**THIRD PARTY COMPLIANCE REVIEW**

VET INVESTMENT & USER CHOICE PROGRAMS

# Background

The Third Party compliance review template[[1]](#footnote-1) has been developed so Skills Assure Suppliers (SAS) (*the Supplier*) can review their Third Party Arrangements and the Supplier’s governance practices supporting quality training delivery and compliance with the SAS Agreement[[2]](#footnote-2). The Third Party compliance review template aligns with the requirements of the SAS Agreement and the Department’s Policies including the Audit Evidence Requirements (VET Investment) and Audit Evidence Requirements (User Choice). The Third Party compliance review is also intended to assist the Supplier to identify areas where the Supplier can improve its governance practices to support quality training delivery and compliance with the SAS Agreement.

As outlined within *Clause 18 Third Party Arrangements and Subcontracts* of the Queensland Vocational Education and Training Skills Assure Supplier Agreements for Certificate 3 Guarantee and Higher Level Skills and User Choice[[3]](#footnote-3), the Supplier is **only** allowed to utilise the services of a Third Party for the provision of Training and/or Assessment to no more than 50% of any individual qualification listed on the Supplier’s Delivery Schedule.

This document contains a recommended template to assist Suppliers in carrying out the formal compliance review of all Services delivered under Third Party Arrangements as required by under clause 18.2(g) of the SAS Agreement.

## Compliance Review Schedule – Supplier obligations

***Existing Third Party Arrangements***

For any Third Party Arrangements existing when the SAS Agreement commences or is renewed, the Supplier must undertake a Third Party compliance review:

* **no later than three months** after the SAS Agreement commences or is renewed; and
* subsequently, every **six months of the Term of the SAS Agreement**.
* If the Third Party is a School, the compliance review must be carried out at least once every year during the Term of the SAS Agreement.

***New Third Party Arrangements***

If the Supplier enters into any new Third Party Arrangements after the SAS Agreement commences or is renewed, or if the organisational structure within the Third Party has changed, the Supplier must:

* undertake a Third Party compliance review using this template **no later than one month** after the Third Party Arrangement is entered into or the organisation structure of the Third Party is changed; and
* subsequently, every **six months of the Term following the initial Third Party compliance review**.
* If the Third Party is a School, the compliance review must be carried out at least once every year during the Term of the SAS Agreement.

**For clarity, the Supplier must conduct its Third Party compliance review against each entity with which it has a Third Party Arrangement at least twice within every calendar year**.

***Records to be retained***

The Supplier must ensure that each Third Party compliance review is:

* completed in full and is supported by documents and information that are independent of the Supplier and the Third Party;
* signed and dated by the responsible officer[[4]](#footnote-4) of the Supplier as well as the person responsible for the day-to-day management of the Third Party. If the Third Party is a registered training organisation[[5]](#footnote-5), the person signing the Third Party compliance review must be the person listed as the chief executive of the organisation on [www.training.gov.au](http://www.training.gov.au); and
* retained by the Supplier in accordance with *Clause 11 Records* of the SAS Agreement.

***Records to be produced***

The Supplier must be able to provide its Third Party compliance reviews (including a current copy of the Third Party Arrangement, and the Third Party’s current and historical ASIC Company Extract):

* no later than 5 Business Days after a request by the Department; or

immediately if requested during a Performance Review or Audit of the Supplier.

Annexure 1 – Third Party compliance review

|  |  |  |  |
| --- | --- | --- | --- |
| **Skills Assure Supplier** |  | **SAS Agreement** | **(i.e. QSXXXXXX)** |
| **Legal name of third party**  |  | **ACN** |  |
| **Trading name of third party** |  | **Date of third party Arrangement commenced** |  |
| **Arrangements** | **New / Existing** | **Date of review** |  |
| I have undertaken a review of the Supplier’s and the Third Party’s current arrangements and governance practices in relation to the provision of Training and/or Assessment undertaken on behalf of the Supplier organisation as indicated within this compliance review: |
| **Compliance review conducted by**:  |  |
| *{Name of staff member and position}* | *Signature* |  **/ /** |
| **The Supplier and the Third Party acknowledge and agree that the information contained in this Third Party compliance review:*** **is true and accurate in all respects and supported by documents and information that are independent of the Supplier and the Third Party; and**
* **will be used, stored and disclosed by the Department of Youth Justice, Employment, Small Business and Training with other Government Agencies (including Commonwealth agencies) for the purposes of assessing compliance with the contractual and regulatory framework that applies to the parties**
 |
| **Supplier’s chief executive**[[6]](#footnote-6) |  |
| *{Name of chief executive and position}* | *Signature* |  **/ /** |
| **Third Party chief executive/responsible officer[[7]](#footnote-7)** | Third Party  |
| *{Name of person and position}* | *Signature*  |  **/ /** |

