



Summary

Tertiary education institutions: Results of the 2017 audits

This report summarises our audits of the 27 public tertiary education institutions (TEIs) that provide training, education, and research services. These 27 TEIs consist of eight universities, 16 institutes of technology and polytechnics (ITPs), and three wānanga.

All TEIs are operating in a changing student and policy environment with a decline in domestic student enrolments and changes in the demographics and number of international students.

Universities and wānanga were, for the most part, financially stable in 2017. Although not all ITPs are experiencing financial difficulties, the effect of the changes in student numbers have been more strongly felt by ITPs.

The operating environment for ITPs in particular is challenging – the number of ITPs returning a deficit, and the combined size of that deficit, increased in 2017. Concerns about the viability of any institution is likely to adversely affect its student population. The quality of governance and robust financial management are always important but, in the current environment, both need to be exemplary.

In our report, we highlight four matters for ITP councils to pay particular attention to: the robustness of financial forecasts; the quality of significant business cases for investment in capital assets; strong governance oversight of financial controls and management; and transparent non-financial performance reporting.

Recent changes to the Education Act 1989 means that the TEIs' 2019 statements of service performance need to comply with generally accepted accounting practice, which aims to improve the consistency and transparency of reporting.

If some TEIs do not improve the content of their statements of service performance in keeping with generally accepted accounting practice, they risk receiving a qualified audit opinion. We encourage TEIs to start their own improvement plan now, so that they are better placed to meet the new requirements in 2019.

For full report visit oag.govt.nz/reports.



Main campus or headquarters of the 27 tertiary education institutions

