

Skills First Program
2017 Audit and Assurance Report

Business Process and Transactional Compliance Audit

Vative Healthcare
22175

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TABLE OF CONTENTS

- 1. EXECUTIVE SUMMARY 1**
- 1.1 Introduction..... 1
- 1.2 Objective and Scope..... 1
- 1.3 Description of Training Provider..... 2
- 1.4 Summary of Findings..... 2
- 1.5 Training Services Observations 2
- 1.6 Payment of Fees Observations 4
- 1.7 Summary of Student and *Skills First* Teacher Interviews 4
- 2. DETAILED FINDINGS..... 5**
- 3. OPPORTUNITIES FOR IMPROVEMENT 7**
- 4. MANAGEMENT ACTION PLAN 8**
- 5. NEXT STEPS 9**
- APPENDIX A – ELIGIBILITY EXCEPTIONS 10**

1. Executive Summary

1.1 Introduction

The *Skills First* Program is an entitlement to government subsidised training for eligible individuals.

The Victorian Department of Education and Training (the Department) contracts Training Providers to deliver training to eligible individuals under the *Skills First* Program. In accordance with its *Skills First* Audit and Assurance Strategy, the Department undertakes audits and reviews to ensure the contracted Training Providers are complying with the terms and conditions of their VET Funding Contract(s).

The objectives of the *Skills First* Audit and Assurance Strategy are to:

- confirm that funding has been expended appropriately
- promote training provider regulatory and standards compliance
- promote training provider process quality.

The Department conducts these audits and reviews using contractors from a panel of service providers.

PwC conducted the audit at Vative Healthcare from 29 January 2018.

1.2 Objective and Scope

The objective of the audit was to consider the business processes and internal control environment employed by the Training Provider to comply with its contractual obligations under the VET Funding Contract. The audit was conducted based on sample data which was extracted from SVTS by the Department on 25 January 2018.

The scope of work focused on:

- gaining a contextual understanding of the Training Provider to set the scene for the audit;
- internal audit activity undertaken by the Training Provider to self-assess its compliance against the VET Funding Contract;
- processes in place for eligibility assessment, fees and fee concessions, pre-training review, training plan development, training delivery;
- gaining a contextual understanding of the provision of quality training services delivered by the Training Provider under *Skills First*, including the Quality Charter;
- student interviews to validate audit findings and also to signal to Training Providers that the Department is not only examining files, but also verifying funding claimed with students; and
- maintenance of records to evidence compliance (e.g. eligibility, fee invoices, evidence of fee concession, training plans/delivery, evidence of participation), including use of the Training Provider's Student Management System (SMS) and input of relevant data into the Skills Victoria Training System (SVTS).

Transactional compliance testing was also performed to identify specific areas of non-compliance with the VET Funding Contract through sample testing of records associated with student eligibility, pre-training review, training plan development, training participation, fee concessions and reporting.

Where sample testing issues have been identified, the results have been incorporated into the findings set out in Section 1.4, Section 2 and the Appendices of this report (as relevant).

1.3 Description of Training Provider

Vative Healthcare is based in Glen Waverly, Victoria. Vative Healthcare previously operated as part of Inspirative Training Pty. Ltd. (trading as Vative Academy) as the healthcare division that delivers courses relating to healthcare. In March 2016, the Vative group purchased Y – Learning and Development Pty Ltd which resulted in Vative Healthcare trading under Y-Learning and Development as a separate RTO.

Vative Healthcare currently has approximately 98 students. Training for each Skills First course is workplace based which means classes are delivered at the student’s place of employment.

The Training Provider anticipates growth in courses relating to aged care. The Training Provider advertises its courses and services through its website and through direct contacts with employers in the healthcare sector.

Vative Healthcare management have represented that the RTO does not sub-contract out training and assessment services, brokering services and training services not relating to training and assessment.

1.4 Summary of Findings

The following control weaknesses were identified which may impact the Training Provider’s ability to comply with the VET Funding Contract:

Report Ref	Area	Control Weakness
2.1	Eligibility	Eligibility Declaration form completed by RTO’s delegate after course commencement
2.2	Data Reporting	Outdated provider profile on the Victorian Skills Gateway website

Further details of the control weakness, and a Management Action Plan to address them, are included in Sections 2 and 4 of this report.

Details of the opportunities for improvement are included in Section 3 of this report.

1.5 Training Services Observations

Organisation

Vative Healthcare had not added qualifications to their Registered Scope in the last 12 months.

