



# Department of Education and Training

Higher Education and Skills

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Ms Jenny Rushton  
Chief Executive Officer  
Transformations - Pathways to Competence and Developing Excellence Pty Ltd  
*Trading as STA*  
Level 2, 2 Capital City Boulevard Knox Ozone  
Wantirna South VIC 3152

Dear Ms Rushton

## OUTCOME OF SKILLS FIRST AUDIT AND ASSURANCE PROGRAM - QUALITY REVIEW

I write regarding the Quality Review (the Review) conducted at Transformations - Pathways to Competence and Developing Excellence Pty Ltd, t/a Skills Training Australia (STA), which commenced on 22 July 2019, by Auditors from EY (the Auditor).

The purpose of the Review was to provide assurance to the Department of Education and Training (the Department) regarding STA's compliance with the 2017 Standard VET Funding Contract and the 2018-19 Standard VET Funding Contract (collectively referred to as the Contracts), with specific reference to:

- Clause 3.1 (a) requiring the provision of Training Services subsidised through the Skills First Program to be of high quality and relevant to industry and employers; and
- Clause 4.1 (d) requiring delivery of training within its Funded Scope which is in accordance with the requirements of both the Training Package and Standards for Registered Training Organisations (RTOs) 2015 (the Standards).

## Summary of Findings

The Review identified multiple instances of non-compliance with the Contracts. The table below summarises the reported findings for each Program included in the Review.

Key Aspect	Program 1	Program 2
	Diploma of Nursing (2017)	Diploma of Nursing (2018)
Training and Assessment Strategy	Non-Compliant	Non-Compliant
Pre-Training Review	Non-Compliant	Non-Compliant
Training Plan	Non-Compliant	Non-Compliant
Physical and Learning Resources	Compliant	Compliant
Assessment Resources, Methods and Timing	Non-Compliant	Non-Compliant
<i>Skills First</i> Teacher Competency	Non-Compliant	Compliant
Marketing Practices	Non-Compliant	Non-Compliant
Learner Protection	Compliant	Compliant
Internal Audit and Compliance	Non-Compliant	Non-Compliant

Key Aspect	Program 1	Program 2
	Diploma of Nursing (2017)	Diploma of Nursing (2018)
Practical Placements	Non-Compliant	Non-Compliant
Online Delivery	Non-Compliant	Non-Compliant
Training Verification	Completed	

### Review of Findings

The Department accepts all findings contained within the Review report and notes that these findings constitute a Material Breach as defined in Clause 1.1 of the Contract.

The Review findings demonstrate that STA has weaknesses in the development and implementation of quality control procedures. This risks adherence to the requirements of the Contract and the Standards.

Where the Department has felt that more explanation of our position on the findings is required, this is reflected in Attachment A (including recommended tools or approaches to assist in rectification action).

### Reimbursement of Review Costs

STA was previously advised that in accordance with Clause 11.2 d) of the Contract they may be required to reimburse the Department for the costs incurred in conducting the Quality Review. The cost was estimated at approximately \$15,000 - \$20,000 (incl. GST). The actual cost of the audit is \$16,896.00 (incl. GST). An invoice for this amount will be raised shortly.

### Next Steps

The Department emphasises to STA that to address its concerns, all actions and timelines recorded in the Management Action Plan (MAP) should be implemented and adhered to. Further, as per Clause 11.3 b) iii) of the Contract, within six months of the date of the final Review report STA must advise the Department in writing of the steps taken to comply with and implement the MAP.

The Department requests a meeting with STA to further discuss the findings of the Review. A representative of the Department will be in contact with you shortly to schedule this meeting.

STA will be required to bring to this meeting a copy of the updated MAP (with actual completion dates) and copies of relevant updated Pre-Training Review documents.

As the Review findings raise concerns regarding STA's adherence to the requirements of the Contract and the VET Quality Framework, a copy of the Audit Report will be referred to the Australian Skills Quality Authority (ASQA) for their consideration.

Lastly, I thank you for your organisation's co-operation throughout the conduct of the Review, including the assistance provided by your staff throughout the process. I trust that STA found the Review helpful for continuous improvement purposes.

