RTO Governance
Driving Quality Through Good Business

Claire Werner

What will be discussed

Examine key elements of good governance in Registered Training Organisations (RTOs) in relation to:

- Governance requirements and planning

- Fit and proper person requirements

- RTO records management

- Third party arrangements

Let me tell you a little bit about some of these companies…

- Volkswagen
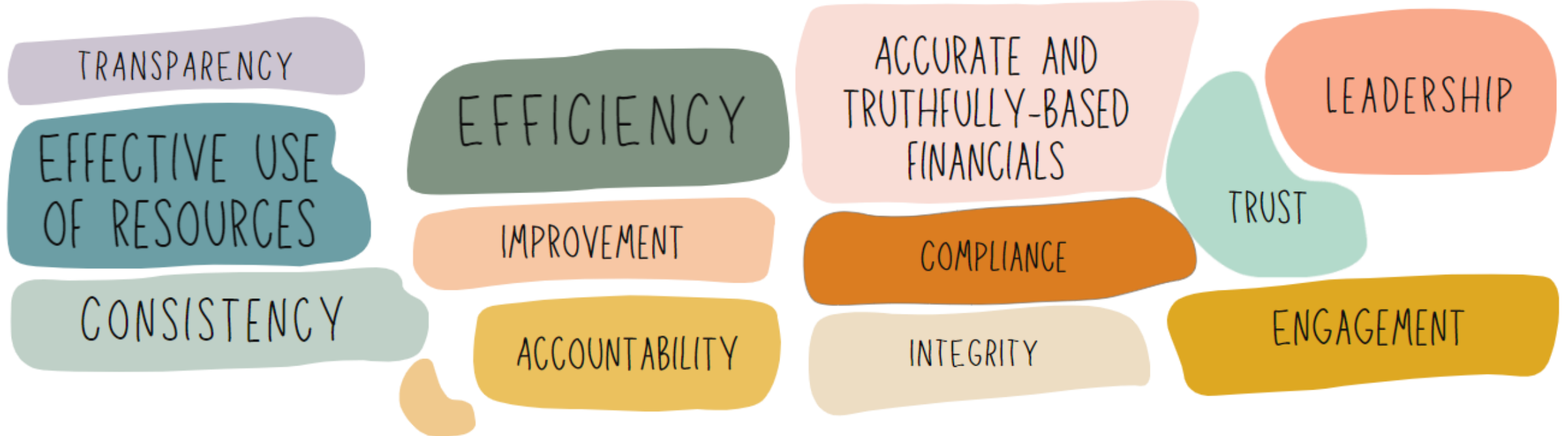
- Commonwealth Bank of Australia

- Chevron – Texaco

- Vocation, Australian Careers Network….

What is Governance?

TRANSPARENCY

EFFECTIVE USE OF RESOURCES

CONSISTENCY

EFFICIENCY

IMPROVEMENT

ACCOUNTABILITY

ACCURATE AND TRUTHFULLY-BASED FINANCIALS

COMPLIANCE

INTEGRITY

TRUST

LEADERSHIP

ENGAGEMENT

Benefits of Good Governance

- Increases trust and reputation

- Enhances sustainability

- Encourages positive behaviours

- Minimises risk and mismanagement

- May improve access to government funding and programs

What do the Standards say about Governance?

Standard 5 Each learner is properly informed and protected (including third party arrangements)

Standard 7 The RTO has effective governance and administration arrangements in place
(including fit and proper person requirements)

Standard 8 The RTO cooperates with the VET Regulator and is legally compliant at all times (including retention, archiving, retrieval and transfer of records, and third party arrangements)

Governance

Fit and Proper Person (Std 7) Financial Viability (Std 7)	
Business Processes	• Decision Making and Oversight (Std 7) • Trainers and Assessors (Std 1) • Marketing / Promotion (Stds 4 and 5) • Enrolment (Std 5) • Resources, Equipment and Facilities (Std 1) • Delivery and Assessment (Stds 1 and 2) • Complaints / Appeals (Std 6) • Certification (Std 3) • Third Party Agreements (Stds 2, 5, 8)
	Record Management (Stds 2, 3, 7, 8)

RTO Risk

What risks do you face operating in the VET sector?