Vative Healthcare was most recently audited by ASQA in May 2017. The Training Provider has published the results of this audit on their website. No rectification plan was required from the audit.

Vative Healthcare markets its services and courses to potential students on its website and through contacts with employers in the industry. The majority of students at Vative Healthcare are from employers in the industry to who Vative Healthcare advertises to. The percentage of students who complete their course of study at the Training Provider is 82%.

The Training Provider has mechanisms and services for students to have complaints and appeals addressed efficiently and effectively. The process is clearly defined and documented in a policy which is available to students to access on Vative Healthcare’s website. All complaints and appeals, are recorded within the Complaints & Appeals Register.

Sample

The program being tested is Diploma of Competitive Systems and Practices. This level of qualification has an AQF recommendation of 1 – 2 years. Training is delivered at the student’s place of employment where they attend classes with the facilitator and undertake practical assessments in a workplace environment.

The *Skills First* Teachers delivering the course have qualifications as shown in the table below:

Skills First Teacher Name	Qualification/s held	Date Qualification Obtained
Karen Barker	<ul style="list-style-type: none"> • Registered Nurse (Division 1) • Bachelor Applied Science (Nursing) • Post Graduate Diploma in Advanced Clinical Nursing (Coronary Care) • Post Graduate Diploma in Public Health • MSA41108 Certificate IV in Competitive Manufacturing • Lean Six-sigma Green belt • TAE40110 	<ul style="list-style-type: none"> • Current • 1990 • 1996 • 2000 • 2012 • 2013 • 2011
Maree O'Dwyer	<ul style="list-style-type: none"> • Graduate Certificate in Integrating Management Systems • Bachelor of Arts • Certificate III in Business (Office Technology) • Certificate II in Business (Office/Clerical) • SOA: TAELN411 Address adult language, literacy and numeracy skills • SOA: BSZ404A Train small groups - • Lean Process Improvement • Level 2 accredited consultant • TAE40110 	<ul style="list-style-type: none"> • 2000 • 1998 • 1998 • 2014 • 2005 • 2011 • 2016 • 2013
Lauren Manning	<ul style="list-style-type: none"> • Registered Nurse (Division 1) • Diploma of Health Science • Professional Certificate in Health Systems Management • Diploma of Competitive Manufacturing • TAE40110 	<ul style="list-style-type: none"> • Current • 1990 • 2011 • 2013 • 2016
Kate Prohasky	<ul style="list-style-type: none"> • Bachelor of Physiotherapy • Masters of Business Administration • Lean Six-sigma Black Belt • TAE40110 	<ul style="list-style-type: none"> • 2003 • 2008 • 2010 • 2014
Jean Crowe	<ul style="list-style-type: none"> • Registered Nurse (Division 1) • Master of Education Studies • Bachelor of Educational Studies • Diploma of Frontline Management • Clinical and Theoretical Nursing • 3 Years Training, Psychiatric Nursing • 3 Years Training, Mental Handicap Nursing • TAE40110 	<ul style="list-style-type: none"> • Current • 1996 • 1993 • 2002 • 1986 • 1982 • 1980 • 2013

The nominal hours of study per the Training Plan and TAS is 1,280 hours. 186 hours are face-to-face class room study and the remaining hours is dedicated to independent study for assessments, reading of materials etc. Feedback from the teacher interviews indicate that this is an appropriate duration for the students within the course.

The Training and Assessment Strategy was last updated January 2018. The units identified in the Training and Assessment Strategy are consistent with those in the Training Plan. This matches the units for which funding has been claimed. These units match the units which have been delivered. The Training and Assessment Strategy identifies the mode of delivery. This matches the actual mode of delivery.

The information provided to students on the Statement of Fees is consistent with the information in the Training and Assessment Strategy including the duration of study (12 months), location of training and mode of delivery being face-to-face at the student's workplace.

The percentage of students who complete this qualification at the Training Provider is 63%.

1.6 Payment of Fees Observations

Vative Healthcare does not charge fees to students eligible for Skills First funding. This was a decision made by management to support students.

1.7 Summary of Student and *Skills First* Teacher Interviews

As requested by the Department, we attempted interviews with a sample of 8 students enrolled in government subsidised training.

