

PQS Compliance Audit

Audit Report (User Choice 2010-2016)

| SUPPLIER | | ATTACHMENT 1 | |
|-----------------------------|---|----------------------------|-------------------------------------|
| Registration Code: | 31955 | | |
| RTO Legal and Trading Names | Training Professionals Pty Ltd | | |
| Address | 145 Government Road, Richlands | | |
| PARTICIPANTS | | | |
| Lead Auditor | Drew Clark | Auditor(s) | Angie Moulds |
| Auditor Phone | (07) 3328 6815 | | |
| Supplier | Mr Stephen Harding, Chief Executive Officer Ms Sara Beckett, Administration Officer Mr Des Tremble, Trainer/Assessor (2 nd day of audit site visit) | | |
| AUDIT DETAILS | | | |
| Date(s) | 17 – 18 February 2016 | | |
| Location | Richlands | | |
| PQS Agreement(s) | PS100612 | | |
| Type | Monitoring <input checked="" type="checkbox"/> | Re-audit | <input type="checkbox"/> |
| Outcome | Compliant <input type="checkbox"/> | Not Compliant | <input checked="" type="checkbox"/> |
| Notes | Owing to time constraints and issues with accessing the supplier's records regarding evidence of training and assessment, the section of this audit report relating to the charging and collection of student contribution fees, and the issuance of refunds, was not examined. | | |
| Qualification Code | Qualification | Number of Students Sampled | |
| AHC30910 | Certificate III in Landscape Construction | 4 | |
| ICA30111 | Certificate III in Information, Digital Media and Technology | 16 | |
| RII30113 | Certificate III in Surface Extraction Operations | 19 | |
| SIH30111 | Certificate III in Hairdressing | 3 | |

ASSESSMENT

 Compliant Not Compliant Not Examined

N/C N/A

For each competency for each student the supplier has:

- retained the completed paper-based assessment item for the unit of competency (*PQS Agreement, Clause 9*)
- implemented and retained the full range of assessment evidence (*PQS Agreement, Clause 9*)
gathered sufficient evidence that competency has been achieved, as expressed by the relevant endorsed industry/enterprise competency standards of a Training Package or by the learning outcome of an accredited course to support the outcome of the assessment (AVETMISS Outcome identifier 20) (*User Choice 2010-2016 Policy, Table 3*)
- retained sufficient evidence to support that students have attempted all assessments and failed in at least one method (AVETMISS Outcome identifier 30) (*PQS Agreement, Clause 9*) (*User Choice 2010-2016 Policy, Clause 2.4.3*)
- retained sufficient evidence to support recognition of prior learning (AVETMISS Outcome identifier 51) (*PQS Agreement, Clause 9*) (*User Choice 2010-2016 Policy, Clause 2.4.3*)
- retained sufficient evidence to support transition of student to a superseding qualification and similar units of competency are deemed to be non-equivalent (*PQS Agreement, Clause 9*) (*User Choice 2010-2016 Policy, Clause 2.3.3*) (*User Choice 2010-2016 Policy, Clause 2.4.3*)
- not been funded for delivery of a unit of competency/module through RPL in any instance where this leads to the entire qualification being achieved through RPL (*User Choice 2010-2016 Policy, Table 5*)

Non-compliancesAVETMISS Outcome Identifier '20' – Competency Achieved

Through the review of student files, the lead auditor identified the supplier had either retained no assessment evidence or the assessment evidence retained was determined as insufficient to validate the submission of claims for payment. Specifically, the lead auditor identified the supplier had failed to retain evidence of the theory knowledge component. The questioned, an Information Technology trainer/assessor advised the lead auditor that the theory component for most units of competency was conducted verbally, however, then admitted no records had been retained regarding the questions asked of the student, any document indicating the range of acceptable responses, nor the actual responses provided by the students.

In addition, the lead auditor also identified instances where:

- assessment evidence retained within student files identified competency had been achieved up to three months before the training plan was developed and signed by the relevant parties and/or before the employer resource assessment had completed and signed
- assessment evidence which did not include any reference or identifiable marking to verify the completion of evidence was for any specific student
- observation checklist developed by the supplier provided little to no detail regarding the actual observable tasks demonstrated by the student.

