



Building Training Excellence

# Audit Handbook

For conducting audits of  
training organisations  
against the AQTF 2007  
*Essential Standards for Registration*

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## Introduction to AQTF 2007

The national training system is a key driver of Australia's economic and social growth. For more than a decade, Australian, state and territory governments have worked with industry to develop a national training system that now provides the basis for high-quality, industry developed and nationally recognised training to about one in nine working-age Australians. Through a national network of over 4,200 public and private registered training providers, over 1.5 million Australians from all ages, backgrounds and locations participate in vocational education and training each year.

The Australian Quality Training Framework (AQTF) is the national set of standards which assures nationally consistent, high-quality training and assessment services for the clients of Australia's vocational education and training system. AQTF 2007 is the current version of the framework, effective from 1 July 2007.

The National Quality Council collaboratively developed AQTF 2007 and will continue to monitor it. The NQC includes all state and territory governments, the Australian Government, peak industry bodies, peak training organisations and a representative on equity issues. The Ministerial Council of Vocational and Technical Education, which includes all Ministers for Training in Australia, has approved these quality arrangements.

## The three components of AQTF 2007

The three components of AQTF 2007 are:

**The Essential Standards for Registration** – Training organisations must meet these standards in order to deliver and assess nationally recognised training and issue nationally recognised qualifications. They include three standards, a requirement for registered training organisations to gather information on their performance against three quality indicators, and nine conditions of registration.

**Standards for State and Territory Registering Bodies** – State and territory registering bodies are responsible for registering training organisations and for quality assuring the training and assessment services they provide, in accordance with the AQTF 2007 and relevant legislation within each jurisdiction. The standards and a set of supporting guidelines provide a national operating framework.

**Excellence Criteria** – These are criteria that registered training organisations may use voluntarily to continue improving the quality of their training and assessment and to gain recognition of their performance.

## The key features of AQTF 2007

### *Outcomes focused*

AQTF 2007 focuses on the quality of services and outcomes being achieved for clients rather than the inputs used to get there. This means that registered training organisations have more flexibility in demonstrating how their individual approaches provide quality training outcomes for their clients.

### *Nationally consistent*

Individuals expect that they can use the skills from nationally endorsed qualifications across Australia and employers expect that the staff they hire have the same skills no matter where they were trained. State and territory registering bodies have worked together to develop and publish national guidelines to ensure consistent interpretation and implementation of AQTF 2007.

### *Streamlined*

The standards for registered training organisations have been simplified and streamlined to focus on outcomes. AQTF 2007 places the focus of quality assurance squarely on training and assessment, client services and management systems.

### *Transparent*

National guidelines and handbooks to be used by registering bodies in all states and territories are readily accessible through the national training website at [www.training.com.au/aqtf2007](http://www.training.com.au/aqtf2007).

The commitment by registering bodies to work together on the continuous improvement of AQTF 2007 is one of the measures to build confidence of industry, clients, regulators and registered training organisations in the quality assurance arrangements of the training system.

## The beneficiaries of AQTF 2007

**Learners** have equitable access to quality training and assessment services tailored to their needs and the learning outcomes they seek.

**Industry, unions, enterprises and regulators** have confidence that registered training organisations are delivering training and assessment services that achieve the skill requirements of nationally recognised qualifications developed by industry.

**Registered Training Organisations (RTOs)** can focus on providing quality training and assessment in the way that best suits their business. No matter what the size or scope of the organisation, they can also seek recognition of excellence.

**Registering bodies** (the bodies which register training organisations in each state and territory) work as part of a national system of registration and audit that is outcomes-focused and risk-managed to streamline quality assurance processes.

# Section 2

## About this Handbook

The AQTF 2007 is underpinned by an outcomes-focused audit model in which auditors assess the extent to which RTOs are achieving and sustaining quality training, assessment and client services.

The AQTF 2007 *Audit Handbook* guides state and territory registering bodies and auditors in the planning, conduct and reporting of outcomes-focused audits of RTOs against the AQTF 2007 *Essential Standards for Registration*. Moderation processes are also used to ensure a consistent approach within and across states and territories.

This handbook has eight sections.

