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Office of the NSW Board of Studies

## Review of Special Provisions

FINAL REPORT

March 2010 ■ ■ ■

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**Office of the NSW Board of Studies**  
**Internal Audit of Special Provisions**

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**DISTRIBUTION LIST**

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# 1 Executive Summary

## 1.1 Introduction

WalterTurnbull has been engaged by the Office of the NSW Board of Studies NSW (OBOS) to undertake a program of internal audit assignments as part of the 2009/10 Strategic Internal Audit Program.

As part of this program, WalterTurnbull undertook an internal audit of the processing of applications made by Higher School Certificate (HSC) students for special provisions.

## 1.2 Objectives & Scope

The overall objectives of this audit were to:

- Confirm that OBOS has adequate policies and procedures in place in relation to applications for special provisions made by HSC students having regard to previous audits undertaken and changes implemented since; and
- Determine the level of compliance by OBOS with the above policies and procedures.

The audit examined policies, procedures and practices in place for HSC special provisions applications from the 2008 school year.

A sample of 45 applications were selected for testing on a random judgemental basis and included:

- An equal number of students enrolled in each of the government, independent and catholic school sectors; and
- A proportional number of applications from each category of special need based on the number of applications received in each category as a proportion of the total number of applications received. It should be noted that the sample included applications from all categories and the sample methodology was developed in consultation with OBOS.

## 1.3 Summary of Findings

Each finding/issue identified during this audit has been categorised as an Efficiency/Performance Issue or a Internal Control Weakness, which is further defined in Appendix A of this report. All findings/issues have also been given a Risk Ranking to indicate to management the significance of the finding/issue and the attention required to reduce its probability and/or impact. Classifications of Risk Ranking and the methodology behind these ratings are detailed in Appendix B of this report.

Finding/Issue	Report section	Risk Ranking
<b>Internal Control Issues</b>		
General Positive Finding	3.1	N/A
Procedures for Re-Applying Due to Lack of Sufficient Evidence	3.2	Low
Granting of a Neutral Provision as an 'Reasonable Adjustment'	3.3	Low

## 1.4 Conclusion

Overall, the review findings were positive. We confirmed that OBOS generally has appropriate procedures in place to assist them in decision making for special provisions applications. Based on the sample of applications tested during the review, in all instances examined, it appears that OBOS has complied with its established procedures when approving or declining applications and the decisions have been appropriately documented. No clear instances of non-compliances were detected during the audit.

As a result of our testing, we did identify two areas in which OBOS could strengthen their documented procedures. There is currently no documentation of the use of 'reasonable adjustments' whereby students do not strictly meet the criteria, however, are provided with the provision due to conditions such as the neutral nature of the provision and past provisions approved. In addition, clear guidelines could be included on whether resubmitted applications should be treated as new applications or appeals.

## 1.5 Acknowledgement

We wish to acknowledge the assistance and co-operation received from the management and staff of OBOS during the course of the review.



**Mark Driessen**

**Partner**

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## 2 Background

### 2.1 Overview of the Special Provisions Program

In order to comply with its legislative and policy obligations OBOS has procedures in place to grant special provisions to students undertaking examinations as part of the HSC where the student has a special need that will, in a normal examination situation, prevent them from:

- reading the examination questions; and/or
- communicating responses.

Special provisions are granted to provide practical support whilst students are sitting examinations and are solely determined by the implications of the student's functioning in a test situation. Difficulties in undertaking the course or problems such as a lack of familiarity with the English language are not considered as a special need for the purposes of these provisions.

OBOS receives applications in relation to 18 categories of special needs as follows:

- asperger's syndrome;
- ADHD;
- back disability;
- cerebral palsy;
- chronic fatigue/ME;
- colour blindness;
- diabetic;
- epilepsy;
- hand/arm disability;
- head injury;
- hearing impairment;
- irlen syndrome;
- late injury/illness;
- learning difficulty;
- medical miscellaneous;
- pregnancy;
- psychological; and
- vision impairment.

Schools and students are provided with information regarding the availability of special provisions through the distribution of various OBOS publications including:

- Rules & Procedures for 2009: Higher School Certificate Candidates; and
- Section 10 of the Assessment, Certification and Examination (ACE) Manual, which is dedicated to the Special Provisions Program.

In addition, application forms and an Information Guide for Students and Parents are made available through the Schools Online website, which OBOS uses for its primary communication with schools.

All applications are required to be made through the student's school. OBOS requests that applications be submitted early in the school year to allow adequate time for decision-making and any appeals. However, OBOS will accept any late applications made.

To assist in assessing applications for special provisions, OBOS has engaged a panel of 16 specialists to provide recommendations for particular categories of special need, none of whom are employed within OBOS. Of the 16 panellists, 4 assess medical related applications, 1 assesses vision impairment applications, 1 assesses hearing related applications and 10 assess learning difficulty applications.

## 2.2 Transition to On-line Application Process

During 2009, OBOS has provided for the first time the facility for special provisions applications to be submitted electronically through their website. The process for completing the application is essentially the same, whether submitted electronically or by completion of a paper form. This new online application process ensures the accurate capture of the stages in the approval process (including an audit trail) and assists in records management.