Yours sincerely



Jacob Micallef

A/ Director  
Funding and Assurance Services  
Dated: 12 December 2019

## ATTACHMENT A - Discussion of Non-Compliant Key Aspects

### Training and Assessment Strategy (TAS) – Report Ref: 2.1

The Department accepts the Auditor's findings at Report Reference 2.1, which encompassed the following themes:

- There was not separate a TAS for each cohort within each program; and
- There was no evidence of industry engagement.

The Department acknowledges your undertaking to ensure that there is a separate TAS for each student cohort as required by Schedule 1, Clause 5.8 and 5.7 of the Contracts.

STA is reminded of the importance of documenting all industry engagement and subsequent feedback received and/or action taken, in order to maintain transparency for continuous improvement.

Your organisation can refer to Chapter 4 of ASQA's *Users' Guide to the Standards for RTOs 2015*, which provides guidance on how to develop a compliant TAS.

### Pre-Training Review (PTR) – Report Ref: 2.2

The Department accepts the Auditor's findings at Report Reference 2.2, which encompassed the following themes:

- PTRs did not detail how the proposed training aligns with the stated objectives;
- PTRs did not ascertain and document the suitability and appropriateness of the course for the student; and
- Language, Literacy and Numeracy (LLN) support was not documented; and
- STA's LLN assessments did not demonstrate that each student met the minimum requirements as outlined within the TAS.

In order to maximise the likelihood of a student successfully completing a Program, the Department believes it is critical to ensure they are enrolled in the most suitable training option based on their aspirations, interests, capabilities and likely job outcome. The determination of such suitability must be documented for assurance.

Where LLN support is required, this also should be documented to ensure the relevant *Skills First* Teacher is aware and may provide appropriate support.

STA is reminded to refer to the Contract Notification *CN 2019-09 Pre-Training Review – Sample Template* that is available on the Skills Victoria Training System (SVTS). This template is an optional and customisable PTR template that may assist your organisation with meeting the PTR requirements.

### Training Plan – Report Ref: 2.3

The Department accepts the Auditor's findings at Report Reference 2.3, which encompassed the following themes:

- Training Plans did not include:
  - the persons responsible for the delivery or assessment;
  - the assessment details and arrangements; and
  - the delivery mode to be used for each unit of competency.

Training Plans provide important consumer information to the student/s to which it relates, so they are fully informed of all relevant components and timelines for the training and assessment they are undertaking. The Department acknowledges your management comments which state that these issues were identified during the 2019 Internal Audit the template was amended to include the required information.

STA is reminded that Training Plans are a living document, which must be updated, where required, to reflect any changes that occur throughout the Training Services.

Further, the Department recommends your organisation to review the amendments to Version 3 of the Contract, specifically relating to Training Plans, as detailed in Contract Notification *CN 2019-16 'Curated' 2018-19 VET Funding Contracts (extended to 31 December 2020) (version 3.0)*.

#### **Assessment Resources, Methods and Timing – Report Ref: 2.4**

The Department accepts the Auditor's findings at Report Reference 2.4, where it was reported that the Principles of Assessment and Rules of Evidence were not met due to insufficient assessment evidence.

The Auditor reviewed six instances where the Training Provider was unable to evidence that the student had completed all applicable assessment tasks required for each unit of competency, as outlined in the detailed assessment resource provided.

In your management comments, you state this was partly due to poor record keeping. While human error is an unfortunate issue in any business, it is imperative that appropriate processes be in place to mitigate the risk.

The Auditor reviewed five instances where the assessor guide provided for one of the assessment tasks was not comprehensive enough to capture all available answers to the questions asked as part of the assessment.

In your management comments, you state competence was assessed in the simulated lab environment and on an electronic tablet in the classroom under exam conditions for which there were no marking guides.

While the Auditors stated the non-compliance was in relation to a workbook task with written questions, the Department notes that where performance evidence of a unit of competency stipulates that a task must be completed, evidence of assessment for each occasion must be clearly documented. Further, it is essential for the student to provide sufficient evidence (be it knowledge or performance evidence) to provide assurance that the quality, quantity and relevance of the evidence enables a sufficient judgement to be made of the student's competency.

The Department encourages STA to undertake a review of its assessment materials and processes to ensure all assessments are conducted in accordance with the Principles of Assessment and Rules of Evidence. Specifically, that assessments are Valid, Fair, Sufficient and Reliable.