- Section 1 provides an introduction to AQTF 2007
- Section 2 explains the purpose and use of this Handbook
- Section 3 provides an introduction to auditing and the AQTF 2007
- Section 4 explains the principles that underpin all audits conducted against the AQTF 2007 *Essential Standards for Registration*
- Section 5 describes the processes that auditors must follow when auditing against the standards
- Section 6 provides guidance on audit techniques, particularly when examining the quality of training and assessment and continuous improvement
- Section 7 discusses the roles and responsibilities of members of the audit team
- Section 8 provides explanations for terms used in this and associated national documents
- Appendix 1 is the National Code of Practice for Auditors and Technical Advisers and describes the conditions that an auditor and technical adviser must meet when fulfilling their roles during audits
- Appendix 2 contains the Audit report
- Appendix 3 is a checklist for opening and closing meetings

RTOs and clients of the VET system are free to access this handbook to gain a detailed understanding of audit principles and practices under AQTF 2007.

The Handbook will be reviewed periodically to ensure that it continues to meet the needs of auditors, registering bodies and other stakeholders in conducting high-quality audits for the national VET system.

To support the operation of a national VET system, national guidelines have been agreed between all state and territory registering bodies and approved by the National Quality Council (NQC). Registering bodies are working together to ensure that these guidelines are interpreted and implemented consistently. A brief description of each guideline and other AQTF 2007 national documents, including those which may be useful to auditors, is provided at the end of this handbook. Each guideline is publicly available at [www.training.com.au/aqtf2007](http://www.training.com.au/aqtf2007).

Auditors should particularly refer to the AQTF 2007 *Users' Guide to the Essential Standards for Registration*, which has been prepared to help RTOs demonstrate their achievement of quality outcomes for clients. It is an important guide for both training organisations and auditors because it provides additional information about each element within the standards and gives guidance about evidence which might indicate that an RTO is continuously improving its training and assessment services.

# Section 3

## Introduction to auditing and the AQTF 2007

The focus of the AQTF 2007 *Essential Standards for Registration* is on outcomes, that is, the extent to which an RTO is achieving and sustaining quality training and assessment outcomes, client services and management systems.

To become registered, and to maintain registration, training organisations must demonstrate compliance with the AQTF 2007 *Essential Standards for Registration*. To assess an organisation's compliance, a registering body may conduct an outcomes-focused audit against the AQTF 2007 *Essential Standards for Registration* as per their role detailed in the AQTF 2007 *Standards for State and Territory Registering Bodies* and the relevant legislation within each jurisdiction.

It is up to each RTO to determine how it meets the AQTF 2007 *Essential Standards for Registration* and how it can best demonstrate the outcomes being achieved for clients in the manner best suited to its unique business environment. Therefore, auditors need to be open-minded about the different types of evidence RTOs may provide and must use their professional judgement when assessing evidence against the standards.

AQTF audits are conducted within the first 12 months of registration for new RTOs and subsequently on an assessment basis during the five-year registration period.

The extent to which each RTO is monitored and audited by the registering body throughout its registration period is based on an assessment of risk to the quality of training and assessment outcomes and the national VET system. The registering body uses information about the RTO's performance and its operating context to make the risk assessment. The process for doing this is described in the AQTF 2007 *National Guideline for Risk Management* which assists in:

- scheduling and scoping audits of RTOs to direct resources to areas of risk
- streamlining quality assurance arrangements for RTOs where risks are low.

In line with contemporary models of regulation, RTOs which have a lower risk rating can expect a lower level of quality assurance intervention by the registering body.

An audit is a planned, systematic and documented process used to assess an RTO's compliance with the AQTF 2007 *Essential Standards for Registration*. It also provides an RTO with information about the quality of its training, assessment, client services and the management systems it uses to support the continuous improvement of its operations and outcomes.

There are different types of audit that may be scheduled by a registering body:

- an audit to assess an application for initial registration, extension to scope of registration or renewal of registration
- a post-initial audit, conducted within the first year of registration, to confirm that an RTO has deployed its planned approach to delivering training and assessment
- a monitoring audit to confirm that an RTO is continuing to comply with the AQTF 2007 *Essential Standards for Registration*

- a national strategic industry audit, conducted to confirm that an RTO's training and assessment services are meeting the requirements of a particular industry or licensing authority
- an audit to investigate a complaint made against an RTO.

