

*Skills for Victoria 2012 Contract Compliance Audit
Report*

*National Workplace Training
3749*

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1. Executive Summary

1.1 Introduction

The Victorian Training Guarantee (VTG) is an entitlement to government subsidised training for eligible individuals.

Under delegation from the Victorian Skills Commission, the Department of Education and Early Childhood Development (the Department) contracts Registered Training Organisations (RTOs) to deliver training to eligible individuals under the *Skills for Victoria* Program. In accordance with its Contract Compliance Audit Strategy, the Department undertakes a contract compliance audit program to ensure the contracted RTOs are complying with the terms and conditions of their Service Agreement(s).

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

PricewaterhouseCoopers conducted the contract compliance audit at National Workplace Training from 18 July 2012.

1.2 Objective and Scope

The objective of the contract compliance audit was to consider the business process and internal control environment employed by the RTO to achieve compliance with its contractual obligations under the Service Agreement. The scope of work focussed on:

- internal audit activity undertaken by the RTO to self assess its compliance against the Service Agreement;
- processes in place for eligibility assessment, student enrolments, training plan development, training delivery;
- maintenance of records to evidence compliance (e.g. eligibility, enrolment forms, training plans/delivery, evidence of participation) and including use of the RTO's Student Management System (SMS) and input of relevant data into the Skills Victoria Training System (SVTS);
- processes for assigning responsibilities and communicating contractual obligations under the Service Agreement to relevant persons within the RTO; and
- segregation of duties for processes examined.

1.3 Summary of Findings

The following positive aspects of internal control were identified during the audit:

- Internal audit checklist was prepared with evidence to support the RTO's self assessment against the Service Agreement. The RTO had documented and actioned management plans for those elements self assessed as non compliant on the internal audit checklist
- The RTO had documented procedures (Work Processes) for student enrolment, eligibility assessment and data reporting processes to SVTS.

There were no control weaknesses identified which may impact the RTO's ability to comply with the Service Agreement.

The following additional opportunities for improvement to the RTO's activities were identified:

| Ref | Opportunity for Improvement |
|-----|---|
| 3.1 | Consistently pre-populate the student fee schedule into all enrolment forms |

Further details of the opportunities for improvement and agreed management action plans to address them, are included in Section 3 of this report.

1.4 Next Steps

In accordance with Clause 11.4 d) of the 2012 Service Agreement, where an Agreed Management Action Plan has been developed the RTO 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 (6) months of the date of this report.

2. Detailed Findings

No control weaknesses identified during the business process audit.

3. Opportunities for Improvement

The table below sets out additional opportunities for improvement:

| Reference | Opportunity for Improvement | Management Action Plan |
|---|---|---|
| <p>3.1 Consistently pre-populate the student fee schedule into all enrolment forms</p> | <p>Area for Improvement The RTO's enrolment package, page 10, outlines the student fees. The RTO adopted an approach to pre-populate the student fee schedule to ensure a discussion between the student and the RTO is conducted before commencement of the course and communicate the fees upfront. Our review of two student files noted that only one student's enrolment form was pre populated with fees as, per the RTO's required practice.</p> <p>Recommendation The RTO should ensure consistency of practice and pre-populate the fee schedule into all the enrolment forms.</p> | <p>Management Comments National Workplace Training understands the importance of consistency in enrolment documentation and practices. We acknowledge that the two sample files showed an inconsistency in the pre-populated fee tables in the Pre-Training Review; however we hope that our practice to discuss and confirm student fees prior to course commencement was evident in the individual fee values being recorded for each trainee in the total amount payable section of each Pre-Training Review.</p> <p>Agreed Action All Pre-Training Reviews were reviewed and updated between February and June 2012. The updated Pre-Training Reviews included a completed student fees table with sample pre-populated fee values for all funding types. Our practice to discuss and confirm the individual student fees prior to course commencement remains unchanged with the total amount payable section of the Pre-Training Review still being used to confirm the individually calculated fees relating to a particular student based on their individual circumstances. The student fees table in each Pre-Training Review was again updated in July 2012 to account for changes to funding rates.</p> |

| Reference | Opportunity for Improvement | Management Action Plan |
|-----------|-----------------------------|--|
| | | <p>These updates occurred prior to this audit and updated documentation was made available at audit for review.</p> <p>Responsible Person Sandra Houtt, Operations Manager</p> <p>Implementation Date N/A (Previously implemented June 2012)</p> |

This report has been prepared by PricewaterhouseCoopers in accordance with our agreement with the Department for Contract Compliance Audit Services dated 19 July 2011. This report is solely for the information of the Department. Its existence may not be disclosed nor its contents published in any way without the prior written approval of PricewaterhouseCoopers. PricewaterhouseCoopers does not accept any responsibility to any other party to whom this report may be shown or into whose hands it may come.

This engagement did not constitute an audit in accordance with Australian Auditing Standards or a review in accordance with Australian Auditing Standards applicable to review engagements and accordingly no such assurance is provided in this report.