

*Victorian Training Guarantee 2015 Contract Compliance
Audit Report*

Evidence of Eligibility

*Inspirative Training Pty Ltd | Vative Academy
70227*

Version	FINAL
Auditor	Protiviti
RTO Contract	2015 VET Funding Contract
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1. Executive Summary

1.1 Introduction

The Victorian Training Guarantee (VTG) is an entitlement to government subsidised training for eligible individuals.

The Department of Education and Training (the Department) contracts Registered Training Organisations (RTOs) to deliver training to eligible individuals under the *Victorian Training Guarantee* Program. In accordance with its Contract Compliance Audit Strategy, the Department undertakes a contract compliance audit program to ensure the contracted RTOs are complying with the terms and conditions of their (VET) Funding Contract.

The objectives of the *VTG Contract Compliance Audit Strategy* are to:

- confirm that funding has been expended appropriately;
- promote training provider regulatory and standards compliance; and
- promote training provider process quality.

The Department conducts these audits using contractors from a panel of service providers.

Protiviti conducted the Evidence of Eligibility (EOE) audit at Inspirative Training Pty Ltd | Vative Academy from 13th April 2016 to 18th April 2016.

1.2 Objective and Scope

The objective of the EOE audit was to identify whether EOE that meets the requirements of the VET Funding Contract is available to support claims that the RTO has made for funding under the VET Funding Contract. The following procedures were performed:

- Obtained a sample of student course enrolments, as reported by the RTO, provided by the Department;
- Obtained documentation/materials from the RTO for each student course enrolment in the sample;
- Identified whether the documentation/materials provided by the RTO met the requirements of Schedule 1, Clauses 2 and 3 of the 2015 VET Funding Contract, 2015 Guidelines about Determining Student Eligibility and Supporting Evidence, and associated Contract Notifications (CN);
- Provided the RTO with the opportunity to present available documentation/materials for each sampled student course enrolment;
- Considered the information provided by the RTO in identifying the factual findings in this report;
- Held an exit meeting with the RTO's CEO or authorised delegate to discuss the finding and develop a Management Action Plan, and provided the RTO with the final list of exceptions;
- Agreed with the RTO on the records for which it was unable to provide evidence of eligibility for and this agreement is included in the RTO comment section; and
- Requested management comments and incorporated these into the final report.

Where exceptions have been identified, the results have been incorporated into the findings set out in Section 1.3 and Section 2 of this report and a full list of exceptions is attached at Appendix A.

1.3 Summary of Findings

The table below summarises the factual findings of the EOE audit.

(EOE) Meets Requirements	No. Of Student Course Enrolments	Explanatory Notes
Yes	160	There is EOE for the sampled student course enrolments in accordance with Schedule 1, Clause 2 and 3 of the 2015 VET Funding Contract, and associated CNs, as applicable.
No	8	No EOE or documentation or materials were provided that met the requirements of Schedule 1, Clause 2 and 3 of the 2015 VET Funding Contract, and associated CNs. Further detail is provided at Section 2 - Exceptions Identified.

Total Sample	168
Error Rate	4.76%

The factual findings above represent a calculated **error rate of 4.76%** of which RTO management has been advised at the exit meeting held on 18th April 2016.

RTO Responsibility

The RTO was responsible for providing EOE to meet the requirements of Schedule 1, Clauses 2 and 3 of the 2015 VET Funding Contract, 2015 Guidelines about Determining Student Eligibility and associated CNs, as applicable.

The following additional information was noted:

As requested by the Department, we reviewed 6 Pre-Training Review samples selected by the Department.

- For 2 samples, the RTO indicated the course was suitable for the student. However, we identified that there is no statement as to whether the qualification was the most appropriate qualification for the students to enrol in, including consideration of the likely job outcomes from the development of new competencies and skills. There was no documented rationale within the RTO's Pre-Training Review to support how the RTO had determined the qualification was the most suitable qualification for the student.

See Appendix B for details of the exceptions identified.

RTO Management Comment:

The 2 samples mentioned (634 & 978) were enrolments against the RTO's 2014 VET Funding Contract, during our internal audit it was discovered that this process did not clearly articulate document the outcomes (4.10 of Schedule 1) and was rectified in the next release of the Pre-Training Review. Other samples of students enrolled (1537; 1633; 1744 & 2546) post the improvement met all requirements of the Pre-Training Review guidelines.

