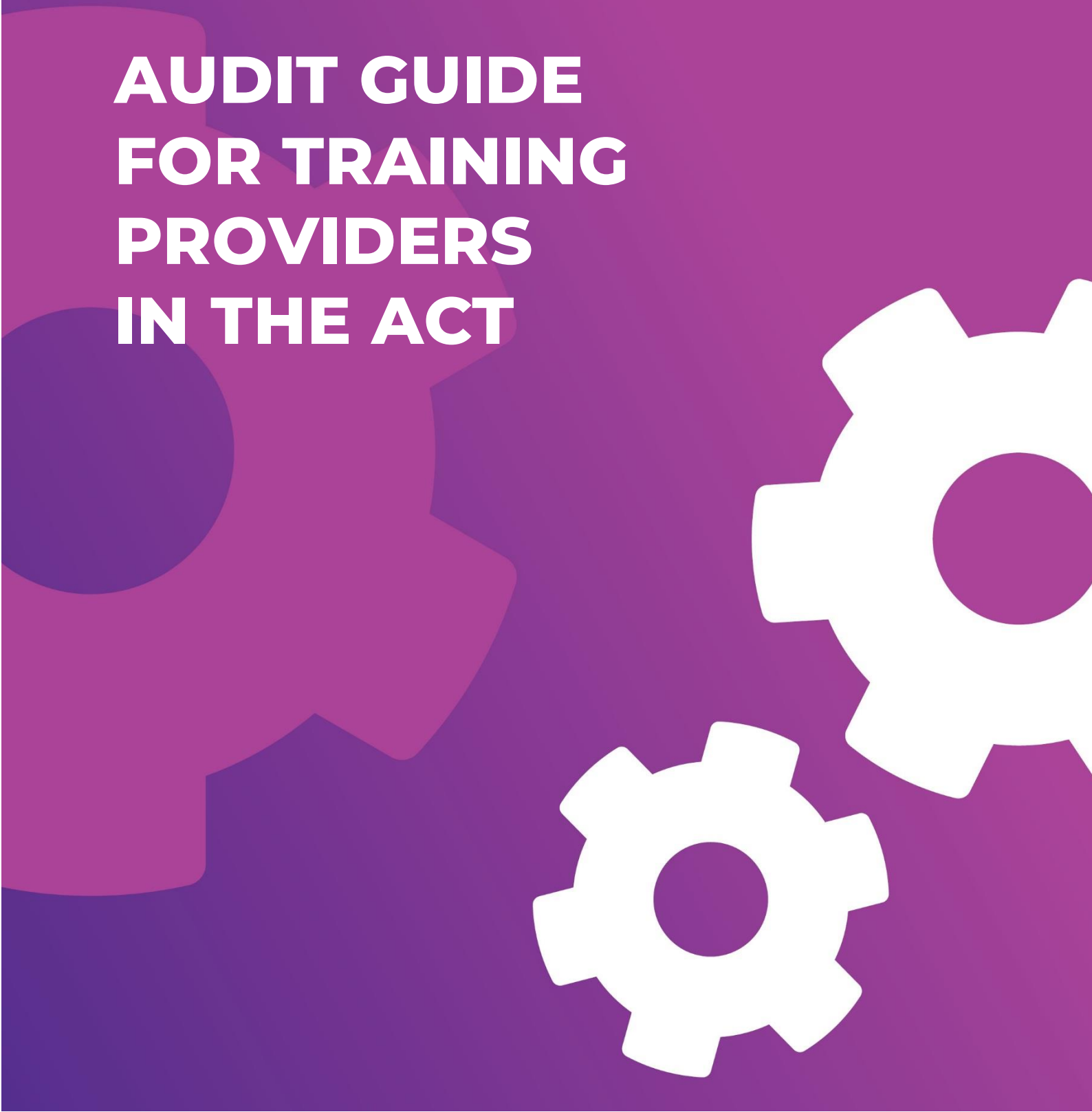
ACT Government

AUDIT GUIDE FOR TRAINING PROVIDERS IN THE ACT



August 2022 | Version 3.1

Skills Canberra
Chief Minister, Treasury and Economic Development Directorate

220 London Circuit, Canberra ACT 2601

GPO Box 158 , Canberra ACT 2601

Phone: (02) 6205 8555

Email: skills@act.gov.au

Web: http://www.act.gov.au/skills

Version control

Version	Effective date	Status	Details
1.0	1 January 2014	Initial Release	N/A
2.0	1 July 2015	New release	Updated design format Revision to Appendix B: Audit Sanctions Matrix
2.1	1 July 2017	Modification	RTO Selection information updated Revision to Appendix B: Audit Sanctions Matrix
3.0	1 October 2019	Modification	Commencement of Training Initiative Funding Agreement
3.1	24 August 2022	Modification	Skills Canberra address and website hyperlinks updated.

It is the responsibility of the user to ensure that this is the current and complete document. The latest version is located on the Skills Canberra website.

Contents

Version control 3

Tables and diagrams 5

INTRODUCTION 6

Document purpose 6

COMPLIANCE AUDIT CONTEXT 7

Why Compliance Audits are conducted 7

Principles and expectations 7

COMPLIANCE AUDIT TYPE 8

Types of Compliance Audits conducted 8

Types of audit evidence 9

RTO SELECTION 10

How RTOs are selected for an on-cycle Compliance Audit 10

STUDENT SELECTION 12

How student files are selected for a Compliance Audit 12

COMPLIANCE AUDIT PROCESS 13

Audit notification 13

How audit evidence is assessed and the possible outcomes 13

AUDIT REPORT 16

How Compliance Audits are reported 16

Terms and definitions 18

APPENDIX B: COMPLIANCE MATRIX 22
APPENDIX B1: Systems and process evidence 23
APPENDIX B2: Student file evidence 27

Tables and diagrams

List of Tables

Table 1: Risk Indicator Changes 10
Table 2: Risk Indicator Assessment Table 11
Table 3: Audit Reporting 16

List of Diagrams

Diagram 1: Example Audit Sample Chosen Relevant to the Student Population (Per RTO) 12
Diagram 2: Outcome of an Compliance Audit where the Compliance Matrix is applied 15

INTRODUCTION

The ACT Government, through the Chief Minister, Treasury and Economic Development Directorate (the Directorate), contracts registered training organisations (RTOs) to deliver government subsidised training to eligible students. This contract, the *Training Initiative Funding Agreement* (Agreement), allows RTOs to deliver programs to address the major objectives of the ACT vocational education and training (VET) system.

