

Contract Notification

CN No.	2018-01	Date:	02 January 2018
To:	Chief Executive Officer or equivalent		
Purpose:	Distribution of 2018 Internal Audit Checklists		
Scope:	All 2018-19 VET Funding Contracts		
Subject:	2018 Internal Audit Checklist		

For all Training Provider staff

Purpose

- To provide contracted Training Providers with an internal audit checklist that assists them in determining that they have the quality systems, processes and resources in place to meet the requirements of the VET Funding Contract in line with the objectives of the *Skills First Program*.

Background

- This Contract Notification provides advice as per Clause 11.4 of the relevant 2018-19 VET Funding Contracts in regards to the 2018 Internal Audit Checklist (IAC).
- There is one version of the IAC which encompasses all five variations of the 2018-19 VET Funding Contracts. The IAC provides your organisation with a management tool to assist you in complying with the contractual requirements. The IAC is a contractual requirement in itself and forms part of your organisation's ongoing internal controls. The checklist reflects the requirements of the VET Funding Contract and therefore the requirements that may be considered as part of audits or reviews. It should not, however, be relied on as the sole process for monitoring your organisation's contractual compliance.
- Clause 11.4 of all versions of the 2018-19 VET Funding Contract indicates that Training Providers must conduct an internal audit of their compliance during each calendar year in accordance with any requirements of the Department. The internal audit must be:
 - completed six months from the Commencement Date;
 - signed off by the CEO of the Training Provider; and
 - provided to the Department, or its auditors or reviewers, on request.
- The 2018 Internal Audit Checklist is now available through the Documents List on SVTS.
- If, when completing your organisation's internal audit, a non-compliance with the Contract is identified, your organisation is expected to develop a rectification plan within a reasonable timeframe to rectify any instances of non-compliance (Clause 11.5 (b)).
- For Training Providers holding a 2018-19 VET Funding Contract, the internal audit must be completed annually.

Action required

- Complete your organisation's internal audit using the 2018 IAC within timeframes outlined in the VET Funding Contract at Clause 11.4 (a).
- **If requested** to submit your IAC to the Department, please do so via SVTS enquiries under the category 'Contact Compliance Audit Program – Internal Audit Checklists'.
- All queries concerning this Contract Notification, including your feedback on the 2018 Internal Audit Checklist, should also be lodged on SVTS under the category 'Contact Compliance Audit Program – Internal Audit Checklists'.

Critical Dates

- This Contract Notification is effective immediately.
- All Training Providers with a 2018-19 VET Funding Contract must complete an internal audit six months from the commencement date of the Contract.
- All Training Providers with a 2018-19 VET Funding Contract must complete an internal audit in both the 2018 and 2019 Calendar years. All organisations are strongly encouraged to do this as early as possible to ensure they are aware of the contractual requirements and are compliant throughout the year. As per Clause 3.5, the Department may take account of the Training Provider's performance (including at audit or review) in any calendar year when considering future contractual arrangements.

Relevant Resources

- 2018 Internal Audit Checklist

Greg Norton

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