Provided by:

Theo Pappas

Deputy CEO, Inspirative Training Pty Ltd | Vative Academy (RTO: 70227)

Date:

16 May 2016

2. Exceptions Identified & Management Action Plan

The table below outlines the exceptions identified in Section 1.3.

Ref.	Nature of exceptions Identified	Number of Student Course Enrolments	Error rate on total sample	Explanatory Notes	Management Action Plan
1	No documentation or materials were provided by the RTO that met the requirements of Schedule 1, Clause 2 and 3 of the VET Funding Contract and associated CNs, as no evidence of student citizenship or residency was sighted by the RTO.	1	0.60%	For 1 sample, evidence of student citizenship or residency was not sighted by the RTO / authorised RTO delegate.	<p>RTO comment on cause of non-compliance Oversight by Delegate Officer. ID was sighted, although the form was not completed accurately. Enrolment form declared student was an Australian Citizen, eligibility assessment was correct.</p> <p>Action to correct non-compliance The RTO will ensure the requirement to collect evidence of student citizenship or residency is communicated to all staff, so as to assess each individual's eligibility in accordance with the VET Funding Contract. The RTO will ensure that evidence of citizenship/residency is sighted by an authorised RTO delegate as part of assessing student eligibility.</p> <p>Responsible person Theo Pappas, CEO, Inspirative Training Pty Ltd Vative Academy</p> <p>Implementation date 31 July 2016</p>

Ref.	Nature of exceptions Identified	Number of Student Course Enrolments	Error rate on total sample	Explanatory Notes	Management Action Plan
2	No documentation or materials were provided by the RTO that met the requirements of Schedule 1, Clause 2 and 3 of the VET Funding Contract and associated CNs, as no student declaration of enrolment in a school, including government, non-government, Independent, Catholic or home school and the Commonwealth Government's 'Skills for Education and Employment' program had been collected by the RTO.	3	1.80%	For 3 samples, the RTO did not collect student declarations of enrolment in a school, including government, non-government, independent, Catholic or home school and the Commonwealth Government's 'Skills for Education and Employment' program. The students left this section of the Evidence of Student Eligibility and Student Declaration Form blank.	<p>RTO comment on cause of non-compliance Oversight by Delegate Officer. Enrolment form declared student was not attending school at time of declaration, eligibility assessment was correct.</p> <p>Action to correct non-compliance The RTO will ensure the requirement to collect a student declaration of enrolment in a school, including government, non-government, Independent, Catholic or home school and the Commonwealth Government's 'Skills for Education and Employment' program is communicated to all staff and the Evidence of Student Eligibility and Student Declaration Form is completed fully by the student, so as to assess each individual's eligibility in accordance with the VET Funding Contract.</p> <p>Responsible person Theo Pappas, CEO, Inspirative Training Pty Ltd Vative Academy</p> <p>Implementation date 31 July 2016</p>

Ref.	Nature of exceptions Identified	Number of Student Course Enrolments	Error rate on total sample	Explanatory Notes	Management Action Plan
3	No documentation or materials were provided by the RTO that met the requirements of Schedule 1, Clause 2 and 3 of the VET Funding Contract and associated CNs as the student had declared they had already commenced 1 government subsidised course and was enrolled into a dual qualification.	4	2.36%	<p>For 4 samples, the students declared that they had commenced or were scheduled to commence 1 government subsidised course in 2015, but were enrolled in a dual qualification. This indicated that the students were ineligible to enrol in the dual qualifications as the course potentially represented the students' third (ineligible) enrolment in government subsidised training.</p> <p>The RTO indicated that:</p> <ul style="list-style-type: none"> For 3 samples, the RTO claimed funding for 1 course as part of the dual enrolment. The second course was funded by the student. For 1 sample, the RTO claimed funding for both courses as part of the dual enrolment in May 2015 and is planning to reverse the claim for 1 course, as it is funded by the student. 	<p>RTO comment on cause of non-compliance</p> <p>Management explained to Protiviti at time of audit that the VTG Declaration form asks the student to declare their name and the “full title of qualification/s in which you are seeking to enrol” and does not state if the qualification/s are funded or not.</p> <p>The Student’s eligibility whilst they are completing Section B of the VTG Declaration has not yet been assessed by an Authorised Delegate (Section C) therefore eligibility has not yet been determined.</p> <p>Of the 3 samples, the Authorised Delegate had marked the correct “Number of courses student is currently eligible for”.</p> <p>The 1 sample which a claim was made against 2 qualifications was identified during a file audit and the eligibility was corrected as 1 eligible qualification, funds were reversed upon the next claim cycle.</p> <p>The RTO’s internal processes have been upgraded to have 2 quality staff check the eligibility of all funded students to ensure accuracy.</p> <p>Action to correct non-compliance</p> <p>The RTO will ensure eligibility checks are performed to assess an individual’s eligibility in accordance with the VET Funding Contract including checking the student declaration of the number of government subsidised course to ensure the student meets the two course requirement for all enrolments.</p>