The Agreement sets out the terms and conditions under which the Directorate, through Skills Canberra, may make funds available towards the cost of RTOs delivering Subsidised Training to eligible students. The *ACT Standards for Delivery of Subsidised Training* (ACT Standards) outline the mandatory standards for RTOs in the management and delivery of Subsidised Training and are a schedule to the Agreement. The ACT Standards Compliance Guides provide direction to RTOs on how to interpret and comply with the ACT Standards and include additional mandatory requirements for the delivery of each Training Initiative.

By entering into an Agreement, RTOs commit to meet the contractual obligations for compliance including:

- being responsible for establishing and implementing controls to assist in maintaining compliance
- being responsible for the maintenance and preparation of any audit evidence requested by the Directorate
- providing the Directorate and its auditors with access to all information requested for the purpose of conducting an audit and/or confirming compliance.

Audits are a key methodology to manage RTO compliance with the Agreement, the ACT Standards and ACT Standards Compliance Guides. A Compliance Audit is not a substitute for the RTO having established practices to manage its contractual obligations and does not relieve an RTO of responsibilities outlined in the contract.

Document purpose

This document details the strategy that guides the Compliance Audit program. It also provides guidance to RTOs on how to prepare for a Compliance Audit and what to expect from the audit process.

The Audit Guide provides:

The Compliance Audit context	• Why Compliance Audits are conducted • Principles and expectations
An overview of Compliance Audit types	• Types of Compliance Audits conducted • Types of audit evidence
Information about the audit selection process	• How RTOs are selected for a Compliance Audit • How student files are selected
An overview of the Compliance Audit process	• Audit notification • How the evidence is assessed and possible outcomes
Audit reporting methods	• How Compliance Audits are reported

COMPLIANCE AUDIT CONTEXT

Why Compliance Audits are conducted

RTOs contracted by the Directorate are expected to meet high levels of performance to ensure the quality, strength and integrity of the ACT VET system.

The objectives of Compliance Audits are to ensure:

- compliance with requirements that-
    a) allocated funding is expended in accordance with contractual conditions
    b) training and assessment is delivered in accordance with the requirements of the Training Initiative, as specified in the ACT Standards and ACT Standards Compliance Guides
    c) systems and processes support the provision of training and assessment
- quality of service provision that-
    a) represents value for money
    b) identifies RTOs and sectors of industry where good practice is occurring
- risk mitigation that ensures-
    a) any identified risks to students or to the ACT Government are managed
    b) complaints are investigated.

Where performance measures have not been met a range of actions are applied as described in this document (refer to the Compliance Audit process).

Principles and expectations

The Directorate will:

- take a risk-based approach to the monitoring of RTO compliance
- be systematic and consistent in the assessment of RTOs and in the consequent determination of the level of non-compliance
- be transparent about RTO obligations
- provide timely advice and information
- respond to questions to help RTOs comply with specific requirements
- regularly review practices and seek new and improved ways to undertake Compliance Audit programs.

RTOs will:

- take a professional approach to compliance
- be familiar with, and act in accordance with, obligations under the Agreement,
- meet the standards set out in the *ACT Standards for Delivery of Subsidised Training* in accordance with the requirements of the ACT Standards Compliance Guides
- be cooperative and responsive to requests including requests for information and questions about activities and compliance
- maintain and prepare audit evidence as required
- undertake timely rectification actions as notified.

COMPLIANCE AUDIT TYPE

Types of Compliance Audits conducted

A Compliance Audit may be conducted using one or more of the following methods:

- RTO Internal Review Tool
- Desktop audit
- On-site audit
- Investigative audit.

For an explanation of these terms refer to the Terms and Definitions (Appendix A).

Management of RTO compliance is supported by two (2) audit streams - on-cycle and off-cycle.

ON-CYCLE COMPLIANCE AUDITS

Audits are undertaken in accordance with the Agreement to monitor RTOs delivering ACT government Subsidised Training and assess compliance with the ACT Standards and the ACT Standards Compliance Guides. In an on-cycle Compliance Audit (desktop or on-site) a range of Standards are audited, and the audit outcomes are assessed using the Compliance Matrix (refer to Appendix B).

As an annual requirement, the RTO Internal Review Tool is also considered an on-cycle Compliance Audit. Information from the RTO Internal Review Tool is not assessed against the Compliance Matrix but is used to inform other audit activities.

OFF-CYCLE COMPLIANCE AUDITS

Off-cycle Compliance Audits (desktop, on-site or investigative) are conducted in response to specific concerns including:

- the outcome of an on-site or desktop Compliance Audit, which requires further follow up to ensure issues identified have been addressed. The previous audit report is reviewed to ensure that the RTO has addressed any specific follow up actions or concerns within reasonable timelines; however the audit may not be restricted to these areas
- submission of an RTO Internal Review Tool Report which is considered inadequate or does not suggest strong business practices underpin RTO activity
- information or a complaint received which suggests that an RTO may be non-compliant with the Agreement. An investigative Compliance Audit may result in a Show Cause Notice requiring the RTO to provide a written response to matters raised and/or meet with the Directorate to discuss the issues identified.

If further investigation is required, an additional desktop and/or on-site Compliance Audit may be scheduled. The audit/s will focus on evidence supporting specific systems and processes and/or a sample of student files. These may also include reviewing evidence to ensure that the matters raised previously have been addressed satisfactorily. Where the off-cycle Compliance Audit involves a review of the RTO's compliance against six or more ACT Standards, the audit outcomes will be assessed using the Compliance Matrix (refer to Appendix B).

Types of audit evidence

Compliance Audits may include a review of systems and processes and student files.

SYSTEMS AND PROCESSES

Evidence of RTO systems and processes is reviewed to monitor the RTO's capacity to comply with obligations under the Agreement and to identify:

- common themes of non-compliance that may be occurring across the RTO
- actions against continuous improvement opportunities that have been identified.

STUDENT FILES

Where the RTO has funded student activity in the period being audited, a detailed examination of a statistically valid sample of student files and records (refer to Student selection) may be reviewed.

Evidence for systems and processes and student files is assessed using the Compliance Matrix (refer to Compliance Audit process and Appendix B1 and Appendix B2).

RTO SELECTION

How RTOs are selected for an on-cycle Compliance Audit

A risk based approach is taken to compliance. RTOs are assessed each year, against a set of indicators which the Directorate has determined indicate an RTO may not be meeting its obligations under the Agreement. The indicators are classified into two categories, potential or known concerns. The potential concern indicators refer to information about the RTO that may contribute to the overall risk of the RTO. The known concern indicators refer to issues or concerns that have already been identified.

