

RTO Governance

Driving Quality Through Good Business

Claire Werner

What will be discussed

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

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



- Volkswagen



- Commonwealth Bank of Australia



- Chevron – Texaco

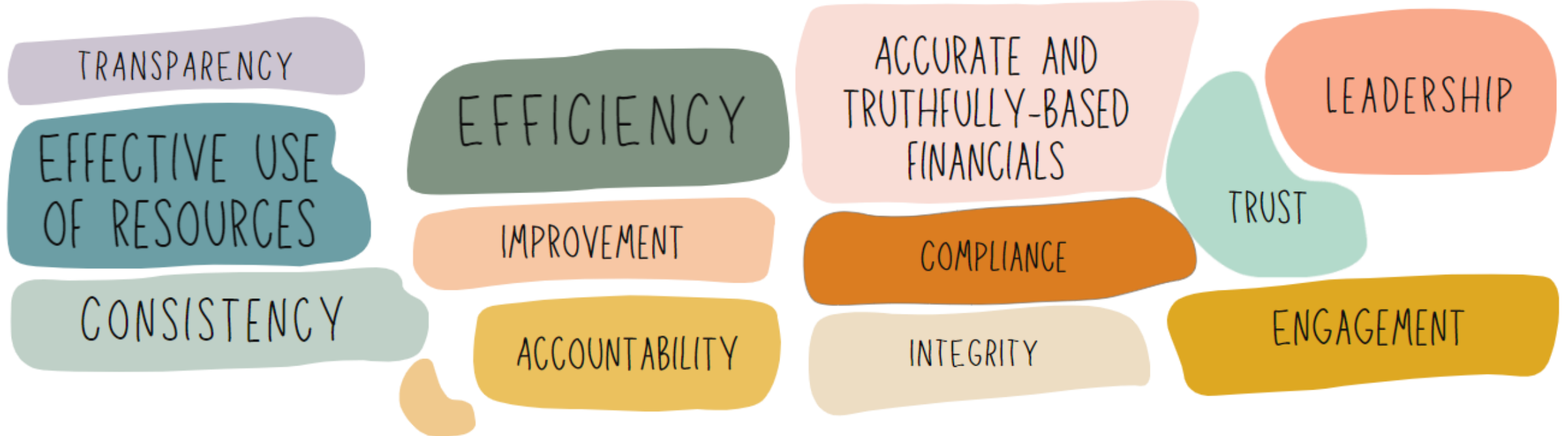


- Vocation, Australian Careers Network....

What is Governance?

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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)

Governance

	Fit and Proper Person (Std 7) Financial Viability (Std 7)
Business Processes	<ul style="list-style-type: none">• Decision Making and Oversight (Std 7)• Trainers and Assessors (Std 1)• Marketing / Promotion (Std 4 and 5)• Enrolment (Std 5)• Resources, Equipment and Facilities (Std 1)• Delivery and Assessment (Std 1 and 2)• Complaints / Appeals (Std 6)• Certification (Std 3)• Third Party Agreements (Std 2, 5, 8)
	Record Management (Std 2, 3, 7, 8)

RTO Risk

What risks do you face operating in the VET sector?



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
- decisions/disciplinary actions by other regulators
- business history
- RTO history.



RTO Policy and Process / Procedure



- 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.

