

Guidelines for the conduct of auditing services for Group Training Organisations in Queensland

Stakeholder and Industry Relations



Table of Contents

1. FOREWORD	3
2. INTRODUCTION	4
2.1 Description of the standards	4
2.2 Key Objective.....	4
2.3 Internal Review.....	5
2.4 Evidence	5
2.5 Audit	6
3. ROLES & RESPONSIBILITIES.....	6
3.1 State Training Authority	6
3.2 Approved Auditor	7
3.3 Sub-contracting by Approved Auditors	7
3.4 Group Training Organisations.....	8
3.5 Interstate based Group Training Organisations	9
4 AUDIT APPROACH.....	10
4.1 Quality Audit.....	10
4.2 Timing of GTO, RTO and other audits.....	10
5. AUDIT PLANNING.....	11
6. AUDIT CONDUCT.....	12
7. MANAGING THE AUDIT	13
8. CONTINUOUS IMPROVEMENT	14
9. REPORTING AUDIT FINDINGS	14
10. NON-COMPLIANCE.....	15
Initial Compliance Audit	15
Ongoing recognition	16
11. CODE OF PRACTICE	16
11.1 Conflict of Interest.....	17
11.2 Deed of Confidentiality Declaration –Approved Auditor	17
12. AUDITOR SKILLS PROFILE.....	17
13. GROUP TRAINING AUDITORS’ CHECKLIST.....	19
14. AUDIT EVALUATION FORM.....	19
16. OBSERVERS.....	19

1. Foreword

The National Standards for Group Training Organisations and Evidence Guide provide a formal framework that promotes national consistency and quality for group training.

The revised National Standards for Group Training Organisations were endorsed by the Commonwealth, State and Territory Governments in January 2017.

The national standards:

- provide the framework for a nationally consistent, robust group training service brand;
- assist group training organisation to monitor and improve their organisations' strategic, operational and financial planning and performance;
- provide Commonwealth, state and territory Governments with a consistent basis for the recognition, support and monitoring of group training organisations.

In Queensland, the Department of Employment, Small Business and Training (DESBT), as the State Training Authority, has extended the application of the national standards to all group training organisations seeking initial recognition and continued recognition in Queensland, regardless of whether the group training organisation is seeking or in receipt of government funding.

DESBT are responsible for the evaluation of group training organisations, including an independent audit program, to ensure compliance with the national standards. This process included an initial audit of current group training organisations by an approved auditor. Subsequent independent audits are to be scheduled at least once every five years from the initial evaluation. In accordance with the national standards, group training organisations will be required to conduct an annual self-assessment against the national standards to identify and implement improvements prior to future compliance audits.

Under the group training organisation recognition system in Queensland, approved auditors will undertake independent validation of group training organisations to determine compliance in accordance with the standards and to provide assurance to the department that group training organisations maintain compliance with the standards.

2. Introduction

This guide has been specifically developed for auditors and managers of audits under the framework and has been written in an informal style for this audience. The guide may also be useful to group training organisations in understanding the conduct of the auditing services.

This guide complements and should be read in conjunction with:

[National Standards for Group Training Organisations](#)

[Evidence Guide to support the National Standards for GTOs](#)

[Department of Employment, Small Business and Training's Group Training webpages](#)

2.1 Description of the standards

The development of the national standards drew on earlier work to develop national standards for group training organisations prepared over a period of four years, and from relevant sections of the Australian Quality Training Framework (AQTF) agreed to in 2001. The AQTF is the nationally agreed quality framework for the Australian vocational education and training system

The development of the group training organisation standards has been moderated by JAS-ANZ, the accreditation body for trans-Tasman certification of management systems.

Prior to the release of the 2017 National Standards, the Standards were last reviewed in 2005 when minor changes were made. These changes came into effect on 1 January 2006.

2.2 Key Objective

The key objective of the *National Standards* is to develop an apprentice/trainee to become a skilled worker who has completed a recognised qualification. To achieve this quality outcome a GTO needs to focus on three key elements with the Standards structured to reflect these:

- recruitment, employment and induction;
- monitoring and supporting apprentices and trainees to completion;
- maintaining a sustainable GTO which is well governed and administered.