Consequently, a recovery will be sought for the following students from ICA30111 Certificate III in Information, Digital Media and Technology:

George BENWELL – two units of competency

James DINNES – seven units of competency

Liam MILLER – one unit of competency

Liam MOORE – two units of competency

Jordan NUNES – four units of competency

Luke O'DRISCOL – five units of competency

Ezac RANUI – five units of competency

Joshua SHIELS – 16 units of competency

Kristian SMITH – four units of competency

William SMITH – four units of competency

Aarjay SWALLOW – three units of competency

Rory WOOD – 16 units of competency

The supplier is advised the non-compliance relating to the insufficient retention of assessment evidence to validate the submission of claims for payment as outlined above, and detailed within Attachment 2, constitute "Overpayments" as defined in Clause 8.1 of the Pre-qualified Supplier Agreement and the department will seek in this regard.

Further, the supplier is advised the concerns regarding the integrity and authenticity of assessment evidence retained within student files will be refer to the Australian Skills Quality Authority.

AVETMISS Outcome Identifier '30' – Competency Not Achieved

The supplier advised the lead auditor a student was allowed only one assessment attempt before being deemed as 'Competent Not Achieved' against a unit of competency. For the student files examined, where an AVETMISS Outcome identifier '30' claim for payment had been submitted for four students, the supplier did not present any evidence to substantiate assessment had even been attempted by the students before being deemed as competency not achieved.

The supplier is advised the non-compliance relating to the submission of unsubstantiated AVETMISS Outcome identifier '30' claims for payment as outlined above, and detailed within Attachment 2, constitute "Overpayments" as defined in Clause 8.1 of the Pre-qualified Supplier Agreement and the department will seek in this regard.

AVETMISS Outcome Identifier '51' – Recognition of Prior Learning (RPL)

Through the review of student files, the lead auditor identified the following concerns regarding the retention of evidence to substantiate the supplier's RPL processes:

- Alan Keane – An RPL application was sighted along with the student's self-assessment and employer testimonial indicating no identified gaps. However, no evidence of the 'Competency Conversation' was sighted and the 'Practical Observation' checklist on file was blank. Consequently, insufficient evidence had retained to validate the submission of RPL claims for payment for eight units of competency.
- Alan Keane and Damir Ostarjas - The 'Practical Observation' checklist retained on each student's file was for the incorrect qualification, Certificate III in Civil Construction Plant Operations instead of Certificate III in Surface Extraction Operations.
- Michael De Jonge – An RPL application was sighted along with the student's self-assessment indicating no identified gaps and employer testimonial identifying a number of minor gaps. However, no evidence of the 'Competency Conversation' was sighted and the 'Practical Observation' checklist on file was blank with the exception of two units of competency which were not included within the RPL process. Consequently, insufficient evidence had retained to validate the submission of RPL claims for payment for ten units of competency.
- The lead auditor raised concerns regarding the RPL process undertaken for students Robert Ferris, James Newcombe and Damir Ostarjas where the competency conversations and the practical assessment checklists included handwritten markings from the assessor (ticks) along with typed-in comments. The lead auditor advised this appears to suggest assessor's responses and observations relating to a student's knowledge and skills have been pre-entered prior to the actual assessment taking place.

Prior to the conclusion of the audit site visit, the supplier provided the lead auditor with a USB containing additional evidence to support the RPL process along with a mapping matrix. However, the lead auditor was unable to align the RPL evidence to the relevant units of competency to validate claims for payment submitted by the supplier. Consequently, the lead auditor had a post audit meeting with the supplier to seek further clarification regarding to the additional RPL evidence provided during the audit and mapping of workplace documents within the supplier's RPL process. During this meeting, the lead auditor was advised that it was mandatory for all RPL processes conducted by the supplier consisted of the completed student self-assessment, employer testimonial, a 'Competency Conversation' and 'Practical Observation' checklist and the retention of workplace documents, where available, was only used as supplementary evidence to support the assessor's determinations.

The lead auditor highlighted a number of significant concerns with the supplied mapping matrix as it appeared to provide little clarification regarding how this additional evidence (e.g. work samples etc) had been reviewed and evaluated to address the knowledge and practical skills requirements of the units of competency.