Wherever practicable, registering bodies will integrate AQTF 2007 audits with other VET-related audits in order to minimise their effect on an RTO's operations. Audit teams will need to ensure that the role of each member of the audit team is clear and that the audit process is managed effectively.

After conducting an audit, the audit team makes a recommendation about an RTO's compliance with the AQTF 2007 *Essential Standards for Registration* to the registering body for its consideration.

Each registering body operates in accordance with the AQTF 2007 *Standards for State and Territory Registering Bodies* and the state or territory legislation under which it is established. This requires that each RTO be treated in accordance with principles of natural justice and procedural fairness in the planning, conduct and reporting of audits. RTOs can challenge audit outcomes and appeal a decision made by their registering body. These arrangements are also described in the AQTF 2007 *National Guideline for Responding to Complaints about VET Quality*.

# Section 4

## AQTF 2007 audit principles

These audit principles underpin the way all AQTF 2007 audits are conducted. They provide a reference point for auditors when conducting audits.

The auditing principles specify that audits are:

- systematic
- outcomes-focused
- evidence-based
- flexible
- focused on continuous improvement
- fair, open and transparent.

### *Systematic*

Audits are conducted in a systematic manner based on an appropriate sampling strategy to ensure that confidence can be placed in the audit findings, conclusions and recommendations.

To be systematic, audits must be carefully planned, and all members of the audit team need to be aware of their roles and responsibilities (see Section 7).

Decisions about scheduling an audit of an RTO and about the audit's scope are made by the registering body. The registering body makes these decisions using the AQTF 2007 *National Guideline for Risk Management*. In relation to the scope of each audit, the registering body will determine the following:

- whether the audit is to be a desk audit or a site audit
- the delivery sites to be visited
- the standards and elements to be audited
- which conditions of registration (if any) are to be audited
- the number of qualifications on the RTO's scope to be audited
- the number of units of competency for which training and assessment arrangements are to be examined in detail.

Auditors, in conjunction with the registering body and the RTO, determine:

- the staff and students to be interviewed or surveyed
- the range of student files to be examined
- the training and assessment materials to be examined.

Audit findings must be recorded systematically. Notes taken must be clear, detailed, complete and unambiguous, as they could be used after the audit to provide clarification.

### *Outcomes-focused*

Outcomes are the results of actions implemented by an RTO to achieve quality training, assessment, client services and effective management systems. A primary role for the audit team is to confirm from evidence provided by the RTO that the outcomes from the RTO's processes meet the requirements of AQTF 2007 *Essential Standards for Registration*. This evidence may include data collected against quality indicators and other evidence provided by the RTO. The RTO's approach to the management of its operations (in particular, continuous improvement) will provide evidence that the outcomes achieved are sustainable.

To focus on outcomes, auditors evaluate evidence from the RTO about what it has achieved against the standards and the elements of the AQTF 2007 *Essential Standards for Registration* within them.

The auditor considers:

- whether the RTO has met the requirements of each standard
- whether the results were achieved through the planned and systematic deployment of specific actions taken by the RTO
- whether the actions taken by the RTO are improving the way the RTO provides training, assessment and client services.

This approach will also make clear whether the outcomes the RTO has achieved are sustainable throughout its registration period.

The AQTF 2007 *Users' Guide to the Essential Standards for Registration* suggests a range of evidence that RTOs may choose to present to demonstrate their outcomes in addressing the standards.

### *Evidence-based*

Audit conclusions and recommendations about an RTO's compliance with the standards are based on valid, current, sufficient and authentic evidence. Findings are clearly based on evidence collected at the audit and, where non-compliance is recorded, the gaps in evidence are clearly identified.

An RTO must be given the opportunity to present to the audit team evidence that it has met the required outcomes. Auditors must not have preconceptions about the form that evidence may take.

The judgement about how evidence is related to compliance is guided by considering these questions:

- Q: Is the evidence valid? Is it clearly related to the standard that is being audited?
- Q: Has the RTO provided sufficient evidence for a judgement about compliance to be made?
- Q: Is the evidence current or is it no longer relevant to the operations of the RTO?
- Q: Is the evidence presented by the RTO authentic? Does it require further authentication?