The risk indicator categories include, but are not limited to, the following:

Table 1: Risk Indicator Changes

Indicator Type	Risk Indicator Description Indicators are subject to change
Potential Concern	Amount of funding received
	Increase in funding in previous year
	Student activity
	Number of initiative(s) the RTO delivers training in
	Number of qualifications on scope in ACT
	Number of years since last audit
	Turnover in key personnel
	New RTO
	Subcontractor arrangements
	Completion rates
	Business breadth
	Course duration
	Agreement assessment score
	Past audit results recommend follow up Compliance Audit*

Indicator Type	Risk Indicator Description Indicators are subject to change
Known Concern	RTO behaviour is not cooperative / responsive / professional
	Complaints received
	Incorrect payment claims
	RTO Internal Review Tool deadline not met
	National Centre for Vocational Education Research (NCVER) Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) reporting deadline not met
	AVETMISS reporting data errors/ inaccuracies
	Notification from the Australian Skills Quality Authority (ASQA) of non-compliance with the *Standards for Registered Training Organisations (RTOs) 2015*

* Past audit results alone may determine an RTOs risk indicator band (refer to Diagram 2)

Note: If information related to any of the indicators is not known at the time of the indicator assessment, that indicator does not contribute to the overall classification.

When combined these indicators are used to classify each RTO into a low, medium, high or extreme risk indicator band for the monitoring period. A high score in either category increases the probability of the RTO being selected for a Compliance Audit, however more weight is given to the known concern indicators.

		Known Concerns			
		Low	**Medium**	**High**	**Extreme**
Potential Concerns	**Low**	Low	Medium	Medium	High
	Medium	Low	Medium	High	Extreme
	High	Medium	High	Extreme	Extreme

Table 2: Risk Indicator Assessment Table

RTOs are selected from each risk indicator band for the on-cycle Compliance Audit program to ensure a broad selection of providers are audited. This also ensures that any RTO in receipt of government funding has the potential to be audited in any year.

STUDENT SELECTION

How student files are selected for a Compliance Audit

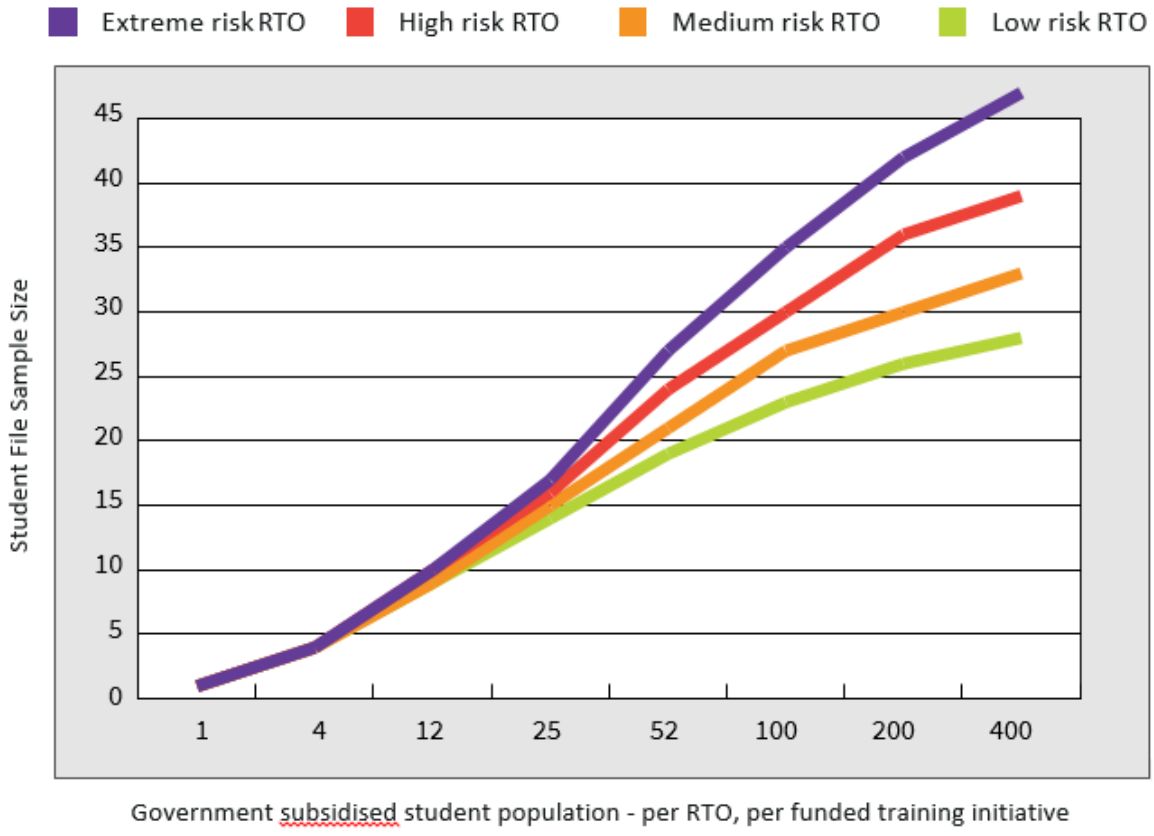
To ensure the selection of student files is representative of the RTO's overall activity, a statistically significant sample is chosen relative to the RTO's student population. The student population is determined by the reported training activity for the funded Training Initiative and the time period being audited.

The sampling methodology also employs a gradient slope to determine the number of student files to be audited according to the risk indicator band of the RTO. The advantage of this approach is to ensure there is greater confidence that the Compliance Audit outcome reflects an accurate picture of compliance for an RTO classified in the higher indicator bands.

The sample student files are representative of the RTO student population. For example, files are selected from a range of types such as new commencements, completions, cancellations, suspended and withdrawn students. Depending on the focus of the audit the sample student files chosen may include some or all the range of student types noted above.

Where an RTO has a small number of government subsidised students for the audit period, variation to the sampling methodology may be applied.

Diagram 1: Example Audit Sample Chosen Relevant to the Student Population (Per RTO)



COMPLIANCE AUDIT PROCESS

Audit notification

RTOs are notified of an on-cycle Compliance Audit at least 10 business days prior to the event via an audit notification advice. When the Compliance Audit involves a review of student files the RTO is given the list of nominated students at least one business day prior to the Compliance Audit. RTOs are also advised the day prior to the audit of the areas of the ACT Standards and, where applicable, the ACT Standards Compliance Guide to be audited.