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

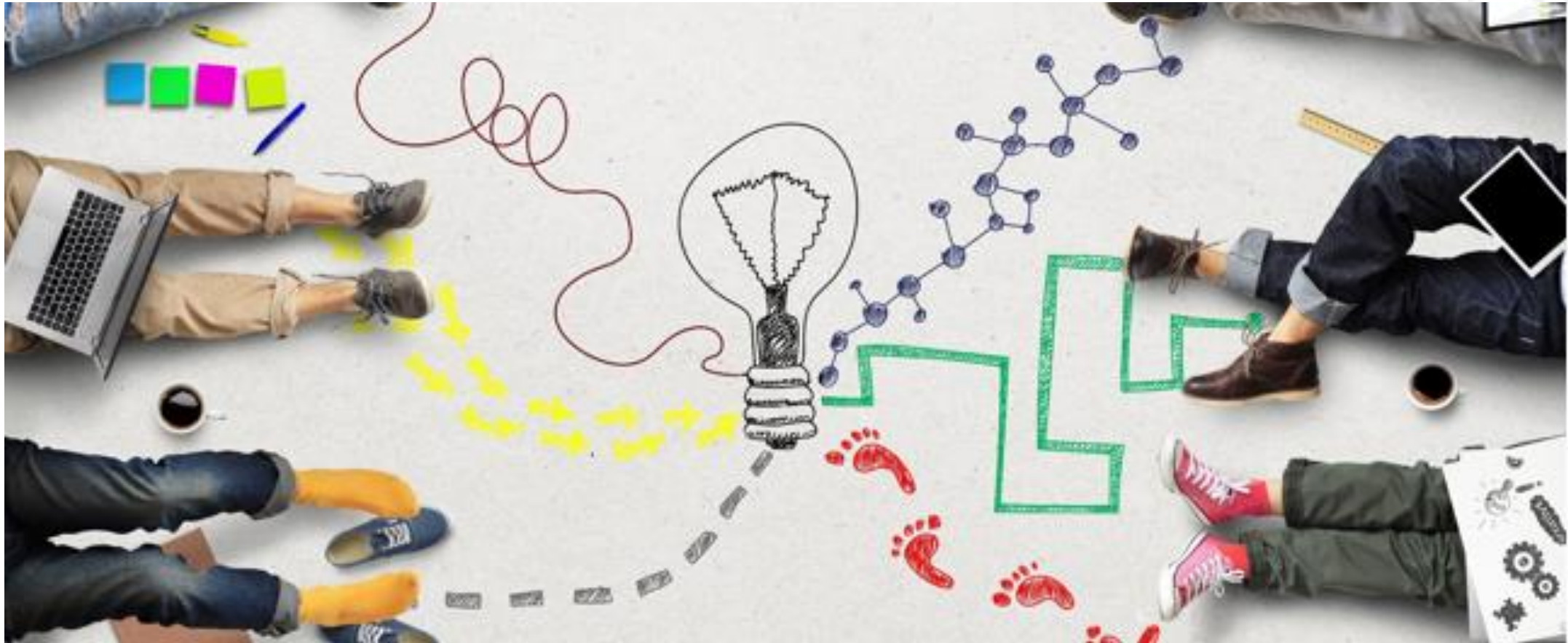
https://www.ted.com/talks/tom_wujec_got_a_wicked_problem_first_tell_me_how_you_make_toast?language=en



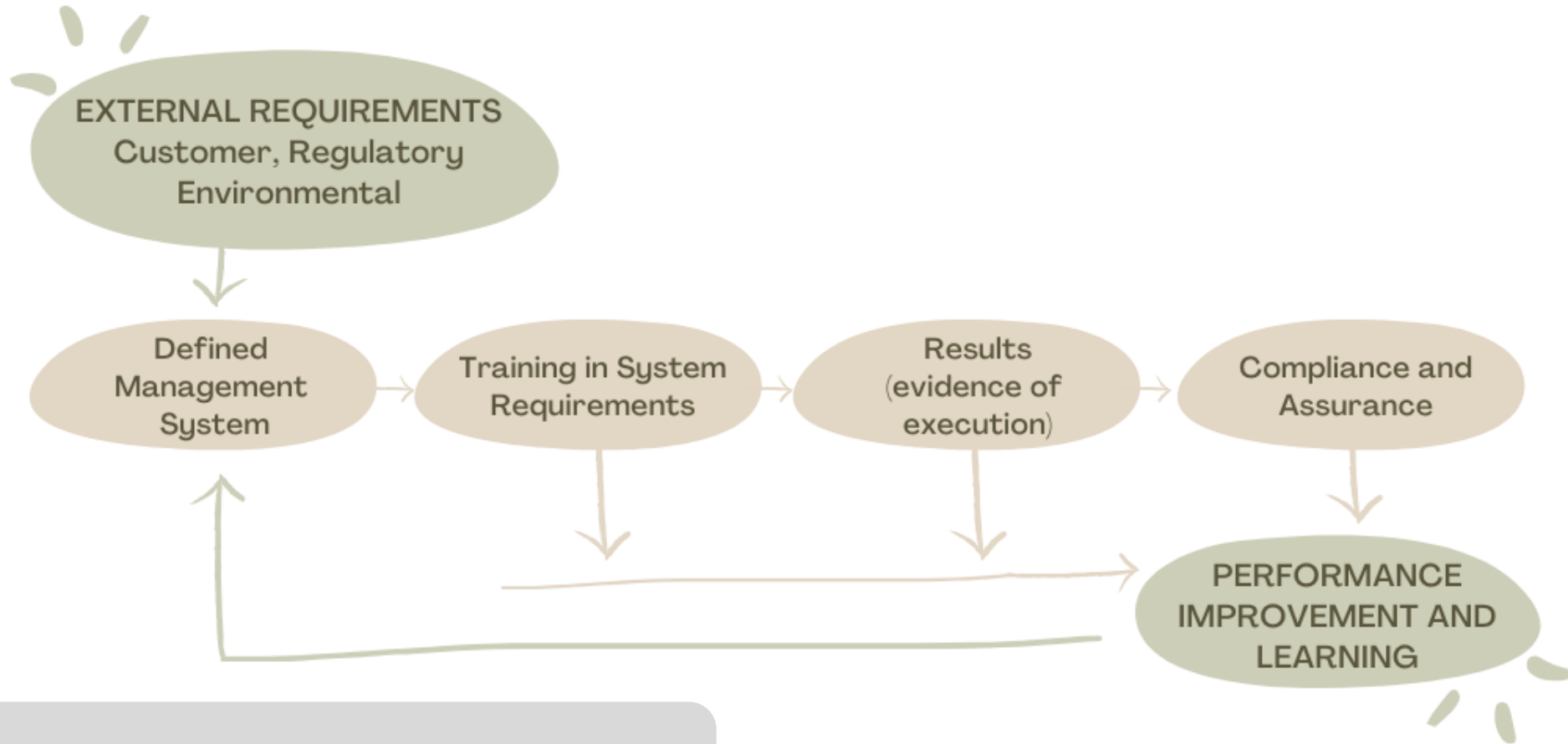
Got a wicked problem? First, tell me how you make toast

