

Skills First Program
2018 Audit and Assurance Report

Business Process and Transactional Compliance Audit

Trade Institute of Victoria Pty Ltd
21920

Version	Final
Auditor	Protiviti
Date report issued	30 August 2018
Training Provider Contract	2018-19 Standard VET Funding Contract
Circulation	Department of Education and Training Mr John Macdonald – Chief Executive Officer, Trade Institute of Victoria Pty Ltd Ms Narelle Weeks – Administration Coordinator, Trade Institute of Victoria Pty Ltd

TABLE OF CONTENTS

- 1. EXECUTIVE SUMMARY 3
 - 1.1 Introduction 3
 - 1.2 Objective and Scope 3
 - 1.3 Business Model and Operating Environment 4
 - 1.4 Summary of Findings 5
 - 1.5 Training Services Observations 6
 - 1.6 Payment of Fees Observations 9
 - 1.7 Summary of Student and *Skills First* Teacher Interviews 9
- 2. DETAILED FINDINGS 10
- 3. OPPORTUNITIES FOR IMPROVEMENT 15
- 4. MANAGEMENT ACTION PLAN 16
- 5. NEXT STEPS 17
- APPENDIX A – PTR EXCEPTIONS 18
- APPENDIX B – TRAINING PLAN EXCEPTIONS 22
- APPENDIX C – TRAINING PARTICIPATION EXCEPTIONS 25
- APPENDIX D – FEE CONCESSIONS EXCEPTIONS 26

1. Executive Summary

1.1 Introduction

The *Skills First* Program is an entitlement to government subsidised training for Eligible Individuals.

The Victorian Department of Education and Training (**the Department**) contracts Training Providers to deliver training to eligible individuals under the *Skills First* Program. In accordance with its *Skills First* Audit and Assurance Strategy, the Department undertakes audits and reviews to ensure the contracted Training Providers are complying with the terms and conditions of their VET Funding Contract (**the Contract**).

The objectives of the *Skills First* Audit and Assurance Strategy are to:

- confirm that funding has been expended appropriately;
- promote training provider regulatory and standards compliance; and
- promote training provider process quality.

The Department conducts these audits and reviews using contractors from a panel of audit service providers.

Protiviti conducted the audit fieldwork at the Trade Institute of Victoria (TIV) site located at 195 Champion Rd, Williamstown North VIC 3016, from 8 August 2018 to 9 August 2019.

1.2 Objective and Scope

The objective of the audit was to consider the business processes and internal control environment employed by the Training Provider to comply with its contractual obligations under the Contract. The audit was conducted based on sample data which was extracted from the Skills Victoria Training System (**SVTS**) by the Department on 3 August 2018.

The scope of work focussed on:

- gaining a contextual understanding of the Training Provider to set the scene for the audit;
- internal audit activity undertaken by the Training Provider to self-assess its compliance against the Contract;
- processes in place for eligibility assessment, fees and fee concessions, pre-training review, training plan development, training delivery;
- gaining a contextual understanding of the provision of quality training services delivered by the Training Provider under *Skills First*, including the Quality Charter;
- student and *Skills First* Teacher interviews to validate audit findings and also to signal to Training Providers that the Department is not only examining files, but also verifying funding claimed with students; and
- maintenance of records to evidence compliance (e.g. eligibility, pre-training review, fee invoices, fee concession, training plans, training participation), including use of the Training Provider's Student Management System (SMS) and input of relevant data into the SVTS.

Transactional compliance testing was also performed to identify specific areas of non-compliance with the Contract through sample testing of records associated with student eligibility, pre-training review, training plan development, training participation, fee concessions and reporting.

Where sample testing issues have been identified, the results have been incorporated into the findings set out in Section 1.4, Section 2 and the Appendices of this report (as relevant).

1.3 Business Model and Operating Environment

Trade Institute of Victoria (TOID: 21920) is based in 195 Champion Rd, Williamstown North VIC 3016, with the following additional training delivery sites located across Victoria:

- 19-21 Paramount Rd, West Footscray VIC 3012
- Unit 2A, Olympia St in Tottenham, VIC 3012

Student records are retained in hard copy at the Training Provider's Williamstown North location.

TIV currently has approximately 700] of *Skills First* funded students, out of a total of 800-900 students. The primary modes of training are classroom-based and practical delivery.

The Training provider has not added qualifications to their Registered Scope in the last 12 months.

Trends or changes in TIV's business model over the past five years involved:

- Offering a course-based program as an alternative to apprenticeship delivery for the Certificate III in Carpentry. This is due to the significant decline in mature age learners being able to secure construction industry apprenticeships in recent years, notwithstanding that mature aged apprentices have historically achieved a higher completion rate than their younger counterparts.
- The addition of a third training location in the near future.

TIV employs the following marketing practices:

- Word of mouth referrals;
- Social media, including Facebook, Instagram and LinkedIn; and
- Google Adwords.

