



## Department of Jobs, Skills, Industry and Regions

GPO Box 4509  
Melbourne,  
Victoria 3001 Australia  
Telephone: +61 3 9651 9999

TOID 21701

Mr. Andrew Giblin  
Chief Executive Officer  
Balance Training Services Pty Ltd  
52 Fairy Street  
WARRNAMBOOL VIC 3280

Dear Mr Giblin

### **2022 SKILLS FIRST AUDIT AND ASSURANCE PROGRAM – OUTCOME OF BUSINESS PROCESS AUDIT/TRANSACTIONAL COMPLIANCE AUDIT**

I write regarding the Skills First Audit and Assurance Report issued 16 May 2023, for the Business Process Audit (BPA)/Transactional Compliance Audit (TCA) conducted by Protiviti (the Auditor) from 18 April 2023.

The BPA/TCA consisted of an examination of Balance Training Services Pty Ltd.'s (BTS) business and transactional processes to assess your organisation's compliance with the 2022 Standard VET Funding Contract.

#### **Review of findings**

The Department of Jobs, Skills, Industry and Regions (the department) notes that as part of the BPA, the Auditor identified major control weaknesses in relation to Eligibility, Pre-Training Review (PTR), Training Plans, Training Participation and Fees, and minor control weaknesses in relation to Fee Concessions.

For the TCA, the Auditor identified high risk findings for Eligibility, PTR and Training Participation, medium risk findings for Training Plan and low risk findings for Fee Concessions.

Appendix A to this letter reflects both the observed non-compliances of the audits and our moderated views, taking your organisation's management comments into consideration.

#### **2022 Student Satisfaction Survey**

The 2022 Student Satisfaction Survey results show that BTS' rating has improved in five out of the eight measures of 'student experience and outcome' compared with 2021, and the Victorian average.

There has been a decline in the proportion of students who were satisfied with generic skills and learning experiences, students who achieved their main reason for training and students with an improved employment status after training.

We encourage you to continue to consider the themes appearing in the interviews and surveys and any other forms of student and stakeholder feedback, and regularly review related processes to ensure high-quality Training Services are occurring.

### **Recovery of Skills First Funding**

The department has identified an amount of \$524.00 (incl. GST) in funds to be recovered for two concession exceptions identified, see Appendix A.

An invoice for this amount will be issued to you shortly.

### **Management Action Plan**

As per Clause 11.3 b (iii) (A) of the Contract, the Training Provider is required, within six months of the date of the Final Report, to advise the department in writing of the steps taken to comply and implement the Management Action Plan (MAP).

A MAP was developed to address the non-compliances identified in the Report with all actions reported to have a completion date of 30 June 2023.

### **Next Steps**

The department will continue to monitor your organisation's compliance with the VET Funding Contract.

I would like to take this opportunity to highlight the professional development workshops and information sessions that the department conducts from time to time, as well as refer you to the suite of support documents available in the Skills Victoria Training System (SVTS) to further support your organisation's understanding of the Contract requirements.

Thank you for your response to the Skills First Audit and Assurance Program Satisfaction Survey, your feedback is valued and will contribute to the continuous improvement of the Skills First Audit and Assurance Program. I note that overall, you were satisfied with the process and found it useful.

Yours sincerely



**Ryan Collins**  
Executive Director  
Training Market Services

29 June 2023

## **Appendix – Discussion of non-compliances**

### **Eligibility (Report Ref 3.1.1 - 3.1.4)**

Within the two BPA and 30 TCA student files, the Auditor identified instances where:

- the Eligibility Declaration did not include the code and title of the program the student was seeking enrolment in;
- the eligibility assessment was undertaken after the program commencement date; and
- the question regarding the number of government funded programs the student has enrolled in within their lifetime was not answered.

In relation to the instances where the Eligibility Declaration did not include the program code/title, the department has determined to not take any further action. However, we acknowledge and agree with your organisation's undertaking to review the Eligibility Declaration to include this missing information and to ensure compliance with the Contract.

For the seven instances whereby the eligibility assessment was dated after the program commencement date, the department has determined to apply discretion however BTS is reminded that each Skills First student must be assessed for eligibility prior to their commencement in training.

The department will also apply discretion to the instance where the student did not answer the question regarding the number of government funded courses the student has enrolled in within their lifetime. A check of data available to the department confirms that the student had previously enrolled in one other government funded program in 2016, therefore was eligible for funding.