The supplier is advised the non-compliance relating to the insufficient retention of assessment evidence to validate the recognition of prior learning process as outlined above, and detailed within Attachment 2, constitute "Overpayments" as defined in Clause 8.1 of the Pre-qualified Supplier Agreement and the department will seek in this regard.

Entire qualification via RPL

In relation to 13 student files reviewed for RII30113 Certificate III in Surface Extraction Operations, the lead auditor identified the supplier had submitted claims for payment for RPL for all 13 units of competency required to achieve the qualification. The lead auditor advised the supplier the RPL only pathway is not funded under User Choice for the following students:

| | | | |
|----------------|-------------------|----------------|-------------------|
| Thomas BELL | Matthew BEREZWICK | Chris DAWKINS | Robert FERRIS |
| Nathan Hansen | Douglas HOSKING | Aaron MARCOM | Ashley OLSSON |
| Nichlas STAITE | Andrew STANNING | Anthony TAYLOR | Alexander WHEELER |
| Timothy White | | | |

In relation to student Ross Edmonds, James Newcombe and Damir Ostarjas, the lead auditor identified 12 of 13 units of competency had been gained via RPL while the remaining unit of competency for each student had been reported as AVETMISS Outcome identifier '20'. However, evidence retained indicating it was included as part of the overall RPL process. No evidence of training and assessment was sighted to indicate the outcome was attained any other way besides RPL. Consequently, the lead auditor advised the supplier the following unit should have been reported against AVETMISS Outcome identifier '51', resulting in the entire qualification being attained via RPL.

- Ross EDMONDS – RIIMPO304D Conduct wheel loader operations
- James NEWCOMBE – RIIMPO301D Conduct hydraulic excavator operations
- Damir OSTARJAS – RIIMPO308D Conduct tracked dozer operations

Similarly, the AVETMISS data for student Joseph Sodenkamp indicates 12 units of competency had been achieved via a training and assessment pathway and the remaining one unit completed via RPL. The lead auditor identified no evidence had been retained to support any training had been conducted or any assessment evidence (including on-the-job verification) had been retained. All evidence retained on the student's file indicated RPL was undertaken and completed for all 13 units of competency.

In each of these instances, the supplier agreed the entire qualification had been attained via the supplier's RPL process and AVETMISS data had been incorrectly submitted to report a training and assessment pathway for any units of competency. Whilst the supplier is not entitled to have submitted claims for payment for these 17 students, the User Choice 2010/16 Policy would allow for the submission of claims for SRTO1 and SRTO2 administration payments.

The supplier is advised the non-compliance relating to payments made where an entire qualification appears to have been gained via RPL as outlined above, and detailed within Attachment 2, constitute "Overpayments" as defined in Clause 8.1 of the Pre-qualified Supplier Agreement and the department will seek in this regard.

Rectification Required

AVETMISS Outcome Identifier '20' – Competency Achieved

The supplier **must** implement a process to ensure the full range of assessment evidence, which addresses both the theory and skills requirements for each individual unit of competency, has been retained and validated prior to the submission of future claims for payment.

AVETMISS Outcome Identifier '30' – Competency Not Achieved

The supplier **must** review its AVETMISS submission processes to ensure systems are implemented to validate the accuracy of any future 'Not Competent' claim for payment is supported by the retention of sufficient evidence the student has attempted the full range of assessment and has been determined as unsuccessful in at least one part of assessment after the required number of re-assessment attempts, in accordance with the supplier's policy.

AVETMISS Outcome Identifier '51' – Recognition of Prior Learning (RPL)

The supplier **must** review its assessment retention processes to ensure sufficient evidence has been retained, which is individualised to each student, to demonstrate how the supplier has come to its judgement of competence.

Entire qualification via RPL

The supplier **must** review its current processes for RPL to ensure systems are in place to correctly and accurately assess all applications for RPL based on the range of evidence provided, irrespective of whether the outcome results in the entire qualification being achieved via an RPL pathway. The supplier **must** implement processes to ensure sufficient information is documented to justifying the outcome of RPL applications especially in instances where RPL has not been approved.

In addition, the supplier **must** implement a process to ensure only SRTO1 and SRTO2 AVETMISS Outcome identifiers are submitted for future claims for payment where a student has been granted RPL for the entire qualification.