The Training Provider also recruits students by use of referral agents. Details of these brokering arrangements are noted in the table below:

Sub-contractor/Third Party/Broker Name	Relationship (Specify Sub-contractor/ Third Party/Broker)	Formal Agreement Commencement and End Date	Summary of Sub-contractor/Third Party/Broker Inputs
Key Performance Solutions	Broker	9 February 2016 - ongoing	Referral of prospective students
Upskill Learning Australia	Broker	4 October 2016 - ongoing	Referral of prospective students
Yo Yo Australia t/a A&H Education Consultancy	Broker	12 February 2016 - ongoing	Referral of prospective students
Kope Development & Financing	Broker	30 March 2016 - ongoing	Referral of prospective students
JR Training Consultants	Broker	20 June 2016 - ongoing	Referral of prospective students

Training and assessment services are not sub-contracted out.

Training Services not related to training and assessment (for example, administrative services) are not subcontracted out.

TIV was most recently audited by ASQA in August 2014, and has published the results of this audit on their website. TIV did not receive a rectification plan as a result of this audit.

TIV has appropriate mechanisms and services for students to have complaints and appeals addressed efficiently and effectively. A Complaints and Appeals policy and procedure has been documented, which outlines the process for both students and the Training Provider when raising and managing complaints and appeals. Specifically, the policy details the timelines for responding to and resolving complaints and appeals, assigns responsibility among TIV management, and details the process for escalation of complaints and appeals to a third party when a resolution cannot be reached.

1.4 Summary of Findings

The following control weaknesses were identified which may impact the Training Provider’s ability to comply with the Contract:

Report Ref	Area	Control Weakness
2.1.1	Pre-Training Review	Pre-Training Review did not capture the suitability and appropriateness of the qualification for students.
2.1.2	Pre-Training Review	The LLN assessment utilised did not include a writing component.
2.2	Training Plan	Training Plans did not include all aspects required by the VET Funding Contract.
2.3	Evidence of Participation	Required evidence of participation could not be identified for a number of students.
2.4	Fee Concessions	A concession student was not charged 20% of the standard published fee.

Further details of the control weakness, and a Management Action Plan to address them, are included in Sections 2 and 4 of this report.

Details of the opportunities for improvement are included in Section 3 of this report.

TIV management stated that the most recently completed audit was a Quality Review conducted in 2016, and that no Management Action Plan was developed as a result of the review. As such, the status of prior audit management actions was not assessed.

1.5 Training Services Observations

Organisation Level

The following topics and their alignment to contractual requirements were discussed with the Training Provider and/or applicable documents/evidence were sighted:

Topic	Discussed	Documented process sighted	Evidence of implementation sighted
Student attraction activities, including marketing and advertising, in relation to any aspect of this Contract in accordance with Clause 1 of Schedule 1.	✓	✓	✓
Information provided to prospective students about course offerings, fees, support and the impact on the individual's Entitlement to Funded Training in accordance with Clauses 4.1 and 6 of Schedule 1, in addition to collecting and maintaining required evidence.	✓	✓	✓
The conduct of and documented business processes for testing an individual's eligibility for training subsidised through the <i>Skills First</i> Program and any relevant concession or exemption/waiver of tuition fees in accordance with Clauses 2, 3 and 6 of Schedule 1 and the <i>Guidelines about Determining Student Eligibility and Supporting Evidence</i> .	✓	✓	✓
The conduct of and documented business processes for Pre-Training Reviews, in accordance with Clause 5 of Schedule 1.	✓	✓	✓
The conduct of enrolment processes required including in accordance with Clause 4 of Schedule 1.	✓	✓	✓
The development and documentation of Training Plans in accordance with Clause 7 of Schedule 1.	✓	✓	✓
Levying of fees, including applying any concessions, exemptions or waivers, including in accordance with Clause 6 of Schedule 1, in addition to collecting and maintaining required evidence.	✓	✓	✓
Reporting and verification of data and other information to the Department including in accordance with Clause 12 of Schedule 1.	✓	✓	✓
Provision of support to Eligible Individuals.	✓	✓	✓
Strategies for industry engagement and how the outcomes of which are systematically used to ensure the industry relevance of its assessment practices and resources.	✓	✓	✓
Complaints and appeals process.	✓	✓	✓
Staff professional development, including how <i>Skills First</i> Teachers and other relevant staff are made aware of and comply with contractual requirements.	✓	✓	✓
Segregation of Duties.	✓	✓	✓

The Department issued Internal Audit Checklist (IAC) was last completed in June 2018. 2% (1 instance) of non-compliance was noted in the IAC and a subsequent rectification plan was developed. The rectification plan has been completed.

Where a non-compliance is noted in this BPA, the finding has been cross checked against the most recent IAC to ascertain the accuracy in the self-assessment for the relevant control area/s. Any discrepancies between the BPA finding and the IAC self-assessment will be noted in the Detailed Findings section of this report.

Sampled Program Level

The programs being tested are the Certificate III in Carpentry and Certificate IV in Building and Construction (Building). For both programs, training is delivered in a combination of classroom and simulated workplace environments.

Certificate III in Carpentry

The Training and Assessment Strategy was last updated August 2017. The duration for the program is noted in the Training and Assessment Strategy as 18 months, which aligns to the AQF minimum recommendation of 1 to 2 years for a qualification at this level.

The units identified in the Training and Assessment Strategy are consistent with those in the Training Plan. This matches the units for which funding has been claimed, and these units match the units which have been delivered. The Training and Assessment Strategy identifies the mode of delivery as classroom and simulated workplace-based. This matches match the actual mode of delivery.

