



# Department of Education and Training

Higher Education and Skills

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Mr Darren Webster  
Chief Executive Officer  
Skillinvest Limited  
PO Box 930  
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Dear Mr Webster

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

I write regarding the *Skills First* Audit and Assurance Report which was re-issued on 20 May 2022, for the Business Process Audit (BPA)/Transactional Compliance Audit (TCA) conducted by Protiviti (the Auditor) from 04 April 2022.

The BPA/TCA consisted of an examination of Skillinvest Limited (SkillInvest)'s business and transactional processes to assess your organisation's compliance with the 2021 Standard VET Funding Contract.

### **Review of Findings**

The Department of Education and Training (the Department) has reviewed Skillinvest's audit findings and management comments and notes that the BPA identified major control weaknesses in relation to Training Plan and Fees, with root causes listed respectively as People & Organisation and Business Processes.

In relation to the TCA, the Auditors identified high risk findings in relation to Eligibility, Pre-Training Review and Training Participation and medium risk findings in relation to Training Plan.

The Auditors reported that the 2021 Internal Audit Checklist (IAC) was not completed. The Department reminds Skillinvest of clause 11.4 of the Contract which requires the completion of your internal audit within six (6) months of the Commencement Date. The Department request that Skillinvest submit its completed 2022 IAC to the Department via SVTS within 10 business days from the date of the letter.

Additionally, the Department is concerned by the systemic issue where invalid Evidence of Participation (EOP) was retained for clustered delivery. Schedule 1, clause 9.7c stipulates that where training is clustered (a training session or assessment activity covers more than one subject), additional evidence must be provided to show what subjects were delivered in each training session, such as a delivery schedule (a timetable, lesson plan or equivalent). Whilst noting the rectification plan to address the non-compliances will be completed by 30 July 2022, the Department request Skillinvest to provide a sample of the updated attendance roll for clustered delivery with the supported delivery schedule or equivalent via SVTS within 10 business days from the date of the letter.

The Auditors have also reported the results from your most recent audit conducted by the VRQA in August 2019 has not been published on your website. Skillinvest is reminded of Schedule 1, clause 1.3 of the Contract to publish a summary of its latest registration audit information, including the audit outcomes, in a prominent place of its website. Skillinvest is required to advise to the Department once this has been uploaded.

The Department notes that Skillinvest has attributed the majority of the findings throughout the Audit to staff oversight. While the Department acknowledges human error can occur from time to time, it is incumbent on Skillinvest management to ensure they maintain oversight of the organisation's operations and provide adequate training to all staff to ensure they understand and fulfill all elements of the Contract.

Appendix A to this letter reflects both the observed non-compliances of the audit and the Department's moderated views, taking your organisation's management comments into consideration.

### **Management Action Plan**

Having considered the Management Action Plan (MAP) provided with the Report, the Department encourages Skillinvest to continue to implement the committed rectification actions to minimise the risk of the non-compliances reoccurring.

As per Clause 11.3 b (iii) (A) of the Contract, Skillinvest is required, within six (6) months of the date of the Final Report, to advise the Department in writing of the steps taken to comply and implement the Management Action Plan (MAP).

As such, the Department expects Skillinvest to provide an update on the implementation of the MAP by no later than 20 November 2022.

### **Next Steps**

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**  
Executive Director  
Training Market Services  
18 August 2022

## **Appendix – Discussion of non-compliances**

### **Eligibility**

The review of two (2) BPA and 40 TCA student files identified the following non-compliances relating to Eligibility:

- a) Invalid/ incomplete evidence of highest qualification completed by students;
- b) Student Declaration was not completed in accordance with the Contract requirements; and
- c) Training Provider Declaration was not completed in accordance with the Contract requirements.