- Three (3) students could not be contacted after three attempts.
- Five (5) student interviews were completed. The outcome of the completed student interviews is outlined below and is based on information provided by the student only:
 - For all five (5) students interviewed, the information obtained from the student interview was consistent with the data reported to SVTS
 - Four (4) of the five (5) students interviewed were satisfied with their trainer
 - One (1) student noted that they felt that the course which they enrolled in was beyond their skillset.
 - One (1) student noted that they felt that having training sessions on a monthly basis is not frequent enough and that the time between sessions is too much. As a result, they felt that the student loses momentum and struggles to catch up.

As requested by the Department, we attempted interviews with two (2) *Skills First* Teachers who deliver training for the Training Provider.

The outcome of the two (2) *Skills First* Teacher interviews is outlined below:

- Two (2) *Skills First* Teacher interviews were completed and no issues were noted.

2. Detailed Findings

The table below details the control weaknesses identified and the Training Provider comments on the findings:

Reference	Finding	Training Provider Comments
Eligibility	Eligibility Declaration form completed by RTO's delegate after course commencement	Training Provider comments on cause of non-compliance
<p>2.1 Four instances where the Eligibility Declaration Form was completed by the Training Provider's authorised delegate after course commencement date</p>	<p>Finding Testing of two (2) BPA and twenty (20) TCA student files identified four (4) instances (one (1) BPA and three (3) TCA) where the Student Eligibility and Student Declaration Form was completed by Training Provider's authorised delegate after the course commencement date. It is acknowledged that all students in these instances completed the Declaration Form and the PTR prior to course commencement and were eligible for the Skills First Program. Refer to Appendix A (for details of exceptions, including the number of days which the form was signed after course commencement).</p> <p>Impact <i>Inadequate documentation of student eligibility assessment may result in a breach of the 2017 VET Funding Contract</i></p> <p>Contract Reference <i>2017 Guidelines about Determining Student Eligibility and Supporting Evidence Clause 3.3(a)</i> <i>Prior to the commencement of training, for each individual that the Training Provider assesses as eligible for the Entitlement to Funded Training, the Training Provider must:</i> <i>a. complete in hard copy or electronically, the information and declarations specified in the Evidence of Eligibility and Student Declaration form at Attachment 3 to these Guidelines;</i></p>	<p>This was an oversight by the Authorised Delegate, the incorrect date was written.</p>

Reference	Finding	Training Provider Comments
Data Reporting	Outdated provider profile on the Victorian Skills Gateway website	Training Provider comments on cause of non-compliance
<p>2.2 Vative Healthcare's course listing on the Victorian Skills Gateway website does not reflect all courses offered by the RTO</p>	<p>Finding At the time of this audit, the Vative Healthcare profile on the Victorian <i>Skills Gateway</i> was not up to date, specifically:</p> <ul style="list-style-type: none"> The course listing on the website does not include the Advanced Diploma of Community Sector Management course offered by Vative Healthcare. <p>Management represented that, whilst students had been enrolled in the course, management was in the process of determining whether to retain the course and did not want to advertise the course until a decision has been made.</p> <p>Impact <i>Inadequate documentation of student eligibility assessment may result in a breach of the 2017 VET Funding Contract</i></p> <p>Contract Reference <i>2017 VET Funding Contract Schedule 1 Section 1 Clause 1.8</i> <i>The Training Provider must register for, and maintain an up to date profile on, the Victorian Skills Gateway.</i></p>	<p>The course has not actively been advertised, however remains on scope due to 1 student enrolment.</p> <p>The continued offering of this qualification will be reviewed at the next Board Meeting and is a listed agenda item.</p>

3. Opportunities for Improvement

The table below sets out additional opportunities for improvement:

Reference	Opportunity for Improvement	Training Provider Comments (Optional)
Training Participation	Employer's feedback on students' assessments	
3.1 Employer's feedback on students' assessments	<p>Area for Improvement</p> <p>The current delivery model for Vative Training programs is face-to-face class room delivery and workplace based at the employer. Our audit noted that student assessments are only based on written assignments by the students.</p> <p>There is an opportunity to enhance student outcomes by having their employer complete a formal feedback report on assessments performed by students given that a major part of each course takes place in the workplace.</p> <p>For example, DET's guidance on the assessment requirements of the 'Undertake root cause analysis' module of Diploma of Competitive Systems and Practices noted that it:</p> <p><i>'will typically include a supervisor/third-party report focussing on consistent performance and problem recognition and solving. A supervisor/third-party report must be prepared by someone who has a direct, relevant, current relationship with the person being assessed and who is in a position to form a judgement on workplace performance relevant to the unit of competency'.</i></p> <p>It is acknowledged that, through discussion with management, the employer does provide informal feedback. It is recommended that Vative formalises and documents these feedback on an on-going basis during the student's enrolment in each course module.</p>	No comments received from the Training Provider.

