

Policy and Procedure Compliance Monitoring Audit

Purpose

This policy outlines the Training Accreditation Council's (the Council) commitment to the *Standards for Vocational Education and Training Regulators 2015* and the *Vocational Education and Training Act 1996* by ensuring Registered Training Organisations (RTOs) registered with the Council achieve ongoing compliance with the *Standards for Registered Training Organisations (RTOs) 2015* through the Compliance Monitoring Audit (CMA) process.

Scope

This policy applies to all Council registered RTOs who have undergone an audit.

Definitions

Compliance	The requirements of the <i>Standards for Registered Training Organisations (RTOs) 2015</i> (<i>Standards for RTOs</i>) have been met, based on the evidence reviewed.
Compliance Monitoring Audit	An audit conducted under Division 3 of the <i>Vocational Education and Training (General) Regulations 2009</i> .
Official Travel Costs	Travel expenses which may reasonably be incurred, including but not limited to airfares, accommodation and car rental.
Policy	A documented statement of a definite course of action that is to be adopted and implemented.
Registered Training Organisation	A training organisation registered by a state or territory registering body in accordance with the <i>Standards for RTOs</i> within a defined scope of registration.
Registering body	The authority responsible, under the VET legislation and decision-making framework, and in accordance with the <i>Standards for VET Regulators 2015</i> , for RTOs, including all the processes relating to registration and the imposing of sanctions on RTOs.

Policy

Under the *Vocational Education and Training (General) Regulations 2009* (VET Regulations), a category of audit was introduced which allows for the monitoring of ongoing compliance with the requirements of registration as a result of the outcomes of previous audits. This category of audit is referred to as a Compliance Monitoring Audit (CMA) and came into effect 1 May 2014.

The intent of the CMA policy is to create an incentive for RTOs with a history of non-compliance to ensure ongoing deployment of corrective actions and maintain compliance with the *Standards for RTOs*. A CMA will be used to stop a trend of non-compliance in areas where an RTO has been provided with multiple opportunities to demonstrate ongoing deployment of corrective actions but has failed to do so. It may also be used when sanctions (excluding Cancellation of Registration) have been applied to an RTO's registration.

Under the arrangements, RTOs will be considered for a CMA if one of the following criteria applies:

1. On application from an RTO to remove the sanction/s (excludes Cancellation of Registration) applied by the Council;
2. When an RTO has been found critically non-compliant at audit, and a follow up audit is necessary to ensure the actions taken by the RTO have been deployed;
3. When two consecutive significant or higher non-compliant outcomes have been identified against the same qualification or industry area within a three year period;
4. When the Council has determined that the outcome of an audit indicates that a broader audit sample is required due to the identification of risks that could be detrimental to those undertaking VET with the provider.

Costs

At the end of the audit the RTO will be invoiced for the cost of the audit as follows:

- \$1000 for audits less than 4 hours, then \$250 for every additional hour; and
- If any part of the audit is conducted outside Australia – any reasonable additional expenses incurred by the Council relating to that part of the audit.

The cost of the audit will be calculated based on the number of qualifications and industry areas that are required to conduct the audit. The Council will waive all travel costs associated with the CMA.

A provision to waive the audit costs associated with the CMA can be considered by the Council if a written request is provided to the Manager Regulation at tac@des.wa.gov.au. The request will need to be made in line with Division 3 26C of the VET Regulations and outline what makes this a special or unusual circumstance and demonstrate how the application of the charge would unfairly disadvantage the RTO.

It is important to note that under the VET Regulations, special or unusual circumstances to waive fees does not include where the RTO did not consent to the CMA, the RTO did not agree with the outcome of the CMA or the RTO required to pay the charge ceases to be registered

Policy responsibility

The Council is responsible for making registration decisions under the *Vocational Education and Training Act 1996*.

Policy approval/review

This policy was submitted to the Training Accreditation Council for endorsement and is due for review annually.

Policy record keeping and publication

The approved policy will be made available on the Council's website and in the Council Secretariat's Quality System on TRIM.