Your organisation can refer to Chapter 4 of ASQA's *Users' Guide to the Standards for RTOs 2015*, which provides guidance on how to implement compliant assessment processes.

#### **Skills First Teacher Competency – Report Ref: 2.5**

The Department accepts the Auditor's findings at Report Reference 2.6, which noted there was inadequate evidence of *Skills First* Teacher (Teacher) competency and professional development.

STA is reminded that as per Principle 5 of the *Skills First* Quality Charter, student's training and assessment must meet regulatory standards and be delivered by a Teacher. STA must retain evidence that the Teacher holds the minimum qualification/s and undertakes the appropriate professional development, relevant to the Program being delivered.

#### **Marketing Practices and Online Delivery – Report Ref: 2.6 and 2.9**

The Department accepts the Auditor's findings at Report References 2.6 and 2.9, which encompassed the following themes:

- Online Service Standards were not published on STA's website; and

Your details will be dealt with in accordance with the *Public Records Act 1973* and the *Privacy and Data Protection Act 2014*. Should you have any queries or wish to gain access to your personal information held by this department please contact our Privacy Officer at the above address

- STA's marketing information did not align with the TAS.

The publication of Online Service Standards will provide students with a clear understanding of how STA will support the delivery of a quality learning experience for students studying and/or accessing learning resources online.

The Department accepts the comments from STA that its online information has been updated and aligns with the requirements of the Contracts.

#### **Internal Audit and Compliance – Report Ref: 2.7**

STA is reminded of its obligation to complete an Internal Audit checklist in accordance to the Contracts. The completed checklist must be signed by the CEO to verify their acknowledgement of potential rectification actions which may require undertaking to ensure compliance with the Contract.

#### **Practical Placements – Report Ref: 2.8**

The Department accepts the Auditor's findings at Report Reference 2.8, which encompassed the following themes:

- Practical Placement Agreements (Agreements) did not include information as required by the Contracts; and
- Agreements were not executed by all parties prior to commencement of placement.

In the interest of transparent consumer information, STA is reminded that Agreements ensure all parties are fully informed of all relevant components and timelines for the practical placement being undertaken.

#### **Student Interviews – Report Reference 1.6**

Interviews were conducted with students from Program 1 and Program 2. A number of the responses were of significant concern to the Department, with the common themes categorised below:

##### *Enrolment, Participation and Satisfaction*

Students stated:

- they were not provided with placements in appropriate facilities; and
- STA was unorganised and enrolled the student into the incorrect units.

##### *Training Plan*

- Students reported that the Training Plan was not tailored for a student's needs.

##### *Assessment Resources, Methods and Timing*

Students felt that:

- they were not given sufficient time to practise their skills in the lab;
- there was an insufficient amount of training provided prior to assessment;
- they were essentially given the answers to assessment tasks;
- students who did not complete the assessments properly were marked as competent; and
- there was not a lot of supervision provided to students during class.

##### *Training and Assessment Strategy*

Students reported:

- there was an insufficient amount of training prior to assessment; and
- did not meet their expectations of what the course should cover.



### *Pre-Training Review*

Students reported that:

- before they enrolled, no one from STA discussed with them why they wanted to do the course.

### *Physical and Learning Resources*

Students reported that:

- they were not provided with access to the essential facilities and equipment needed to complete the course.

### *Skills First Teacher Competency*

Students reported dissatisfaction with Teachers as they:

- communicated poorly;
- did not provide enough detail on the course content;
- gave students the answers to assessments; and
- had expressed disrespectful personal views in the classroom.

### *Learner Protection*

- Students reported having raised a complaint with STA and were not satisfied with the outcome as nothing was done to rectify the issue.

The Department also reviewed the 2019 Student Satisfaction Survey responses, and note that STA had a response rate of approximately 55%. For the performance measures relevant to student experience, STA performed well below the Victorian average. Further, only 49.5% of respondents would recommend STA, compared to a Victorian average of 76%.

These results, in addition to the dissatisfied students interviewed, are of great concern and provide the Department with little confidence as to STA's ability to deliver high quality Training Services in line with the Contract and Standards.

The Department strongly urges STA to consider the themes appearing in the surveys and any other form of student and stakeholder feedback received, and regularly review all related procedures to ensure students are confident they are receiving high quality Training Services.