The goals of Group Training are to:

- Create additional employment opportunities for apprentices and trainees;
- Provide for continuity of employment and training through to completion;
- Improve the quality and range of training available to apprentices and trainees.

2.3 Internal Review

Each existing group training organisation is required to complete a [self-assessment](#) against the standards by 31 December each year and to provide the department with a certification to the extent that they have completed the self-assessment and have processes in place that meet the requirements of the National Standards for Group Training Organisations.

2.4 Evidence

Section 3 of the [Evidence Guide](#) outlines the required evidence for each standard and contains a number of suggested examples of where and how the evidence might be provided. The examples are designed to assist the group training organisations and the auditors to reflect on what might be appropriate evidence for a group training organisation to demonstrate compliance. The examples are not exhaustive nor are they prescriptive. They have been developed simply as a series of suggestions only.

The evidence that is required is evidence to demonstrate that a sub-clause of the standard has been met. It is also necessary to consider that the audit function is likely to be carried out only once every five years. An evaluation may be required to determine that as well as meeting the sub-clause, the evidence indicates that the group training organisation will continue to meet requirements of the sub-clause based on current information.

Given the diversification in the location, size, structure, function, industry, clientele and operations of each group training organisation, the evidence requirements are likely to vary between group training organisations.

Evidence should be **valid and reliable**. Validity relates to measuring what it claims to measure and reliability relates to the evidence not varying significantly according to time or place.

2.5 Audit

In Queensland, all group training organisations will be audited against the standards by an independent, private contractor chosen by the group training organisation, by an ‘approved auditor’ regardless of whether or not the group training organisation receives government funding.

The auditor will be responsible for conducting the quality audit services and providing the department with a report as to the extent to which they believe a group training organisation does or does not comply with the eight standards necessary to comply with the [National Standards for Group Training Organisations](#).

The department shall not be liable to reimburse the auditor for any expenses incurred by the auditing organisation for the provision of audit services. All such expenses shall be deemed included in the fee negotiated between the auditor and the group training organisation.

Where the department recognises an interstate GTO as a GTO in Queensland, the interstate GTO will be deemed compliant against the National Standards based on it being compliant in its home state, with the dates of its next audit falling due by its interstate registration end date on the Group Training National Register.

3. Roles & Responsibilities

3.1 State Training Authority

In the national training system, each state and territory registering body (in Queensland this is the Department of Employment, Small Business and Training– the “department”), has the responsibility for audits to ensure that each group training organisation complies with the national standards.

The department will review the audit report provided by the independent quality auditor and other issues such as operational complaints, to determine whether the group training organisation meets, or continues to meet, all the requirements of the national standards.

The department is responsible for providing the approved auditor with an initial training session, information on the scope and history of the group training organisation and dealing with any issues that arise during the audit period.

3.2 Approved Auditor

Approved auditors are required to provide the following services:

- project manage the audit;
- undertake the audit service including initial contact, desktop review, site visit and follow up meetings;
- document the audit observation and evidence sighted;
- submit any such documents required by the department;
- ensure such documents remain confidential;
- provide a written report in the approved template ([Quality audit report](#)) and recommendation (s) to the department regarding compliance for initial and/or ongoing recognition;
- retain all records from the compliance audit for a period of seven (7) years.

Senior representatives from the department and/or Group Training Australia – Queensland and Northern Territory Inc. may be involved in the audits – in the role of observer only. The application or requirement for this role will be discussed with the auditor prior to commencement of the audit.

If, for any reason, the department elects to conduct an audit or review of group training organisation, a minimum of five working days' notice will be provided to the group training organisation.

3.3 Sub-contracting by Approved Auditors

The auditing organisation is required to ensure that the specified auditors and any staff providing assistance to auditors, undertake work in accordance with the terms for inclusion as an Approved Auditor.

In the event that an auditing organisation wishes to sub-contract the services to another organisation or individual, written, prior approval must be obtained from the department, via the departmental contact officer, prior to the auditing service being commenced.