Supporting information

Standards for Registered Training Organisations (RTOs) 2015

Standards for VET Regulators 2015

Vocational Education and Training Act 1996

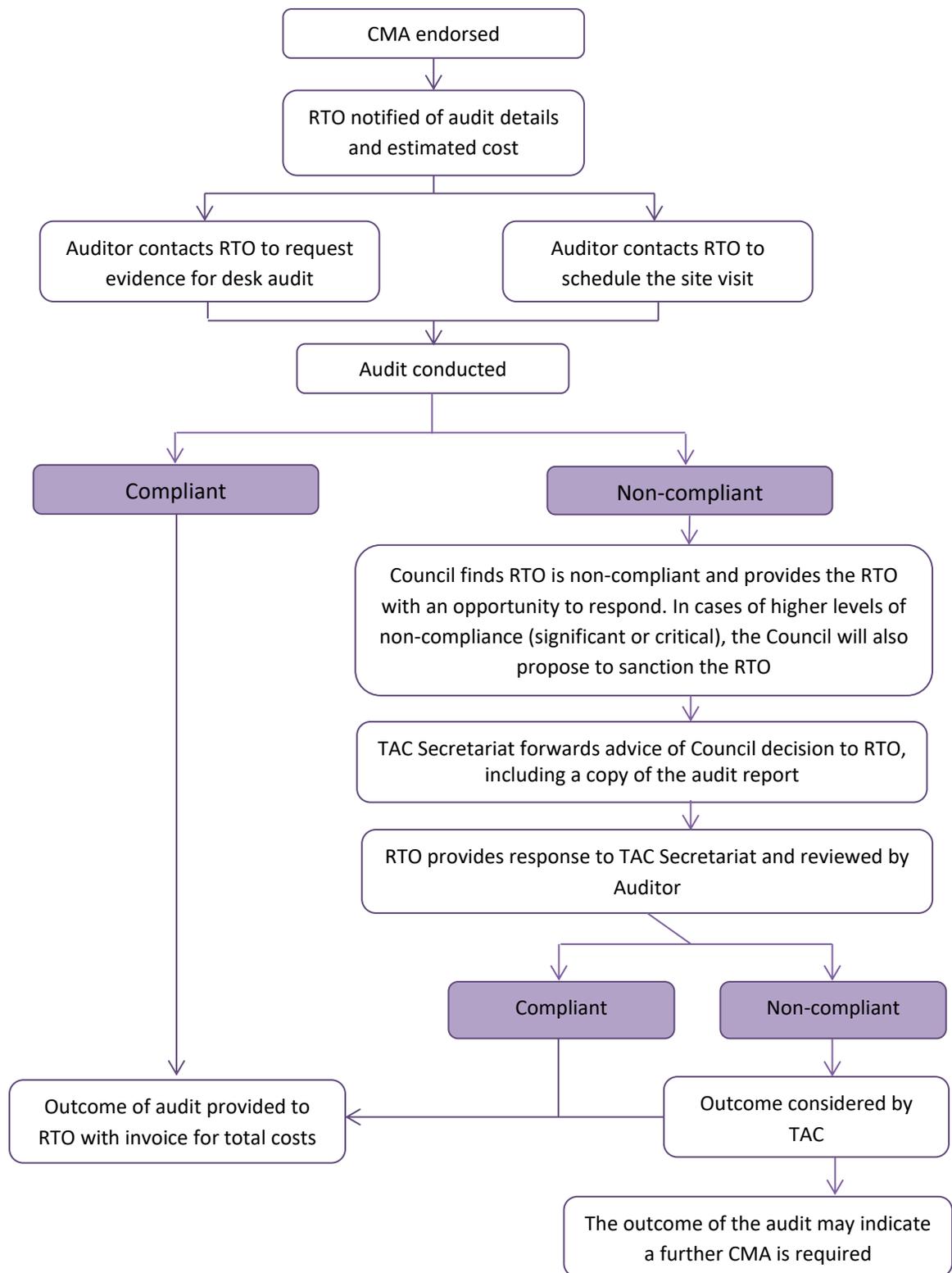
Vocational Education and Training (General) Regulations 2009

Procedure

The following guidance on application of the criteria has been provided to assist RTOs in understanding the CMA Policy.

Steps	Description
A CMA is identified	Criteria 2-4: After each audit is conducted, the RTO is assessed to determine if it falls within one of the CMA criteria.
	Criteria 1: When RTO makes an application to remove a sanction applied by the Council (excludes Cancellation of Registration), CMA criteria 1 is automatically identified.
Council Decision	If the RTO has been identified as falling within one of the CMA criteria, a recommendation to conduct a CMA is provided to Council for endorsement. The Council will be advised of any other upcoming regulatory activity scheduled for the RTO.
CMA Endorsed	If a CMA is endorsed by the Council a letter will be provided to the RTO outlining the recommendation.
CMA Commences	Prior to the CMA commencing, the RTO will be provided with an initial letter which outlines further information regarding the audit. The RTO will also be provided with an estimated audit cost. Note that the total cost of the audit is an estimate only and is subject to change.
Audit Process	The CMA is conducted in line with the established audit process outlined in the CMA Audit Flowchart.
CMA Completion	An invoice will be provided at the completion of the audit outlining the total number of auditing hours (which includes the main and all rectification audits). RTOs will not be invoiced for travel costs and any costs associated with observers or technical advisors that may be required to attend the audit. All invoices are to be paid within 14 days of invoice date. Invoices not paid by the due date may be recovered in a court of competent jurisdiction as a debt due to the State.
CMA Outcome	The outcome of the RTO's CMA can be used to indicate further CMAs are required.

