



# Department of Education and Training

Higher Education and Skills

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Mr Lee Tudor  
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Dear Mr Tudor

## 2019 SKILLS FIRST AUDIT AND ASSURANCE PROGRAM – OUTCOME OF QUALITY REVIEW

I write regarding the outcome of the Audit and Assurance Report (the Report) for the Quality Review (Review) conducted at Training Practical Solutions Consultancy Pty Ltd (TPSC) from 20 November 2019.

The purpose of the Review was to provide assurance to the Department of Education and Training (the Department) regarding TPSC compliance with the 2018-19 VET Funding Contract (the Contract) with specific reference to:

- Clause 3.1 (a) requiring the provision of Training Services subsidised through the *Skills First* Program to be of high quality and relevant to industry and employers; and
- Clause 4.1 (d) requiring delivery of training within its Funded Scope which is in accordance with the requirements of both the Training Package and the Standards for Registered Training Organisations (RTOs) 2015 (the Standards).

While the Standards are used as a benchmark to assess the quality of TPSC’s Training Services, the function of the Review is independent of the regulatory functions of ASQA and is not intended to duplicate those functions.

The sections below outline the Department’s position after consideration of the Review findings, your management comments in the Report, in addition to the discussions between yourself and the Department during the meeting held on 21 January 2020. The Department also provides TPSC with useful information and tools which can be referred to in an effort to strengthen its compliance systems and business processes.

### Summary of Findings

The Review considered commencements in 2019 for two programs, i.e. Certificate III in Competitive Systems and Practices (Cert III) and Certificate IV in Competitive Systems and Practices (Cert IV). The Review identified multiple instances of non-compliance with the Contract against both programs, as summarised in the table below:

Key Aspect	Certificate III in Competitive Systems and Practices (Cert III)	Certificate IV in Competitive Systems and Practices (Cert IV)
Training and Assessment Strategy	Non-Compliant	Non-Compliant
Pre-Training Review (PTR)	Non-Compliant	Non-Compliant
Training Plan	Non-Compliant	Non-Compliant

Key Aspect	Certificate III in Competitive Systems and Practices (Cert III)	Certificate IV in Competitive Systems and Practices (Cert IV)
Physical and Learning Resources	Non-Compliant	Non-Compliant
Assessment Resources, Methods and Timing	Non-Compliant	Non-Compliant
Skills First Teacher Competency	Non-Compliant	Non-Compliant
Marketing Practices	Compliant	Compliant
Learner Protection	Compliant	Compliant
Internal Audit and Compliance	Non-Compliant	Non-Compliant

The Auditor also completed Training verification for both the programs.

The Department notes that in the Report TPSC did not dispute the majority of findings and committed to appropriate rectification through the Management Action Plan (MAP).

### **Training and Assessment Strategy (TAS) (Report Ref: 2.1)**

TPSC were deemed non-compliant with clause 4.1(d) and Schedule 1, clause 5.7 of the Contract, as well as clauses 1.1 and 1.6 of the Standards, as while testing the TAS for both the qualifications the Auditor noted that the TAS:

- for Cert IV did not include a required elective subject from the 'Category A' list as stipulated by the training package; and
- for Cert III and Cert IV outlined details of industry consultation with consultants who were also employees of TPSC, as opposed to seeking independent industry consultation.

The Department acknowledges your commitment to corrective actions, and reminds TPSC to ensure that there is a range of strategies implemented for industry engagement, with outcomes systematically used to ensure the industry relevance of training and assessment strategies.

The Department recommends that your organisation refers to Chapter 4 of ASQA's *'Users' Guide to the Standards for RTOs 2015*, which provides guidance on how to meet training and assessment requirements.

The Department also requests TPSC to share their documentation on industry consultation with independent consultant and revision in TASs as a result of that consultation, if any.

### **Pre-Training Review (PTR) (Report Ref: 2.2)**

The Review found that TPSC did not comply with Schedule 1, clauses 5.1 (a-c) of the Contract as the PTRs reviewed did not meet the requirements of the Contract. Some examples of the reported non-compliances which are of concern to the Department include:

- Students not providing a response, or sufficient response, to questions included in the PTR;
- Student's interests, aspirations, and/or existing role did not align to the learner characteristics and/or job outcomes of the program in which they were enrolling; and
- Language, Literacy and Numeracy LLN assessment was not sufficient to indicate whether the student possesses the minimum skills to successfully complete the training, as there was no marking guide aligned to the ACSF to support assessor conducting LLN assessments.

