incomplete data.

#### Implementation status

The department reported this recommendation as 'complete' in our 2022 *Responses to Performance Audit Recommendations: Annual Status Update* report (see Appendix D for more information).

But we have not seen evidence that its processes for assuring data quality fully comply with the data quality standard.

As a result, we concluded that the department addressed 3 of the 4 actions in this recommendation by July 2021, which was a month after its planned completion date.

**Strengthening and monitoring some controls**

The department has reduced some of the risks we identified in 2020. By July 2021 it improved how it monitors controls for the systems it uses to calculate allocations for SRP references.

For example, the department has started:

- reviewing user access to its SRP systems quarterly
- logging and monitoring changes to its SRP systems in a secure environment
- getting 3 staff to independently review the accuracy of its funding allocations and reporting the results to the SRP governance subcommittee on an ongoing basis.

**The data quality standard**

The data quality standard outlines the minimum activities agencies must do to maintain the quality of their data assets.

The standard applies to critical and shared data assets.

The standard says that at a minimum, an agency must:

- develop and maintain a data quality management plan for each critical (high-value and/or high-risk) data asset
- assess data assets against specified measures
- create a data quality statement for all:
  - critical data assets
  - datasets it shares with other departments or external partners
  - data assets it releases to the public.

**Data quality statement**

According to the data quality standard, a data quality statement confirms that a dataset:

- is of sufficient quality
- is fit for purpose for its intended use
- correctly represents the real-world situation it refers to.

Source: Victorian Government's *Data Quality Information Management Framework*.

**Critical data asset**

Essential or important assets, which if severely compromised, degraded, rendered unavailable for an extended period or destroyed, would significantly impact on the social or economic wellbeing of the organisation or Victorian community.

Source: Victorian Government's *Information Management Glossary*.

**Compliance with data quality standard**

Since 2020 the department has improved its compliance with the standard in some areas.

<b>The department has ...</b>	<b>Which ...</b>
added information about the standard to the SRP operating manual.	gives staff a structured approach to assess data quality.
assessed key SRP data assets against the standard and summarised the results in the SRP operating manual.	has helped it identify potential data quality issues.
required staff to indicate if the data assets they are responsible for meet the standard's requirements.	shows the department has a better understanding of why data quality is important for calculating funding allocations.

However, the department has not been able to demonstrate that its processes for assuring data quality fully comply with the standard.

<b>The data quality standard requires agencies to ...</b>	<b>But the department cannot show that it ...</b>	<b>This means there is a risk that...</b>
<p>take a structured, risk-based approach to assuring data quality by developing data quality statements for:</p> <ul style="list-style-type: none"> <li>critical data assets</li> <li>data assets to be shared with other departments or external partners</li> <li>data assets released to the public.</li> </ul>	<p>has followed the data quality standard by:</p> <ul style="list-style-type: none"> <li>developing data quality statements</li> <li>assessing whether it has critical data assets requiring a data quality management plan.</li> </ul>	<p>the department has not assessed:</p> <ul style="list-style-type: none"> <li>the risk profile of SRP data assets, and the potential impact on the organisation or the Victorian community if any data assets were severely compromised, degraded, unavailable for an extended period, or destroyed</li> <li>the sensitivity of SRP data assets and any necessary controls to ensure compliance with relevant legislation and standards.</li> </ul> <p>potential users of data assets cannot:</p> <ul style="list-style-type: none"> <li>make informed choices about data assets and how they are used (including privacy considerations)</li> <li>understand the limitations of the data.</li> </ul>
<p>assess data assets against specified measures (quality dimensions).</p>	<p>has processes and business rules to help program areas consistently assess data assets against the standard's quality dimensions, aside from the high-level information in the SRP operating manual.</p>	<p>program areas may not consistently:</p> <ul style="list-style-type: none"> <li>assess data quality</li> <li>document their decisions about data quality.</li> </ul>

#### **Data quality management plan**

The data quality standard requires departments to develop and maintain a data quality management plan for each critical data asset.