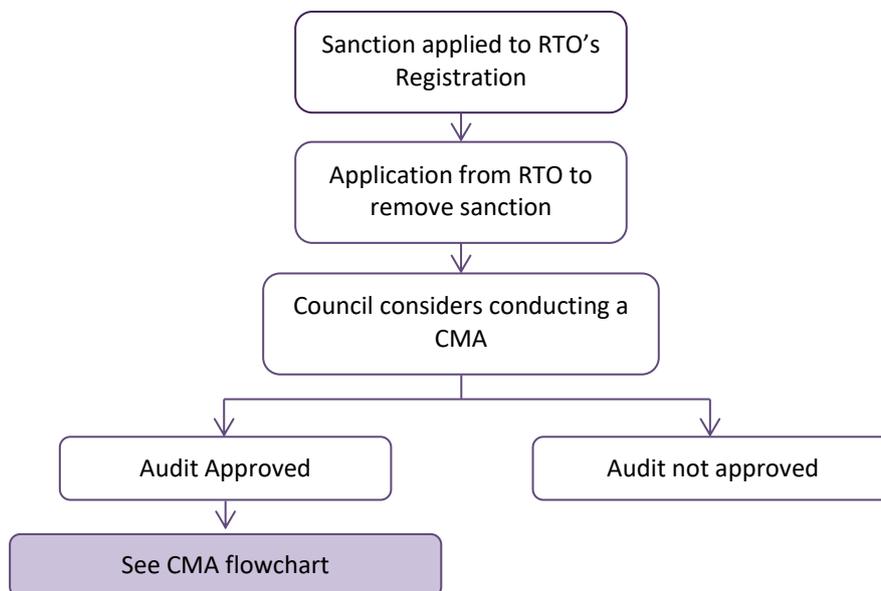
CMA Audit Flowchart



Criteria 1 - On application from an RTO to remove sanctions applied by Council

In line with the *Training Accreditation Council Policy and Procedure for the Application of Sanctions* the RTO may apply to remove the sanction (excludes Cancellation of Registration) from its RTO. If an audit is required to remove the sanction, a CMA may be required.

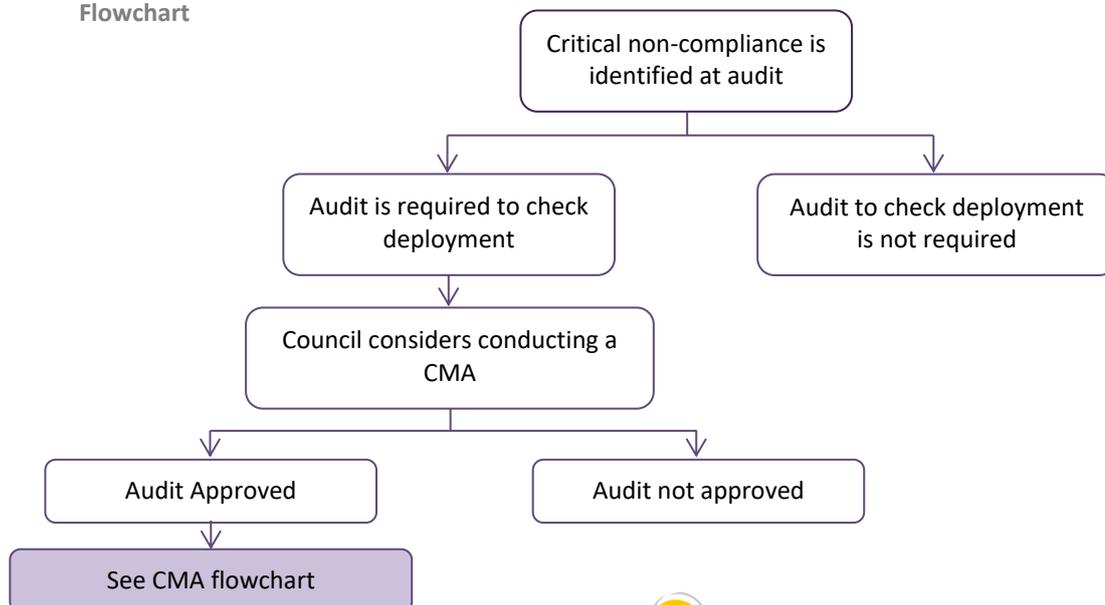
Flowchart



Criteria 2 - When an RTO has been found critically non-compliant at audit, and a follow up audit is necessary to ensure the actions taken by the RTO have been deployed