## 2.3 Audit Methodology

We achieved the review objectives by:

- Meeting with relevant stakeholders to discuss the objectives of the review;
- Reviewing current policies and procedures;
- Documenting existing systems and undertaking an assessment of the internal control environment;
- Undertaking a 'walk-through' of the existing systems;
- Developing a detailed audit program;
- Testing of special provision applications on a sample basis with a focus on ensuring compliance with documented policies and procedures;
- Preparing a draft report for management comment; and
- Issuing a final report.

## 2.4 Key Contacts

The following key contacts were identified for this review:

Name	Position
Kevin Ford	Manager, Student Support Services

## 3 Specific Findings

### 3.1 General Positive Finding

#### Finding Category Internal Control Issues

##### Finding

This review supports the positive findings from WalterTurnbull's previous audit in January 2009.

Overall we found that sufficient policies and procedures are in place at OBOS to provide an effective framework for OBOS to make appropriate decisions regarding special provisions applications submitted by HSC students. In particular we noted that:

- comprehensive clear criteria are set for each category of special need to ensure consistent and appropriate decisions can be reached;
- a panel of specialists are in place to assist OBOS by providing expertise in particular areas of special need;
- recommendations made for each application are reviewed by a second officer to ensure that decisions have been made based on the appropriate criteria;
- an appeals process is in place to provide students and schools with the opportunity to provide additional evidence to support their applications where they has been declined; and
- staff displayed a high level of understanding of the special provisions framework.

Testing of special provision applications on a sample basis (45 in total) confirmed that:

- sufficient documentation existed in relation to each successful applicant;
- the appropriate criteria were met for successful applicants;
- the information provided by unsuccessful applicants did not meet the specified criteria;
- decisions were appropriately approved in accordance with OBOS delegations;
- overall the decision making processes adhered to documented internal policies and procedures; and
- no breaches of procedural fairness were identified during the review.



## 3.2 Procedures for Re-Applying Due to Lack of Sufficient Evidence

### Finding Category Internal Control Issues

#### Finding

Within OBOS procedures for special provisions applications, there are separate procedures for applications and appeals to applications with differing delegations in place for approval of decisions made.

During testing undertaken, an application for a special provision was examined whereby:

- An application was declined due to insufficient evidence and this decision was approved by an employee who satisfied the appropriate delegation levels as per OBOS documented policies and procedures.
- After the initial decision was made the applicant subsequently provided the required evidence. It appears that the receipt of additional information was treated as a new application and approved in line with the appropriate delegation as the criteria for the special provisions requested were deemed to be satisfied.

In this instance, this appears to not be an appeal or a review of an initial OBOS decision but rather a situation where an incomplete application was subsequently completed by the applicant submitting the required information. The current policies and procedure does not explicitly state how incomplete applications resubmitted should be treated in terms of appropriate delegation levels for approval. It should be noted that in this case the appropriate delegation levels for a new application appear to have been satisfied and the decision appears to have been reasonable and correct based on the documented OBOS criteria for awarding special provisions.

#### Implication

Without clearly documented policies and procedures there is a risk that a decision may be made by staff members who do not have the appropriate delegation levels in order to authorise the decision.

#### Recommendation

It is recommended that OBOS update their documented policies and procedures so that it is clearly stated what the appropriate levels of delegations are for staff to review and approve of applications resubmitted due to incomplete information provided.

#### Risk Rating

Low

#### Management Comments

A provision may be declined because essential functional evidence (work samples, teacher comments etc) has not been provided, or because a required threshold (reading age, spelling score) has not been demonstrated.

Where missing essential evidence is subsequently provided by the school, the matter is considered to be still at the application stage as no earlier evidence has been assessed by an officer delegated to assess applications. This ensures that an untested issue is not elevated too early and better uses Branch resources.

Where an original application is declined on existing functional evidence, then a senior officer assesses any further appeal.

It is accepted that documentation concerning this process will be updated to make clear the distinction between applications and appeals.

### 3.3 Granting of a Neutral Provision as an 'Reasonable Adjustment'

#### Finding Category Internal Control Issues

#### Finding

During testing undertaken, an application for a special provision was examined whereby:

- the application was initially declined due to the student being outside the criteria for the special provision based on documented OBOS policies and procedures.
- An appeal was made by the student and this was also declined based on the student remaining outside the criteria for the special provision.
- A further appeal was made and additional evidence was provided which included teacher's comments on the student's HSC trial exams which supported the need for the provision and the appeal stated that the provision would significantly reduce the anxiety and stress levels of the student if awarded.

During the appeals process it was noted that the student was awarded the provision being applied for in the School Certificate and had been awarded this provision by the student's school for all internal exams since this time. In addition, this provision was considered to be a neutral provision in that the provision would not advantage the student.