As the audit progresses, the auditor must provide the RTO with opportunities to discuss the evidence provided and to provide more evidence, should it be needed. Clarity is critical here and the auditor should focus discussions with the RTO on the following points:

- ‘This is the standard’
- ‘This is the evidence you (the RTO) have provided’
- ‘Here is a gap and it is for these reasons’ (relating back to the principles of evidence, above)
- ‘Do you have any other evidence that would close the gap?’

By using this approach, the RTO has reasonable opportunities to provide relevant evidence and help it clearly understand the audit findings.

### *Flexible*

The audit method and evidence requirements accommodate the RTO’s size and scope of operations and the context in which it operates.

RTOs vary in size and scope, from a one-person organisation delivering units of competency in a niche market in one location, to a large TAFE institute with numerous qualifications on its scope of registration and delivering nationally. They include community providers, enterprise-based RTOs, industry-based RTOs and schools.

This diversity means that a ‘one size fits all’ approach to evidence of compliance cannot be used. The audit team must be open to considering the different forms of evidence that each RTO may provide before making a judgement about whether a particular piece of evidence demonstrates achievement of the outcomes required by the AQTF 2007 *Essential Standards for Registration*.

Planning an audit in conjunction with the RTO will assist in the preparation for an audit and an agreed approach best suited to the RTO’s operational context. The opening meeting of the audit also provides an opportunity to find out how the RTO operates.

Points for discussion may include:

- the range of clients the RTO deals with
- how relationships with clients are managed
- how training and assessment are planned and implemented
- how the RTO involves industry in ensuring that training and assessment are of a high standard
- the number of staff in the RTO and their responsibilities
- how communication takes place in the RTO.

This contextual information is important because it helps to assess whether the RTO has a systematic and sustainable approach to achieving the required outcomes. The context of the RTO is also important when suggesting improvements. The auditor makes a judgement about what is possible, practical and effective, given the RTO's context.

### *Focused on continuous improvement*

An audit will be conducted in a way that encourages the RTO to demonstrate that it is meeting the requirements of the AQTF 2007 *Essential Standards for Registration*, acknowledges the RTOs identified strengths and notes opportunities for the RTO to improve the quality of its training and assessment and client services. In addition, RTOs will be asked to provide feedback on the audit process so that audit practice continuously improves.

The auditor may recognise opportunities for improvement that will assist the RTO to better meet clients' needs or specific issues that could be addressed. It is not the auditors role to act as a consultant to the RTO, rather to identify issues and opportunities. However, the RTO may be provided with information about how to access resources that may help improve the quality of its outcomes.

Auditors are also encouraged to reflect on and improve their audit practices. Data is collected about their performance with a view to identifying opportunities to improve audit conduct. To assist, the RTO will be given the opportunity to provide formal feedback on the audit process.

### *Fair, open and transparent*

The audit will be structured, wherever practicable, to minimise its impact on the RTO's business operations. The RTO's management and staff will be informed about the audit process in advance and given a reasonable opportunity to provide evidence of compliance in a form suited to the RTO's operations. The RTO will be informed of the processes for lodging complaints and appeals about the audit process and outcomes.

RTOs operate under the constraints of any business and need to receive appropriate information so that they can plan their time. An RTO must be given at least two weeks notice (under usual circumstances) of when an audit will take place, so its staff can confirm, before the audit, the number of sites to be visited and the staff the auditor(s) wish to meet. An audit schedule must be developed in conjunction with the RTO and agreed so that staff time can be used most efficiently. The RTO should also be advised who in the registering body they can contact before the audit if they have any questions or concerns.

The audit process and outcomes must be outlined at the audit opening and feedback sessions (please refer to checklists for opening and closing meetings Appendix 3). The auditor must ensure that the RTO is consulted about any changes to the schedule as the audit progresses.

It is critical that the auditor put RTO staff and others who contribute evidence at ease during the audit to promote open and frank dialogue. This can be achieved by:

- ensuring that RTO staff and all interviewees fully understand the audit process and the implications of the audit
- informing interviewees about the opportunity they will be given to address any non-compliance if found
- stressing that the audit is a useful means for improving the quality of training, assessment and client services
- informing interviewees that an audit is an evidence-based assessment of the RTO's operations against the AQTF 2007 *Essential Standards for Registration* and that it is not a punitive exercise
- encouraging questions and answering them clearly and unambiguously
- never personally criticising the staff of an RTO
- never behaving in an intimidating way
- ensuring that the RTO's audit representatives are aware of the audit complaints procedures open to them.

