

# Contract Notification

<b>CN No.</b>	<b>2015-02</b>	<b>Date:</b>	<b>5 February 2015</b>
<b>To:</b>	Chief Executive Officer or equivalent		
<b>Purpose:</b>	Distribution of Internal Audit Checklists		
<b>Scope:</b>	<p>'VET Funding Contracts'</p> <ul style="list-style-type: none"> <li>• 2014-16 VET Funding Contract (Version 2)</li> <li>• 2014-16 VET Funding Contract (TAFE) (Version 2)</li> <li>• 2014-16 VET Funding Contract (Dual Sector) (Version 2)</li> <li>• 2015 VET Funding Contract</li> <li>• 2015 VET Funding Contract (Non-Victorian based RTO delivering to a National Enterprise)</li> </ul>		
<b>Subject:</b>	<b>2015 Internal Audit Checklists</b>		

**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 in regard to the 2015 Internal Audit Checklist as per Clause 10.4 of the relevant 2015 and 2014-16 VET Funding Contracts.
- These checklists have been developed in accordance with the relevant VET Funding Contract and are provided as a management tool to assist your organisation's application of the contractual requirements therein.

## Main Points

- In addition to being a contractual requirement in itself, the Internal Audit Checklist should form part of your organisation's ongoing internal controls. It should not, however, be the sole process for monitoring your organisation's contractual compliance.
- Copies of the TAFE, non TAFE, non-Victorian and Dual Sector checklists have been made available on the Skills Victoria Training System (SVTS).
- Clause 10.4 (b) requires that the CEO must sign off the completed internal audit.
- The completed checklist must be made available to auditors at any audit and/or review requested by the Department.
- All TAFE institutes must complete the '2014-16 TAFE Internal Audit Checklist'.
- All Dual Sectors must complete the '2014-16 Dual Sector Internal Audit Checklist'.
- All non-TAFE organisations must complete either the '2015 non-TAFE Internal Audit Checklist' or 2014-16 non-TAFE Internal Audit Checklist.
- All non-Victorian based Registered Training Organisations (RTOs) contracted under the 2015 Victorian Training Guarantee Non Victorian Based RTO Delivering to a National Enterprise are also required to

complete the additional checks in the worksheet 'Non Victorian Based RTOs'. This is located in the '2015 non-TAFE Internal Audit Checklist'. All other Victorian based non TAFE RTOs contracted under the 2014 VET Funding Contract should delete this worksheet.

- For all RTOs, should the internal audit identify non compliances with the Contract, the RTO should develop a rectification plan within a reasonable timeframe to rectify any instances of non-compliance as per clause 10.5 (a).
- For all Training providers with a three year Contract, the internal audit must be done annually as prescribed in the VET Funding Contract.

#### *Action required*

- Complete your organisation's internal audit using the relevant 2015 Internal Audit Checklist within timeframes outlined in the VET Funding Contract at Clause 10.4 (a).
- All enquiries concerning this Contract Notification, including feedback on the 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 2015 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 2015 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

#### **Lee Watts**

Executive Director  
Training Market Operations