Despite the student remaining outside the documented OBOS criteria for the provision the student was awarded the provision. Discussions with key management personnel revealed that there is an approach to provide 'reasonable adjustments' as per the Disability Standards for Education which are issued under the *Commonwealth Disabilities Discrimination Act* and that in this instance, a judgement call was made to award a provision that appeared to be reasonable in the circumstances and which did not advantage the student. This decision was signed off by the Acting Director Curriculum & Assessment so appropriate delegation levels appear to be satisfied, however the ability for the director to make a judgement call to award a neutral provision based on a 'reasonable adjustment' is not documented in the current OBOS policies and procedures.

#### Implication

Without clearly documented policies and procedures there is a risk that a decision may be made by which is inconsistent with OBOS policy and procedures and does not meet OBOS's legislative and regulatory requirements.

#### Recommendation

It is recommended that OBOS update their documented policies and procedures to include a provision for reasonable adjustments in situations where the student will not be advantaged by the special provision.

#### Risk Rating

Low

#### Management Comments

The Disability Discrimination Act - Education Standards "require an education provider to make adjustments to allow people with disability to take part in education" and that "an Adjustment is reasonable if it meets the needs of the student with disability without impacting too much on other people".

In meeting this requirement, senior officers may approve as a "reasonable adjustment" a provision that is outside existing guidelines but does not advantage the applicant to the detriment of other students.

It is accepted that documentation concerning this process will be incorporated into existing policies and procedures to provide for internal formalisation.

## Appendix A – Assessment of Findings/Issues

Each finding/issue identified during the audit has been assigned to one of the following categories.

Finding Category	Definition of the Finding Category (For the purposes of this report)
<p style="text-align: center;"><b>Efficiency/ Performance Issue</b></p>	<p>Finding/issue relates to:</p> <ul style="list-style-type: none"> <li>▪ identified inefficiencies in formally adopted procedures or provision of services; or</li> <li>▪ failure in the provision of services or in the monitoring and reporting of the provision of services.</li> </ul>
<p style="text-align: center;"><b>Internal Control Weakness Issue</b></p>	<p>Finding/issue relates to:</p> <ul style="list-style-type: none"> <li>▪ a breakdown or non-compliance with formally adopted procedures or controls; or</li> <li>▪ an assessed weakness in the internal control framework as documented during the audit.</li> </ul>

## Appendix B – Risk Rankings

Each of the report findings has been allocated a Risk Ranking to indicate to management the level of attention is required to reduce its probability and/or impact to manage the risk.

The following category of strategies for each Risk Ranking has been adopted.

Risk Ranking	Strategy Category
<b>Extreme</b>	Immediate detailed planning and action required at senior levels to determine how to reduce the risk and regular monitoring of progress by senior management.
<b>High</b>	Senior management attention and monitoring of progress with risk management action is required.
<b>Medium</b>	Management responsibility to be specified, monitor and review response action as necessary.
<b>Low</b>	Manage through existing processes and procedures.
<b>Negligible</b>	Unlikely to require allocation of resources.

In determining the Risk Ranking for each of the findings we have considered both:

- the impact of event which is not covered by existing controls, and
- the probability of this event occurring.

The overall Risk Rankings have been devised using the matrix on the following page.

	<b>Impact</b> An <u>extreme impact</u> to the extent that there could be a critical business failure and expose the organisation to major financial or non-financial damage or loss.  It could also involve extensive disruption or damage to community services, natural resources, etc, and expose the agency to severe criticism.	An <u>extensive impact</u> to the extent that it could cause: <ul style="list-style-type: none"><li>▪ considerable client dissatisfaction;</li><li>▪ loss of revenue;</li><li>▪ excessive costs;</li><li>▪ delays in achieving key objectives; or</li><li>▪ place the business area in breach of legislative obligations.</li></ul>	The occurrence of the event will have a <u>significant impact</u> to the extent that it could cause: <ul style="list-style-type: none"><li>▪ reduction in business performance levels to the extent that performance targets cannot be met;</li><li>▪ significant increase in costs;</li><li>▪ limited client dissatisfaction.</li></ul>	<u>Some impact</u> in terms of delays, system quality, and reduction in client service, but it should be possible to handle at the operational level.
<b>Probability</b>				
It is almost certain that the event or described result will occur	<b>Extreme</b>	<b>High</b>	<b>High</b>	<b>Medium</b>
There is a strong possibility that the event or described result will occur	<b>Extreme</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>
Whilst it is not certain, the event or described result could occur	<b>High</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>
While it is still possible, it is unlikely that the event or described result will occur.	<b>Medium</b>	<b>Medium</b>	<b>Low</b>	<b>Negligible</b>

## Appendix C – Disclaimer and Inherent Limitations

### **Disclaimer**

This report has been prepared by WalterTurnbull for distribution within the Office of the NSW Board of Studies. We disclaim any assumption of responsibility for any reliance on this report by any person other than the Office of the NSW Board of Studies, or for any purpose other than that for which it was prepared.

### **Inherent Limitations**

Whilst all due care and attention has been taken in the design and execution of our audit procedures, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected because:

- of the inherent limitations of any internal control structure;
- our audit procedures were not performed continuously throughout the period; and
- control procedures were tested on a sample basis only.

Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.