The information provided to students on the Statement of Fees is consistent with the information in the Training and Assessment Strategy.

This qualification is also delivered through an Apprenticeship based model. A stand-alone Training and Assessment Strategy for this delivery model has been developed and documents the program structure, duration, learning and assessment strategies, resources, and details covering the responsibilities of both the Training Provider (including the role of the Employment-Based Training Coordinator) and student.

Certificate IV in Building and Construction (Building)

The Training and Assessment Strategy was last updated March 2017. The duration for the program is noted in the Training and Assessment Strategy as 40 weeks, which aligns to the AQF minimum recommendation of six months to one year for a qualification at this level.

The units identified in the Training and Assessment Strategy are consistent with those in the Training Plan. This matches the units for which funding has been claimed, and these units match the units which have been delivered. The Training and Assessment Strategy identifies the mode of delivery as classroom and simulated workplace-based. This matches match the actual mode of delivery.

The information provided to students on the Statement of Fees is consistent with the information in the Training and Assessment Strategy.

The *Skills First* Teachers delivering the Certificate III in Carpentry and Certificate IV in Building and Construction (Building) have qualifications as shown in the table below:

Skills First Teacher Name	Qualification(s) Delivered	Qualification/s Held	Date Qualification Obtained	Relevant Industry Experience? Y/N
William Spencer	<ul style="list-style-type: none"> • Certificate III in Carpentry • Certificate IV in Building and Construction (Building) 	<ul style="list-style-type: none"> • Diploma of Building and Construction (Building) 	2016	Y
Garry Walters	<ul style="list-style-type: none"> • Certificate III in Carpentry • Certificate IV in Building and Construction (Building) 	<ul style="list-style-type: none"> • Certificate IV in Building and Construction (Building) 	2018	Y
Turgut Karabulut	<ul style="list-style-type: none"> • Certificate IV in Building and Construction (Building) 	<ul style="list-style-type: none"> • Diploma of Building and Construction (Building) 	2016	Y
Leo Gillman	<ul style="list-style-type: none"> • Certificate IV in Building and Construction (Building) 	<ul style="list-style-type: none"> • Diploma of Building and Construction (Building) 	2015	Y
David Lando	<ul style="list-style-type: none"> • Certificate IV in Building and Construction (Building) 	<ul style="list-style-type: none"> • Diploma of Building and Construction (Building) 	2016	Y
George Damaskos	<ul style="list-style-type: none"> • Certificate IV in Building and Construction (Building) 	<ul style="list-style-type: none"> • Diploma of Building and Construction (Building) 	2014	Y
Kosta Damaskos	<ul style="list-style-type: none"> • Certificate IV in Building and Construction (Building) 	<ul style="list-style-type: none"> • Certificate IV in Building and Construction (Building) 	2015	Y
Steven Stonehouse	<ul style="list-style-type: none"> • Certificate III in Carpentry • Selected units of the Certificate IV in Building and Construction (Building) 	<ul style="list-style-type: none"> • Units CPCCBC4001A, CPCCBC4005A, CPCCBC4006A, CPCCBC4007A, CPCCBC4008A, and CPCCBC4020A 	2016	Y
Graeme Johnson	<ul style="list-style-type: none"> • Selected units of the Certificate IV in Building and Construction (Building) 	<ul style="list-style-type: none"> • Units CP008B, CPCCBC CCBC4010B, CPCCBC4011B, CPCCBC4018A, CPCCBC4012A, CPCCBC4005A, CPCCBC4006B, CPCCBC4004A, CPCCBC4013A, CPCCBC4007A and CPCCBC009B 	2012/13	Y
Matthew Brennan	<ul style="list-style-type: none"> • Selected units of the Certificate IV in Building and Construction (Building) 	<ul style="list-style-type: none"> • Units BSBITU202 and CPCCBC4024A 	2017	Y
Matthew Hopwood-Glover	<ul style="list-style-type: none"> • Certificate IV in Building and Construction (Building) 	<ul style="list-style-type: none"> • Advanced Diploma of Building and Construction (Management) 	2016	Y
Rifat Keceli	<ul style="list-style-type: none"> • Certificate IV in Building and Construction (Building) 	<ul style="list-style-type: none"> • Diploma of Building and Construction (Building) 	2016	Y
Sean Clinch	<ul style="list-style-type: none"> • Certificate III in Carpentry • Certificate IV in Building and Construction (Building) 	<ul style="list-style-type: none"> • Diploma of Building and Construction (Building) 	2017	Y
John Macdonald	<ul style="list-style-type: none"> • Selected units of the Certificate IV in Building and Construction (Building) 	<ul style="list-style-type: none"> • BSBSMB404A, BSBSMB406A, and CPCCBC4024A 	2015	Y

Rami Saaristo	• Certificate IV in Building and Construction (Building)	• Certificate IV in Building and Construction (Building)	2016	Y
Doug Elliot	• Certificate IV in Building and Construction (Building)	• Certificate IV in Building and Construction (Building)	2013	Y
Roslyn Small	• Certificate IV in Building and Construction (Building)	• Bachelor of Construction Management	2000	Y
Peter Trinh	• Certificate IV in Building and Construction (Building)	• Certificate IV in Building and Construction (Building)	2015	Y
Joe Modica	• Certificate IV in Building and Construction (Building)	• Diploma of Building and Construction (Building)	2016	Y
Darryn McKenzie	• Certificate IV in Building and Construction (Building)	• Certificate IV in Building and Construction (Building)	2013	Y

The Register of Trainers and Assessors was viewed and deemed to be current for the training period included in this audit, and included all requirements in accordance with the Contract.