When interviewing staff or clients, the auditor must provide information about their role. The auditor must also explain how comments will contribute towards evidence collected about the RTO's operations that will lead to judgements about compliance with the AQTF 2007 *Essential Standards for Registration*.

Where practicable, there should be regular communication with the RTO's audit representative(s) throughout the audit, either through formal, planned meetings, or by discussing findings as the audit progresses, depending on the size and complexity of the RTO and the preferences of the RTO's representative(s). As the audit progresses, the audit team should keep the RTO informed by discussing the evidence that is presented, checking the accuracy of findings as they develop and giving the RTO opportunities to provide further evidence where it is needed. This is particularly important if substantial gaps are discovered on RTO's compliance. The issue must be explained clearly to the RTO as soon as the opportunity arises. Asking RTOs how they could demonstrate compliance is critical.

If the audit takes more than one day, a brief meeting at the close of each day should be scheduled to inform the RTO of any issues that have arisen during the day.

The discussion in the feedback session should hold no surprises for the RTO. Therefore, it is essential that any gaps in evidence of complying with the AQTF 2007 *Essential Standards for Registration* that are identified during the course of the audit be discussed with the RTO as soon as they arise and the RTO must be given the opportunity to provide further evidence. The RTO's strengths should be acknowledged and opportunities for improvement should be identified while the audit is being conducted. The key to effective feedback, whether it is positive or negative, is that it should be specific and timely.

RTOs must be advised at the close of the audit that there is a formal complaints process open to them if they are concerned about the way the audit was conducted or about the audit's conclusions.

# Section 5

## The audit processes

This section of the Handbook describes the processes followed by auditors during site audits and desk audits. It discusses the steps auditors follow, from planning the audit, to collecting evidence, to developing the report and collecting feedback on the audit process. It also describes the application of the audit principles.

### The site audit

A site audit allows the auditor to explore the extent to which an RTO complies with the AQTF 2007 *Essential Standards for Registration*, through interviews and a broad range of evidence. The process to follow for a site audit is:

- planning the audit
- opening the audit
- collecting evidence
- analysing the evidence collected
- providing feedback
- developing the audit report.

Once the registering body has decided that a site audit will be conducted, the lead auditor starts the audit planning process. The components of the site audit process are outlined below.

<i>Activity</i>	<i>Relevant audit principles</i>
<i>Planning the audit</i>	
<p>Obtain details of audit type and scope from the registering body.</p> <p>Contact the RTO. The lead auditor makes an appointment to discuss the audit with the RTO's representative and asks for information to be provided (orally or in writing) that can supplement information held by the registering body about the RTO's operations in the qualifications selected for audit. This may include information about:</p> <ul style="list-style-type: none"><li>• modes of delivery; for example, online, distance, fully workplace-based or fully institution-based delivery</li><li>• key client groups</li><li>• partnership arrangements.</li></ul> <p>The RTO should also be asked how they wish to provide evidence of their compliance with the standards. This information is essential to developing the audit plan.</p>	<ul style="list-style-type: none"><li>• Systematic</li><li>• Flexible</li><li>• Fair, open and transparent.</li></ul>

