

# Contract Notification

<b>CN No.</b>	<b>2019-03</b>	<b>Date:</b>	<b>25 January 2019</b>
<b>To:</b>	Chief Executive Officer or equivalent		
<b>Purpose:</b>	Distribution of 2019 Internal Audit Checklists		
<b>Scope:</b>	All 2018-19 VET Funding Contracts		
<b>Subject:</b>	<b>2019 Internal Audit Checklists</b>		

## For all Training Provider staff

### Purpose

- To provide all TAFE and non-TAFE Training Providers holding a 2018-19 VET Funding Contract with an internal audit checklist, to assist them in determining that they have the quality systems, processes and resources in place to meet the requirements of the 2018-19 VET Funding Contract, in line with the objectives of the Skills First Program.

### Background

- Pursuant to clause 11.4 of all 2018-19 VET Funding Contracts, Training Providers are required to conduct an internal audit of their compliance during each calendar year in accordance with any requirements of the Department. The internal audit must be:
  - signed off by the CEO of the Training Provider; and
  - provided to the Department, or its auditors or reviewers, on request.
- The Department has today published the 2019 Internal Audit Checklist (IAC) to the 'Documents' section of the Skills Victoria Training System (SVTS). As in 2018, there is one version of the 2019 IAC which encompasses all five types of the 2018-19 VET Funding Contract.
- To reduce the administrative burden for Training Providers, the Department has highlighted changes between the 2018 and 2019 IACs using a **red** text.
- The 2019 IAC presents Training Providers with a management tool to assist them in complying with the requirements of clauses 11.4 and 11.5 of all 2018-19 VET Funding Contracts. The internal audit is a contractual requirement in itself, and also forms part of the Training Provider's ongoing internal controls. The IAC reflects the current requirements of the 2018-19 VET Funding Contracts, and therefore the requirements that may be considered as part of any audit or review by the Department (but not limited to). It should not however be relied on as the sole process for monitoring a Training Provider's contractual compliance.
- To clarify, all Training Providers holding a 2018-19 VET Funding contract must complete an internal audit in the 2019 calendar year. The previous completion of an internal audit in calendar year 2018 does not preclude the requirement to complete a further audit in 2019.

## Actions Required

### *Timeframe for completion*

- Pursuant to clause 11.4, the Department requires that all Training Providers holding a 2018-19 VET Funding Contract complete their 2019 internal audit by or before 30 June 2019.
- Training Providers are strongly encouraged to complete their audit as early as possible to ensure they are aware of their 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.

### *Forward actions*

- Training Providers are reminded that if when completing the internal audit a non-compliance with the 2018-19 VET Funding Contract is identified, the Training Provider is expected to develop a rectification plan within a reasonable timeframe to rectify any instances of non-compliance (clause 11.5 (b)).
- If a Training Provider is **requested** to provide its 2019 internal audit to the Department, the submission must be made via SVTS enquiries under the category 'Contact Compliance Audit Program – Internal Audit Checklists'.
- All queries concerning this Contract Notification, including any feedback on the 2019 IAC, 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 holding a 2018-19 VET Funding Contract must complete an internal audit by or before 30 June 2019.

## Relevant Resources

- 2019 Internal Audit Checklist

### **Greg Norton**

Executive Director  
Training Market Services