



HESG Contract

Complying with the changes

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Statement of expectations - principles and obligations

- ▶ Commitment to serving the public interest
- ▶ Responsiveness to the government and the needs of the community
- ▶ Accountability and transparency
- ▶ Integrity and fairness

Accountability is about being liable or answerable

Service Agreement & Schedule 1

Definitions and interpretation

- ▶ Material Breach - any non compliance with the Statement of Expectations, Service Agreement, Schedule 1, Guidelines for Eligibility, Guidelines for Fees and Charges.
- ▶ Acting ethically & not doing or omitting to do anything which may damage, ridicule, bring disrepute or be detrimental to the Department or VET sector.
- ▶ Refusing to permit, participate and assist with an audit
- ▶ Making claims for the delivery of Training Services that has not occurred

General obligations or RTOs

- ▶ Maintain registration
- ▶ Comply with laws
- ▶ Act ethically
- ▶ Be accountable

Provision of training services

- ▶ Suitable - meets the needs of individual's, links to likely job and/or participation outcomes and minimises duplication of the individual's existing competencies
- ▶ Appropriate - delivered to regulatory and industry standards, use delivery modes and durations that optimise the individual needs and attainment

Subcontracting

- ▶ RTO must hold a current VTG contract, otherwise prior written approval from the Department must be obtained
- ▶ Contract trainer/assessors do not represent subcontracting
- ▶ Labour hire arrangements must be supported by direct line of management from the RTO and accountability for all training and assessment activities
- ▶ Student must be clear about the RTO they are enrolled with

Marketing

- ▶ Delivered with Victorian and Commonwealth Government funding
- ▶ Comply with the EEO Act 2010
- ▶ Ethical, accurate and consistent
- ▶ Identify the RTO legal and/or trading name and TOID
- ▶ Publish a summary of latest registration audit
- ▶ QI reports
- ▶ Indicative fees and charges
- ▶ Complaints and Appeals policy
- ▶ Eligibility requirements and exclusions

Pre-training Review

- ▶ May only be subcontracted after prior approval from the department
- ▶ RTO is responsible for monitoring all information provided to students prior to enrolment
- ▶ Students must be informed that their enrolment may impact the student's access to further government subsidised training
- ▶ Supported by a documented process with control
- ▶ Determine that the course or qualification is appropriate
- ▶ LLN, skills and experience and career goals
- ▶ Completed and outcomes known and documented prior to commencing training

Determining the best fit

The RTO must not enrol an Eligible Individual in a course or qualification that is at an inappropriate level for that student, including but not limited to enrolling students in courses on the Foundation Skills List that would not provide additional relevant competencies.

The Pre-Training Review must be completed, and the outcomes known and documented, prior to the student's commencing training.

The RTO must:

- ▶ a) Screen referred individuals to determine the vocational interests of the student;
- ▶ b) Provide career advice to referred individuals;
- ▶ c) Assess referred individuals' eligibility for a government subsidised training place under the Victorian Training Guarantee; and
- ▶ d) Enrol referred individuals in accordance with the requirements set out in the *Guidelines about Determining Student Eligibility and Supporting Evidence*.

Enrolment

Complete an enrolment that complies with the Statistical Guidelines

- ▶ Changes to enrolment questions 18 & 19
- ▶ Changes to NAT file descriptors, including the addition of the USI
- ▶ Scheduled hours - represents the hours deemed necessary for the whole subject, whether or not delivery is within one collection period.

Maximum of two government funded courses at any one time

Must comply with the VSN & include privacy declaration

Inform students of the possibility of contact by Department, NCVET or other Government project

Training plan

- ▶ All funded students must sign a training plan
- ▶ Must detail the competencies to be attained and be customised to the client needs
- ▶ Hard copy or electronic
- ▶ Agreed and endorsed by the RTO and Eligible individual - no later than 4 weeks after commencement
- ▶ A copy provided to the eligible individual
- ▶ Update according to mutually agreed changes

Practical placements must be in accordance with Work placement Guidelines

Fees, fee concessions and fee waivers

- The concession fee must be 20 per cent of the RTO's published fee. The fee being the fee that the RTO would have charged a non-concession government subsidised student in the same course at that time.
- Where the RTO has granted a fee concession/fee waiver/exemption, they will receive a contribution from the Department as a result of charging the concession fee to that individual. The Fee Concession Contribution is 100% of revenue foregone, up to a maximum value.
- All concessions and fee waivers must be reported to the Department
- The Department will not pay a Fee Concession Contribution to the RTO in relation to individuals who are granted a fee concession and who are also referred Job Seekers. A referred Job Seeker is an individual who holds a standard Job Seeker Referral Form.