To ensure an equitable audit process across all RTOs a minimum of 50% of the ACT Standards are selected for each desktop or on-site Compliance Audit. At audit, evidence is sought which demonstrates compliance against each selected standard. For examples of evidence refer to the ACT Standards Compliance Guides.

How audit evidence is assessed and the possible outcomes

The intent of all Compliance Audits, both on-cycle and off-cycle, is to confirm RTO compliance with the Agreement, the ACT Standards and ACT Standards Compliance Guides. All evidence considered as part of the audit process is assessed against these documents.

USE OF THE COMPLIANCE MATRIX

The Compliance Matrix (refer to Appendix B) is used to assess the audit evidence for desktop and on-site Compliance Audits and to determine the audit outcomes. The matrix criteria are used to assess compliance with the key requirements of the ACT Standards and ACT Standards Compliance Guides and to apply consistent and equitable actions for specified instances of non-compliance.

In accordance with the types of audit evidence, the matrix is divided into two sections, systems and processes and student files. The matrix includes examples of what constitutes instances of 'compliant' through to 'non-compliant' findings at both system and student file level. The descriptors within the matrix are used to support the decision to rate an RTO's performance as compliant or non-compliant, including the level of non-compliance i.e. minor, moderate, major and critical.

The overall level of risk determined by the audit outcome and the instances of non-compliance defines the size and type of action taken by the Directorate.

Actions are taken in response to systems and process or student file non-compliances identified. Such actions may include, but are not limited to, one or more of the following:

- deducting an amount from the Funding
- deferring or withholding payments
- preventing or limiting access to further funding Training Initiatives
- removing, restricting or suspending the RTO's Agreement
- applying conditions to the RTO's Agreement.

Example:

Lack of an AVETMISS compliant student management system would not incur a Funding deduction but may result in suspension of the RTO's Agreement.

Funding deductions are applied because of non-compliant findings in student files. The amount of funding at risk is based on 20% of the total Funding (up to a maximum of $400,000) paid to the RTO for the audited Training Initiative for the audited period.

The rationale for the percentage of funding (20%) that an RTO has at risk is based on the principle that the Funding deduction is commensurate with the level of non-compliance.

Actions taken that do not result in a Funding deduction are at the Directorate's discretion and are determined on a case by case basis.

CONSEQUENCES FOR CRITICAL NON-COMPLIANCE

Instances of critical non-compliance identified in sampled student files automatically result in recovery of 100% of funding for the particular student for which the critical non-compliance was identified.

Any remaining non-compliances (including minor, moderate or major) identified for the sampled student file are taken into consideration to calculate the overall non-compliance percentage and Funding deduction amount. The amount of funding at risk is reduced by the recovered amount for the critical non-compliance.

Example:

An RTO receives $60,000 for the audited period and instances of critical non-compliance were found in two (2) student files. The total funding paid to the RTO for the two (2) students for the audited period is $6,000 ($3,000 per student). Therefore the maximum funding at risk is 20% of ($60,000-$6,000), i.e. $10,800.

OVERALL COMPLIANCE AUDIT RESULT

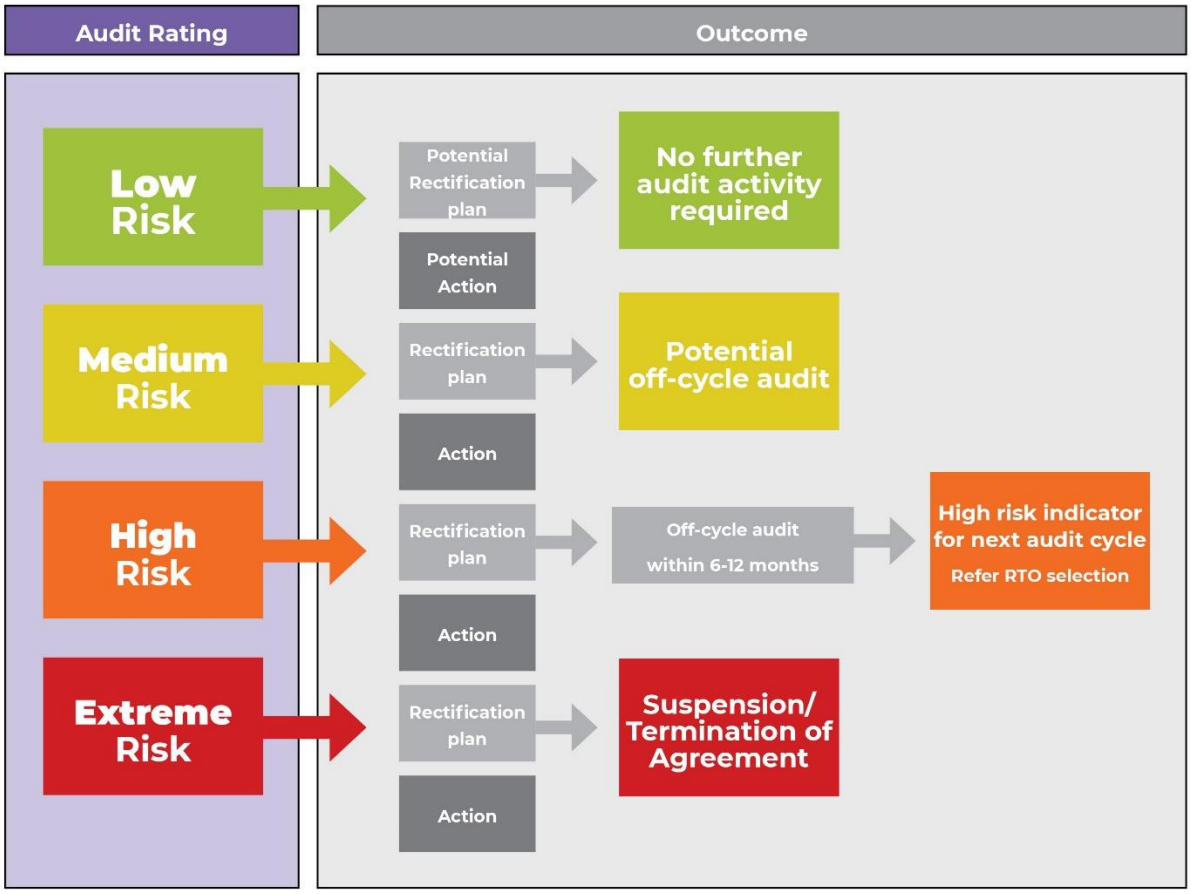
In instances where the RTO is unable to rectify or address the identified areas of non-compliance satisfactorily the outcome of a Compliance Audit may include:

- recovery of Funding for one or more specific students (when critical non-compliance is identified)
- follow-up audit (depending on the audit rating this may be within a 6-12 month period)
- rectification plan
- action by the Directorate
- a change to the RTO's risk indicator band.