|  |  |
| --- | --- |
| 1. **General (for all Third Party Arrangements)**
 | 1. **Result**
 |
|  | 1. **YES**
 | 1. **NO**
 | 1. **N/A**
 |
| 1. The Department has been informed of this Third Party Arrangement?
 |  |  |  |
| 1. The terms of the Third Party Arrangement in writing and in accordance with the *Third Party Arrangements Directive*?
 |  |  |  |
| 1. The Third Party’s current and historical ASIC Company Extract has been obtained?
 |  |  |  |
| 1. The Third Party has been given clear instructions that it is not to undertake recruitment and enrolment of Students for services it is engaged to deliver under the SAS Agreement?
 |  |  |  |
| 1. The Third Party has been given clear instructions that it is not to carry out any marketing or advertising for any Programs or Qualifications it is engaged to deliver under the SAS Agreement?
 |  |  |  |
| 1. The Third Party’s website and social media presence has been reviewed and does not contain any marketing, advertising of Qualifications or references to recruitment of Students under any program delivered under the SAS Agreement.
2. This review was conducted: ***{Insert date of review}***
 |  |  |  |
| 1. Further action:
2. Where it is identified that any of the above has not occurred, please detail the issue, the corrective action undertaken, and retain supporting documentation.
 |
| 1. **General (for pre-existing and/or continuing Third Party Arrangements)**
 | 1. **Result**
 |
| 1. **Since the last Third Party compliance review conducted:**
 | 1. **YES**
 | 1. **NO**
 | 1. **N/A**
 |
| 1. Has the person or persons in control of the day-to-day management of the Third Party or the Third Party’s Key Personnel changed?
 |  |  |  |
| 1. If yes, an updated copy of this Third Party’s ASIC Company Extract has been provided?
 |  |  |  |
| 1. Where applicable, the Third Party has provided notification of any Change of Control (as defined by the SAS Agreement)
2. (Note: The Supplier must ensure that any change in control in the Third Party is reported to the Department)
 |  |  |  |
| 1. Has the Third Party engaged in recruitment or enrolment of students for the Program or a Qualification under the SAS Agreement?
 |  |  |  |
| 1. Has the Third Party conducted marketing or advertising for a Program or a Qualification?
 |  |  |  |
| 1. Further action:
2. If the SAS has identified that a change in control has not been notified or any the Third Party has engaged in enrolment, recruitment, marketing or advertising programs under the SAS Agreement please detail the issue, what corrective action has been undertaken, and retain supporting documentation.
 |

|  |  |
| --- | --- |
| 1. **Training**
 | 1. **Result**
 |
|  | 1. **YES**
 | 1. **NO**
 | 1. **N/A**
 |
| 1. The Third Party understands and effectively manages the delivery of Training and the withdrawal or discontinuation of Students to the Supplier’s satisfaction.
 |  |  |  |
| 1. The Third Party is retaining adequate evidence of training attendance (for example through the use of a training attendance record [or similar named] template.
 |  |  |  |
| 1. All necessary evidence to validate Student participation in Training is captured including, for each individual Student and each individual Unit of Competency, evidence of training captures:
* Unit of Competency code and name
* Date Training delivered
* Duration of Training
* Location of Training
* Name and signature of Student
* Name and [dated] signature of trainer
 |  |  |  |
| 1. For all Units of Competency where AVETMISS data has been reported to the Department, all records validating each Student’s participation in Training has been provided to the Supplier for retention in accordance with Clause 11 of the SAS Agreement?
 |  |  |  |
| 1. All trainers engaged by the Third Party hold the qualifications necessary to deliver Training under the *National Vocational Education and Training Regulator Act 2011* (Cth) including Clause 1.14 and Schedule 1 of the Standards for RTOs 2015, and the names and qualifications of the trainers have been provided to the Supplier.
 |  |  |  |
| 1. The integrity of records of Training delivered by the Third Party contain sufficient evidence to satisfy the requirements of the SAS Agreement, the Department’s Policies (including the Audit Evidence Requirements)?
2. In particular, for each individual Student and each individual Unit of Competency, the evidence of Training provided by the Third Party captures:
* Unit of Competency code and name
* Date Training delivered
* Duration of Training
* Location of Training
* Name and signature of Student
* Name and [dated] signature of trainer
 |  |  |  |
| 1. Further action:
2. If it is identified that any of the above has not occurred, detail the issue, what corrective action has been undertaken, and retain supporting documentation.
 |

