

# Skills for Victoria Contract Compliance Audit Report

Traineeship Management Australia Pty Ltd  
21609

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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.

All students undertaking government subsidised training under the VTG are required to contribute to the cost of their training through payment of fees as provided for by the Ministerial Directions about Fees.

Under delegation from the Victorian Skills Commission, Skills Victoria 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, Skills Victoria undertakes a contract compliance audit program to ensure the contracted RTOs are complying with the terms and conditions of their *Skills for Victoria* Service Agreements (Service Agreements).

Skills Victoria conducts these audits using contractors from a panel of service providers.

Protiviti conducted the contract compliance audit at Traineeship Management Australia (TMA) on the 28th and 29th November 2011.

### 1.2 Objective and Scope

The objective of the contract compliance audit was to assess the business processes 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.

Transactional compliance testing was also performed to identify specific areas of non compliance with the Service Agreements (as appropriate) through sample testing of records associated with student eligibility, enrolment, training plan development, training delivery and reporting.

Where sample testing issues have been identified, the results have been incorporated into the findings set out in Section 1.3 and Section 2 of this report.

### 1.3 Summary of Findings

The following positive aspect of internal control was identified during the audit:

- An evidence of participation matrix used by staff to reference assessment documentation to units within the course.
- TMA have a high level of contact with trainees and maintain a high level of documentation to support this contact.

The following control weaknesses were identified which may impact the RTO's ability to comply with the Service Agreement:

Ref	Area	Control Weakness
2.1	Enrolment	Tuition fees are not calculated according to the fees applicable when training is undertaken.
2.2	Training Plan	Training Plans for Trainees/Apprentices are not signed by employers.

Further details of the control weaknesses, and agreed management action plan to address them, are included in Section 2 of this report.

## 2. Detailed Findings

The table below sets out the control weakness identified and agreed management action plan:

Reference	Control Weakness	Management Action Plan
<b>Enrolment</b>		
<p><b>2.1</b>                      Tuition fees are not calculated according to the fees applicable when training is undertaken.</p>	<p><b>Finding</b>                      During transactional testing we identified that tuition fees had not been calculated according to the fees applicable when training commenced, where training for a course was delivered across 2010 and 2011.</p> <p>Although a tuition fee had been calculated, only the 2010 minimum fee had been charged to students and no 2011 tuition fee had been charged.</p> <p>At least the minimum fee applicable should have been charged for each year in which training was delivered.</p> <p>We also noted that all tuition fees are calculated based on the student enrolment dates and not the dates on which training is due to commence.</p> <p><b>Potential Impact</b>                      Incorrect calculation of tuition fees could lead to non-compliance with Service Agreements.</p>	<p><b>Agreed Action</b>                      TMA will review its process to calculate student tuition fees to ensure that they are calculated in line with Service Agreements.</p> <p><b>Responsible Person</b>                      Scott Donnelly, Managing Director</p> <p><b>Implementation Date</b>                      Completed.</p>

Reference	Control Weakness	Management Action Plan
<b>Training Plan</b>		
<p><b>2.2</b>            Training Plans for Trainees/Apprentices are not signed by employers.</p>	<p><b>Finding</b>            Student Training Plans for trainees/apprentices are not signed off by employers, as required by section 12.1(a) of the 2011 Service Agreement.</p> <p><b>Potential Impact</b>            Not obtaining Training Plan sign-off by employers for trainees/apprentices may lead to non-compliance to with the 2011 Service Agreement.</p>	<p><b>Agreed Action</b>            TMA will review the Training Plan template and include an employer section to allow for sign-off.</p> <p><b>Responsible Person</b>            Scott Donnelly, Managing Director</p> <p><b>Implementation Date</b>            Completed</p>