Ref.	Nature of exceptions Identified	Number of Student Course Enrolments	Error rate on total sample	Explanatory Notes	Management Action Plan
					<p>Responsible person Theo Pappas, CEO, Inspirative Training Pty Ltd Vative Academy</p> <p>Implementation date 31 July 2016</p>
	Error Rate	8	4.76%		

3. Next Steps

The Department will review the audit report and determine, if necessary, any appropriate actions required to address instances of non-compliance with the VET Funding Contract. Please refer to the *VTG Contract Compliance Audit Strategy* for guidance on the range of options for further action.

Further options for action are noted in the VTG Contract Compliance Audit Strategy. For example, in some instances, monetary penalties may be imposed and/or the Department may also require an RTO to repay Funds paid for the delivery of Training Services following an audit.

In accordance with Clause 10.3(b) of the 2015 VET Funding Contract, where a Management Action Plan has been developed the RTO must advise the Department in writing (including submitting appropriate documentation as determined by the Department) of compliance with and implementation of the auditor's recommendations and/or management action plan within six (6) months of the date of this report.

Appendix A – Audit Exceptions

Details of the exceptions relating to Evidence of Eligibility identified in Section 2 of the report:

Finding Number	Sample number	Client/ Student ID	Qualification/ Course Name	Qualification/ Course Id	Course Commencement Date (as per SVTS)	Enrolment Date	Date of eligibility assessment (as per documentation)	Number of days between course commencement date and eligibility assessment date	Date of first claim submitted to SVTS	If prior to date of eligibility assessment, what is the variation?	Date of first payment received	If prior to eligibility assessment, what is the variation?	Report Reference (from Section 2 of the audit report)
1	60	02015	Certificate IV in Manufacturing Technology	MSA40108	08/09/2015	4/06/2015	8/09/2015	0	20/10/2015	-	05/11/2015	-	2.1
2	19	01503	Certificate IV in Manufacturing Technology	MSA40108	18/02/2015	12/02/2015	11/02/2015	-7	02/04/2015	-	07/05/2015	-	2.2
3	20	01503	Certificate IV in Process Manufacturing	MSA40311	18/02/2015	12/02/2015	11/02/2015	-7	02/04/2015	-	07/05/2015	-	2.2
4	100	01833	Certificate IV in Process Manufacturing	MSA40311	23/07/2015	15/07/2015	15/07/2015	-8	26/08/2015	-	08/10/2015	-	2.2
5	69	01748	Certificate IV in Process Manufacturing	MSA40311	06/05/2015	29/04/2015	29/04/2015	-7	28/05/2015	-	04/06/2015	-	2.3
6	72	01824	Certificate IV in Manufacturing Technology	MSA40108	06/05/2015	6/05/2015	6/05/2015	0	21/07/2015	-	06/08/2015	-	2.3
7	78	01806	Certificate IV in Manufacturing Technology	MSA40108	18/05/2015	11/05/2015	11/05/2015	-7	30/06/2015	-	01/07/2015	-	2.3
8	126	01671	Certificate IV in Process Manufacturing	MSA40311	08/04/2015	1/04/2015	1/04/2015	-7	20/05/2015	-	04/06/2015	-	2.3

Appendix B – Pre-Training Review Exceptions

Details of the exceptions relating to Pre-Training Reviews identified in Section 1.3 of the report:

Finding Number	Sample number	Client/ Student ID	Qualification/ Course Name	Qualification/ Course Id	Course Commencement Date (as per SVTS)	Date of eligibility assessment (as per documentation)	Number of days between course commencement date and date of Pre-Training Review
1	1	634	Certificate IV in Process Manufacturing Certificate IV in Manufacturing Technology	MSA40311 MSA40108	20 May 2014	20 May 2014	0
2	2	978	Certificate III in Warehousing Operations Certificate III in Manufacturing Technology	TLI31610 MSA30208	26 June 2014	26 June 2014	0