

# COMPLIANCE MONITORING AUDIT POLICY AND PROCEDURE

Effective: 16 April 2024

Version: 1-24

## Purpose

This policy outlines the Training Accreditation Council's (the Council) commitment to ensuring Registered Training Organisations (RTOs) registered with the Council achieve ongoing compliance with the *Standards for Registered Training Organisations (RTOs) 2015*.

This policy is underpinned by the *Standards for VET Regulators 2015*, the *Vocational Education and Training Act 1996* (VET Act) and the *Vocational Education and Training (General) Regulations 2009* (VET regulations).

## Scope

This policy applies to all Council registered RTOs.

## Definitions

<b>Compliance</b>	The requirements of the <i>Standards for Registered Training Organisations (RTOs) 2015</i> (Standards for RTOs) have been met, based on the evidence reviewed.
<b>Non-compliance</b>	The requirements of the Standards for RTOs have not been met based on the evidence reviewed.
<b>Compliance Monitoring Audit</b>	An audit conducted under r. 26A of <i>Vocational Education and Training (General) Regulations 2009</i> .
<b>Registered Training Organisation</b>	A training organisation registered by the Council for a defined scope and period of registration.

## Policy

The Compliance Monitoring Audit (CMA) policy aims to motivate RTOs with a history of non-compliance to ensure ongoing deployment of corrective actions and maintain compliance with the Standards for RTOs.

CMAs are utilised by the Council to break the cycle of continuing non-compliance in areas where an RTO has been provided with multiple opportunities to demonstrate deployment of corrective actions but has failed to do so.

The ability of the Council to apply CMAs and applicable costs is provided for under r. 26A of the *Vocational Education and Training (General) Regulations 2009* (VET regulations).

## Criteria

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

1. When an RTO has been found critically non-compliant at audit.
2. When two consecutive significant or critical non-compliant outcomes have been identified at audit against the same training product/s or industry area within a three-year period.
3. 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.
4. On application from an RTO for reassessment of the Council's decision to suspend a provider's registration.

### 1. When an RTO has been found critically non-compliant at audit.

An overall level of 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 occurred, a subsequent audit may be required.

### 2. When two consecutive significant or critical non-compliance outcomes have been identified against the same training product/s or industry area/s within a three year period.

Consecutive non-compliances in the same training product/s or industry area/s may indicate that there are systemic issues which need to be investigated.

Where the overall level of non-compliance at audit is significant, a review of the RTOs audit history will be undertaken to determine if the RTO has had an audit against the same training product/s or industry area/s within the past three years where the overall level of non-compliance was significant or critical. If the review identifies such an audit, then the Council will consider endorsing a CMA.

### 3. 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 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 the Council determines.

### 4. On application from an RTO for reassessment of the Council's decision to suspend a provider's registration.

In line with the Council's Application of Sanctions Policy, the RTO may apply to remove the suspension. The RTO must apply to the Council in writing for Council's consideration.

The Council may determine that a CMA is required before considering to remove the suspension.

## Costs

At the end of the audit, the RTO will be invoiced for the costs and expenses incurred by the Council, calculated as follows:

- \$1000; and
- if the audit exceeds 4 hours, \$250 per subsequent hour; and
- if any part of the audit is conducted outside Australia – any additional expenses reasonably incurred by the Council relating to that part of the audit.

The cost of the audit will be calculated based on the total number of hours it took to conduct the audit, including audit preparation and report writing, noting for audits totalling less than four hours, the audit will be charged at \$1000.

Note: GST will be applied to Compliance Monitoring Audit charges.

Provision to waive the audit costs may be considered by the Council and requires a written request. Written requests are to be forwarded to the Manager Regulation, TAC Secretariat at [tac@dtwd.wa.gov.au](mailto:tac@dtwd.wa.gov.au). The request must be made in line with r. 26C of the VET Regulations and outline any special or unusual circumstances which cause the charge to be unreasonable or inequitable.

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; or
- the RTO did not agree with the outcome of the CMA; or
- the RTO required to pay the charge ceases to be registered.

Under this Policy, the Council will waive all official domestic travel costs associated with the CMA.

## Procedure

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

Steps	Description
<b>A CMA is identified</b>	Criteria 1, 2 and 3:  After each audit is conducted, the RTO's audit outcome is assessed to determine if it falls within one or more of the CMA criteria.
	Criterion 4:  Is automatically identified when an RTO makes an application to the Council for reassessment of the Council's decision to suspend a provider's registration.
<b>Council Decision</b>	If the RTO has been identified as falling within one or more of the CMA criteria, the Council will consider endorsing a CMA.  On endorsement of a CMA, the Council will determine the scope of the CMA and when it is to occur.  Note, the Council may determine additional training products and clauses be selected if it is deemed warranted.
<b>CMA Endorsed</b>	When a CMA is endorsed by the Council, the RTO is provided with the Council's decision, including details of the CMA, in writing.
<b>CMA Commences</b>	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 at this time, the total cost of the audit is an estimate only, based on the number of training products and Standards for RTOs to be audited, and is subject to change.
<b>Audit Process</b>	The CMA is conducted in line with the Council's established audit process. For further information on the process visit the TAC website.
<b>CMA Completion</b>	On completion of the CMA, the audit report, and if applicable, rectification audit report/s, will be presented to the Council for consideration.  An invoice will be issued to the RTO at the completion of the audit outlining the total number of auditing hours (which includes the main and rectification audits). RTOs will not be invoiced for official domestic travel costs for auditors and any observers who may 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.
<b>CMA Outcome</b>	The outcome of the RTO's CMA may indicate a further CMA is required.

## Related Policies, Legislation and Other Relevant Documents

*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*

Policy and Procedure for the Application of Sanctions

## Policy Review and approval

Council approval is required for this policy.

The policy will be reviewed annually from the date of endorsement.

Where amendments following a review are significant and change the overall intent of the policy, the policy will be submitted to the Council for endorsement.

## Recordkeeping and Publication

The date of approval will be entered electronically and the document made final in Content Manager.

An electronic version of policy will be available on the TAC website.

## Contact Information

Manager Regulation

P: 08 9224 6510

E: [tac@dtwd.wa.gov.au](mailto:tac@dtwd.wa.gov.au)

Attachment A – CMA Audit Flowchart