1.6 Payment of Fees Observations

As requested by the Department, we reviewed two students to determine whether the invoice charged to the student had been paid. Based on our review we have determined the following:

- One student had been invoiced and had paid their fee in full. The amount received from the student was able to be traced through to the Training Provider's bank account as part of a weekly lump sum deposit; and
- One student was invoiced for a total of \$0 as a result of their accessing *Skills First* funding. As a result, no payment was made by the student.

1.7 Summary of Student and *Skills First* Teacher Interviews

As requested by the Department, we attempted interviews with a sample of four students enrolled in government subsidised training.

- For one student, the number provided reported to SVTS was disconnected.
- One student could not be contacted after one attempt.
- Two student interviews were completed. The outcome of the completed student interviews is outlined below and is based on information provided by the student only.
 - For one students the information obtained from the student interview was consistent with the data reported to SVTS
 - For one student, the following issues were indicated:
 - students were required to mark their own work;
 - there was insufficient practical training undertaken; and
 - the *Skills First* Teacher responsible for training delivery did not meet their expectations.

As requested by the Department, we attempted interviews with four *Skills First* Teachers who deliver training for the Training Provider. The outcome of the two *Skills First* Teacher interviews is outlined below:

- Four *Skills First* Teacher interviews were completed and no issues were noted.

2. Detailed Findings

The table below details the non-compliances identified and the Training Provider comments on the findings:

Reference	Control Weakness	Training Provider comments on cause of non-compliance
Pre-Training Review		
<p>2.1.1 Pre-Training Review did not capture the suitability and appropriateness of the qualification for students</p>	<p>Testing of 2 BPA and 30 TCA student files identified that the Pre-Training Review utilised for all sampled students did not capture the following information:</p> <ul style="list-style-type: none"> • Appropriateness of the proposed learning strategies and materials; and • A documented rationale as to why the program is the most suitable qualification for the student. <p>The Training Provider identified this as an area of non-compliance when completing their most recent Internal Audit Checklist.</p> <p>Impact Failure to assess the appropriateness of learning and assessment strategies, or documenting a concise assessment of program suitability, prior to enrolment in training may result in students enrolling into a program or level that is not suitable, and is a breach of the VET Funding Contract.</p> <p>Contract Reference</p> <ul style="list-style-type: none"> • 2018-19 Standard Vet Funding Contract, Schedule 1, Clause 5.1 (c) and (e) • Skills First Quality Charter, Principal 2 (a), and Principal 4 (a) 	<p>Refer to Section 2.1.1 of the attachment, <i>'Response to Skills First Program 2018 Audit and Assurance Report'</i></p>

Reference	Control Weakness	Training Provider comments on cause of non-compliance
Pre-Training Review		
<p>2.1.2 LLN assessment utilised did not include a writing component.</p>	<p>Testing of 2 BPA and 30 TCA student files identified that the LLN assessment utilised for all sampled students did not include a writing component</p> <p>The Training Provider identified this as an area of non-compliance when completing their most recent Internal Audit Checklist.</p> <p>Impact Failure to assess the current competencies of students, including literacy skills, prior to enrolment in training may result in students enrolling into a program or level that is not suitable, and is a breach of the VET Funding Contract.</p> <p>Contract Reference</p> <ul style="list-style-type: none"> • 2018-19 Standard Vet Funding Contract, Schedule 1, Clause 5.4 • Skills First Quality Charter, Principal 2 (a), and Principal 4 (a) 	<p>Refer to Section 2.1.2 of the attachment, <i>'Response to Skills First Program 2018 Audit and Assurance Report'</i>.</p> <p>Also refer to the attachment <i>'2018 - Application Form Cert III V15.7'</i>.</p>

Reference	Control Weakness	Training Provider comments on cause of non-compliance
Training Plan		
<p>2.2 Training Plans did not include all aspects required by the VET Funding Contract.</p>	<p>Testing of 2 BPA and 30 TCA student files identified 31 instances (2 BPA and 29 TCA students) in which the Training Plan did not document for each module:</p> <ul style="list-style-type: none"> • the assessment methods to be used; or • the <i>Skills First</i> Teacher responsible for delivery of training and assessment. <p>The Training Provider did not identify this as an area of non-compliance when completing their most recent Internal Audit Checklist.</p> <p>Impact Failure to develop and maintain a training plan that documents all necessary information relating to student’s training and assessment is a breach of the VET Funding Contract.</p> <p>Contract Reference</p> <ul style="list-style-type: none"> • 2018-19 Standard Vet Funding Contract, Schedule 1, Clause 7.2 (i) and (j) • Skills First Quality Charter, Principal 2 (a), and Principal 5 (b)(ii)(E) 	<p>Refer to Section 2.2 of the attachment, ‘<i>Response to Skills First Program 2018 Audit and Assurance Report</i>’.</p>

