




RTO Governance

Driving quality through good business practice.



Claire Werner




Let me tell you a little bit about some of these companies...

- Volkswagen
- Commonwealth Bank of Australia
- Chevron – Texaco
- Vocation, Australian Careers Network....


All have experienced significant failures of Governance






Objectives

To examine key elements of good governance in Registered Training Organisations (RTOs) in relation to:

- Governance requirements and planning
- Fit and proper person requirements
- RTO records management
- Third party arrangements







What is Governance?


Governance encompasses the **system** by which an organisation is **controlled** and **operates**, and the mechanisms by which it, and its people, are **held to account**.



Ethics, risk management, compliance and administration are all elements of governance.



Benefits of Good Governance

- Increases trust and reputation
- Enhances sustainability
- Encourages positive behaviours
- Minimises risk and mismanagement
- May improve access to government funding and programs







What do the Standards say about Governance?

Standard 5 Each learner is properly informed and protected (including third party arrangements)

Standard 7 The RTO has effective governance and administration arrangements in place (including fit and proper person requirements)

Standard 8 The RTO cooperates with the VET Regulator and is legally compliant at all times (including retention, archiving, retrieval and transfer of records, and third party arrangements)

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Governance

Business Processes

Fit and Proper Person (Std 7)
Financial Viability (Std 7)

- Decision Making and Oversight (Std 7)
- Trainers and Assessors (Std 1)
- Marketing / Promotion (Stds 4 and 5)
- Enrolment (Std 5)
- Resources, Equipment and Facilities (Std 1)
- Delivery and Assessment (Stds 1 and 2)
- Complaints / Appeals (Std 6)
- Certification (Std 3)
- Third Party Agreements (Stds 2, 5, 8)

Record Management (Stds 2, 3, 7, 8)



RTO Risk





Fit and Proper Person Requirements

The fit and proper person requirements of Standard 7 ensure that the right people are the decision makers in an RTO.



The requirements are focused on past:

- criminal convictions
- financial records
- business history
- RTO history.





RTO Processes

- The purpose of a policy is to state the organisation's intent - the **what** we are going to do and **why** statement.
- The purpose of the process is to provide the **how** and **when** guidance for a business activity.

Simple

APPARENTLY NOT



What's the risk for the RTO at audit?

In audit situations it is common for RTOs to:



- have systems that do not reflect at all how they operate
- processes that are so vague that they simply re-state the Standards
- processes that are complicated and impossible to implement
- processes that are a mystery to the staff



RTO Policies and Processes



https://youtu.be/vS_b7cJn2A




Compliance with requirements of the Standards


Provide final drafts to Quality Manager for Approval



Standards 4 and 5 provide

- Information, whether disseminated directly by the RTO or on its behalf (third party), is both accurate and factual
- Each learner is properly informed and protected prior to enrolment

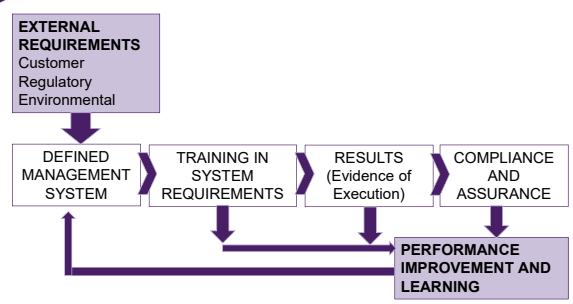




Finalising your Processes





Continually Monitoring and Improving Processes






What is the situation in my RTO?

Activity – Reflection

Think about your RTO in light of what has been talked about so far today.

- What governance arrangements are in place at my RTO?
- What is working well, and what could be improved?
- Are there any obvious gaps we need to work on?

10 minutes







RTO Business Process Areas

Prescribed requirements within the Standards exist for RTO business process areas:

- Record management
- Third party arrangements




What is a Record?

*... **record** means a document, or an object, in any form (including any electronic form) that is, or has been, kept by reason of:*

- *any information or matter that it contains or that can be obtained from it; or*
- *its connection with any event, person, circumstance or thing.*

Source: The Archives Act 1983







Record Management


Record Management is about **managing** the **information** in an organisation through its **lifecycle**.





Key questions for Record Management

- What should I keep?
- How long should I keep it?
- How should I keep it? – paper - electronic
- Who is responsible for the record?
- Who can access the record?
- How should it be destroyed?
- Who will destroy the record?
- How will I monitor my Record Management System is working?







What can influence my answers to the questions?