The supplier will not be required to submit evidence to the department to demonstrate non-compliances have been sufficiently addressed. However, rectification action must be immediately undertaken (unless otherwise advised by the lead auditor) to address all identified non-compliances and will be examined as part of future audit or monitoring activity.

TRAINING

Compliant Not Compliant Not Examined

N/C N/A

The supplier retained information and material necessary to provide a complete record of training and assessment, including:

- records of each student's participation in training for each unit of competency, including records of the commencement of educational content, attendance and progression. *(PQS Agreement, Clause 9)*

The supplier has retained evidence:

- to support the student's participation in the learning activity prior to withdrawing (AVETMISS Outcome identifier 40). *(PQS Agreement, Clause 9) (User Choice 2010-2016 Policy, Clause 2.4.3)*

Training Plans and Training Records

Where training is required to be delivered by the employer or the SRTO, the employer or the SRTO has at intervals of not more than 3 months:

- required the apprentice or trainee to produce the training record to have the particulars of the training completed by the apprentice or trainee during the interval entered. *(FET Regulations r. 4(6))*
- kept the record complete, accurate and up-to-date by entering the particulars in it. *(FET Regulations r. 4(6))*

Non-compliances

Records of training participation / AVETMISS Outcome identifier '40' – Withdrawn

The lead auditor did not sight any evidence of attendance records or similar document to validate student participation in training for any student file examined. Consequently, AVETMISS Outcome identifier 40 – Withdrawn claims for payment submitted for three students (five units of competency) could not be validated.

Training record

The supplier was unable to demonstrate it had a process in place to substantiate training records are reviewed and updated at intervals of no greater than three months.

Rectification Required

Records of training participation / AVETMISS Outcome identifier '40' – Withdrawn

The supplier **must** retain information and material necessary to provide a complete record of training, including records of each student's participation in training for each unit of competency, including records of the commencement of educational content, attendance and progression for all claims made. Evidence of training must include:

- date of training,
- location of training,
- hours of training for that date (e.g. 2pm-5pm),
- unit/s of competency
- trainer's name and signature, and
- student's name and signature.

This evidence is required for both AVETMISS code '20' outcomes (completed) and AVETMISS code '40' (withdrawn) outcomes. Information relating to evidence for submission of AVETMISS Outcome identifier 40 (withdrawn) can be located in the PQS Compliance Audit Evidence Guide (User Choice 2010–2016).

Training record

The supplier **must** review and revise its current administrative and monitoring processes and to ensure training records are reviewed and updated at intervals of no greater than three months to capture the structured and on-the-job training undertaken by the student.

The supplier will not be required to submit evidence to the department to demonstrate non-compliances have been sufficiently addressed. However, rectification action must be immediately undertaken (unless otherwise advised by the lead auditor) to address all identified non-compliances and will be examined as part of future audit or monitoring activity.

ADMINISTRATIVE

Compliant Not Compliant Not Examined

N/C N/A

Induction information

The supplier provided, for each unit of competency:

- rate of student contribution fees
- partial tuition fee exemption categories
- full exemption tuition fee categories
- full refunds for units not commenced and proportionate refunds for units commenced but not completed

- any additional fees to be charged to the employer/industry

Records

The supplier retained information and material necessary to provide a complete record of training and assessment, including:

- a copy of the qualification(s) and statement(s) of attainment issued to each student. *(PQS Agreement, Clause 9)*

The supplier provided, for each unit of competency:

- a completed and accurate assessor's marking guide, criteria and observation checklists for the unit of competency. *(PQS Agreement, Clause 9)*

Training Plans

- signatures of all parties (student, employer and SRTO) sighted for all training plans *FET Act s. 74(1)*
- The SRTO has taken reasonable steps to ensure each training plan is signed:
- (a) if the training plan is the initial training plan for the apprentice or trainee – within 3 months of the start of the apprenticeship or traineeship *FET Act s. 74(2)(a)*; or
 - (b) if a training plan for an apprentice or trainee ends because the SRTO registered training organisation has been replaced – within 28 days after the replacement day *(FET Act s. 74(2)(b))*; or
 - (c) if a training plan for an apprentice or trainee ends because the registered training contract has been permanently, temporarily or a statutory transfer – within 28 days after the transfer of the contract *(FET Act s. 74(2)(c))*
- The SRTO ensured a copy of the signed training plan is given to each apprentice or trainee, and the employer, within 14 days after the parties sign it *(FET Act s. 75)*