Fit and Proper Person Requirements

The **fit and proper person requirements** of Standard 7 ensure that the right people are the decision makers in an RTO.

The requirements are focused on past:

• criminal convictions

• financial records

• decisions/disciplinary actions by other regulators

• business history

• RTO history.

Fit and Proper Declaration

RTO Policy and Process / Procedure

- The purpose of a policy is to state the organisation's intent - the **what** we are going to do and **why** statement.

- The purpose of the process is to provide the **how** and **when** guidance for a business activity.

What's the risk for the RTO at audit?

In audit situations it is common for RTOs to:

- have systems that do not reflect at all how they operate
- processes that are so vague that they simply re-state the Standards
- processes that are complicated and impossible to implement
- processes that are a mystery to the staff

RTO Policies and Processes

https://www.ted.com/talks/
tom_wujec_got_a_wicked
_problem_first_tell_me_h
ow_you_make_toast?lang
uage=en

Got a wicked problem? First, tell me how you make toast

3,915,688 views | Tom Wujec | TEDGlobal 2013 • June 2013

What happens when we implement?
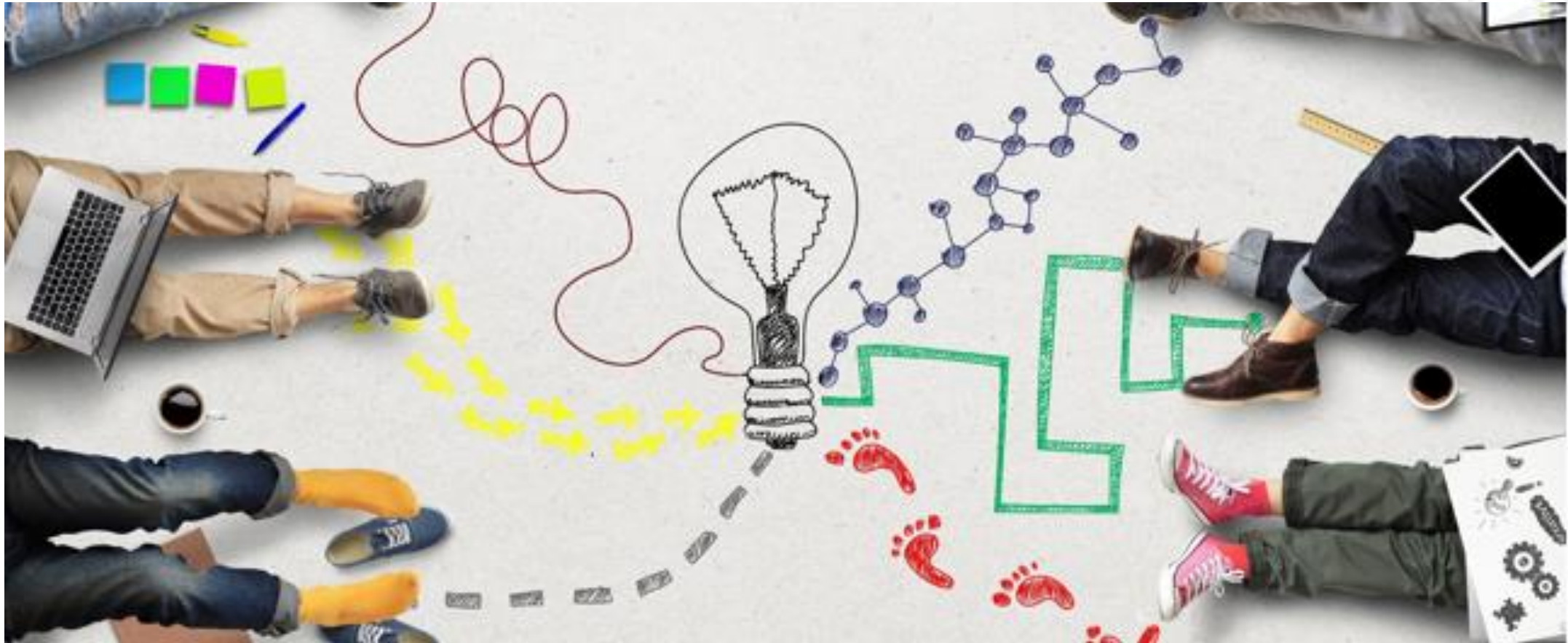
Continually Monitoring and Improving Processes