In the event that an auditing organisation is unable to undertake work for which it is contracted, it is required to notify the group training organisation and the department within one week.

3.4 Group Training Organisations

Existing group training organisations are required to undertake a [self-assessment](#) against the three national standards and the associated sub clauses by 31 December of each year. Once agreement has been reached between a group training organisation and an approved auditor to undertake the audit (including timing and site visits), the group training organisation is required to provide the auditor with a copy of the self-assessment report. This self-assessment report forms the basis of the audit scope (refer to section 5 “Audit Planning”).

It is the responsibility and a requirement of a group training organisation to provide the auditor with sufficient, valid and reliable evidence to enable the auditor to form a professional opinion on whether or not the national standards have been met.

It is also the responsibility of the group training organisation to ensure that management and staff are made aware of the objective and scope of the audit and to provide reasonable resources to ensure an effective and efficient audit process. The cost of the auditing service (including initial compliance audit and any rectification work undertaken involving any additional services) is to be borne by the group training organisation. This accords with the national standards which state, *“the costs of independent audits are the responsibility of the group training organisation, unless otherwise advised by the state training authority”*.

The undertaking of the quality audit in no way diminishes or removes the inherent responsibility of the group training organisation’s management and the executive to ensure that the group training organisation entity:

- is financially viable;
- operates on the premise of good corporate governance;
- operates in a manner that is both ethical and transparent.

3.5 Interstate based Group Training Organisations

On application, the department will consider compliance audits conducted in other states for interstate group training organisations recognised to operate in Queensland or for interstate corporations seeking recognition to operate in Queensland.

For corporations not already recognised to operate in Queensland, the Queensland requirements outlined in the Application for recognition as a Group Training Organisations in Queensland will need to be addressed before addressing the national standards.

Applicants from interstate corporations will need to demonstrate that the national standards have been fully implemented within the Queensland branch.

In determining compliance, Queensland may elect to:

- request a copy of the audit report from the group training organisation for any compliance audit conducted against the National Standards in the Group Training Organisation's head office state
- consult with the State Training Authority where the head office/sponsoring body is situated, on the results of any compliance audit
- advise the applicant seeking recognition to arrange for a partial or full compliance audit to be conducted on the Queensland operations by an approved auditor at the corporation's expense.

The department will determine the extent of any compliance audit branch operations in Queensland on a case-by-case basis. The extent of the compliance audit for branch operations will be determined at that time on its own merit.

4 Audit Approach

4.1 Quality Audit

The audit being undertaken is that of a quality audit: the ability of a set of inherent characteristics of a product, system or process to fulfil requirements of customers and other interested parties¹. The audit is focused on a systematic and independent examination to determine whether quality activities and related results comply with the national standards, and whether these arrangements are implemented effectively and are suitable to achieve objectives².

Auditors must seek examples of evidence that illustrate sound everyday business operations and continuous improvements. Auditors must not rely on evidence or effort undertaken solely for the self-assessment review and audit.

An audit against the standards is an evidentiary process. The evidence presented will lead to a judgement about the extent of a group training organisation's compliance with the standards and its ability to maintain compliance in the future.

4.2 Timing of GTO, RTO and other audits

The initial quality audit of current group training organisations in relation to the national standards were initially undertaken as a separate audit activity.

To minimise duplication of effort, subsequent quality audits in relation to the national standards may be undertaken at times coinciding with AQTF or contract audits, where the group training organisation is also a registered training organisation. However, this will depend on the due dates of audits and the ability to conduct them simultaneously.

¹ AS/NZS ISO 9000:2000 – Quality Management Systems

² AS3911.1: 1992 - Guidelines for Auditing Quality Systems Part 1 Auditing

5. Audit Planning

The [self-assessment](#) completed by the group training organisations themselves forms the basis of the scope of the audit to be undertaken. The self-assessment report was developed from the [Evidence Guide](#) accompanying the [National Standards for Group Training Organisations](#) to assist group training organisations and auditors.

