

Contract Notification

CN No.	2017-03	Date:	21 February 2017
To:	Chief Executive Officer or equivalent		
Purpose:	Distribution of 2017 Internal Audit Checklists		
Scope:	2017 VET Funding Contracts – <i>Skills First</i> Program <ul style="list-style-type: none">• 2017 TAFE VET Funding Contract• 2017 Dual Sector VET Funding Contract• 2017 Standard VET Funding Contract• 2017 Restricted VET Funding Contract• 2017 VET Funding Contract Non-Victorian based RTO delivering to a national enterprise		
Subject:	2017 Internal Audit Checklists		

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 2017 VET Funding Contracts in regards to the 2017 Internal Audit Checklist (IAC).
- There are 5 versions of the IAC which align with the 5 different 2017 VET Funding Contracts. The IAC provides your organisation with a management tool to assist you in complying with the contractual requirements.

Main Points

- The Internal Audit Checklist 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.
- Copies of the 2017 IACs for TAFE institutes, non-TAFE organisations, non-Victorian based Enterprises and Dual Sector institutions are now available on the Skills Victoria Training System (SVTS).
- Clause 11.4 of all versions of the 2017 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.
- Copies of all the 2017 Internal Audit Checklists are now available through the Documents List on SVTS.
- All TAFE institutes use the 2017 TAFE Internal Audit Checklist.

- All Dual Sectors institutions use the 2017 Dual Sector Internal Audit Checklist.
- All non-TAFE organisations with a Standard 2017 VET Funding Contract use the 2017 Standard Internal Audit Checklist
- All non-TAFE organisations with a Restricted 2017 VET Funding Contract use the 2017 Restricted Internal Audit Checklist
- All non-Victorian based Training Providers use the 2017 Non-Victorian based RTO Internal Audit Checklist.
- 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 (a)).
- For Training Providers holding a 2017 VET Funding Contract, the internal audit must be completed annually.

Action required

- Complete your organisation's internal audit using the relevant IAC within timeframes outlined in the VET Funding Contract at Clause 11.4 (a).
- When submitting your IAC to the Department please do so via SVTS enquiries under the category '2017 Internal Audit Checklist'.
- All queries concerning this Contract Notification, including your feedback on the 2017 Internal Audit Checklist, should also be lodged on SVTS under the category '2017 Internal Audit Checklist'.

Critical Dates

- This Contract Notification is effective immediately.
- All Training Providers with a 2017 VET Funding Contract must complete an internal audit six months from the commencement date of the Contract.
- All Training Providers with a 2017 VET Funding Contract must complete an internal audit in the 2017 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 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

- N/A

Greg Norton

Executive Director
Training Market Quality