The final outcome for a desktop or on-site Compliance Audit is presented as an overall audit rating, calculated using a weighted algorithm.

The diagram on the following page provides a summary of the audit outcome process.

Diagram 2: Outcome of a Compliance Audit where the Compliance Matrix is applied



AUDIT REPORT

How Compliance Audits are reported

There are two possible outcomes of a Compliance Audit:

- all the requirements of the ACT Standards (or other areas being audited) are met or,
- areas of non-compliance are identified.

Depending on the type of Compliance Audit conducted (refer to Types of Compliance Audits conducted) the audit report provided to the RTO contains the following:

Table 3: Audit Reporting

Type of Audit	Method of assessment	Audit report content
RTO Internal Review Tool	Assessment of Tool content and supporting documents	• Overview of findings and, where applicable, action required • Impact of audit findings on further audit activity
Desktop audit	Compliance Matrix	• Detailed report of audit findings including, where applicable, actions required • Overall RTO compliance rating for ACT Standards audited • RTO Compliance Audit rating from analysis of System level audit evidence (including where applicable, determination of action) and/or • RTO Compliance Audit rating from analysis of Student File audit evidence (including where applicable, non-compliance percentage and Funding deduction amount) • Impact of audit findings on further audit activity
On-site audit	Compliance Matrix	• Detailed report of audit findings including actions required • Overall RTO compliance rating for ACT Standards audited • RTO Compliance Audit rating from analysis of System level audit evidence (including where applicable, determination of action) and/or • RTO Compliance Audit rating from analysis of Student File audit evidence (including where applicable, non-compliance percentage and deduction amount) • Impact of audit findings on further audit activity

Type of Audit	Method of assessment	Audit report content
Investigative audit	Specific criteria assessment	• Detailed report of audit findings including actions required • Impact of audit findings on further audit activity

For desktop and on-site Compliance Audits, the RTO is provided with an audit report within 30 calendar days of the date the audit is conducted. The audit report is a formal record of the audit and includes the scope and details of the Compliance Audit, staff involved, opportunities for improvement and any initial non-compliance identified.

For investigative audits based on specific information or a complaint/s, the reporting mechanisms differ depending on the nature of the investigation. The RTO will receive a letter detailing the outcome of the investigation and any further actions required, with the due date for actions to be completed.

Where non-compliance in a Compliance Audit is identified, the RTO is provided with opportunity to rectify where possible before the final audit outcome is determined, and any Directorate action is applied. This may include the provision of further evidence to enable a better understanding of the RTO's position regarding the reported non-compliance. A response date for the rectification evidence to be supplied is notified to the RTO with the audit report.

It is the responsibility of the RTO to meet the notified deadline. In cases where the response has not been received by the due date, and agreement has not been reached for an extension to the submission deadline, the final audit outcome is based on the initial audit findings notified.

Terms and definitions

In this document the word 'must' indicates mandatory requirements to be strictly followed to comply with the *ACT Standards for the Delivery of Subsidised Training* (ACT Standards) and from which no deviation is permitted.

Terms	Definitions
ACT AVETMISS	See AVETMISS. The ACT mandates additional compliance obligations related to AVETMISS outlined on the Skills Canberra website.
ACT Government Training Initiative	The Training Products funded by the Territory and listed on the ACT Qualifications Register available on the Skills Canberra website. Training Initiatives may target specific student groups, such as equity groups and/or specific skills and qualifications. Specific contractual provisions apply for each initiative.
ACT Standards Compliance Guides	Refer to Compliance Guides.
ACT Standards for Delivery of Subsidised Training (known as ACT Standards)	Schedule to the *Training Initiative Funding Agreement* (Agreement). Mandatory standards for RTO management and delivery of training in the ACT.
Action	Action applied to an RTO for non-compliant audit findings.
Audit	A planned, systematic and documented process used to assess an RTO's compliance with the Agreement and associated schedules including the ACT Standards and ACT Standards Compliance Guides. RTOs also conduct an annual internal audit (see RTO Internal Review Tool) to assess their compliance with the Agreement, ACT Standards, ACT Standards Compliance Guides and their own policies and procedures as required under the Agreement.
Audit Evidence	Evidence obtained and recorded during an audit which is used to arrive at the conclusions on which the audit outcome is based.
Audit notification advice	Formal notification to the RTO that a Compliance Audit has been scheduled. The notification advice includes the date of the audit and the location, if applicable.
Audit outcome	The auditor's formal opinion of the RTOs compliance status because of an audit. The outcome is documented against each standard audited as either compliant or non-compliant. The final audit outcome is determined after rectification opportunities have been provided and is considered final.

Terms	Definitions
Audit report	Formal record of the audit findings prepared by the auditor/s for desktop and on-site audits, issued to the RTO within 30 calendar days of the audit date.
Audit rectification	Submission of additional information and/or evidence after the audit to address non-compliance/s and actions identified in the audit report.
Audit type	The method used to conduct the audit. There are four audit types – RTO Internal Review Tool, desktop audit, on-site audit, investigative audit. All audits are conducted as part of the scheduled audit cycle (on-cycle) or, outside of this timeframe (off-cycle).
Australian Skills Quality Authority (ASQA)	National regulator for Australia's VET sector.
AVETMISS	*Australian Vocational Education and Training Management Information Statistical Standard* (AVETMISS) is the agreed national data standard for the collection, analysis and reporting of VET information in Australia. See also ACT AVETMISS.
Compliance Audit	An audit conducted pursuant to the Audit Guide for Training Providers, in respect of the RTOs compliance with the ACT Standards
Compliance Guides	The Guides issued by the Territory and published on the Skills Canberra website which set the Territory's requirements for compliance with the ACT Standards for each Training Initiative. The Guides a) provide direction to Training Providers on how to interpret and comply with ACT Standards, and b) include additional mandatory requirements, and c) outline administrative arrangements.
Compliance Matrix	The Directorate's methodology for assessing the level of non-compliance of RTOs with ACT Standards and for determining the refund or Funding deduction amount based on assessed risk of non-compliance identified. The matrix may be updated and reissued to clarify requirements or assessment and calculation process as required.