In planning the audit, the auditor should be conversant with good practice statements developed with reference to Australian Standard Guidelines for Auditing Quality Systems AS 3911 and AS/NZS ISO 9000:2000.

In planning the audit, auditors must:

- adopt a risk management approach in undertaking the audit, based on the Risk Management Standard AS/NZS 4360:1999;
- provide audit teams that collectively possess appropriate skills and knowledge (refer to Qualification Criteria for Auditors³);
- audit for compliance with the National Standards for Group Training Organisations;
- develop a robust audit methodology, supported by standardised working papers and feedback processes;
- consider the needs of the organisation being audited and recognise that the audit process can and may identify opportunities for improvement above or outside the minimum national standards;
- ensure the group training organisation being audited is informed about the audit purpose, process and outcome.

Upon receipt of the self-assessment and compliance audit, the department will conduct a rigorous review of the findings to ensure the GTO meets the National Standards.

6. Audit Conduct

At all times during the conduct of the audit, the auditor must make no representation that he/she acts as an agent of the department. The auditor has been contracted by the group training organisation to undertake the audit services in an external professional capacity.

The audits undertaken as part of the registration of a group training organisation are for the limited purpose of assessing the group training organisation's compliance with the national standards. The auditor must not provide any advice to the group training organisations about legal, financial or other matters not related to assessing compliance with the national standard

In conducting the audit, auditors must:

- encourage shared understanding in the initial and closing audit meetings;
- be rigorous, balanced and fair in identifying and assessing audit evidence and diligent in maintaining the integrity of the standards;
- base audit assessments on valid, current, consistent and sufficient evidence;
- maintain the agreed methodology throughout the audit;
- record audit findings and the basis for compliance, non-compliance and recommendations, during the audit;
- maintain professional conduct in accordance with departmental requirements and professional codes of conduct⁴;
- work to establish communication and trust by being fair and diligent and promoting continuous improvement.

³ AS3911.2: 1992 - Guidelines for auditing quality systems Part 2 Qualification criteria for auditors

⁴ Auditor must maintain a professional relationship with group training organisations in accordance with Certification

Criteria for Quality Auditors, Quality Society of Australasia and the code of conduct from the professional association that accredited them

7. Managing the Audit

The functions associated with the management of the audit cover the spectrum of issues from the pre-planning phase through to the provision of the report and subsequent to the completion of the audit.

The guiding principles apply equally to both the State Training Authority (and its representatives) and to the auditors undertaking the professional service. A confidentiality declaration is required from observers or industry participants [Deed of confidentiality declaration](#) as well as from the approved auditors involved in the audit process [Deed of confidentiality declaration - approved auditor](#).

In managing the audit, the auditors⁵ and relevant state training authority officers must:

- manage confidentiality - recognising that auditor and observers may be handling, viewing and/or generating information that is potentially sensitive, commercial in confidence or part of the larger business entity operations outside of the group training organisation activity
- manage conflict of interest (perceived and actual). These include consultancies or financial dealings with a group training organisation, or its competitors, past or present employment at a group training organisation, or a personal or professional relationship with any staff member of a group training organisation. It should also be noted that while standard hospitality can be accepted from an auditee, gifts should never be accepted and in the case of departmental officers acting as observers, additional guidance on this issue can be found in the departmental Code of Conduct and the Financial Management Practice Manual 03.06.01 "Gifts"
- liaise with the group training organisations to determine ways to respond to system improvements where the group training organizations are responsible for management, business and business process improvement
- use timely and independent procedures for dealing with complaints
- subject the total group training organisation audit function to continuous improvement
- maintain current and accurate information on the vocational education and training sector, and participate in moderating the auditing process within Queensland - see topic 8 Moderation
- maintain professional qualifications and professional associations in quality auditing.

8. Continuous Improvement

Information gained throughout the conduct of the audit such as group training organisation demographics, areas of non-compliance, areas for improvement or significant issues arising out of the audit visit should be recorded and provided to the State Training Authority in the final report. Analysis undertaken by the State Training Authority (in conjunction with the peak advisory body – Group Training Association Queensland & Northern Territory Inc) will provide ongoing information about potential risks, feedback and areas for continuous improvement.