### **PTR (Report Ref 3.2.1 – 3.2.2)**

Within the two BPA and 30 TCA student files, the Auditor identified two instances where the PTR was completed by the Training Provider after the program commencement date and four instances where BTS did not document why a program was the most suitable training option for that individual.

The department acknowledges your acceptance of the findings where the PTR was completed after program commencement, and BTS' undertaking in the MAP to provide further training to staff.

The department has sighted the completed PTRs retained by the Auditor and agrees that BTS has failed to appropriately document whether the program is suitable for the student. By simply stating that students have already completed a Certificate III as per the prerequisite requirements for the qualification, is not sufficient evidence to suggest that the program is the most suitable for the student to enrol in, in accordance with Schedule 1, clause 4.3 (d) of the Contract.

BTS is reminded that the PTR is a fundamental component of Skills First. It ensures that training both meets the student's needs and the Skills First objectives that training will lead to a job, further study or access to learning for those experiencing disadvantage.

### **Training Plan (Report Ref 3.3.1 – 3.3.4)**

Within the two BPA and 30 TCA student files, the Auditor identified instances where Training Plan:

- did not align to Training and Assessment Strategies (TAS);
- did not include the expected duration;
- was not provided to the student within the required timeframe; and
- for apprentice/trainee was not signed and dated by employer.

The department acknowledges your management comments and undertaking to ensure Training Plan requirements are met, including updating assessment and delivery methods in to align with each TAS. BTS is advised that the same terminology should be used across relevant documents to avoid any misunderstanding for students and trainers.

Your organisation is reminded to ensure Training Plans include all required information and are provided to students within four weeks of training commencement, to ensure students can make informed decisions about their training.

### **Training Participation (Report Ref 3.4.1 – 3.4.4)**

Within the two BPA and 30 TCA student files, the Auditor identified instances where:

- A valid first or second point of Evidence of Participation (EOP) was not provided;
- Withdrawal date did not align to the activity end date (AED); and
- EOP dated after the AED;

The department has sighted the evidence provided to the Auditor and notes that some was not accepted as valid EOP as it did not meet the requirements of the Contract.

Skills First Teacher notes must provide evidence of engagement in learning and/or assessment activity of a subject. Sending an assessment or requesting a student to submit work via email, does not meet the requirements of Schedule 1, clause 9.7 (b) or (f).

Your teacher notes must show a two-way communication between the teacher and student that demonstrates a subject-based interaction.

Additionally, for subjects with a duration of more than 30 days, two different points/types of EOP from the list specified in Clause 9.8 of Schedule 1, are required.

BTS should also ensure that data reported to the department is an accurate reflection of training that occurs and can be supported by valid evidence.

In relation to the instance where the formal withdrawal date did not align to the AED within SVTS data, BTS is reminded that the AED should be amended to the date of formal withdrawal (i.e. when the student confirmed their intent to withdraw, and as noted in the student file or on an internal withdrawal form).

BTS is advised to review the Evidence of Participation Factsheet and Guide to Withdrawals, available on SVTS and ensure all relevant staff are aware of these requirements.

**Fee Concessions (Report Ref 3.5.1 – 3.5.2)**

Within the two BPA and 46 TCA Concession student files, the Auditor identified one instance where evidence of when the concession entitlement was assessed was not provided, and two instances where Evidence of Concession (EOC) was not provided.

The department has determined to apply discretion to the one instance where your organisation could not show the date of when concession entitlement was checked as there is sufficient evidence to support the students' eligibility.

However, in relation to the two instances where EOC was not provided, the department will seek to recover funds paid to BTS for these students as you have failed to demonstrate that your organisation has correctly assessed their entitlement to a Fee Concession.

Report Ref	Context of exception	Sample	Student ID	Program ID	Program Commencement Date	Skills First funds to recover (incl. GST)
3.5.2	Evidence of concession entitlement not provided	TCA 14	C012945497	CHC30121	30/03/2022	\$44.66
		TCA 26	C013692327	CHC30121	13/07/2022	\$479.34
<b>Total funds to be recovered</b>						<b>\$524.00</b>

**Fees (Report Ref 3.6.1)**

The Auditor reported that the Statement of Fees (SOF) did not include the total cost of the program.

The department notes your management comment which states that BTS will add additional information to ensure each SOF includes a breakdown of the fees and the total cost of the program for each student.