Terms	Definitions
Continuous improvement	A planned and ongoing process that enables an RTO to systematically review and improve its policies, procedures, products and services in order to generate better outcomes for students and to meet changing needs. It allows an RTO to constantly review its performance against the Agreement, ACT Standards and ACT Standards Compliance Guides and plan ongoing improvements to its performance.
Desktop audit	An audit where the RTO submits documents or information on request to be assessed as evidence for compliance with the Agreement, ACT Standards and ACT Standards Compliance Guides.
Eligible Individual	A person who: a) is eligible for Subsidised Training in accordance with the criteria set out in the Compliance Guides; and b) continues to meet those criteria for the period for which the person undertakes a Training Product.
Funding	The total of the following amounts in relation to all Funded Places approved by the Territory: (a) the subsidy for each Training Product advertised on the ACT Qualifications Register; and (b) the loadings, support funding, and any other amount specified in the Compliance Guides, less any deductions specified in the Compliance Guide. For the purposes of this definition, the amount of each subsidy, loading or deduction will be as specified in the relevant document as at the date each application is made by the RTO.
Funding at risk	The total sum of money used as the basis for calculating the Funding deduction applied to an RTO for non-compliant audit findings, determined by the Compliance Matrix. The funding at risk is based on 20% of the total funding amount (up to a maximum of $400,000) paid to the RTO by the ACT Government, per funded Training Initiative, per audited period.
Funding deduction	Where the RTO has not complied with the Agreement or has not delivered the Subsidised Training (or any part thereof) in compliance with the ACT Standards or the Compliance Guides, the Territory may: a) deduct from the Funding an amount the Territory reasonably considers proportionate to any non-compliance by the RTO with its obligations under the Agreement; and b) deduct from the Funding an amount the Territory reasonably considers proportionate to the non-compliance by the RTO with the ACT Standards in accordance with the Compliance Guides.

Terms	Definitions
Investigative audit	An audit conducted in response to a concern or formal complaint received.
NCVER	National Centre for Vocational Education Research is an independent body responsible for collecting, managing, analysing, evaluating and communicating research and statistics about VET nationally.
Non-compliant	Where the final audit outcome is that one or more of the requirements of the Agreement, ACT Standards and ACT Standards Compliance Guides have not been met, based on the evidence reviewed. There are four categories of non-compliance minor, moderate, major and critical (see Appendix B).
Off-cycle audit	An audit that occurs outside of the scheduled annual audit program, in response to specific concerns.
On-cycle audit	An audit that occurs as part of the scheduled annual audit program.
On-site audit	An audit conducted at the RTO premises and/or at locations where it delivers training and assessment.
RTO Internal Review Tool	The mandatory tool enabling RTOs to capture and record the results of its own annual internal audit (as required under the Agreement).
Student	Has the same meaning as Eligible Individual.
Student population	The total number of students enrolled in a specific Training Initiative for the audited period.
Subsidised Training	The delivery of a Training Initiative to an Eligible Individual by the Training Provider in accordance with the Agreement, and for which the Training Provider has applied for Funding, and includes all matters relating to or connected with the delivery of that Training Initiative.
Training Initiative	See ACT Government Training Initiative.
Training Initiative Funding Agreement (Agreement)	Contractual arrangement between the ACT Government and RTOs for the delivery of ACT Government training initiatives. RTOs must hold an approved Agreement prior to applying for, and throughout the delivery of, training and/or other services under Training Initiatives in the ACT.

APPENDIX B: COMPLIANCE MATRIX

Compliance rating	
Compliant	• System in place. Policies and procedures are documented and followed by staff. • ACT Standards are met. • Complete and accurate records are retained.
Minor non-compliance	• Policies and procedures are occasionally not followed. • Services do not fully meet the ACT Standards. • Infrequent, minor omissions in implementation; readily correctable.
Moderate non-compliance	• Policies and procedures are frequently not followed. • One or more clauses in an ACT Standard is not met. • Significant time/resources are required to rectify.
Major non-compliance	• Policies and procedures are not consistent with the ACT Standards and/or not followed. • Failure to effectively and accurately record and reportinformation. • Substantial time/resources are required to rectify.
Critical non-compliance	• No policies and procedures. • An entire ACT Standard/s is/are not met. • Difficult or unable to rectify. • Students at risk. • Chief Minister, Treasury and Economic Development Directorate reputation at risk.

Minor	Significant	Insufficient
• Lesser in importance, seriousness, or significance • Small in number, quantity or extent	• Having or likely to have a major effect; important • Fairly large in number, quantity or extent	• Lacking in what is necessary or required • Not having or providing enough of what is needed

APPENDIX B1: Systems and process evidence

Ranking of system level audit outcomes is based on, but is not limited to, the compliance findings listed in the following table. The following table is a guide only and should not be used by the RTO as a tool to predict the potential audit rating.

		Compliance finding				
		Compliant	Minor non-compliance	Moderate non- compliance	Major non-compliance	Critical non-compliance
		0	1	2	3	4
1.1	Promotion and publications	clear, diverse information sources accurate and up to date published information published tuition fees match the fees published on the ACT Qualifications Register accurate acknowledgment of funding on promotional and/or published information Skilled Capital logo use is in accordance with ACT branding provisions	minor inaccuracies in, or omission of, required information material is not suitable for the target group	significant omission of required information incorrect, inaccurate, inconsistent or fraudulent information published tuition fees do not match the fees published in the ACT Qualification Register for some qualifications. information is not supplied to relevant parties Skilled Capital logo is not used in accordance with ACT branding provisions	unethical marketing practices no evidence of promotion and/or published information published tuition fees do not match the fees published in the ACT Qualification Register for all nominated qualifications published information does not advise students of subcontracted services	

APPENDIX B1: Systems and process evidence

		Compliance finding				
		Compliant	Minor non-compliance	Moderate non- compliance	Major non-compliance	Critical non-compliance
		0	1	2	3	4
1.2	Data collection and reporting	AVETMISS compliant enrolment form template and student management system	one or more elements omitted from the AVETMISS standard questions on the enrolment form template and/or student management system	one or more AVETMISS standard questions omitted from the enrolment form template and/or student management system	no enrolment form template student management system used is not AVETMISS compliant	
2.1	Student eligibility	documented process for assessing student eligibility	minor omission/errors in documented process	documented process does not cover all eligibility requirements	no process in place to assess eligibility of students	
2.2	Fees and charges	fees and charges published fee waiver/concession process documented	minor omission/errors in published fees and charges minor omission/errors in the documented process for a fee waiver/ concession	significant omission/ errors in published fees and charges significant omission/ errors in the documented process for a fee waiver/concession	fees and charges not published no documented process for a fee waiver/ concession	