For example, if information shows that a significant number of group training organisations have compliance issues with a given standard, professional development activities, information dissemination or workshops could be used to encourage compliance and develop good practice.

9. Reporting Audit Findings

The department has provided a quality audit report template [Quality audit report](#) to be used by the auditor for summarising feedback to the department on the findings of the audit.

The quality audit report consists of two components, the quality audit report and the audit summary. These have been designed to:

- highlight compliance or non-compliance with each standard
- summarise the most important observations, positive as well as negative, and the strengths and weaknesses of the organisation in relation to compliance with the standards, and
- detail any outstanding areas of concern, or areas for improvement in relations to compliance, that existed at the conclusion date of the audit.

The department requires the auditor to formulate a detailed report of the audit findings in the form of the self-assessment template. The detailed report should support the findings as summarised in the quality audit report, and be made available upon request by the department or the group training organisation. An electronic copy of the self-assessment template is available from the department.

Prior to forwarding the quality audit report to the state training authority, the chief executive officer of the group training organisation will need to sight and sign the quality audit report.

10. Non-compliance

State Training Authorities are required to provide adequate time for making improvements and arrange for the re-assessment of a group training organisation in the circumstances of unsuccessful audit reports.

Under the process flowchart a group training organisation has fourteen days from completion of the site audit to rectify any areas of non-compliance. At the completion of the site visit (or the rectification period if applied) the auditor has seven days to complete the quality audit report and forward it to the departmental project officer.

Where an auditor judges a non-compliance to be minor, a system improvement plan (strategy and timelines) may be negotiated with the group training organisation for any corrective action. The strategy and timeframes must be appropriate to the degree of risk. The auditor will be responsible for [Systems improvement plan](#) to the department for approval.

Any areas of major non-compliance must be rectified within timelines before the release of grants under the Queensland Group Training Program Performance and Funding Agreement. The group training organisation must be informed by the auditor of the need for a full or partial re-audit, or whether a written declaration that corrective action is complete will be adequate.

Initial Compliance Audit

In the event that a group training organisation is not compliant with the standards, the group training organisation is able to continue to operate, subject to an agreed timeframe.

The agreed timeframe for compliance and opportunity to appeal will depend on the nature of the non-compliance. Where a group training organisation is not able to meet the standards after the agreed timeframe, the group training organisation becomes ineligible for relevant Government funding and is no longer authorised to use the national logo for group training. The department will advise whether or not recognition as a group training organisation should continue.

⁵ Auditors are required to address and meet AS/NZS 3911.2: 1992

Ongoing recognition

A group training organisation is required to undertake the self-assessment process as at or by 31 December each year and to submit the self-assessment to the department by 31 January of the following year. After initial compliance is determined, a group training organisation is also required to undertake a quality audit once every five years.

The department will notify group training organisations six months prior to the compliance audit.

Upon receipt of the self-assessment and compliance audit, the department will conduct a rigorous review of the findings to ensure the GTO meets the National Standards.

11. Code of Practice

Audit organisations and personnel involved in audits (including any persons in an observer role) are duty bound under the approved auditor conditions, to observe a group training organisation auditing code of practice covering:

Professional conduct: Auditors must act in a professional and ethical manner, meeting the needs of the State Training Authority, the client and protecting the rights of all parties. This includes being objective, independent, honest, constructive and diligent.

Conflict of Interest: Auditors must disclose actual, perceived and potential conflicts of interest, being information that may limit their capacity to make unbiased judgements.

Confidentiality and Intellectual Property: Auditors must not disclose any information relating to an audit or activities of the auditee except where they are reporting to the department, or under applicable law, or where authorised in writing by the auditee and the department. In addition, auditors must take reasonable steps to protect intellectual property ownership and any commercial in confidence information or material obtained during the course of the audit.