Requirements of a Training Plan for an Apprentice or Trainee

- The training plan format implemented by the organisation contains the minimum requirements as outlined within Guide to Training Plans and Training Records and the nationally approved training plan template (released 11 September 2014) *(PQS Agreement, Clause 9.1(c)) (Evidence Guide (User Choice 2010-2016) for FET Act 2014, Training Plans)*
- Individual training plans within student files have been fully developed *(PQS Agreement, Clause 9.1(c)) (Evidence Guide (User Choice 2010-2016) for FET Act 2014, Training Plans)*
- Training plans address training package requirements in relation to the selection and sequencing of units of competency *(PQS Agreement, Clause 9.1(c)) (Evidence Guide (User Choice 2010-2016) for FET Act 2014, Training Plans)*

Training Records

- The SRTO has provided the apprentice or trainee with the appropriate training record to be kept for the apprenticeship or traineeship within 14 days after a training plan is signed by the parties to the training plan *(FET Regulations r. 4(1))*

AVETMISS Reporting Requirements

The supplier has:

- retained sufficient evidence to support credit transfers (AVETMISS Outcome identifier 60) *(PQS Agreement, Clause 9) (User Choice 2010-2016 Policy, Clause 2.4.3(d))*
- retained sufficient evidence that an induction was conducted and training plan developed prior to the student's training contract being cancelled or the student changing suppliers (SRTO1 Administration Payment) *(User Choice 2010-2016 Policy, Clause 2.4.7)*

Non-compliances

Induction information:

In reviewing the supplier's student handbook, the lead auditor identified the following information was either absent or insufficient:

- full or proportionate refunds
- partial exemption categories
- full exemption categories e.g. Queensland Year 12 Graduate instead of Year 12 school leaver
- no reference to credit transfers being student contribution fee exempt.

In addition, a review of the supplier's website included information about User Choice student contribution fees, however, these fees were not consistently accurate in relation to the rate against which fees are calculated. For example, one unit with SIH30111 Certificate III in Hairdressing is calculated at 400 nominal hours at a cost of \$640.00. Also the majority of units of competency with RII30111 Certificate III in Surface Extraction Operations have an incorrect student contribution fee of \$640.00 listed for each unit.

Further, although the amounts of fees were incorrectly published, the lead auditor also noted the rate of reduction between full and concessional fees had been incorrectly calculated and consequently any student entitled to a partial student contribution fee exemption was not receiving the full 60% reduction.

Assessor marking guides:

As part of the User Choice compliance audit process, the supplier was requested to provide a copy of the assessor's marking guide for each of the qualifications relating to the student files selected. This request was followed up by the lead auditor during the initial feedback session held with the supplier at the end of the first day of audit. However, by the conclusion of the audit site visit the supplier had not provided the lead auditor with any evidence to support the existence of marking guides.

The supplier is advised the concerns regarding the integrity and authenticity of assessment evidence retained within student files will be refer to the Australian Skills Quality Authority.

Training plans / training records:

The supplier advised the student is provided with a signed copy of the training plan at the initial sign up and this process was documented. However, the lead auditor identified the induction checklist only made reference to the fact the training plan was discussed with the department and did not capture sufficient evidence to substantiate the issuance of the signed copy of training plan to the student. A similar issue was identified in relation to the issuance of the training record to the student.

The supplier was able to provide evidence in the form of email correspondence to support the employer is provided with a signed copy of the training plan.

In relation to the development of training plans, the lead auditor identified the following issues:

- training plans developed by the supplier incorrectly listed all units of competency as core units and did not differentiate between which units were core and electives
- training plans were not fully developed, for example, in the majority of training plans sighted on file the facility to capture details regarding the duration of the traineeship had been left blank
- training plans for a number of students undertaking RII30113 Certificate III in Surface Extraction Operations actually referenced CPC31211 Certificate III in Wall and Ceiling Lining
- training plans for students Thomas Bell and Michael De Jonge (both RII30113 Certificate III in Surface Extraction Operations trainees) contained a total number of units of competency in excess of the qualification requirements with no clear distinction as to which units have been selected.