Evidence of participation

- ▶ 1 point if delivery period is one month or less
- ▶ 2 points if delivery is greater than one month
- ▶ Auditor judgement is used to make an assessment where units are clustered or cross over collection years
- ▶ Student declarations will only be accepted in extreme circumstances
- ▶ Do not use 'catch all' sets of questions for evidence of participation for a cluster/number of units

HESG audits:

- ▶ **Nothing like an ASQA or VRQA audit - NOT Quality Audits**
- ▶ **Complete and accurate record keeping**
- ▶ **Compliance with the statement of expectations**
- ▶ **Compliance with the requirements of the Service Agreement**
- ▶ **The auditors are young accountants with a specific brief**

Major areas of non compliance:

- ▶ Ethical behaviour and serving the public interest & reputation of VET
- ▶ Documented business processes with controls
- ▶ Marketing that is ethical, accurate, complies with laws and service agreement
- ▶ Incentives - direct or indirect
- ▶ Eligibility testing and sighting/verification of evidence
- ▶ Fees and charges
- ▶ Concessions and fee waivers - including retrospective testing
- ▶ Retention of supporting evidence

Business process audit

- ▶ **Process must match actual practice**
- ▶ Must include controls
- ▶ Must be monitored, recorded and proved at audit

Audit needs to determine:

- ▶ Business process has rigour and control
- ▶ Judged by the 2 files reviewed

Audit

- ▶ The Department may instigate an Evidence of Participation Audit, Evidence of Eligibility Audit and/or Evidence of Concession Audit at any time should the Department have any concerns relation to Training Services provided under the VET Funding Contract or any other Service Agreement
- ▶ Any material breach (non compliance) can result in termination of the RTOs agreement.

Records

- ▶ The RTO must not dispose of any Records:
- ▶ a) that are required as part of enrolment processes to confirm an individual's eligibility for government subsidised training under this VETFunding Contract, including records required under Schedule 1, and to confirm the application of fees in accordance with the requirements of this VET Funding Contract, for at least seven (7) years after the relevant Eligible Individual has completed or withdrawn from the relevant training course or qualification in which they are enrolled; or
- ▶ b) related to Training Plans for at least two (2) years after the relevant Eligible Individual has completed or withdrawn from the relevant training course or qualification in which they are enrolled; or
- ▶ c) related to Evidence of Participation requirements under this VET Funding Contract, including but not limited to assessment records, for at least two (2) years after the relevant Eligible Individual has completed or withdrawn from the relevant module or unit of competency in which they are enrolled.

Reporting

- ▶ Compliant student management system
- ▶ Accurate AVETMISS report
- ▶ Free of error
- ▶ Maintain complete and accurate records to support all reports

Internal audit

The RTO must conduct an internal audit of its compliance with this VET Funding Contract during the 2015 calendar year in accordance with any requirements of the Department. The internal audit must be:

- ▶ a) completed six (6) months from the Commencement Date or, if the Commencement Date is after 1 July 2015, completed by 31 December 2015;
- ▶ b) signed off by the CEO of the RTO; and
- ▶ c) provided to the Department, or its auditors or reviewers, on request.

ALG Consulting Pty Ltd

- ▶ Audit and consulting services to the VET sector
- ▶ HESG internal audits
- ▶ Registration and re-registration audits
- ▶ Support for validation and moderation of training programs
- ▶ Review and development of policies, procedures and recording mechanisms
- ▶ Charting Business Processes and Controls
- ▶ RTO Governance and decision making

- ▶ Call 0419 370 542 for appointments or to discuss your needs