In order to maximise the likelihood of a student successfully completing the program, it is critical to ensure that the students are enrolled in the most suitable training option based on their aspirations,

interest, capabilities and likely job outcome. The determination of such suitability must be sufficiently documented for assurance purposes.

The Department notes that TPSC feel that some of the required information was already captured in a 'Pre-Enrolment Form', which may have not been considered by the Auditors during the Review. Further, the Department acknowledges the rectification already completed to PTR documents, as discussed during the recent meeting.

TPSC is encouraged to continually review all relevant PTR documents to ensure that program suitability is clearly tested and evidenced for each student.

The Department recommends TPSC review guidance documents published on the Skills Victoria Training System (SVTS), including the *Fact sheet: Consideration of literacy and numeracy skills as part of the Pre-Training Review* (published 10 December 2019) and the *Pre-Training Review – Sample Template* (published 1 May 2019).

### **Training Plan (Report Ref: 2.3)**

The Review found that TPSC did not meet the requirements of Schedule 1, clauses 7.2, 7.3, 7.6, 7.7 and 12.8 of the Contract. Most notably this was evidenced by a lack of required information documented on the Training Plans, and the modification in the Training Plans was not mutually agreed.

In line with the changes to the Training Plan requirements visible in version 3.0 of the Contract, please note that it is the Department's expectation that Training Plans are aligned to the TAS and have all the prescribed information updated according to any changes that occur. The intent of these contractual requirements is to ensure that students get the necessary information about their training commitment, and have clear details of whom they can contract should they need to discuss the planned arrangements.

### **Physical and Learning Resources (Report Ref: 2.4)**

As previously identified in relation to the TAS, the Review found that TPSC did not comply with clause 4.1 (d) of the Contract and clause 1.6 of the Standards, as TPSC has not implemented a valid range of strategies for industry engagement due to the consultation being with employees of TPSC rather than with independent industry consultants.

### **Assessment Resources, Methods and Timing (Report Ref: 2.5)**

The Auditors reported that TPSC did not comply with clause 4.1 (d) of the Contract and clause 1.6 of the Standards, as the assessments did not meet the Principles of Assessment and Rules of Evidence. The Department is specifically concerned of the reported findings where:

- the assessment instrument for all the units did not capture sufficient evidence of the Performance Evidence and Knowledge Evidence requirements;
- project tasks were partially completed and not all the elements were completed as outlined in the detailed assessment resources provided; and
- assessment tasks were not assessed in accordance with the applicable marking guide. Specifically, incorrect and insufficient responses to knowledge questions were marked as correct without evidence of reassessment or verbal confirmation noted by the assessor.

The Auditors also noted that TPSC has not developed or formalised a planned schedule for assessment validation.

The Department notes that in the Report TPSC management did not dispute the findings, however during the meeting it was explained that some of the assessments deemed incomplete were not actually mandatory. Further, you expressed that while their documents may be messy, you were confident all relevant assessments have been completed.

The findings of the Report leads the Department to be concerned that students were deemed competent in subjects, despite having incorrect and/or insufficient answers included in their assessments.

The Department encourages TPSC to undertake a review of its assessment materials and processes to ensure all assessments are conducted in accordance with the Principles of Assessment and Rules of Evidence. TPSC is also encouraged to refer to Chapter 4 of ASQA's *User's Guide to the Standards for RTOs 2015*, specifically the section relating to Clauses 1.8 to 1.12 and 1.25, which provides guidance on how to implement effective assessment and validation processes.

### **Skills First Teacher (Teacher) Competency (Report Ref: 2.6)**

The Auditor reported that TPSC did not comply with clause 4.1 (d) of the Contract and Clauses 1.13 and 1.16 of the Standards as there was insufficient evidence to demonstrate that all Teachers held the relevant vocational competencies and had current industry skills.

The Department notes that TPSC's MAP indicates that all corrective action were to be complete by 18 December 2019, and trusts that this occurred as planned.