Informed and client focused: Auditors accept a responsibility of being informed about the National Standards for Group Training Organisations, the framework surrounding the standards, knowledge of the business of group training organisations, and relevant sections of the *Further Education and Training Act 2014*. In addition, auditors must ensure that the auditee is clear about the basis and process of the audit and their role and rights within that process.

Accountability: Auditors must act in a way that will not prejudice the reputation of the department, nor the audit process generally and must fully co-operate with any subsequent inquiries into the audit process or outcomes.

11.1 Conflict of Interest

The auditor is required to lodge the conflict of interest declaration form [Conflict of Interest declaration form](#) with the department, if it is considered that the auditor or a member of the audit team may be involved in a conflict of interest situation, or if formal clarification is required on whether or not a conflict exists.

The conflict of interest may be one that benefits, or disadvantages the relevant organisation, and may include personal and professional relationships.

Examples of conflict of interest that should be declared include:

- auditors providing a consulting service to a GTO concerning the development and implementation of its quality system or training programs
- delivery of other services for the GTO
- financial interest in the GTO.

Following receipt of the declaration, the department will determine if a conflict exists, and where it does, how it can be appropriately managed.

11.2 Deed of Confidentiality Declaration –Approved Auditor

The auditor must ensure that the [Deed of confidentiality declaration - approved auditor](#) is completed prior to conducting any audits.

12. Auditor Skills Profile

The [Auditor skills profile](#) outlines the range of skills, knowledge, attitudes and behaviours required for the conduct of quality audits against the National Standards for Group Training Organisations.

Given variations in the management and application of the audit function and process, and variations in individual skill level and experience in roles and responsibilities, the skills described in Attachment 7 may not be held by one person or at one level.

Essentially the skills profile covers:

- Australian Quality Training Framework (AQTF) compliance standards and essential conditions. Replaced;
- the requirements of AS3911.1, 3911.2 & 3911.3 *Guidelines for Auditing Quality Systems*;
- an understanding of ISO 9001 *Quality Management Systems* requirements;
- additional information relating to the operations of group training organisations in Queensland.

13. Group Training Auditors' Checklist

In order to assist the understanding and management of the audit process, the department has developed the [Group training auditor's checklist](#) for use by the lead auditor. A copy of the checklist must be returned, along with the quality audit report to the department on the completion of each audit.

14. Audit Evaluation Form

To provide an opportunity for continuous improvement, the auditor is required to provide the group training organisation representative with the [Audit evaluation form](#) at the closing meeting, and encourage the group training organisation to complete and submit the evaluation form to the department.

16. Observers

An observer may include a senior representative from the department or relevant regional office and/or representatives from the Group Training Association – Queensland and Northern Territory Inc. At the discretion of the group training organisation, observers may attend the opening and closing meetings of the site audit, and any other component of the audit. However, this excludes situations where the auditor is meeting with apprentices and/or trainees as part of the audit. In these circumstances, a regional observer must be invited by the auditor to participate.

A regional observer may advise the auditor in matters relating to the employment and training of apprentices and trainees and how they apply in a group training organisation.

As part of the preparation for each audit, auditors are required to confirm with the group training organisation's Chief Executive Officer on whether or not, the group training organisation consents to the attendance of a senior regional representative from the department at the opening and closing meetings, or at other components of the audit.

If agreed by the group training organisation, the auditor is required to contact and inform the relevant Director – Training, or nominee of the impending audit if a regional observer from the department is to attend the audit. The Director – Training, or nominee will advise the auditor of the contact details of the regional observer assigned to the audit.

Where a group training organisation declines regional representation, the auditor must still contact the relevant Director – Training, or nominee to advise them of the impending audit. An auditor can

also contact the Director – Training, or nominee at any time to obtain information on group training, and apprenticeships and traineeships.

Where an observer attends an audit, the auditor is responsible for ensuring that a [Deed of confidentiality declaration - observer](#) is completed by the observer and has been forwarded to the departmental contact officer prior to conducting the audit.

The current contact list for group training organisations and the departmental region where their head offices are located can be found at:

<https://desbt.qld.gov.au/training/employers/gto/contact>

The Director – Training, or nominee can be contacted by telephone on 1800 210 210.