These plans show the department's:

- assessment of a dataset against each of the standard's quality dimensions
- assessment of the effectiveness of quality controls for each dataset
- plan to improve the quality of datasets it creates or manages.

#### **Quality dimensions**

The data quality standard lists 7 dimensions an agency can use to assess the quality of its data, including completeness, timeliness and accuracy.

Source: Victorian Government's *Data Quality Information Management Framework*.

## The department has not fully addressed recommendation 7

### What we recommended in 2020

The department improves the transparency of the Student Resource Package for schools and the community by:

- clarifying the funding sources allocated through the Student Resource Package and funding that is excluded
- updating the Student Resource Package guide to ensure it fully and accurately explains each reference, and how it is calculated
- providing schools with visibility over the references they are eligible and ineligible for and making available data about their school that drives the Student Resource Package.

We made this recommendation because the department did not share information with schools to help them:

- confirm they receive the funds they are eligible for
- understand how the department uses data they submit to calculate their funding allocations.

### Implementation status

The department reported this recommendation as 'complete' in our 2022 *Responses to Performance Audit Recommendations: Annual Status Update report* (see Appendix D for more information).

But it will not update some references to make them more transparent until 2026.

As a result, we concluded that the department:

- addressed 2 of the 3 actions in this recommendation by October 2021
- partially addressed the risks associated with it not sharing information about references with schools.

### Improving transparency

The department has made it easier for schools to confirm they get the funding they are eligible for and understand how the department uses the data they submit.

It has done this by:

- transferring its guidance about SRP references to its Policy and Advisory Library in 2020, which makes it easier for schools to access the information
- adding new references for funding provided through the SRP
- sharing the data it uses to calculate SRP allocations with schools. It improved the data it shares with schools in October 2021.

### Updating guidance to schools

In 2020 we found that the department's guidance to schools on some SRP references did not have sufficient information.

The department has updated some of these references.

In 2020 we found ...	Did not ...	The department has since updated ...
7 references	clearly explain the funding's purpose	5 of these references.
20 references	have a numeric formula or sufficiently explain the calculation method	15 of these references.
14 references	have transparent eligibility criteria	4 of these references.

The department told us it will review the remaining references in 2024, 2025 or 2026.

But this means schools will not get the information they need to confirm they are eligible or have received the right amount of funding for some references until 2026.

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# Appendices

[Appendix A: Submissions and comments](#)

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[Appendix B: Abbreviations, acronyms and glossary](#)

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[Appendix C: Review scope and method](#)

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[Appendix D: The department's progress updates on our recommendations](#)

# Appendix A:

## Submissions and comments

We have consulted with the Department of Education, and we considered their views when reaching our review conclusions. As required by the *Audit Act 1994*, we gave a draft copy of this report, or relevant extracts, to those agencies and asked for their submissions and comments.

Responsibility for the accuracy, fairness and balance of those comments rests solely with the agency head.

### Response received

Agency	Page
Department of Education	A-2

## Response provided by the Secretary, Department of Education



### Department of Education

Secretary

2 Treasury Place  
East Melbourne Victoria 3002  
Telephone +61 3 9637 2000

COR24135395

Mr. Andrew Greaves  
Auditor General  
Victorian Auditor-General's Office

Dear Mr Greaves

#### **Proposed report: Follow-up of Management of the Student Resource Package (SRP)**

Thank you for providing the proposed report to the Department of Education (the department) on 21 February 2024 and the opportunity to review the proposed report.

The department is committed to distributing state and federal funds to government schools in a manner that is fair, consistent, transparent, and improves outcomes for students. It is pleasing to note the acknowledgment by VAGO of the department's actions to address the recommendations from VAGO's 2020 audit, *Management of the Student Resource Package*.

The department has reviewed the proposed report and has no further feedback. Should your staff wish to discuss the department's response, they can contact Shamiso Mtenje, A/Executive Director, Assurance, Knowledge and Executive Services on [REDACTED] or [REDACTED].