A critical non-compliance indicates that based on the evidence reviewed there is a critical adverse impact on learners and/or consumers of goods and services produced in the training environment or the current (or future) workplace. To ensure that the actions undertaken by the RTO to rectify the non-compliance have been undertaken a subsequent audit may be required.

Flowchart

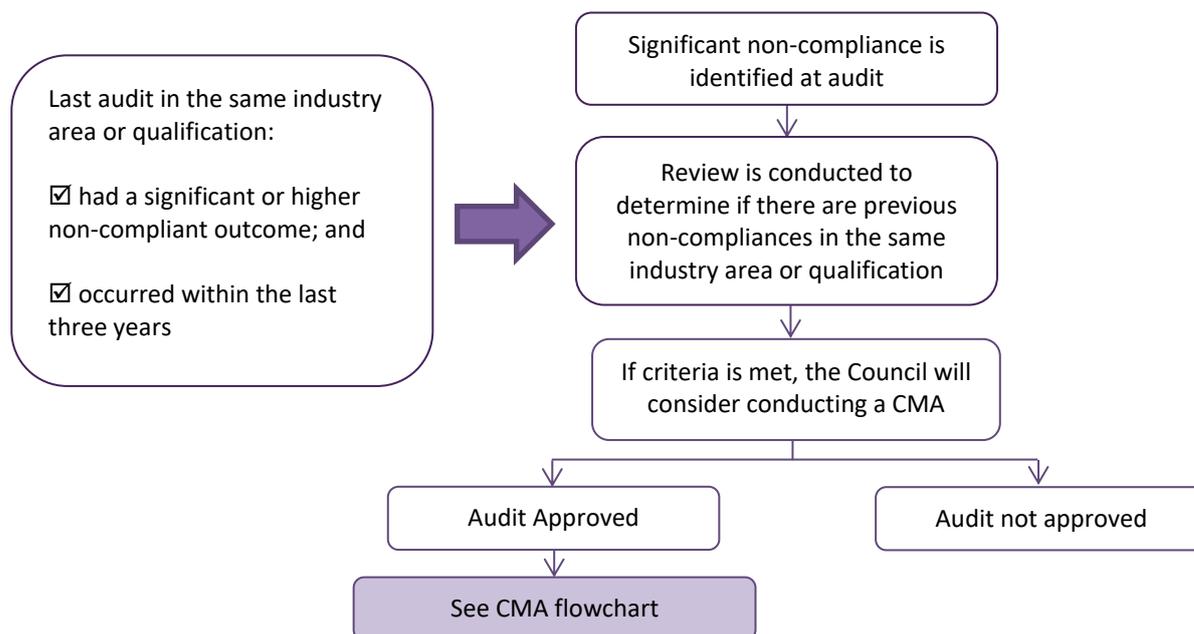


Criteria 3 - When two consecutive significant or higher non-compliant outcomes have been identified against the same qualification or industry area within a three year period

Consecutive non-compliances in the same industry area or qualification indicate that there are issues within the RTO which need to be investigated.

If a significant non-compliance has been identified at the current audit, a review will be undertaken to determine if the last audit conducted in this industry area or qualification had an outcome of significant or higher non-compliance. If this occurred within the previous three years, then a recommendation for a CMA will be provided to the Council for endorsement.

Flowchart



Criteria 4 - When Council has determined that the outcome of an audit indicates that a broader audit sample is required due to the identification of risks that could be detrimental to those undertaking VET with the provider.

Following a non-compliant audit where risks have been identified, a subsequent audit may be required. The Council may determine that a CMA under criteria 4 is to be conducted to review a broader audit sample of the RTO to ensure the risks identified are not detrimental to those undertaking VET with the provider. A CMA may be required due to findings that indicate:

- a continual trend of significant / critical non-compliance;
- a number of verified complaints that indicate a trend; or
- any other reason why the Council may determine that an audit is required.