Rectification Required

Induction information:

The supplier **must** review and amend its induction material to ensure all information regarding the charging, collection and refunding of full or partially exempted student contribution fees accurately reflect the requirements of the User Choice 2010/16 Policy.

Assessor marking guides:

The supplier **must** develop and retain detailed and accurate assessor's marking guides, criteria and observation checklists for each unit of competency.

Training plans / training records:

The supplier **must** review and update its procedures regarding the development of training plans to ensure they align with the section "establishing a training plan for apprentices and trainees" as stated in the *Further Education and Training Act 2014*.

The supplier **must** ensure sufficient evidence is retained to substantiate a copy of the signed training plan has been provided to the student and employer within 14 days after the training plan has been signed by all parties.

The supplier **must** ensure training plans are fully developed to include accurate and relevant information; specifically in relation to the nominated methods of assessment being consistent with the assessment the students are required to undertake.

The supplier **must** ensure training packaging rules with regard to pre-requisite units are reflected in the proposed start and end dates shown on the negotiated training plan.

The supplier **must** ensure sufficient evidence is retained to substantiate the training record has been provided to the student within 14 days after the training plan has been signed by all parties.

The supplier will not be required to submit evidence to the department to demonstrate non-compliances have been sufficiently addressed. However, rectification action must be immediately undertaken (unless otherwise advised by the lead auditor) to address all identified non-compliances and will be examined as part of future audit or monitoring activity.

EMPLOYER RESOURCE ASSESSMENT

 Compliant Not Compliant Not Examined

N/C N/A

The supplier provided evidence it:

- assessed employment arrangements of each student to ensure the employer provides adequate facilities, range of work supervision and the on-the-job training required by the Act. (*User Choice 2010-2016 Policy, Clause 1.2*)
- sourced or developed an employer resource assessment document which addresses the employment and training arrangements required under the Act for traineeships and apprenticeships (*PQS Agreement, Clause 9.1(c)*) (*Evidence Guide (User Choice 2010-2016) for FET Act 2014, Facilities and Resources*)
- has taken appropriate action when the employment arrangements do not meet the requirements of the Act, the Agreement and/or the qualification (*User Choice 2010-2016 Policy, Clause 1.2*)

Non-compliances

In relation to the employer resource assessments (ERAs) sighted for students undertaking RII30113 Certificate III in Surface Extraction Operations, the lead auditor identified the details captured by the supplier regarding the availability of equipment and facilities within the workplace was generic. The lead auditor advised “work vehicles with necessary equipment to complete work” was insufficient to support the sufficiency of workplace arrangements.

In addition, the supervisory arrangements listed within the ERAs for Glencore Mines trainees identified an excessive ratio between trainees and qualified person of 8:2, however, the supplier has not captured any information regarding the rationale supporting the adequacy of these arrangements to provide adequate supervision for the trainees/apprentices.

Further, the lead auditor identified the ERAs for Glencore incorrectly listed a qualified person from Redpath (Shane Timothy). The lead auditor advised the intent of the ERA is be individualised to assess the workplace arrangements available at the time of commencement (and development of training plan) of a trainee. In these instances the supplier appears to have taken an existing ERA for another company and solely changed the employer and student details but left the information regarding range of work and equipment.

In relation to ICA30111 Certificate III in Information, Digital Media and Technology, the lead auditor identified instances where AVETMISS Outcomes had been reported to the department indicating competency had been achieved prior to the date the ERA had been undertaken against an individual trainee. This issue specifically related to the following students:

Mitchell BAUMANN – two units of competency

George BENWELL – four units of competency

The supplier is advised the non-compliance relating to insufficient development of an employer resource assessment as outlined above, and detailed within Attachment 2, constitute “Overpayments” as defined in Clause 8.1 of the Pre-qualified Supplier Agreement and the department will seek in this regard.

Rectification Required

The supplier **must** review and update its processes to ensure a thorough and accurate assessment of the employment arrangements is conducted for all future students, capturing the required facilities, range of work and supervisory arrangements available in the student’s workplace, prior to signing the training plan and the commencement of any training and assessment.

The supplier will not be required to submit evidence to the department to demonstrate non-compliances have been sufficiently addressed. However, rectification action must be immediately undertaken (unless otherwise advised by the lead auditor) to address all identified non-compliances and will be examined as part of future audit or monitoring activity.

