

Contract Notification

CN No.	2021-01	Date:	7 January 2021
To:	Chief Executive Officer or equivalent		
Purpose:	Distribution of 2021 <i>Skills First</i> Internal Audit Checklist		
Scope:	All 2021 VET Funding Contracts		
Subject:	2021 <i>Skills First</i> Internal Audit Checklist		

For all Training Provider staff

Purpose

- To provide all TAFE and non-TAFE Training Providers holding a 2021 VET Funding Contract (the 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 Contract.

Background

- Pursuant to clauses 11.4 and 11.6 of all 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 2021 *Skills First* Internal Audit Checklist (IAC) in the 'Documents' section of the Skills Victoria Training System (SVTS).
- Having undertaken research into good practice models and having considered feedback from a range of training providers, the IAC for 2021 has been significantly redesigned to improve its readability and usability with changes including:
 - a new Word version to replace the previous Excel spreadsheet;
 - improved instructions; and
 - additional references to guidance and support materials.
- The 2021 IAC reflects the requirements of the current Contracts and encompasses (but is not limited to) the requirements that may be considered as part of any audit or review by the Department. It should not however be relied on as the sole process for monitoring a Training Provider's contractual compliance.
- The Department understands that Training Providers operate in a range of different contexts and there is enormous diversity in VET course offerings. Further, Training Providers are free to invest in the tools that suit their students, their context and their business process. It is for these reasons that the Department does not prescribe or mandate how a Training Provider goes about achieving compliance for every aspect of the Contract. However, the IAC can support Training Providers in reviewing their operations and ensure appropriate processes and controls are in place to elicit and evidence compliance.

- The Department reminds Training Providers that in accordance with Contract Notification 2018-03 *Making and/or amending Records*, should an administrative oversight be identified whilst conducting the IAC, which requires an amendment of a Record, the Training Provider is required to take steps to document the amendment such that a reasonable person could ascertain the nature of the rationale for the amendment in a straightforward way.

Actions Required

Timeframe for completion

- Pursuant to clause 11.5 of all Contracts, the Department requires that all Training Providers complete their 2021 internal audit by 30 June 2021. Completion of an internal audit in calendar year 2020 does not preclude the requirement to complete a further audit in 2021.
- Training Providers are strongly encouraged to complete their audit as early as possible to ensure they are aware of their contractual requirements and have ample time to mitigate any compliance risk for the remainder of the calendar year.
- As per clause 3.5 of the Contract, 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. Accurate and candid completion of the IAC will assist Training Providers in self-identifying and addressing any non-compliances prior to any audit or review.

Forward actions

- If when completing the internal audit, a non-compliance with the Contract is identified, Training Providers must develop a rectification plan within a reasonable timeframe to address any instances of non-compliance (pursuant to clause 11.7 of all Contracts).
- If a Training Provider is requested to provide results of its 2021 internal audit to the Department, the submission must be made via SVTS enquiries under the category '*Contract Compliance Audit Program – Internal Audit Checklist*'.
- All queries concerning this Contract Notification, including any feedback on the 2021 IAC, should also be lodged on SVTS under the same category.

Relevant Resources

- 2021 *Skills First* Internal Audit Checklist



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