APPENDIX B1: Systems and process evidence

		Compliance finding				
		Compliant	Minor non-compliance	Moderate non- compliance	Major non-compliance	Critical non-compliance
		0	1	2	3	4
2.3	Initial skills assessment	documented process/ strategy for conducting an LLN assessment and determining the ACSF level of the student documented strategy for providing foundation skills training/support	minor omission/ errors in documented process/strategy for LLN assessment and/ or foundation skills training/support	significant omissions in documented process/strategy for LLN assessment and/ or foundation skills training/support	no documented process/strategy for LLN assessment and/or foundation skills training/support	
2.5	Training plan	documented process for completing and maintaining a training plan compliant training plan template	minor omission/errors in documented process minor omissions/errors in the training plan template	significant omission/ errors in the documented process significant omission/ errors in the training plan template	no documented process no training plan template	
2.6	Training delivery and participation	training record book meets ACT requirements	minor omission/errors in the training record book or equivalent	significant omission/ errors in the training record book or equivalent	no training record book or equivalent	

APPENDIX B1: Systems and process evidence

		Compliance finding				
		Compliant	Minor non-compliance	Moderate non- compliance	Major non-compliance	Critical non-compliance
		0	1	2	3	4
2.7	Student transition	RTO has applicable scope of registration current qualifications delivered documented strategy for managing changes to training operations	minor omission/errors in documented strategy	qualification in- transition not managed within 12 months or approved extension timeframe documented strategy to manage cessation of operations does not cover all requirements	no documented strategy to manage cessation of operations documented strategies not followed	
2.10	Issuance of certification documentation	qualification certificate and statement of attainment templates meet the Australian Qualifications Framework and if applicable, training initiative requirements supporting statement template meets ACT requirements	minor omissions/errors in the qualification certificate and/or Statement of Attainment and/or supporting statement template	significant omission/ errors in the qualification certificate and/or Statement of Attainment and/or supporting statement template	no qualification certificate and/or Statement of Attainment and/or supporting statement template	

APPENDIX B2: Student file evidence

Ranking of student file audit outcomes is based on, but is not limited to, the compliance findings listed in the following table. The following table is a guide only and should not be used by the Training Provider as a tool to predict the potential audit rating.

		Compliance finding				
		Compliant	Minor non-compliance	Moderate non- compliance	Major non-compliance	Critical non-compliance
		0	1	2	3	4
1.2	Data collection and reporting	completed AVETMISS compliant enrolment form that is signed and dated by the student student management system contains full, correct and current AVETMISS information training activity accurately reported within specified timeframes AVETARS student record created after eligibility requirements have been met and the student has accepted the enrolment Student completions reported accurately	omission of AVETMISS data collected on the enrolment form or SMS is less than 20% (i.e. 3 out of 18 questions) minor omission/errors in reported information	omission of AVETMISS data collected on enrolment form or student management system and/or in reported information exceeds 20% (i.e. 4 or more questions) incorrect, inaccurate AVETMISS data/records student enrolment form not signed and/or dated reporting does not meet Administrative Arrangements student completion/ cancellation not reported within required timelines enrolment form not completed during the enrolment process	no enrolment form AVETMISS data not collected or recorded in an AVETMISS compliant student management system AVETARS student record created prior to obtaining a valid enrolment student completion not reported due to non-payment of fees	

APPENDIX B2: Student file evidence

		Compliance finding				
		Compliant	**Minor non-compliance**	**Moderate non- compliance**	**Major non-compliance**	**Critical non-compliance**
		0	**1**	**2**	**3**	**4**
2.1	Student eligibility	eligible students enrolled evidence of eligibility collected prior to finalisation of enrolment NOB accepted within 10 days of notification	NOB not accepted within 10 days of notification	eligibility requirements met after the finalisation of enrolment evidence of eligibility collected after finalisation of enrolment		ineligible student enrolled no evidence of eligibility evidence records do not satisfy all eligibility requirements
2.2	Fees and charges	correct fees and charges collected fees and charges records retained completion payment eligibility information provided to students prior to enrolment Directorate notified of negotiated fee (AA only)	evidence supporting fee waiver/concession is not obtained prior to finalisation of enrolment students provided with completion payment eligibility information after finalisation of enrolment minor omission/errors in information provided to students negotiated fee not notified to the Directorate within the required timeframe	insufficient records of fee collection / waivers/ exemptions students charged incorrect fees completion payment eligibility information not provided to students negotiated fee not notified to the Directorate significant omission/errors in information provided to students	no records of fee collected / waivers / exemption	

APPENDIX B2: Student file evidence

		Compliance finding				
		Compliant	Minor non-compliance	Moderate non- compliance	Major non-compliance	Critical non-compliance
		0	1	2	3	4
2.3	Initial skills assessment	initial skills assessment conducted and evidence retained	incomplete information in the initial skills assessment e.g. full name missing, not signed LLN skills assessment does not include a language or literacy or numeracy component insufficient information of RPL/CT provided to students ACSF level not determined prior to commencement of training	initial skills assessment does not cover all elements: omission of RPL/CT, LLN or additional support needs assessment initial skills assessment not conducted and/ or documented prior to commencement of training initials skills assessment not dated where required, actions or strategies to address student needs have not been identified LLN assessment result is not aligned with the ACSF ACSF level 1-5 is not recorded on the initial skills assessment foundation skills and/or delivery details omitted from training plan	initial skills assessment not conducted or documented	

APPENDIX B2: Student file evidence

		Compliance finding				
		Compliant	Minor non-compliance	Moderate non- compliance	Major non-compliance	Critical non-compliance
		0	1	2	3	4
2.4	Recognition	RPL/CT records retained		insufficient records of CT or RPL outcomes retained where student already holds 80% or more of the required competencies, evidence of decision to continue in enrolled qualification not documented and/or retained	recognition records not retained	
2.5	Training plan (continues next page)	compliant training plan retained on file	minor omissions/errors in one or more of the following: qualification details, student details, employer details, RTO details, type of AA on the training plan minor errors in unit code/s and/or title/s i.e. error in unit codes/ names, unit versions incorrectly identified	training plan inconsistent with specifications significant omissions/ errors in information i.e. incorrect units, wrong qualification, foundation skills training, incomplete training and assessment strategy	training plan not completed training plan not completed for updated, new or replacement qualification	