FEES

 Compliant Not Compliant Not Examined

N/C N/A

The supplier has:

- charged student contribution fees for all students (excluding school-based apprentices and trainees (SATs) and appropriately approved exemptions) and retained evidence of fees collected (*User Choice Policy, Clause 2.6.1*)
- calculated individual student contribution fees at the correct rate taking into consideration any partial or full exemptions (*User Choice Policy, Clause 2.6.1*)
- retained sufficient evidence to support the granting of student contribution fee exemptions (*User Choice*

Policy, Clause 2.6.1)

- not charge a student contribution fee for any SAT (*User Choice Policy, Clause 2.6.3*)
- not charged student contribution fees for units of competency/modules granted, or which should have been granted, through credit transfer/national recognition (*User Choice Policy, Clause 2.6.3*)
- not charged student contribution fees for units of competency/modules when the student has transferred to a superseding qualification and the unit of competency/module is deemed to be non-equivalent (*User Choice Policy, Clause 2.6.3*)
- not charged student contribution fees for students undertaking a qualification as part of a *Skilling Queenslanders for Work – Work Skills Traineeship* (*User Choice Policy, Clause 2.6.3*)
- not charged Queensland Year 12 graduates who have commenced a High Priority qualification within 12 months of completing Year 12 (*User Choice Policy, Clause 2.6.4*)
- retained sufficient evidence that additional charges to the employer have been negotiated (*User Choice Policy, Clause 2.6.5*)
- not charged a fee for:
 - (a) the provision of materials essential to achieving competence
 - (b) the development and supply of a training plan
 - (c) the development and supply of the initial training record (*User Choice Policy, Clause 2.6.7*)
- not withheld the issuance of a qualification or statement of attainment due to non-payment of fees (*User Choice Policy, Clause 2.6.9*)

Refunds

The supplier has:

- provision for full refunds to students for Student Contribution Fees charged for training delivery that had not commenced at the time of cancellation of the enrolment. (*User Choice Policy 2010-2016, 2.6.6*)
- provision for proportionate refunds where the student has withdrawn from a Unit of Competency/Module. (*User Choice Policy 2010-2016, 2.6.6*)
- provision for refunds for employers/industry for additional charges paid beyond the student and government contributions. (*User Choice Policy 2010-2016, 2.6.6*)

ON THE JOB VERIFICATION

Compliant Not Compliant Not Examined

N/C N/A

The supplier retained information and material necessary to provide a complete record of training and assessment:

- including evidence that the supplier has a process in place to capture the employer's verification regarding the on-the-job training component (*PQS Agreement, Clause 9.1(c)*) (*Evidence Guide (User Choice 2010-2016) for FET Act 2014, Facilities and Resources*)
- including evidence that the supplier has consistently retained evidence to support that the on-the-job training component has been achieved for each unit of competency for each student prior to submission of claims for payment (*PQS Agreement, Clause 9.1(c)*) (*Evidence Guide (User Choice 2010-2016) for FET Act 2014, Facilities and Resources*)

Non-compliances

Through the review of student files for ICA30111 Certificate III in Information, Digital Media and Technology, the lead auditor identified the supplier had not retained sufficient evidence to validate the on-the-job training component for any unit of competency.

The supplier advised its current process was to capture the signature of the employer representative (who is nominated on the ERA) on the assessment coversheet for each unit of competency against the disclaimer indicating "I agree that the candidate has demonstrated competency in this module". However, the lead auditor advised this process was insufficient and reiterated the requirement for the on-the-job verification is for the employer (or qualified person) to make an informed decision against observable tasks to support their judgement of the student's workplace performance.

Specifically, the User Choice evidence guide (2010-2016) for the *Further Education and Training Act 2014* states that "to assist the employer in providing a completed third party report which substantiates their satisfaction with the apprentice/trainee's on-the-job performances, the supplier's assessor is required to interpret competency standards and translate the units into workplace tasks that are meaningful to the employer and able to be observed in the normal course of work carried out by the apprentice/trainee".

The supplier is advised the non-compliance relating to insufficient retention of on-the-job verification evidence as

outlined above, and detailed within Attachment 2, constitute “Overpayments” as defined in Clause 8.1 of the Pre-qualified Supplier Agreement and the department will seek in this regard.