Yours sincerely



**Jenny Atta**  
Secretary  
06 / 03 / 2024

Your details will be dealt with in accordance with the *Public Records Act 1973* and the *Privacy and Data Protection Act 2014*. Should you have any queries or wish to gain access to your personal information held by this department please contact our Privacy Officer at the above address



# Appendix B: Abbreviations, acronyms and glossary

**Abbreviations** We use the following abbreviations in this report:

## Abbreviation

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data quality standard	<i>Data Quality Information Management Framework Standard</i>
the department	Department of Education

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**Acronyms** We use the following acronyms in this report:

## Acronym

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ARIA	Accessibility/Remoteness Index of Australia
SRP	Student Resource Package
UCL	Urban Centres and Localities

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**Glossary** This glossary includes an explanation of the types of engagements we perform:

## Term

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Reasonable assurance	We achieve reasonable assurance by obtaining and verifying direct evidence from a variety of internal and external sources about an agency's performance. This enables us to express an opinion or draw a conclusion against an audit objective with a high level of assurance. We call these audit engagements. See our <a href="#">assurance services fact sheet</a> for more information.
Limited assurance	We obtain less assurance when we rely primarily on an agency's representations and other evidence generated by that agency. However, we aim to have enough confidence in our conclusion for it to be meaningful. We call these types of engagements assurance reviews and typically express our opinions in negative terms. For example, that nothing has come to our attention to indicate there is a problem. See our <a href="#">assurance services fact sheet</a> for more information.

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# Appendix C:

## Review scope and method

### Scope of this review

#### Who we examined

We examined the Department of Education.

The department is responsible for administering education and training in Victoria. It distributes Australian and Victorian government funding to government schools using the SRP.

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#### Our review objective

To determine if the Department of Education has implemented the recommendations from our 2020 audit *Management of the Student Resource Package*.

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#### What we examined

We assessed:

- the Department of Education's progress in addressing our recommendations
  - causes of delays where applicable.
- 

### Conducting this review

#### Assessing performance

The recommendations from the 2020 audit are the criteria for this engagement.

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#### Our methods

As part of the review we:

- reviewed and analysed documents from the department
  - met regularly with key staff.
- 

#### Compliance

We conducted our review in accordance with the *Audit Act 1994* and ASAE 3500 *Performance Engagements* to obtain limited assurance to provide a basis for our conclusion.

We complied with the independence and other relevant ethical requirements related to assurance engagements.

We also provided copies of the report to the Department of Premier and Cabinet and Department of Treasury and Finance.

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#### Cost and time

The full cost of the review and preparation of this report was \$163,500

The duration of the review was 6 months from initiation to tabling.

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# Appendix D: The department's progress updates on our recommendations

Figure D1: The department's updates to us on its progress against our 2020 recommendations

Recommendation	The department's proposed actions	2021 update	2022 update	2023 update
<p>1 improves Student Resource Package internal governance arrangements, including:</p> <ul style="list-style-type: none"> <li>clarifying roles and responsibilities for overall oversight and coordination of the Student Resource Package</li> <li>clarifying responsibilities for determining and calculating all individual references</li> <li>strengthening oversight and controls over systems that it uses to calculate Student Resource Package references</li> <li>increasing oversight over quality assurance of Student Resource Package input data, eligibility criteria, formulae and allocation calculations</li> <li>improving oversight over evaluation against the Student Resource Package objectives and reporting on its performance against them.</li> </ul>	<p>Establish a new committee to develop an approved and clear governance structure for the SRP in line with the recommendations of the report</p> <hr/> <p>Develop the governance structure that addresses the following in relation to SRP:</p> <ul style="list-style-type: none"> <li>roles and responsibilities for overall oversight and coordination</li> <li>responsibility for determining and calculating all individual references</li> <li>strengthening oversight and controls over systems that it uses for calculation</li> <li>increasing oversight over quality assurance of input data, eligibility criteria, formulae and allocation calculations</li> <li>improving oversight over evaluation against the objectives and reporting on its performance against them.</li> </ul> <hr/> <p>Seek approval for the new governance structure from the Executive Board and implement it.</p> <hr/> <p>The committee will meet 4 times a year to monitor and make decisions regarding the new SRP governance structure.</p>	In progress	Complete	Complete
<p>2 regularly reviews the Student Resource Package against its objectives and refines it as required based on evidence.</p>	<p>Engage independent education experts to evaluate the SRP's current objectives to assess suitability for purpose.</p> <hr/> <p>Engage independent educational experts to evaluate the SRP against its objectives and include a requirement to conduct this review every five years in the SRP governance structure documentation.</p> <hr/> <p>Conduct the first evaluation of the SRP against its objectives.</p>	In progress	Complete	Complete