Reference	Control Weakness	Training Provider comments on cause of non-compliance																					
Evidence of Participation																							
<p>2.3 Required evidence of participation could not be identified for a number of students.</p>	<p>Testing of 2 BPA and 30 TCA student files identified two (2) instances in which evidence of participation could not be identified as required by the Contract, as detailed below:</p> <table border="1" data-bbox="387 427 1666 855"> <thead> <tr> <th>Sample</th> <th>Student ID</th> <th>Program</th> <th>Module</th> <th>ASD</th> <th>AED</th> <th>Exception</th> </tr> </thead> <tbody> <tr> <td>TCA 28</td> <td>PG76-04812</td> <td>Certificate IV in Building and Construction (Building)</td> <td>Produce labour and material schedules for ordering</td> <td>17/01/2018</td> <td>16/02/2018</td> <td> <ul style="list-style-type: none"> A point of EOP could not be identified within the first month of the activity start date </td> </tr> <tr> <td>TCA 29</td> <td>PG80-05064</td> <td>Certificate IV in Building and Construction (Building)</td> <td>Identify and produce estimated costs for building and construction projects</td> <td>15/01/2018</td> <td>19/04/2018</td> <td> <ul style="list-style-type: none"> A point of EOP could not be identified within the first month of the activity end date </td> </tr> </tbody> </table> <p>The Training Provider did not identify this as an area of non-compliance when completing their most recent Internal Audit Checklist.</p> <p>Impact Failure to retain all necessary evidence of student participation in training is a breach of the VET Funding Contract.</p> <p>Contract Reference</p> <ul style="list-style-type: none"> 2018-19 Standard Vet Funding Contract, Schedule 1, Clause 11.3 (a) and (b) Skills First Quality Charter, Principal 2 (a) and (b) 	Sample	Student ID	Program	Module	ASD	AED	Exception	TCA 28	PG76-04812	Certificate IV in Building and Construction (Building)	Produce labour and material schedules for ordering	17/01/2018	16/02/2018	<ul style="list-style-type: none"> A point of EOP could not be identified within the first month of the activity start date 	TCA 29	PG80-05064	Certificate IV in Building and Construction (Building)	Identify and produce estimated costs for building and construction projects	15/01/2018	19/04/2018	<ul style="list-style-type: none"> A point of EOP could not be identified within the first month of the activity end date 	<p>Refer to Section 2.3 of the attachment, 'Response to Skills First Program 2018 Audit and Assurance Report'.</p>
Sample	Student ID	Program	Module	ASD	AED	Exception																	
TCA 28	PG76-04812	Certificate IV in Building and Construction (Building)	Produce labour and material schedules for ordering	17/01/2018	16/02/2018	<ul style="list-style-type: none"> A point of EOP could not be identified within the first month of the activity start date 																	
TCA 29	PG80-05064	Certificate IV in Building and Construction (Building)	Identify and produce estimated costs for building and construction projects	15/01/2018	19/04/2018	<ul style="list-style-type: none"> A point of EOP could not be identified within the first month of the activity end date 																	

Reference	Control Weakness	Training Provider comments on cause of non-compliance						
Fee Concessions								
<p>2.4 A concession student was not charged 20% of the standard published fee</p>	<p>Testing of 2 BPA and 30 TCA student files identified one (1) instance in which a concession student was not charge 20% of the standard published fee:</p> <table border="1" data-bbox="365 389 1608 628"> <thead> <tr> <th data-bbox="365 389 602 504">Sample number</th> <th data-bbox="602 389 869 504">Student ID</th> <th data-bbox="869 389 1608 504">Finding</th> </tr> </thead> <tbody> <tr> <td data-bbox="365 504 602 628">TCA 1</td> <td data-bbox="602 504 869 628">LC-05252</td> <td data-bbox="869 504 1608 628">The student was charged \$800, whereas the standard published fee was \$2,150. The amount charged to the student is equal to 37% of the standard published fee.</td> </tr> </tbody> </table> <p>The Training Provider did not identify this as an area of non-compliance when completing their most recent Internal Audit Checklist.</p> <p>Impact Failure to charge eligible concession students 20% of the published fee is a breach of the VET Funding Contract.</p> <p>Contract Reference</p> <ul style="list-style-type: none"> • 2018-19 Standard Vet Funding Contract, Schedule 1, Clause 13.33 (a) • Skills First Quality Charter, Principal 2 (a) 	Sample number	Student ID	Finding	TCA 1	LC-05252	The student was charged \$800, whereas the standard published fee was \$2,150. The amount charged to the student is equal to 37% of the standard published fee.	<p>N/A</p>
Sample number	Student ID	Finding						
TCA 1	LC-05252	The student was charged \$800, whereas the standard published fee was \$2,150. The amount charged to the student is equal to 37% of the standard published fee.						