1. Legislation
2. Regulation
3. Guidance notes from Regulators
4. Funding body requirements
5. RTO policy and process requirements

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Legislation - The Standards
- Schedule 5

RTOs will:

a) retain registers of AQF qualifications they are authorised to issue and of all AQF qualifications issued;



b) retain records of AQF certification documentation issued for a period of 30 years; and

c) provide reports of Records of qualifications issued to its VET Regulator on a regular basis as determined by the VET Regulator.




Regulation –
TAC information
for national
reporting
requirements





Regulators
Requirements –
AMSA
Requirements



Whether you offer training for domestic or international students, the information you need to perform your duties is up to date.

Domestic qualification training



How to become an AMSA approved RTO

AMSA mandated practical assessments

How to perform final assessments

Officers of competency

Other resources for exemption



Funding Body Requirement
- DTWD Business Rules



1.10 EVIDENCE OF PARTICIPATION

a) Upon the Corporation's request, the Service Provider must provide Evidence of Participation to prove Student participation in any Unit of Competency (UoC) for which funding has been claimed.

b) The Service Provider must retain both evidence of commencement and evidence of final assessment in any UoC for which funding has been claimed, for a period of five (5) years after the End.


c) The evidence of Student participation retained by the Service Provider must align to the Delivery Mode/s reported through the Corporation's online reporting system.

d) Proof of Student participation must meet the standards contained in Appendix A of this document.



Third Party Arrangements

RTOs sometimes work with other organisations (third parties) to deliver a range of services such as marketing or undertaking training and/or assessment.





What is a Third Party Arrangement?



• Training

• Assessment

• Recruitment



• Educational Support Services





What is not a Third Party Arrangement?

- Student Counselling
- Mediation
- ICT support
- A workplace supervisor who contributes to evidence collection or training
- A contract of employment between an RTO and its employee, for example a contract trainer or assessor
- Where students have been referred and the referring company does not receive payment from the RTO. e.g. Employment Services Providers



Third Party Arrangements



Yes or No

1. I have a partnership with an employer who provides training and assessment services to its staff. I enrol the employees with my RTO and provide certification to those employees that are successful.
2. I am contracted by XYZ RTO as a specialist trainer and assessor. I train and assess for them a few times a year.
3. I am a connector. I facilitate auspicings services for schools. The schools handle all recruitment, training and assessment, I connect them with RTOs who handle certification and validation.
4. I am a marketing company, I market the RTO's qualifications and direct potential learners to RTOs. The RTO take it from there.
5. I am a specialist and work with RTOs who have students at risk. I identify the student's needs at enrolment and then work with the students along their journey with the RTO.




What is my responsibility as the RTO in a third party arrangement?







Group Discussion

What are some of the risks that you open your organisation to when you engage in third party arrangements?






What else might be included?


In addition to training and assessment services under Standard 1, areas of responsibility commonly included in third party agreements are:

	Clause
monitoring	2.3, 2.4
recordkeeping	3.4
complying with advertising and marketing standards	4.1
providing data	7.5
cooperating with TAC	8.2
informing prospective learners	5.1, 5.2
collecting fees	5.3, 7.3
dealing with complaints and appeals	6.1, 6.2, 6.3, 6.4, 6.5



Written Agreements

TAC Fact Sheet
Third Party Arrangements







Monitoring the agreement

- identifying specific contacts for communication between the parties on issues to do with operations, performance delivery and the agreement
- prohibiting third parties from sub-contracting agreed services to other parties
- validation of third party's capacity to deliver – physical resources, facilities, timelines, delivery and assessment processes and qualifications of delivery staff
- on-site inspection of training facilities prior to commencement of delivery, including video/photo evidence for remote locations





Monitoring the agreement



- prior RTO approval for any third party changes such as the use of RTO training material or specified trainers and assessors
- notification of any changes to third party operations that may affect ability to deliver services that are the subject of the agreement
- quarterly visits by RTO staff for compliance audits
- mentoring of third party trainers/assessors by the RTO
- RTO meet and greet with learners on first day for introduction and orientation
- consideration of feedback from learners, trainers and assessors in evaluating performance of third party



Monitoring the agreement

- performance management arrangements to assess whether services were being delivered in accordance with the agreement
- vetting of marketing materials produced by the third party to ensure accuracy and currency.





References and Resources

- The Standards for RTOs
- Third Party Agreements TAC Fact Sheet
- Governance TAC Fact Sheet
- Record Management TAC Fact Sheet
- Fit and Proper Persons Declaration



Contact us

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