



# Department of Education and Training

Higher Education and Skills

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Mr. John Damien MacDonald  
Chief Executive Officer  
Trade Institute of Victoria Pty. Ltd.  
PO Box 3158  
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Dear Mr. MacDonald

## **2021 SKILLS FIRST AUDIT AND ASSURANCE PROGRAM – OUTCOME OF BUSINESS PROCESS AUDIT AND TRANSACTIONAL COMPLIANCE AUDIT**

I write regarding the *Skills First* Audit and Assurance Report issued 10 November 2021, for the Business Process Audit (BPA)/ Transactional Compliance Audit (TCA) conducted by Ernst & Young (the Auditors) from 7 October 2021.

The audits consisted of an examination of Trade Institute of Victoria Pty. Ltd.'s (TIV) business and transactional processes to assess your organisation's compliance with the 2021 Standard VET Funding Contract (the Contract).

### **Review of Findings**

Whilst noting that TIV has documented business process for all key control areas, the BPA/TCA identified issues relating to Pre-Training Review and Training Participation, with the root causes relating to ineffective Business Processes. The Department acknowledges TIV's commitment to updating the relevant business process and documentation to support compliance with the Contract.

The appendix to this letter is intended to reflect both the observed non-compliances of the audits and the Department's moderated views, taking your organisation's management comments into consideration.

### **Student Surveys**

The Department has reviewed the 2021 Student Satisfaction Survey (as found in the VETStat portal) and noted that TIV scored lower when comparing to the 2020 results in seven (7) of the eight (8) measures of student experience and outcome.

The Department encourages your organisation to continue to consider themes appearing in the surveys and any other forms of student and stakeholder feedback

### **Management Action Plan**

As per Clause 11.3 b (iii) (A) of the Contract, TIV will be required, within six (6) months of the date of the final BPA Report, to advise the Department in writing of the steps taken to comply and implement the MAP.

The Department notes that the MAP developed by your organisation does not address the findings regarding Evidence of Participation (Report Ref 3.2), therefore you are required to revise and submit a complete MAP within five (5) business days from the date of this letter.

## Next Steps

The Department will continue to monitor your organisation's compliance with the Contract and additional assurance activity may be conducted at a later stage.

I would like to take this opportunity to highlight the professional development workshops and information sessions that the Department conducts from time to time, as well as refer you to the suite of support documents available in the SVTS to further support your organisation's understanding of the Contract requirements.

Yours sincerely



**Ryan Collins**  
Acting Executive Director  
Training Market Services

21 December 2021

## Appendix – Discussion of non-compliances

### **Pre-Training Review**

The review of two (2) BPA and 40 TCA students' files identified 43 instances where the Pre-Training Review (PTR) did not meet the Contract requirements:

- a) 42 instances where the students' online and digital capabilities were not identified; and
- b) One (1) instance where the appropriateness of the learning strategies and materials were not accessed.

The Department notes TIV's management comments on the requirements to ensure individual's digital capabilities, where the proposed learning includes portions delivered online, are only required to be considered, but not recorded or documented. Additionally, TIV engages with the students during pre-enrolment process to ensure the students are enrolled in a correct qualification and also informs students about online digital capability in three separate stages prior to commencement.

Whilst noting TIV's management comments, the Department will remind TIV of its obligation under Schedule 1, Clause 4.4 of the 2021 Standard VET Funding Contract to document why it determined the program each Skills First Student enrolled in was a suitable, and the most suitable, program for that individual, with reference to the information obtained through considering all items in Clause 4.3 of Schedule 1, which includes digital capabilities where the proposed learning includes portions delivered online.

### **Training Participation**

Testing of two (2) BPA and 40 TCA student files identified 18 instances where the TIV did not meet the Evidence of Participation (EOP) requirements of the Contracts:

- a) One (1) instance where the date of formal withdrawal is nine (9) days after the Activity End Date (AED);
- b) 16 instances where a valid first point of EOP was not sighted within the first 30 days of the Activity Start Date (ASD) where a unit of competency was greater than 30 days and no other valid EOP was retained on file; and
- c) One (1) instance where TIV did not provide second point of EOP in the last 30 days of the training, where the duration of a unit of competency was greater than 30 days.

The Department notes your management comments that the Training Plans for Apprentices/ Trainees were retained as EOP. Whilst acknowledging that the Training Plans are required to be regularly reviewed and updated as per the requirements stipulated in the 2021 Guidelines about Apprenticeship/ Traineeship Training Delivery, the Contract requirements for EOP are independent to that of the Training Plan. Training Plans are not acceptable evidence of EOP as described in Schedule 1, Clause 9.7 of the 2021 Standard VET Funding Contract.

The Department notes your statement that in the previous BPA/ TCA audit reported on 18 March 2021, Training Plans were used as the first point of EOP and were accepted as compliant. The Department has confirmed with the Auditors for that activity, Protiviti, that the items of EOP assessed included: evidence of work submitted by the student, attendance rolls, evidence of assessments and teacher notes. Protiviti has confirmed that Training Plans were not accepted as EOP and the Department has sighted primary documentation reflecting the types of EOP accepted.

As a result, TIV is reminded of Schedule 1, clause 9.7 of the Contract, which identifies the items of EOP that are accepted by the Department.

Additionally, the Department reminds TIV that if a student advises a training provider (verbally or in writing) that they will not be continuing in an enrolled subject, this constitutes a formal withdrawal, as per the 'Factsheet for Withdrawn Subject Enrolment, published on 3 April 2020. Accordingly, AED reported must reflect the date of withdrawal as described in the fact sheet.