3. Opportunities for Improvement

The table below sets out additional opportunities for improvement:

Reference	Opportunity for Improvement	Training Provider Comments (Optional)
Policies		
<p>3.1 Reformatting of policy manual for ease of use.</p>	<p>Area for Improvement The Policy Manual developed by VIT is currently structured so as to directly address each of the 2015 Standards for RTOs. As such, the policy position of TIV in relation to any one particular aspect of the Training Provider’s processes (e.g. Pre-Training Review) is distributed across several sections of the manual. As such, the locating of all information relating to that process is cannot be performed efficiently. Management should consider organising the documented policies by process. Reference to each of the 2015 Standards for RTO’s could then be made in each of those sections to demonstrate compliance.</p>	<p>N/A</p>

4. Management Action Plan

Ref.	Nature of exceptions identified	Action to correct non-compliance	Responsible Person	Target Completion Date
4.1.1	Pre-Training Review did not capture the suitability and appropriateness of the qualification for students	N/A – Refer to Refer to Section 2.1.2 of the attachment, <i>'Response to Skills First Program 2018 Audit and Assurance Report'</i> .	-	-
4.1.2	LLN assessment utilised did not include a writing component	TIV is in course of developing a new process which will see supervised hand written tasks completed by Certificate IV and Diploma applicants. They will be hand written because the application process is now in electronic format.	Chief Executive Officer	[not indicated]
4.2	Training Plans did not include all aspects required by the VET Funding Contract.	This has been the case since March 2018 at which time the Administration Department amended the Training Plan in the interests of continuous improvement, not realising that their actions had precisely the opposite effect. The Training Plan template has now been restored to its original state. A copy is attached.	Chief Executive Officer	Completed
4.3	Required evidence of participation could not be identified for a number of students.	N/A – Refer to Refer to Section 2.3 of the attachment, <i>'Response to Skills First Program 2018 Audit and Assurance Report'</i> .	-	-

5. Next Steps

As noted in the letter dated 26 July 2018 notifying your organisation of this audit, other potential actions that may be taken by the Department following this contract compliance audit include:

- Evidence of Eligibility audit, assessing whether a Training Provider has sufficient evidence of eligibility to support student course enrolments for which government subsidised training has been claimed;
- Evidence of Concession audit, assessing whether a Training Provider has sufficient evidence of concession to support the granting of a fee concession claimed under the previous Contract;
- Evidence of Participation audit, assessing whether a Training Provider has sufficient evidence of participation to support claims for payment for training delivery in specific subjects for which funding has been claimed;
- Evidence of Fees audit, assessing whether there is sufficient evidence to demonstrate that students were actually charged the fees reported as being charged in the SVTS. The EOF may also include a determination of whether these fees were subsequently paid by students;
- Pre-Training Review, assessing the process undertaken between the Training Provider and a prospective student to determine the most suitable and appropriate training for that individual, to confirm that it has been conducted and documented in accordance with the requirements of the Contract and the Quality Charter;
- Rectification Review, assessing the extent to which the Management Action Plan arising from the Business Process and/or Transactional Compliance Audits have been implemented by a Training Provider;
- Quality Review, assessing the quality of Training Services that have been, or are being, delivered at a Training Provider;
- A combination of audits and reviews;
- Further action as noted in the Contract. For example, the Department may also require a Training Provider to repay Funds paid for the delivery of Training Services following a TCA;
- Monetary penalties may be imposed; or
- No further action.

Further, in accordance with Clause 11.3(b)(iii) of the Contract, where a Management Action Plan has been developed the Training Provider must advise the Department in writing (including submitting appropriate documentation as determined by the Department) of compliance with and implementation of the auditor's recommendations and/or Management Action Plan within six months of the date of this report.

Appendix A – PTR Exceptions

This table provides details of the **Pre-Training Review** exceptions identified in Section 2 of the report.

Sample number	Student ID	Program Name	Program ID	Program Commencement Date	Date of PTR assessment	Appropriateness of learning strategies and materials assessed?	LLN assessment included writing component	Rep. Ref. 2.1.1	Rep. Ref. 2.1.2	Training Provider Comments
BPA 1	P115-06000	Certificate IV in Building and Construction (Building)	CPC40110	6/03/2018	1/03/2018	N	N	✓	✓	Refer to Sections 2.1.1 and 2.1.2 of the attachment, 'Response to Skills First Program 2018 Audit and Assurance Report'
BPA 2	PC18-05842	Certificate III in Carpentry	CPC30211	21/03/2018	3/01/2018	N	N	✓	✓	
TCA 1	LC18-05759	Certificate III in Carpentry	CPC30211	23/01/2018	8/11/2017	N	N	✓	✓	
TCA 2	P107-05819	Certificate IV in Building and Construction (Building)	CPC40110	3/01/2018	6/12/2017	N	N	✓	✓	
TCA 3	P112-05840	Certificate IV in Building and Construction (Building)	CPC40110	26/02/2018	5/01/2018	N	N	✓	✓	
TCA 4	P112-05844	Certificate IV in Building and Construction (Building)	CPC40110	26/02/2018	8/01/2018	N	N	✓	✓	
TCA 5	P112-05927	Certificate IV in Building and Construction (Building)	CPC40110	26/02/2018	9/02/2018	N	N	✓	✓	
TCA 6	P113-05876	Certificate IV in Building and Construction (Building)	CPC40110	27/02/2018	19/01/2018	N	N	✓	✓	

