Department of Education and Training – Higher Education and Skills Group

Contract Notification

CN No.	2016-09	Date:	7 April 2016
To:	Chief Executive Officer or equivalent		
Purpose:	Distribution of Internal Audit Checklists		
Scope:	'VET Funding Contracts' • 2014-16 VET Funding Contract (Version 3.0) • 2014-16 VET Funding Contract (TAFE) (Version 3.0) • 2014-16 VET Funding Contract (Dual Sector) (Version 3.0) • 2016 VET Funding Contract (Standard) (Version 1.0) • 2016 VET Funding Contract (Restricted) (Version 1.0) • 2016 VET Funding Contract (Non-Victorian based RTO delivering to a National Enterprise) (Version 1.0)		
Subject:	**2016 Internal Audit Checklists**		

For all RTO staff

Purpose

▪ To provide contracted training providers with an internal audit checklist that assists them in meeting VET Funding Contract requirements.

Background

▪ This Contract Notification provides advice as per Clause 10.4 of the relevant 2016 and 2014-16 VET Funding Contracts in regard to the 2016 Internal Audit Checklist (IAC).

▪ There are 6 versions of the IAC which align to the 6 different 2016 VET Funding Contracts. The IAC provides your organisation with a management tool to assist you in complying with contractual requirements.

Main Points

▪ The Internal Audit Checklist is a contractual requirement in itself and forms part of your organisation's ongoing internal controls. It should not, however, be relied on as the sole process for monitoring your organisation's contractual compliance.

▪ Copies of the 2016 IACs for TAFE institutes, non TAFE organisations, non-Victorian based Enterprises and Dual Sector institutions are available on the Skills Victoria Training System (SVTS).

▪ Clause 10.4 (b) requires that your organisation's completed internal audit to be signed off by your organisation's CEO. The internal audit must be completed 6 months from the commencement date or at another specified date.

▪ For non TAFE organisations holding a 2016 VET Funding Contract, the completed IAC must be sent to the Department within 30 days of its completion.

▪ Furthermore, the signed IAC must be made available to auditors during any audit and/or review upon request.

▪ All TAFE institutes use the *2014-16 TAFE Internal Audit Checklist*.

▪ All Dual Sectors institutions use the *2014-16 Dual Sector Internal Audit Checklist*.

- All non-TAFE organisations use either the *2016 non-TAFE Internal Audit Checklist* or *2014-16 non-TAFE Internal Audit Checklist* reflecting the contract they hold.

- All non-Victorian based Registered Training Organisations (RTOs) use the *2016 Non-Victorian based RTO Internal Audit Checklist.*

- If when completing your organisation's internal audit a non-compliance with the Contract is identified, the RTO must develop a rectification plan within a reasonable timeframe to rectify any instances of non-compliance (Clause 10.5 (a)).

- For RTOs holding a 2014- 2016 VET Funding Contract, the internal audit must be completed annually.
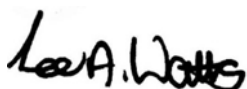
  Action required

- Complete your organisation's internal audit using the relevant Internal Audit Checklist within timeframes outlined in the VET Funding Contract at Clause 10.4 (a).

- All queries concerning this Contract Notification, including your feedback on the 2016 Internal Audit Checklist, should be lodged on SVTS under the category 'Contract Compliance Audit Program - General'.

Critical Dates

- This Contract Notification is effective immediately.

- All RTOs with a 2016 VET Funding Contract must complete an internal audit six months from the commencement date of the Contract.

- All RTOs with a 2014-16 VET Funding Contract must complete an internal audit in the 2016 Calendar year. All organisations are strongly encouraged to do this as early as possible to ensure they are aware of the contractual requirements and compliant throughout the year. As per Clause 2.4, the Department may take account of the RTO"s performance (including at audit or review) in any calendar year when considering future contractual arrangements.

Relevant Resources

- N/A

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