Recommendation	The department's proposed actions	2021 update	2022 update	2023 update
	Develop a response to the findings and recommendations of the evaluation.			
3 review the basis of the Student Resource Package's core student learning funding line by assessing school resourcing needs using statistically valid methods and provide advice to government on the results and any subsequent changes necessary to the Student Resource Package.	Undertake analysis and research using a statistical sample of schools to review the SRP's core student learning allocation for all schools and provide advice to the Minister for Education on results and any subsequent changes necessary to the SRP.	In progress	In progress	In progress
4 regularly reviews all individual Student Resource Package references (and updates the formulae, criteria and any other components as required) to ensure funding allocations align with the needs of each school and student cohort in the year of funding, including: <ul style="list-style-type: none"> <li>updating the out-of-date information DET [Department of Education and Training] uses to determine school eligibility for each reference</li> <li>updating school classifications to align with its entity register and applying them consistently.</li> </ul>	<p>Develop and implement a clear plan to regularly review all elements of the SRP on a periodic basis, to be determined by the governance committee for each item using a set of tools that assess criticality and materiality of references.</p> <hr/> <p>Expand the current SRP framework so that it captures all elements of the SRP.</p> <hr/> <p>Review school and campus eligibility for funding and confirm that the classifications align with the entity register before the publication of each major budget release (indicative, confirmed and revised).</p>	Complete	Complete	Complete
5 develops and regularly maintains a Student Resource Package operating manual that documents: <ul style="list-style-type: none"> <li>policy decisions on the purpose and intent for each reference definitions of key terms</li> <li>details on how funding allocations are to be determined for each Student Resource Package reference, including the formulae, eligibility criteria, exemptions, exclusions and inclusions</li> <li>specifications of the software used to calculate each reference</li> <li>the source data, how frequently it is accessed, how it is adjusted and ultimately used to calculate a reference.</li> </ul>	<p>Prepare an operating manual that captures:</p> <ul style="list-style-type: none"> <li>policy decisions on the purpose and intent for each reference</li> <li>definitions of key terms</li> <li>details on how funding allocations are to be determined for each SRP reference, including the formulae, eligibility criteria, exemptions, exclusions and inclusions</li> <li>specifications of the software used to calculate each reference</li> <li>the source data, how frequently it is accessed, how it is adjusted and ultimately used to calculate a reference.</li> </ul> <hr/> <p>Regularly maintain the manual, coinciding with the three major releases of the SRP cycle, so that it captures the latest information, highlighting any changes using version control.</p>	In progress	Complete	Complete