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What happens when we implement?



Continually Monitoring and Improving Processes



Fact Sheet: Continuous Improvement
Annual Declaration on Compliance

What is the situation in my RTO?

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



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



Fact Sheet: Records Management



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



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.



Training Accreditation Council FACT SHEET

Records Management

A Registered Training Organisation (RTO) is required to operate in accordance with the *Standards for Registered Training Organisations (RTOs) 2015*. This Fact Sheet has been developed to provide guidance to RTOs on the management of records, ensuring accuracy and integrity as prescribed in the Standards for RTOs.

RTOs may have additional records management obligations linked to other relevant legislation, regulation or funding contracts that are not covered in this Fact Sheet.

Background:

The Standards for RTOs require the executive officers or high managerial agent of an RTO to ensure that the RTO cooperates with the VET regulator in the retention, archiving, retrieval and transfer of records. However, rarely do RTOs have a systematic approach to determining what records are to be managed.

All RTOs operate within a legislative and regulatory framework that is unique to their offering as an RTO. RTOs need to be proactive in determining what their obligations are and then plan how those obligations will be met.

The Legislative and Regulatory Framework:

All businesses operating in Australia have obligations for managing information under the Privacy Act and Freedom of Information Act as a minimum.

Many organisations, including RTOs also have record keeping obligations under other legislation and regulation. The nature of those obligations is dependent upon the industry area in which the RTO operates, whether the RTO is a public or private organisation, whether the RTO is a 'for profit' or 'not for profit' organisation, the RTO's client group and many other factors. Generally, each RTO will need to consider the following hierarchy to establish their obligations:

Regulation – TAC information for national reporting requirements

The screenshot shows the AMSA website with a navigation bar at the top containing links for Qualifications & training, Vessels & operators, Safety & navigation, Marine environment, News & community, and About. Below the navigation bar is a search bar and a large image of a boat on the water. The main content area is titled 'Domestic Certificates of Competency (COCs)' and includes a breadcrumb trail: Home > Qualifications & training > Domestic Certificates of Competency (COCs). The text states: 'You must hold a current and appropriate near coastal Certificate of competency to perform the duties required by your job on a vessel—including fishing vessels—in Australian waters. Get a certificate of competency or revalidate your existing certificate to work in Australian waters.' A sidebar on the left lists various qualification categories. A callout box at the bottom highlights changes to the domestic qualifications framework from 1 January 2023.

Qualifications & training Vessels & operators Safety & navigation Marine environment News & community About

Search AMSA.gov.au

Qualifications & training

Domestic qualifications

- International qualifications
- Equivalent qualifications and skill recognition
- National Plan training
- Online learning
- Safety and navigation training
- Sea service and task books
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- Training organisations

Vessels & operators

Safety & navigation

Marine environment

Home > Qualifications & training > Domestic Certificates of Competency (COCs)

Domestic Certificates of Competency (COCs)

You must hold a current and appropriate near coastal Certificate of competency to perform the duties required by your job on a vessel—including fishing vessels—in Australian waters.

Get a certificate of competency or revalidate your existing certificate to work in Australian waters.

⚠ **Changes to the domestic qualifications framework from 1 January 2023**

From 1 January 2023 the new Marine Order 505 brings in a revised qualifications framework for Australians working across the domestic commercial vessel industry.

Regulators Requirements – AMSA Requirements

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.

Purchase of Training Services - Business Rules | June 2022 (Version 1.0)

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- 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 B 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.



Written agreements

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What information would you include in a written agreement?



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
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
monitoring	2.3, 2.4

We are all responsible for Good Governance



References

- *The Standards for Registered Training Organisations (RTOs) 2015*
- The Users' Guide to the Standards
- TAC Fact Sheet Record Management
- TAC Fact Sheet Third Party Agreements
- TAC Fact Sheet Governance
- Fit and Proper Persons Declaration



Contact TAC



Locked Bag 16
OSBORNE PARK DC WA 6916



(08) 9224 6510



tac@dtwd.wa.gov.au



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