APPENDIX B2: Student file evidence

		Compliance finding				
		Compliant	Minor non-compliance	Moderate non- compliance	Major non-compliance	Critical non-compliance
		0	1	2	3	4
2.5	Training plan (continues next page)		minor omissions/ errors in the training delivery information i.e. start/end dates missing for some units, identification of RPL/CT, foundation skills training commencement date recorded on training plan is not consistent with actual commencement of training training/assessment methods identified are not consistent with training delivered and assessment conducted revised training plan is not consistent with specifications	training plan not signed or dated by the student and/or RTO and/or employer training plan agreement declaration/s unchecked training plan not completed prior to training commencement; or within 8 weeks of NOB or creation of the AVETARS student record training plan not provided to student or employer within required timeframe evidence of training plan amendments not retained amendments to training plans have not been documented and /or agreed by all parties		

APPENDIX B2: Student file evidence

		Compliance finding				
		Compliant	Minor non-compliance	Moderate non- compliance	Major non-compliance	Critical non-compliance
		0	1	2	3	4
2.5	Training plan (continued)		core and/or elective units not identified	none or not all elements of the employer capacity to support training have been checked employer capacity assessment conducted after completion of the training plan issues not notified to the Directorate within the required timeframe training plan not reviewed and/or updated within the required timeframe		
2.6	Training delivery and participation (continues next page)	training commences within the prescribed timeframe training materials and the training record book are provided within the prescribed timeframe	minor omission/errors in evidence of participation records e.g. error in unit code/name	training delivered is not consistent with the delivery strategy and/or training initiative and/or training plan training record book does not meet ACT specifications	training has not commenced within the prescribed timeframe training materials and/or training record book not provided to the student employer training delivery not supported by the RTO	no evidence of participation records for 100% of completed or withdrawn units payment claims are not supported by evidence of participation

APPENDIX B2: Student file evidence

		Compliance finding				
		Compliant	Minor non-compliance	Moderate non- compliance	Major non-compliance	Critical non-compliance
		0	1	2	3	4
2.6	Training delivery and participation (continued)	training delivery is supported by evidence of participation employer training delivery is supported by the RTO		issuance of training materials/ training record book not documented or retained incomplete or significant omission in evidence of participation records e.g. student and/or unit and/or date not identified training materials and/or training record book not provided to the student and/or employer within the prescribed timeframe	no evidence of participation for less than 100% of completed or withdrawn units training is not in accordance with the relevant training package employer solely responsible for delivering more than half of the selected units	
2.7	Student transition	students are transferred to new/replacement qualification within the approved transition timeframe relevant parties advised how training package changes impact on student enrolments	training package changes not discussed/ notified to employer and other stakeholders	training package changes not discussed/ notified to student variation to training contract not submitted proposed transition arrangements and/ or a status report not provided to the Directorate	student is not transferred to new/replacement qualification before transition period lapsed	

APPENDIX B2: Student file evidence

		Compliance finding				
		Compliant	**Minor non-compliance**	**Moderate non- compliance**	**Major non-compliance**	**Critical non-compliance**
		0	**1**	**2**	**3**	**4**
2.8	**Support and monitoring** (continues next page)	student progress regularly monitored, supported and documented employers and the Directorate notified of any issues that may impact on a successful outcome records that support the provision of funded additional support services are retained	minor omission/errors in contact records minor omission in additional support funding and/or wrap around services and/ or work experience placement records contact with the AA exceeds required timeframe by 1 month	insufficient records of visits/contacts and/or additional support contact with the AA exceeds required timeframe by 2- 3 months contact with the AA employer exceeds required timeframe by 6- 8 months records of visits/ contacts are not signed or verified by RTO representative records do not detail issues discussed and/or outcome achieved insufficient records to support provision of funded additional support and /or wrap around services and/or work experience placement (including Work Experience Placement Agreement)	contact with the AA exceeds the required timeframe by 4 months or more contact with the AA employer exceeds the required timeframe by 9 months or more records of visits/contacts are not dated no records to support the provision of funded additional support and/ or wrap around services and/or work experience placement (including Work Experience Placement Agreement)	no records of support and monitoring for the AA

APPENDIX B2: Student file evidence

		Compliance finding				
		Compliant	Minor non-compliance	Moderate non- compliance	Major non-compliance	Critical non-compliance
		0	1	2	3	4
2.8	Support and monitoring (continued)			AAs access to minimum contract hours for undertaking structured training and assessment is not monitored by the RTO		
2.9	Assessment	completed assessment items and records are retained up to date summary assessment records identify progress against each unit of competency assessment is finalised by the due to complete date	minor omission in the assessment tools i.e. error in unit code/name assessment methods are not consistent with the training plan minor omission in summary assessment record	incomplete assessment tools and/or records insufficient assessment evidence assessment tool unit/ result date does not match reported unit/ result date no evidence of engagement and support of competence from the employer at the unit level significant omission in summary assessment record assessment practices/ tools inconsistently applied	no evidence of an underpinning knowledge or practical skills assessment RTO unable to produce summary assessment record	no evidence of assessment

APPENDIX B2: Student file evidence

		Compliance finding				
		Compliant	Minor non-compliance	Moderate non- compliance	Major non-compliance	Critical non-compliance
		0	1	2	3	4
2.10	Issuance of certificate documentation	evidence of a final agreement that competency has been achieved in the workplace before the qualification has been issued AQF and ACT compliant qualification certificates/ statements of attainment issued within the required timeframe and evidence retained compliant supporting statement issued for apprentices	minor omission/errors in the AQF wording on the qualification certificates/ statement of attainment i.e. word missing minor omissions in the supporting statement	final agreement is not signed and or dated by all required parties final agreement executed after qualification issuance incorrect result recorded on 'record of results' qualification certificate/ statement of attainment is not AQF compliant supporting statement requirements not met error in date-deemed-competent	no evidence of a final agreement incorrect unit/s of competency identified on qualification certificate/statement of attainment incorrect qualification issued i.e. incorrect qualification code/name qualification certificate/ statement of attainment not issued within required timeframe qualification certificate / statement of attainment/ supporting statement not issued, or evidence of issuance not retained	

ACT Government

Skills Canberra

Chief Minister, Treasury and
Economic Development Directorate