Recommendation	The department's proposed actions	2021 update	2022 update	2023 update
<p>6 strengthens and regularly monitors controls over the systems it uses to calculate the Student Resource Package references and assurances over the Student Resource Package by:</p> <ul style="list-style-type: none"> <li>restricting and monitoring access to systems used to calculate the SRP, including databases and Excel files, to approved users</li> <li>logging changes in a secure location and monitoring changes made within the systems used to calculate the Student Resource Package</li> <li>segregating responsibilities for performing SRP calculations, assuring calculations for each reference (including assuring accuracy of data inputs used), and distributing funds</li> <li>ensuring the quality assurance over the data inputs comply with the Victorian Government's data quality standard.</li> </ul>	<p>Implement tighter controls and assurance over the systems used to calculate the SRP by:</p> <ul style="list-style-type: none"> <li>restricting and monitoring access to systems used to calculate the SRP, including databases and Excel files, to approved users</li> <li>logging changes in a secure location and monitoring changes made within systems used to calculate the SRP</li> <li>segregating responsibilities for performing SRP calculations, assuring calculations for each reference (including assuring accuracy of data inputs used) and distributing funds</li> <li>ensuring the quality assurance over the data inputs comply with the Victorian Government's data quality data standard.</li> </ul> <hr/> <p>Regularly undertake a quarterly review of the access to systems and their data bases involved with calculation of the SRP.</p>	In progress	Complete	Complete
<p>7 improves the transparency of the Student Resource Package for schools and the community by:</p> <ul style="list-style-type: none"> <li>clarifying the funding sources allocated through the SRP and funding that is excluded</li> <li>updating the Student Resource Package guide to ensure it fully and accurately explains each reference, and how it is calculated</li> <li>providing schools with visibility over the references they are eligible and ineligible for and making available data about their school that drives the Student Resource Package.</li> </ul>	<p>Transfer the information in the current Guide to the SRP to the Policy and Advisory Library.</p> <hr/> <p>Expand and clarify the information available to schools and the public through the Policy and Advisory Library in order to:</p> <ul style="list-style-type: none"> <li>clarify the funding sources allocated through the SRP and funding that is excluded</li> <li>update the SRP guide to ensure it fully and accurately explains each reference, and how it is calculated</li> <li>provide schools with visibility over the references they are eligible and ineligible for and making available data about their school that drives SRP.</li> </ul>	Complete	Complete	Complete

Note: See our 2021, 2022 and 2023 Responses to Performance Engagement Recommendations: Annual Status Update reports for the department's full survey responses.

Source: VAGO, based on the department's responses to our 2020 report and 2021, 2022 and 2023 surveys.



# Auditor-General's reports tabled during 2023–24

<b>Report title</b>	<b>Tabled</b>
<i>Cybersecurity: Cloud Computing Products (2023–24: 1)</i>	August 2023
<i>Responses to Performance Engagement Recommendations: Annual Status Update 2023 (2023–24: 2)</i>	August 2023
<i>Eloque: the Joint Venture Between DoT and Xerox (2023–24: 3)</i>	October 2023
<i>Domestic Building Oversight Part 1: Regulation (2023–24: 4)</i>	November 2023
<i>Employee Health and Wellbeing in Victorian Public Hospitals (2023–24: 5)</i>	November 2023
<i>Reducing the Illegal Disposal of Asbestos (2023–24: 6)</i>	November 2023
<i>Auditor-General's Report on the Annual Financial Report of the State of Victoria: 2022–23 (2023–24: 7)</i>	November 2023
<i>Contractors and Consultants in the Victorian Public Service: Spending (2023–24: 8)</i>	November 2023
<i>Major Projects Performance Reporting 2023 (2023–24: 9)</i>	November 2023
<i>Fair Presentation of Service Delivery Performance 2023 (2023–24: 10)</i>	November 2023
<i>Reducing the Harm Caused by Drugs on Victorian Roads (2023–24: 11)</i>	December 2023
<i>Results of 2022–23 Audits: Local Government (2023–24: 12)</i>	March 2024
<i>Withdrawal from 2026 Commonwealth Games (2023–24: 13)</i>	March 2024
<i>Follow-up of Management of the Student Resource Package (2023–24: 14)</i>	May 2024

All reports are available for download in PDF and HTML format on our website at <https://www.audit.vic.gov.au>

# Our role and contact details

## The Auditor-General's role

For information about the Auditor-General's role and VAGO's work, please see our online fact sheet [About VAGO](#).

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## Our assurance services

Our online fact sheet [Our assurance services](#) details the nature and levels of assurance that we provide to Parliament and public sector agencies through our work program.

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## Contact details

Victorian Auditor-General's Office  
Level 31, 35 Collins Street  
Melbourne Vic 3000  
AUSTRALIA

Phone +61 3 8601 7000

Email [enquiries@audit.vic.gov.au](mailto:enquiries@audit.vic.gov.au)

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