TPSC is reminded that as per Principle 5 of the *Skills First* Quality Charter, student's training and assessment must meet regulatory standards and be delivered by an expert (i.e. the student's training and assessment is delivered by a *Skills First* Teacher). TPSC must retain evidence that the Teacher holds the minimum qualification and undertakes the appropriate professional development, relevant to the program being delivered.

The Department requests TPSC to share their Register of Trainers and Assessors with revisions/updates identified.

### **Internal Audit and Compliance (Report Ref: 2.7)**

The Review found that TPSC did not comply with clause 11.4 of the Contract as the 2019 Internal Audit Checklist (IAC) was not completed, and the results of the 2018 IAC were not signed by TPSC's Managing Director.

The Department would like to remind TPSC that the IAC is not merely a compliance exercise but an opportunity for Training Providers to assess themselves against the Contract and identify improvement opportunities. This proactive approach can mitigate the likelihood of non-compliances being identified and reported during audit and assurance activity. In addition to assisting in meeting contractual requirements, the IAC should form part of the TPSC's internal controls and continuous improvement processes.

## **Training Verification**

The Auditor verified training sessions completed at two separate locations. As discussed during the recent meeting, the Department had concerns relating to:

- The number of students attending the sessions; and
- A subject being delivered which had been previously been reported as complete for the sole student who was in attendance.

The Department accepts TPSC justification that the low attendance of the sessions observed may have been caused by the employer only releasing limited students at a time for training due to work requirements. Further, TPSC assert that one to one training is intentional for some subjects at certain workplaces.

In relation to the student whom was reported as complete for the subject being delivered, TPSC raised concerns that the incorrect subject was noted in the Report. The Auditors have since confirmed that they reported the subjects as advised to them by TPSC, which were also supported by the training documents observed by the day.

The Department accepts that some students may elect to recap the learnings of some subjects, however reminds TPSC to ensure all training activity is accurately reported and/or documented.

## **Student Interviews**

The Auditor completed interviews with students from both qualifications. The responses indicated concerns relating to:

- students' understanding of the impact their enrolment had on future access to government funded training;
- students not having an agreed Training Plan;
- insufficient amount of training provided prior to assessment; and
- dissatisfaction with Teachers.

The Department encourages TPSC to consider the themes appearing in the interviews, surveys, and any other form of student and stakeholder feedback received, to regularly review all related procedures to ensure students are confident they are receiving high quality Training Services in accordance with the Contract.

## **Review of Findings**

The Review demonstrates that your organisation has weaknesses in the development and implementation of quality control procedures, that could lead to non-compliance to the requirements of the Contract and the Standards.

The Department remains concerned about your organisation's processes and controls and may conduct further assurance activity at a later stage. The Department will also continue to monitor your organisation's compliance with the Contract, including reviewing data reported via the SVTS and/or student interviews.

## Reimbursement of Audit Costs

TPSC was advised in correspondence dated 18 November 2019 that in accordance with 11.2 d) of the Contract you may be required to reimburse the Department for the costs incurred in conducting the Quality Review. The cost was estimated at approximately \$15,000 to \$20,000 (incl. GST). The actual cost of the audit is \$17,325.00 (incl. GST), for which TPSC will be invoiced shortly.

## Next Steps

The Department will notify ASQA of the Quality Review findings that are applicable to the Standards.

As advised via phone on 6 February 2020, the Department has determined to lift the withholding and suspension of Funds, applied pursuant to Clause 17.2 b) of the Contract. The release of the withheld Funds is effective immediately.

TPSC are required, within six months of the date of the final Report, to advise the Department in writing of the steps taken to comply with and implement the Management Action Plan.

The Department requests that TPSC provides (via an SVTS enquiry), the following information **within 10 business days of receipt of this letter**:

1. Documentation that demonstrates independent industry consultation, and the details of the revision to any TAS as a result of that consultation (if required);
2. Register of Trainers and Assessors with the revisions/updates identified.

In addition to implementing the rectification actions, I strongly encourage your organisation to continue engaging with the professional development workshops and information sessions that the Department conducts from time to time to further support TPSC's understanding of the Contract requirements, details of which are available in the SVTS.

The Department otherwise trusts that your organisation found this activity helpful for continuous improvement purposes and that any recommendations will be implemented as suggested.

Yours sincerely



**Jacob Micallef**  
Acting Director  
Funding and Assurance Services  
Date: 12 February 2020