4. Management Action Plan

Ref.	Nature of exceptions identified	Action to correct non-compliance	Responsible Person	Target Completion Date
4.1	Eligibility	<p>Review current process to ensure that the Student Eligibility and Student Declaration Form is completed by Training Provider's authorised delegate prior to the course commencement date.</p> <p>Internal quality checklists to be updated to include ensuring the Eligibility form is signed by the Authorised Delegate prior to training commencing.</p> <p>Re-Communicate to all Authorised Delegates the importance of signing the Eligibility Declaration prior to training commencing.</p>	Nicole Edwards / Kylie Barca	15/02/2018
4.2	Data Reporting	<p>Updates to profile on the Skills Gateway Website will be made to reflect current courses on scope.</p> <p>The qualification (CHC62015 Advanced Diploma of Community Sector Management) is an agenda item at the next board meeting, the CEO would like to maintain the qualification.</p>	<p>Nicole Edwards</p> <p>Carmen O'Dwyer-Walker</p>	<p>12/02/2018</p> <p>23/03/2018</p>

5. Next Steps

As noted in the letter dated 20 December 2017 notifying your organisation of this audit, other potential actions that may be taken by the Department following this contract compliance audit include:

- Evidence of Eligibility audit, assessing whether a Training Provider has sufficient evidence of eligibility to support student course enrolments for which government subsidised training has been claimed;
- Evidence of Concession audit, assessing whether a Training Provider has sufficient evidence of concession to support the granting of a fee concession claimed under the previous Contract;
- Evidence of Participation audit, assessing whether a Training Provider has sufficient evidence of participation to support claims for payment for training delivery in specific subjects for which funding has been claimed;
- Evidence of Fees audit assessing whether there is sufficient evidence to demonstrate that students were actually charged the fees reported as being charged in the SVTS. The EOF may also include a determination of whether these fees were subsequently paid by students;
- Pre-Training Review assessing the process undertaken between the Training Provider and a prospective student to determine the most suitable and appropriate training for that individual, to confirm that it has been conducted and documented in accordance with the requirements of the Contract and the Quality Charter;
- Follow Up audit, assessing the extent to which the Management Action Plan arising from the Business Process and/or Transactional Compliance Audits have been implemented by a Training Provider;
- Quality Review, assessing the quality of Training Services that have been, or are being, delivered at a Training Provider;
- A combination of audits and reviews;
- Further action as noted in the Contract. For example, the Department may also require a Training Provider to repay Funds paid for the delivery of Training Services following a TCA;
- Monetary penalties may be imposed; or
- No further action.

Further, in accordance with Clause 11.3(b) of the 2017 VET Funding Contract, where a Management Action Plan has been developed the Training Provider must advise the Department in writing (including submitting appropriate documentation as determined by the Department) of compliance with and implementation of the auditor's recommendations and/or Management Action Plan within six months of the date of this report.

Appendix A – Eligibility Exceptions

Report Reference	Sample number	Client Student ID	Program Name	Program ID	CCD	Enrolment Date	Date of eligibility assessment as per documentation	Number of days between CCD and eligibility assessment date	Date of first claim submitted to SVTS	If claim prior to date of eligibility assessment, what is the variation?	Date of first payment received	If payment prior to eligibility assessment, what is the variation?
2.1	BPA 2	1519	Diploma of Competitive Systems and Practices	MSS50316	7/03/2017	7/03/2017	9/03/2017	-2	9/03/2017	N/A	5/04/2017	N/A
2.1	TCA 9	1518	Diploma of Competitive Systems and Practices	MSS50316	7/03/2017	7/03/2017	9/03/2017	-2	9/03/2017	N/A	5/04/2017	N/A
2.1	TCA 11	1520	Certificate IV in Competitive Systems and Practices	MSS40316	7/03/2017	7/03/2017	9/03/2017	-2	9/03/2017	N/A	5/04/2017	N/A
2.1	TCA 20	1585	Advanced Diploma of Competitive Systems and Practices	MSS60316	3/08/2017	3/08/2017	4/08/2017	-1	4/08/2017	N/A	5/09/2017	N/A