| 1. **Assessment (inc. Recognition of prior learning)**
 | 1. **Result**
 |
| --- | --- |
|  | 1. **YES**
 | 1. **NO**
 | 1. **N/A**
 |
| 1. The Third Party undertakes appropriate Assessment of Students, including:
* Meeting evidence retention requirements for Recognition of Prior Learning (refer to the Department’s Policies, including the Audit Evidence Requirements)
* Satisfactory processes for re-assessments; and
* Undertakes adequate User Choice specific on-the-job verification?
 |  |  |  |
| 1. The Third Parties Assessment instruments and associated marking guides / benchmark responses are adequate.
 |  |  |  |
| 1. All necessary evidence to validate the requirements of each individual Unit of Competency is being captured by the Third Party (i.e. range of Assessment and repetition of practical skills)?
 |  |  |  |
| 1. For all Units of Competency where AVETMISS data has been reported to the Department, all completed Assessment evidence has been provided to the Supplier for retention in accordance with the SAS Agreement.
 |  |  |  |
| 1. All assessors used by this Third Party hold the qualifications necessary to conduct Assessment under the *National Vocational Education and Training Regulator Act 2011* (Cth) including Clauses 1.14 and 1.15, and Schedule 1 of the Standards for RTOs 2015, and the names and qualifications of the assessors have been provided and to the Supplier.
 |  |  |  |
| 1. The integrity of completed Assessments undertaken by the Third Party is sufficient and satisfactory evidence has been retained to support the Supplier’s compliance with the SAS Agreement, Department’s Policies (including the Audit Evidence Requirements)?
2. Specifically, for each individual Student and each individual Unit of Competency, evidence of assessment captures:
* Range of Assessment evidence has been retained in accordance with Supplier’s Assessment strategy as outlined within Assessment coversheet, training plan or Training and Assessment Strategy.
* Knowledge based Assessment instruments:
	+ contain full responses from the Student;
	+ verified to be the Student’s own work; and
	+ all components of the Assessment instrument have been assessed with the outcome recorded.
* Practical observation Assessment instruments:
	+ have been completed
	+ provides clear detail / context of the practical tasks /activities that were observed; and
	+ contains assessor comments individualised to the Student’s performance
* Assessment instruments have been signed and dated by the responsible assessor
* Assessment instruments have been signed and dated by the Student acknowledging the outcome of the Assessment process.
 |  |  |  |
| * [User Choice specific] Evidence of confirmation by the employer or workplace supervisor of consistent competent performance in the workplace has been captured and retained.
* [User Choice specific] The employer or workplace supervisor signing the on-the-job verification is someone recognised within the employer resource Assessment as a qualified person.
* Where work / vocational placement hours are a mandatory requirement of the Unit of Competency, evidence of vocational placement has been retained to support the quantum of vocational placement hours undertaken, which has been verified by the employer or workplace supervisor.
 |  |  |  |
| 1. Recognition of Prior Learning (RPL) – against each individual Unit of Competency or a cluster of units.
* Mapping document had been given and retained to align full range of RPL evidence, in accordance with the Audit Evidence Requirements documents, to specific Unit of Competency requirements
* Actual questions and responses have been retained within the documented competency conversation with the Student and competency conversation with at least one recent employer.
* challenge test has been retained for each Unit of Competency that contains a requirement for the Student to demonstrate and/or perform skills and/or behaviours as stated in the Unit Performance Evidence requirements
* self-appraisal has been completed by the Student against the relevant Unit of Competency tasks
* Assessment instruments have been signed and dated by the responsible assessor
* Assessment instruments have been signed and dated by the Student acknowledging the outcome of the Assessment process.
 |  |  |  |
| 1. Further action:
2. If it is identified that any of the above has not occurred, identify the issue, what corrective action has been undertaken, and retain supporting documentation.
 |

1. see Annexure 1. [↑](#footnote-ref-1)
2. Capitalised terms used in this document have the meaning given to them in the SAS Agreement unless a contrary intention appears. [↑](#footnote-ref-2)
3. Referred to in this directive as SAS Agreement. [↑](#footnote-ref-3)
4. being the person listed as the chief executive of the Supplier as reflected in its RTO details on www.training.gov.au [↑](#footnote-ref-4)
5. Being a registered training organisation under the NVR Act. [↑](#footnote-ref-5)
6. Being the person listed as the chief executive of the Supplier in the details of the registered training organisation on the training.gov.au website. [↑](#footnote-ref-6)
7. Being the person responsible for the day-to-day management of the Third Party or, if the Third Party is a registered training organisation under the *National Vocational Education and Training Regulator Act 2011* (Cth), the person listed as the chief executive of the Supplier in the details of the registered training organisation on the training.gov.au website. [↑](#footnote-ref-7)