The Department notes in three (3) instances that the course code and title stated in the Evidence of Student Eligibility and Student Declaration (Eligibility Declaration) form does not align to the program the student is enrolling in. Whilst noting your management comment that this was due to the configuration of the SMS populating only one course code and title, the Department reminds Skillinvest that, for students undertaking two programs concurrently:

- One Eligibility Declaration is sufficient, as long as the training provider has documented that the eligibility assessment has been undertaken, eligibility requirements have been met, and the students are informed of their utilisation of their Skills First entitlements;
- One Pre-Training Review (PTR) is sufficient as long as the PTR documents how it was determined that the programs the student is seeking to enrol in, are suitable;
- One Training Plan is sufficient, provided it includes all information as required by the Contract; and
- One Statement of Fees is sufficient provided it clearly articulates required details of both programs.

Additionally, the Department recommends Skillinvest retain a separate Training and Assessment Strategy (TAS) for dual enrolments for clear mapping of similar units across the courses and ensuring pre-requisite units are completed prior to commencing the subsequent units. The Department had applied discretion for all three (3) instances.

The Department also notes Skillinvest's management comments attributing several instances to staff oversight, Skillinvest is reminded to ensure eligibility criteria and requirements set out in Schedule 1, clause 2 must be read in conjunction with the Guidelines about Eligibility. The Department has applied discretion to the remaining Eligibility exceptions identified.

### **Pre-Training Review**

The review of two (2) BPA and 40 TCA student files identified the following non-compliances relating to Pre-Training Review (PTR):

- a) Pre-Training Review (PTR) was not provided;
- b) PTR was completed between 1 and 10 days after the Program Commencement Date in SVTS;
- c) PTR did not capture the student's objective for training and the likely job/ student outcome from the development of new competencies and skills;
- d) PTR did not capture competencies previously acquired by the student; and
- e) PTR did not capture the reason why the program was most suitable for the student.

Whilst noting Skillinvest management comments, the Departments would like to reiterate the PTR requirement stipulated in Schedule 1, clause 4 of the Contract.

### **Training Plan**

Within the two (2) BPA and 40 TCA student files tested, the Auditors identified the following non-compliances relating to Training Plan:

- a) Training Plan did not include all the contractual requirements;
- b) Delivery mode for all sample unit within the Training Plan does not align with the relevant Training and Assessment Strategy (TAS);

- c) Training Plan for Apprentice was not signed and dated by the Training Provider; and
- d) Evidence of monthly contact with apprentice and workplace supervisor was not provided.

The Department notes your management comments and reminds Skillinvest of the Training Plan requirements stipulated in the Contract to align with the relevant TAS, or document and justify any variation from the TAS. Additionally, Skillinvest is to ensure that Training Plan for an Apprentice/ Trainee must be signed and dated by the training provider, the employer, and the Apprentice/Trainee (and the school in the case of a school-based Apprenticeship/Traineeship). A copy of the signed Training Plan must be provided to all parties. Skillinvest must ensure monthly contact is made with both the Apprentice or Trainee and the workplace supervisor to monitor progress of training, and this must be sufficiently documented.

### **Training Participation**

Within the two (2) BPA and 40 TCA student files tested, the Auditors identified the following non-compliances relating to Evidence of Participation (EOP):

- a) Valid first point of EOP was not provided; and
- b) EOP sighted prior to unit Activity Start Date (ASD).

Whilst noting Skillinvest's management comment, the Department reminds Skillinvest of Schedule 1, clause 9.7c) where training is clustered (a training session or assessment activity covers more than one subject), additional evidence must be provided to show what subjects were delivered in each training session, such as a delivery schedule (a timetable, lesson plan or equivalent). Additionally, Skillinvest is to ensure that two (2) points of EOP are provided if the period between the ASD and Activity End Date (AED) is more than 30 days. Each point must be no later than 30 days from the ASD/AED.

### **Fees**

The review of two (2) BPA student files have identified that Statement of Fees does not align to the Contract requirements, particularly on the provision of Statement of Fees to the student. The Department would like to reiterate the requirements stipulated in clause 1.2 of the Guidelines about Fees where the Statements of Fees is required to be provided to the student prior to the commencement of training and must include the minimum information. This requirement has been in place since 2016.