Skills Assure Supplier (SAS)
Governance
Fact sheet

The purpose of this fact sheet is to provide advice to Skills Assure Suppliers (SAS) on systems and controls (i.e., governance) that supports SAS Agreement delivery.

This aligns with **Supplier's obligations** within your SAS Agreement i.e.:

4.1 i) *provide Training and Assessment to Students with skill, care and diligence to a high professional standard;* and

4.1 k) *take all steps necessary to provide the Services to the skill, care and diligence to a high professional standard possible having regard to best industry practice, good corporate governance and the Department's reasonable expectations* . . .

Information regarding governance failings and how to avoid them is also included.

Internal controls

The development of sound governance and strong internal controls, that are regularly monitored, will facilitate a framework that supports compliance against the requirements of the SAS Agreement and associated funding policies.

The Audit Evidence Requirements documents include, within the *Supplier Governance and Internal Controls* section, the range of systems and controls that could be in place to underpin delivery of subsidised training and assessment

Policy and procedures

Policy states what you intend or are obliged to do. Procedures identify the actions that people take to assure success in meeting the intentions and obligations.

Well-developed and documented procedures, processes and/or handbooks are key to quality assurance that facilitates the delivery of identified outcomes.

Just having procedures or processes is not enough. Clear accountability measures are needed to clarify individual roles and responsibilities. This also assists in monitoring and management of desired outcomes via regular and robust targeted internal reviews (not conducted by the person doing the task) to validate current processes are functioning as intended and will result in the required evidence.

Additional assurance

Regular random student file reviews will confirm that the procedures are being followed. All activities should be process mapped to identify control weaknesses. Mapping against key departmental documents such as the Audit Evidence Requirements is recommended.

Where risks of non-compliance are identified, a clear plan of action needs to be developed. This is more important if you have engaged third-parties (as allowable under the terms of your Agreement).

Audit trends

There are three recurring themes evident from supplier audit activity in relation to governance:

1. Systems focus on the National RTO Standards and do not fully address SAS Agreement/s compliance.

2. Belief that there are well-developed systems and procedures; however, they are not sufficiently detailed. There is insufficient evidence to confirm that procedures had been enacted and/or the procedures don't include adequate quality assurance to check whether they had been enacted.

3. Despite no evidence of documented systems, compliance is demonstrated due to a small group of people 'knowing

what to do'. There is a risk of consistency and continuation of systems should new people join the team, or those people leave or are unexpectedly absent.

Key features of evidence

a) Documented – can you see it?

b) Reliable – can it be understood and followed consistently by anyone?

c) Verifiable – can you prove it?

SAS are encouraged to assess their procedures as part of regular assurance activities and internal reviews to validate that they will result in the provision of required evidence as outlined in departmental documentation.

Controls development

It takes time to develop effective control systems, however it is a 'short term pain for long term gain'. The ongoing cost of having ineffective systems adds up quickly and can impact on the business in a variety of ways.

Organisational chart

While effectiveness and compliance is everyone's responsibility, an organisational chart that identifies the lines of responsibility for SAS activities is recommended.

Features of good systems

- Provide clear direction and accountability without being overly wordy.

- Include strong management oversight.

- Include documented tasks with supporting templates/tools.

- Include tracking and reminder systems.

- Incorporate regular reviews and continuous improvement frameworks.

- If someone goes on holidays, all functions are able to continue.

Features of good procedures

Good procedures/processes/handbooks should include the five W's and an H, all working together.

a) **Why?** Initially, the reason may be to meet the requirements of the SAS Agreement but there should be a greater sense of purpose than this. Consider systems that meet the needs of the business, team and clients. If provision of support for these three areas are met, compliance usually follows.

b) **What?** Specify the task/s to be undertaken.

c) **How?** Provide clear and specific instructions on how the task is to be done by the responsible person.

d) **Who?** Identify the position/s responsible for the task rather than individual names for both the task as well as the monitoring and assurance of the task.

e) **When?** Be clear about the timeframes and deadlines for task completion (as well as monitoring and reviews).

f) **Where?** Clearly outline where records or documentation need to be sent or kept?

Controls breakdown

Control failings typically relate to:

- lack of compliance over third-parties;

- lack of independence of assurance function; and

- management failing to ask for reports on internal controls and/or failing to take action on reports.

Ways to avoid this:

- Build better controls with clear and specific systems and procedures.

- Process map all activities to identify control weaknesses.

- Conduct regular and targeted reviews of processes.

- Address root causes and risks.

More information

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https://desbt.qld.gov.au/training/providers