Sample number	Student ID	Program Name	Program ID	Program Commencement Date	Date of PTR assessment	Appropriateness of learning strategies and materials assessed?	LLN assessment included writing component	Rep. Ref. 2.1.1	Rep. Ref. 2.1.2	Training Provider Comments
TCA 7	P114-05766	Certificate IV in Building and Construction (Building)	CPC40110	5/03/2018	5/02/2018	N	N	✓	✓	
TCA 8	P114-05874	Certificate IV in Building and Construction (Building)	CPC40110	5/03/2018	8/01/2018	N	N	✓	✓	
TCA 9	P114-05971	Certificate IV in Building and Construction (Building)	CPC40110	5/03/2018	6/02/2018	N	N	✓	✓	
TCA 10	P115-05891	Certificate IV in Building and Construction (Building)	CPC40110	6/03/2018	31/01/2018	N	N	✓	✓	
TCA 11	P115-05947	Certificate IV in Building and Construction (Building)	CPC40110	6/03/2018	15/02/2018	N	N	✓	✓	
TCA 12	P115-05976	Certificate IV in Building and Construction (Building)	CPC40110	6/03/2018	26/02/2018	N	N	✓	✓	
TCA 13	P115-05993	Certificate IV in Building and Construction (Building)	CPC40110	6/03/2018	31/01/2018	N	N	✓	✓	
TCA 14	P115-05997	Certificate IV in Building and Construction (Building)	CPC40110	6/03/2018	19/11/2017	N	N	✓	✓	

Sample number	Student ID	Program Name	Program ID	Program Commencement Date	Date of PTR assessment	Appropriateness of learning strategies and materials assessed?	LLN assessment included writing component	Rep. Ref. 2.1.1	Rep. Ref. 2.1.2	Training Provider Comments
TCA 15	P116-05950	Certificate IV in Building and Construction (Building)	CPC40110	26/03/2018	13/02/2018	N	N	✓	✓	
TCA 16	P117-05917	Certificate IV in Building and Construction (Building)	CPC40110	27/03/2018	7/02/2018	N	N	✓	✓	
TCA 17	PC18-05878	Certificate III in Carpentry	CPC30211	21/03/2018	19/01/2018	N	N	✓	✓	
TCA 18	PC18-05900	Certificate III in Carpentry	CPC30211	21/03/2018	31/01/2018	N	N	✓	✓	
TCA 19	PC18-05908	Certificate III in Carpentry	CPC30211	21/02/2018	22/08/2017	N	N	✓	✓	
TCA 20	PC18-05909	Certificate III in Carpentry	CPC30211	15/02/2018	30/01/2018	N	N	✓	✓	
TCA 21	PC18-05940	Certificate III in Carpentry	CPC30211	21/03/2018	6/02/2018	N	N	✓	✓	
TCA 22	PC18-05941	Certificate III in Carpentry	CPC30211	23/02/2018	15/02/2018	N	N	✓	✓	
TCA 23	PC18-05942	Certificate III in Carpentry	CPC30211	21/02/2018	19/02/2018	N	N	✓	✓	
TCA 24	PD30-05928	Diploma of Building and Construction (Building)	CPC50210	21/02/2018	9/02/2018	N	N	✓	✓	
TCA 25	PD32-05965	Diploma of Building and Construction (Building)	CPC50210	13/03/2018	17/01/2018	N	N	✓	✓	

Sample number	Student ID	Program Name	Program ID	Program Commencement Date	Date of PTR assessment	Appropriateness of learning strategies and materials assessed?	LLN assessment included writing component	Rep. Ref. 2.1.1	Rep. Ref. 2.1.2	Training Provider Comments
TCA 26	PG29-04036	Diploma of Building and Construction (Building)	CPC50210	21/02/2018	5/01/2018	N	N	✓	✓	
TCA 27	PG50-04439	Diploma of Building and Construction (Building)	CPC50210	21/02/2018	31/01/2018	N	N	✓	✓	
TCA 28	PG76-04812	Certificate IV in Building and Construction (Building)	CPC40110	15/01/2018	20/11/2017	N	N	✓	✓	
TCA 29	PG80-05064	Certificate IV in Building and Construction (Building)	CPC40110	6/01/2018	28/11/2017	N	N	✓	✓	
TCA 30	PG92-05387	Diploma of Building and Construction (Building)	CPC50210	21/02/2018	18/01/2018	N	N	✓	✓	

Appendix B – Training Plan Exceptions

This table provides details of the **Training Plan** exceptions identified in Section 2 of the report.

Sample number	Student ID	Program Name	Program ID	Program Commencement Date	Includes all contractual requirements?	Rep. Ref. 2.2	Training Provider Comments
BPA 1	P115-06000	Certificate IV in Building and Construction (Building)	CPC40110	6/03/2018	N	✓	Refer to Section 2.2 of the attachment, <i>'Response to Skills First Program 2018 Audit and Assurance Report'</i>
BPA 2	PC18-05842	Certificate III in Carpentry	CPC30211	21/03/2018	N	✓	
TCA 2	P107-05819	Certificate IV in Building and Construction (Building)	CPC40110	3/01/2018	N	✓	
TCA 3	P112-05840	Certificate IV in Building and Construction (Building)	CPC40110	26/02/2018	N	✓	
TCA 4	P112-05844	Certificate IV in Building and Construction (Building)	CPC40110	26/02/2018	N	✓	
TCA 5	P112-05927	Certificate IV in Building and Construction (Building)	CPC40110	26/02/2018	N	✓	
TCA 6	P113-05876	Certificate IV in Building and Construction (Building)	CPC40110	27/02/2018	N	✓	
TCA 7	P114-05766	Certificate IV in Building and Construction (Building)	CPC40110	5/03/2018	N	✓	
TCA 8	P114-05874	Certificate IV in Building and Construction (Building)	CPC40110	5/03/2018	N	✓	
TCA 9	P114-05971	Certificate IV in Building and Construction (Building)	CPC40110	5/03/2018	N	✓	