Identify and confirm resources (including audit team members and audit documentation) required to conduct the audit.	<ul style="list-style-type: none"> <li>• Systematic.</li> </ul>
<p>Review previous audit reports, where they are available, and note issues to be followed up from previous audits. Consider any risks from the RTO's operating context that may need to be discussed.</p> <p>Provide a draft schedule to the RTO for confirmation and/or adjustment. Allocate responsibilities to the audit team. Include organising a meeting.</p>	<ul style="list-style-type: none"> <li>• Systematic</li> <li>• Flexible</li> <li>• Fair, open and transparent.</li> </ul>
Brief the audit team, if applicable, and confirm roles. Brief technical advisers on their role, if they are participating in the audit, including which aspects of the RTO's delivery they will be evaluating in conjunction with the auditor.	<ul style="list-style-type: none"> <li>• Systematic.</li> </ul>
<i>Opening the audit</i>	
<p>This opening meeting gives the RTO an opportunity to provide the audit team with an overview of its business, to confirm the audit schedule and process, and to ask any questions.</p> <p>The Opening Meeting Checklist in Appendix 3 is a checklist that auditors can use to ensure the RTO has been fully briefed.</p>	<ul style="list-style-type: none"> <li>• Evidence-based</li> <li>• Fair, open and transparent.</li> </ul>
<i>Collecting evidence</i>	
<p>Evidence is collected by interviewing staff and clients, where appropriate, and by reviewing documents.</p> <p>The focus of the audit is on the outcomes achieved by the RTO and this should be the starting point of an audit. In the first instance, these should be explored broadly, using evidence of outcomes relevant to the quality indicators and the standards. This is important so that the RTO can inform the auditor about:</p> <ul style="list-style-type: none"> <li>• the outcomes achieved</li> <li>• analysis of these outcomes</li> <li>• how these are driving continuous improvement in the RTO.</li> </ul> <p>This will help to build a picture of the RTO's operations, in particular its strengths and challenges.</p> <p>If there is insufficient evidence that the RTO is achieving the desired outcomes, the audit team will need to ascertain why outcomes are not being achieved and further investigation of RTO processes will be required.</p> <p>Once evidence is gathered about the RTO's operations in terms of the standards, the outcomes for relevant elements can be examined as required. It does not matter what processes the RTO uses to achieve an outcome, as long as there is a clear cause and effect relationship between the processes and the outcomes.</p>	<ul style="list-style-type: none"> <li>• Systematic</li> <li>• Flexible</li> <li>• Outcomes-focused</li> <li>• Evidence-based</li> <li>• Focused on continuous improvement</li> <li>• Fair, open and transparent.</li> </ul>

<p>The form of documentation presented, as well as the amount of documentation RTOs keep, will vary depending on their size and management systems. When reviewing evidence, the audit team needs to consider:</p> <ul style="list-style-type: none"> <li>• relevance to quality outcomes, the standards and elements</li> <li>• alignment with other evidence collected for verification</li> <li>• sufficiency – perhaps a broader sample is needed</li> <li>• link to other standards and elements to acknowledge the inter-relationship and to most effectively use audit time and resources.</li> </ul> <p>Preliminary conclusions should be cross-checked with the rest of the audit team members and other information gathered.</p>	
<p><b>Staff interviews</b></p> <p>Staff interviews are used to:</p> <ul style="list-style-type: none"> <li>• gain an understanding of how the RTO operates, particularly regarding professional development, delivery and assessment and continuous improvement</li> <li>• confirm that staff understand and use the RTO's processes</li> <li>• canvass staff views about the RTO's strengths and opportunities for improvement</li> <li>• corroborate audit findings.</li> </ul> <p>After introductions have been made and the purpose of the audit explained, the auditor should encourage the staff member to talk about their own experience. For example, to assess the extent to which the RTO's operations are systematic you could ask:</p> <p>'I'm interested in how you are kept informed about the way the RTO operates. Can you tell me how you were inducted into the RTO and how you are kept up to date with information relevant to your job?'</p> <p>Or, to examine how the RTO engages with industry when developing strategies for training and assessment:</p> <p>'Could you explain how the strategy for training and assessment for this qualification was developed? How do you use it?'</p>	
<p><b>Student/client interviews</b></p> <p>The identity of individual learners should be protected, and not be identified by name in an audit report.</p> <p>Learner or client interviews provide the same kind of information as staff interviews, although with a different focus. Learners or clients indicate how satisfied they are with the RTO's services and whether they feel that their needs are catered for.</p>	