EXTERNAL REQUIREMENTS
Customer, Regulatory
Environmental

Defined Management System → Training in System Requirements → Results (evidence of execution) → Compliance and Assurance → **PERFORMANCE IMPROVEMENT AND LEARNING**
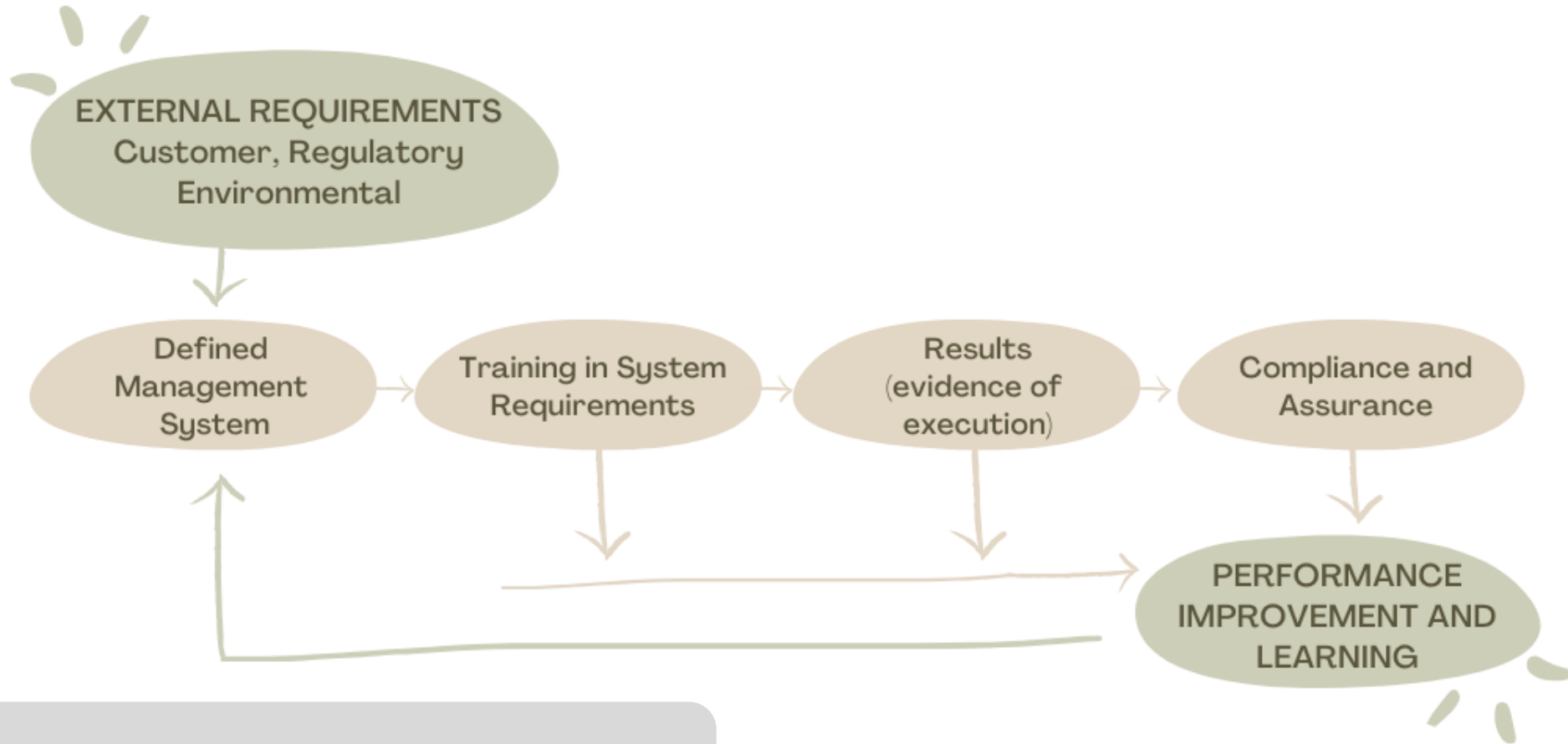
Fact Sheet: Continuous Improvement
Annual Declaration on Compliance

What is the situation in my RTO?

