

# TEQSA Financial Viability Assessments

## TEQSA has mandated the provision of more financial data as part of its Financial Viability Assessments for education providers.

### What is required?

As part of the Financial Viability Assessments, TEQSA requires education providers to submit the financial management accounts to **30 June 2020**, which includes:

1. Balance Sheet as at 30 June 2020;
2. Profit & Loss Statement for 2019/20, or six months to 30 June 2020 if end of Financial Year is 31 December 2020;
3. Cash Flow Statement for 2019/20, or six months to 30 June 2020 if end of Financial Year is 31 December 2020; and
4. An acknowledgement letter confirming that the unaudited financial management accounts have been approved by a relevant committee (i.e. Corporate Governing Body, Finance Committee, Risk and Audit Committee, etc).

Also providers are required to submit total student headcount for each teaching period between 1 January 2019 and 1 September 2020.

Providers should also provide TEQSA with notes to the accounts which would explain relevant matters which go to TEQSA's assessment of financial risk. Providers with an end of financial year at 31 December 2020 are required to include notification of any future transactions which may materially alter the value of the relevant risk ratios in the current financial period.

This information will enable TEQSA to provide a risk assessment with the most accurate information.

### Impact on providers

The request from TEQSA is likely to divert scarce finance resources for the preparation and checking of the information required. Given the current Covid-19 impact for finance staff who are focussed on liquidity management and cost containment, the preparation of the various reports and notes may be an undue burden on the limited resources available.

### How we can help

ShineWing Australia has extensive experience in working with clients in the higher education sector and are well placed to support you to undertake the preparation and checking of the financial information required for TEQSA.

Having worked with regulators, we understand the various financial ratios considered by TEQSA in assessing the risks and can therefore assist you in ensuring the information prepared is accurate and reflective of the operations and meets TEQSA's needs.

We can also ensure that the notes to the accounts provide comprehensive explanations so that any forecasts/conclusions made by TEQSA are well informed thus preventing a risk assessment, which may adversely impact your operations.

### Our experience

Our dedicated Education Industry Group has over 50 years' experience in the education and training sector and in working with the various regulators.

Our experience provides you with confidence that we understand the specific operational requirements of the sector and can leverage learnings on how other higher education providers are handling similar issues.



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