Sample number	Student ID	Program Name	Program ID	Program Commencement Date	Includes all contractual requirements?	Rep. Ref. 2.2	Training Provider Comments
TCA 10	P115-05891	Certificate IV in Building and Construction (Building)	CPC40110	6/03/2018	N	✓	
TCA 11	P115-05947	Certificate IV in Building and Construction (Building)	CPC40110	6/03/2018	N	✓	
TCA 12	P115-05976	Certificate IV in Building and Construction (Building)	CPC40110	6/03/2018	N	✓	
TCA 13	P115-05993	Certificate IV in Building and Construction (Building)	CPC40110	6/03/2018	N	✓	
TCA 14	P115-05997	Certificate IV in Building and Construction (Building)	CPC40110	6/03/2018	N	✓	
TCA 15	P116-05950	Certificate IV in Building and Construction (Building)	CPC40110	26/03/2018	N	✓	
TCA 16	P117-05917	Certificate IV in Building and Construction (Building)	CPC40110	27/03/2018	N	✓	
TCA 17	PC18-05878	Certificate III in Carpentry	CPC30211	21/03/2018	N	✓	
TCA 18	PC18-05900	Certificate III in Carpentry	CPC30211	21/03/2018	N	✓	
TCA 19	PC18-05908	Certificate III in Carpentry	CPC30211	21/02/2018	N	✓	
TCA 20	PC18-05909	Certificate III in Carpentry	CPC30211	15/02/2018	N	✓	
TCA 21	PC18-05940	Certificate III in Carpentry	CPC30211	21/03/2018	N	✓	

Sample number	Student ID	Program Name	Program ID	Program Commence-ment Date	Includes all contractual requirements?	Rep. Ref. 2.2	Training Provider Comments
TCA 22	PC18-05941	Certificate III in Carpentry	CPC30211	23/02/2018	N	✓	
TCA 23	PC18-05942	Certificate III in Carpentry	CPC30211	21/02/2018	N	✓	
TCA 24	PD30-05928	Diploma of Building and Construction (Building)	CPC50210	21/02/2018	N	✓	
TCA 25	PD32-05965	Diploma of Building and Construction (Building)	CPC50210	13/03/2018	N	✓	
TCA 26	PG29-04036	Diploma of Building and Construction (Building)	CPC50210	21/02/2018	N	✓	
TCA 27	PG50-04439	Diploma of Building and Construction (Building)	CPC50210	21/02/2018	N	✓	
TCA 28	PG76-04812	Certificate IV in Building and Construction (Building)	CPC40110	15/01/2018	N	✓	
TCA 29	PG80-05064	Certificate IV in Building and Construction (Building)	CPC40110	6/01/2018	N	✓	
TCA 30	PG92-05387	Diploma of Building and Construction (Building)	CPC50210	21/02/2018	N	✓	

Appendix C – Training Participation Exceptions

This table provides details of the **Training Participation** exceptions identified in Section 2 of the report.

Sample number	Student ID	Program Name	Program ID	Subject Name	Subject ID	Activity Start Date	Activity End Date	Date of first point of EOP	Date of first point of EOP	Two different forms of EOP used?	Rep. Ref. 2.3	Training Provider Comments
TCA 28	PG76-04812	Certificate IV in Building and Construction (Building)	CPC40110	Produce labour and material schedules for ordering	CPCCBC4005 A	17/01/2018	16/02/2018	Not provided	N/A	N/A	✓	Refer to Section 2.3 of the attachment, 'Response to Skills First Program 2018 Audit and Assurance Report'
TCA 29	PG80-05064	Certificate IV in Building and Construction (Building)	CPC40110	Identify and produce estimated costs for building and construction projects	CPCCBC4004 A	15/01/2018	19/04/2018	15/01/2018	Not provided	N	✓	

Appendix D – Fee Concessions Exceptions

This table provides details of the **Fee Concession** exceptions identified in Section 2 of the report.

Sample number	Student ID	Program Name	Program ID	Reported Hourly Tuition Fee Charged	Actual Hourly Tuition Fee Charged	Variance between Reported and Actual Hourly Tuition Fee	Standard Published Fee - Total	Total Tuition Fee charged to Student	% of Total Standard Published Fee that student was charged	Rep. Ref. 2.4	Other information	Training Provider Comments
TCA 1	LC-05252	Certificate III in Carpentry	CPC30211	\$ 0.93	\$0.93	\$0	\$2,150.00	\$800.00	37%	✓	Student had a credit transfer from studies previously completed with another Training Provider	N/A