Rectification Required

The supplier **must** review and update its processes to require, for each unit of competency, the receipt of the employer’s on-the-job verification, against observable tasks relating to each individual unit of competency, is retained before making a judgement of competence and reporting this outcome to the department.

The supplier will not be required to submit evidence to the department to demonstrate non-compliances have been sufficiently addressed. However, rectification action must be immediately undertaken (unless otherwise advised by the lead auditor) to address all identified non-compliances and will be examined as part of future audit or monitoring activity.

AVETMISS DATA

Compliant Not Compliant Not Examined

N/C N/A

The supplier has:

- reported the Delivery mode identifier specified in AVETMISS for the relevant delivery mode. ([User Choice 2010-2016 Policy, Clause 2.4.3](#))
- reported accurate AVETMISS activity start and activity end dates for each student for each unit of competency ([PQS Agreement, Clause 9.1](#))
- submitted AVETMISS postcodes that accurately reflect the location in which the majority of training has been undertaken ([User Choice 2010-2016 Policy, Clause 2.4.3](#))
- not submitted claims for payment for units in excess of the competency count for the qualification ([User Choice 2010-2016 Policy, Table 5](#))
- not submitted claims for payment for units of competency previously assessed as competent ([User Choice 2010-2016 Policy, Table 5](#))

Non-compliances

Owing to the absence of training participation records, the lead auditor was unable to determine the accuracy of AVETMISS activity start and end dates for the majority of students and units of competency.

Rectification Required

The supplier **must** ensure the submission of AVETMISS activity start and end dates accurately reflect the date the student has commenced his/her participation in learning and the date against which the student was deemed as ‘competency achieved’ within each individual unit of competency.

The supplier will not be required to submit evidence to the department to demonstrate non-compliances have been sufficiently addressed. However, rectification action must be immediately undertaken (unless otherwise advised by the lead auditor) to address all identified non-compliances and will be examined as part of future audit or monitoring activity.

GOOD FAITH

Compliant Not Compliant

N/C N/A

The supplier provided the department with:

- access to its premises to inspect and copy information and material related to the Agreement or kept by the supplier under Clause 9.1. ([PQS Agreement, Clause 10](#))
- access to its premises to monitor the provision of training and assessment and other VET Services and performance of the supplier’s obligations under the Agreement. ([PQS Agreement, Clause 10](#))

Employees and contractors of the supplier:

- provided full and accurate answers to questions asked by the department in connection with training and assessment, other VET Services and supplier obligations under the Agreement. ([PQS Agreement, Clause 10](#))

The supplier provided evidence it:

- immediately gave notice to the department of any conflict or risk of conflict of interest which arose. ([PQS Agreement, Clause 12](#))

In performing its obligations under the Agreement and seeking to become entitled to public funding under the Agreement, the supplier has:

- acted in good faith in all matters pertaining to the Agreement. *(PQS Agreement, Clause 26)*
- acted consistently with the spirit of the Agreement and the funding Program. *(PQS Agreement, Clause 26)*
- acted in a way that best achieves the objectives of the funding Program. *(PQS Agreement, Clause 26)*

Non-compliances

As outlined within the audit report, the lead auditor identified a number of significant non-compliances, which will result in the recovery of "Overpayments". The lead auditor believes these issues are not a result of the supplier providing a poor service to its students but more in relation to a probable lack of knowledge or understanding regarding the intent against which training and assessment services are provided under the User Choice funding program.

Of specific concern are the issues highlighted within the sections of the audit report relating to "Assessment", "On-the-job verification" and "Employer resource assessments" and the processes implemented by the supplier to demonstrate compliance against the requirements of the User Choice PQS Agreement and funding policy.

It is critical the supplier reviews and revises its knowledge and that of all relevant staff, of the VET Pre-qualified Supplier Agreement and associated policies and ensures systems and processes are immediately implemented to sufficiently address the obligations of a pre-qualified supplier regarding the provision of training and assessment services under User Choice funding arrangements.

The supplier is advised another PQS Agreement compliance audit against the User Choice funding program will be scheduled in approximately six months. The supplier is further advised if the non-compliances identified within this audit report are found to have continued, survival of the supplier's PQS Agreement will be placed at serious risk.

All documents are available online at: www.training.qld.gov.au.