Menti.com
Code: **48157682**

Think about your RTO in light of what has been talked about so far today.

RTO Business Process Areas

Prescribed requirements within the Standards exist for RTO business process areas:

- Record management
- Third party arrangements

What is a Record?

record *means a document, or an object, in any form (including any electronic form) that is, or has been, kept by reason of:*

- *any information or matter that it contains or that can be obtained from it; or*
- *its connection with any event, person, circumstance or thing.*

Source: The *Archives Act 1983*

Fact Sheet: Records Management

Record Management

Record Management is about managing the information in an organisation through its lifecycle.

Key questions for Record Management

- What should I keep?
- How long should I keep it?
- How should I keep it – paper, electronic?
- Who is responsible for the record?
- Who can access the record?
- How should it be destroyed?
- Who will destroy the record?
- How will I monitor my Record Management System is working?

What can influence my answers to the questions?

1. Legislation
2. Regulation
3. Guidance notes from Regulators
4. Funding body requirements
5. RTO policy and process requirements

22

Legislation - The Standards - Schedule 5

RTOs will:

a) retain registers of AQF qualifications they are authorised to issue and of all AQF qualifications issued;

b) retain records of AQF certification documentation issued for a period of 30 years; and

c) provide reports of Records of qualifications issued to its VET Regulator on a regular basis as determined by the VET Regulator.

Regulation – TAC information for national reporting requirements

Regulators Requirements – AMSA Requirements

Funding Body Requirement - DTWD Business Rules

1.10 EVIDENCE OF PARTICIPATION

a   Upon the Corporation's request, the Service Provider must provide Evidence of Participation to prove Student participation in any Unit of Competency (UoC) for which funding has been claimed.

Purchase of Training Services - Business Rules | June 2022 (Version 1.0)   18

b   The Service Provider must retain both evidence of commencement and evidence of final assessment in any UoC for which funding has been claimed, for a period of five (5) years after the End.

c   The evidence of Student participation retained by the Service Provider must align to the Delivery Mode/s reported through the Corporation's online reporting system.

d   Proof of Student participation must meet the standards contained in Appendix B of this document.

Third Party Arrangements

RTOs sometimes work with other organisations (third parties) to deliver a range of services such as marketing or undertaking training and/or assessment.

Written agreements

Menti.com
Code: **48157682**

What information would you include in a written agreement?

What else might be included?

In addition to training and assessment services under Standard 1, areas of responsibility commonly included in third party agreements are:

	Clause
recordkeeping	3.4
complying with advertising and marketing standards	4.1
providing data	7.5
cooperating with TAC	8.2
informing prospective learners	5.1, 5.2
collecting fees	5.3, 7.3
dealing with complaints and appeals	6.1, 6.2, 6.3, 6.4, 6.5
monitoring	2.3, 2.4

We are all responsible for Good Governance

References

- *The Standards for Registered Training Organisations (RTOs) 2015*
- The Users' Guide to the Standards
- TAC Fact Sheet Record Management
- TAC Fact Sheet Third Party Agreements
- TAC Fact Sheet Governance
- Fit and Proper Persons Declaration

Contact TAC

📍 Locked Bag 16
OSBORNE PARK DC WA 6916

📞 (08) 9224 6510

✉️ tac@dtwd.wa.gov.au

🌐 wa.gov.au/tac

Upcoming Events

www.wa.gov.au/organisation/training-accreditation-council/professional-development-calendar

Follow TAC

in www.linkedin.com/company/training-accreditation-council/

YouTube @trainingaccreditationcouncil

TAC Talks www.wa.gov.au/service/education-and-training/vocational-education/tac-talks-podcast

✉️ www.wa.gov.au/organisation/training-accreditation-council/newsletter-subscription

WE WANT YOUR FEEDBACK
https://www.surveymonkey.com/r/Y83PBTB