<p>As with the staff interviews, after introductions have been made, it is important to give the learner or client a context for the questions, perhaps by starting the discussion with a statement like:</p> <p>‘I’m interested in finding out about the services that are available to learners ...’ When interviewing learners it can be more effective to talk to a small group.</p> <p>When interviewing a group of students, they should be advised that they are also welcome to talk to you individually.</p> <p>Conclusions cannot be drawn from one-off events or unsubstantiated claims. If an issue is raised in an interview, it needs to be checked with subsequent interviewees and the interview sample broadened, if necessary.</p>	
<p><i>Analysing the evidence collected</i></p>	
<p>Analysis of information collected occurs during the audit as a picture of the RTO’s outcomes and compliance begins to form, and at the end of the audit when all of the information collected has been considered.</p> <p>Analysis at audit is the process of examining and validating the available evidence in order to develop and report conclusions that are clear, reasonable and objective so that those reading the audit report can understand it without having to refer to detailed supporting evidence.</p> <p>The term ‘reasonable’ in this context refers to the ability of the registering body to understand the reasons why the audit team reached a particular conclusion. The audit findings should be presented objectively and factually, with a clear rationale for the recommendation.</p> <p>The term ‘objective’ refers to conclusions that are fair, balanced and free of bias.</p> <p>The audit team considers the outcomes achieved by the RTO when formulating decisions about its compliance. If the RTO has not been active for very long, it may not have had the opportunity to achieve outcomes for clients. In this case, the audit team may need to make a judgement about whether the processes the RTO has instituted are likely to achieve the desired outcomes.</p> <p>The audit team determines:</p> <ul style="list-style-type: none"> <li>• whether the evidence collected supports (or does not support) a judgement that the RTO meets the requirements of the AQTF 2007 <i>Essential Standards for Registration</i>.</li> <li>• whether sufficient valid evidence has been collected</li> <li>• what gaps there are, if any, in the evidence, and the causes of any apparently poor outcomes achieved by the RTO</li> <li>• whether further investigation needs to take place</li> <li>• whether there are opportunities for improved performance.</li> </ul> <p>It is essential that the audit team organises the evidence collected so that it can be analysed effectively and will support the conclusions drawn.</p>	<ul style="list-style-type: none"> <li>• Systematic</li> <li>• Flexible</li> <li>• Outcomes-focused</li> <li>• Evidence-based</li> <li>• Focused on continuous improvement</li> <li>• Fair, open and transparent.</li> </ul>

<p>The audit team members will record the evidence presented by the RTO either directly into the audit report template (refer to Appendix 2) or by using another recording tool during the audit and then translating this information into the national reporting template. Whatever format is used at the audit, the record must be reliable and all members of the audit team must be encouraged to contribute to discussions about the RTO's performance. When considering the information collected, refer directly to the wording in the AQTF 2007 <i>Essential Standards for Registration</i>. For example, the word 'systematically' is used throughout the standards. This does not mean that an RTO must have a formal 'system' in place (for example, a quality system as such), rather that the approach the RTO uses is organised, comprehensive, repeatable, and subject to review and improvement. There is little prescription in the standards, and auditors should be open to a range of evidence provided by RTOs.</p> <p>If there is conflicting evidence and all avenues have been exhausted to resolve the conflict, the audit team should draw audit conclusions after considering the weight that should be given to each piece of evidence.</p> <p>Any conclusions drawn by the audit team must be supported by clear, unambiguous, reliable and corroborated evidence. Any decisions made about non-compliance must be defensible.</p>	
<p><i>Providing feedback</i></p>	
<p>The closing meeting provides the audit team with an opportunity to confirm the basis of their findings with the RTO. It provides the RTO with an opportunity to comment on the audit conclusions.</p> <p>The closing meeting should not be rushed. The lead auditor should:</p> <ul style="list-style-type: none"> <li>• thank the RTO staff for their assistance</li> <li>• outline the RTO's strengths</li> <li>• discuss any opportunities for improvement identified by the audit team</li> <li>• outline the findings and recommendations</li> </ul> <p>If the audit team have concluded that the RTO does not meet any of the Standards the lead auditor should:</p> <ul style="list-style-type: none"> <li>• discuss any gaps in evidence that need to be addressed for the RTO to become compliant with the AQTF 2007 <i>Essential Standards for Registration</i></li> <li>• inform the RTO of future action</li> <li>• answer any questions.</li> </ul> <p>The Closing Meeting Checklist at Appendix 3 can be used to ensure that the RTO has been fully briefed about the outcomes of the audit, especially if negative findings have been made about an RTO's operation.</p> <p>When providing information to the RTO at the closing meeting it is important to be sensitive and convey clear messages about the audit team's findings. It is essential to leave the RTO with an honest picture of the audit outcomes and a clear sense of the gaps identified.</p>	<ul style="list-style-type: none"> <li>• Fair, open and transparent</li> </ul>

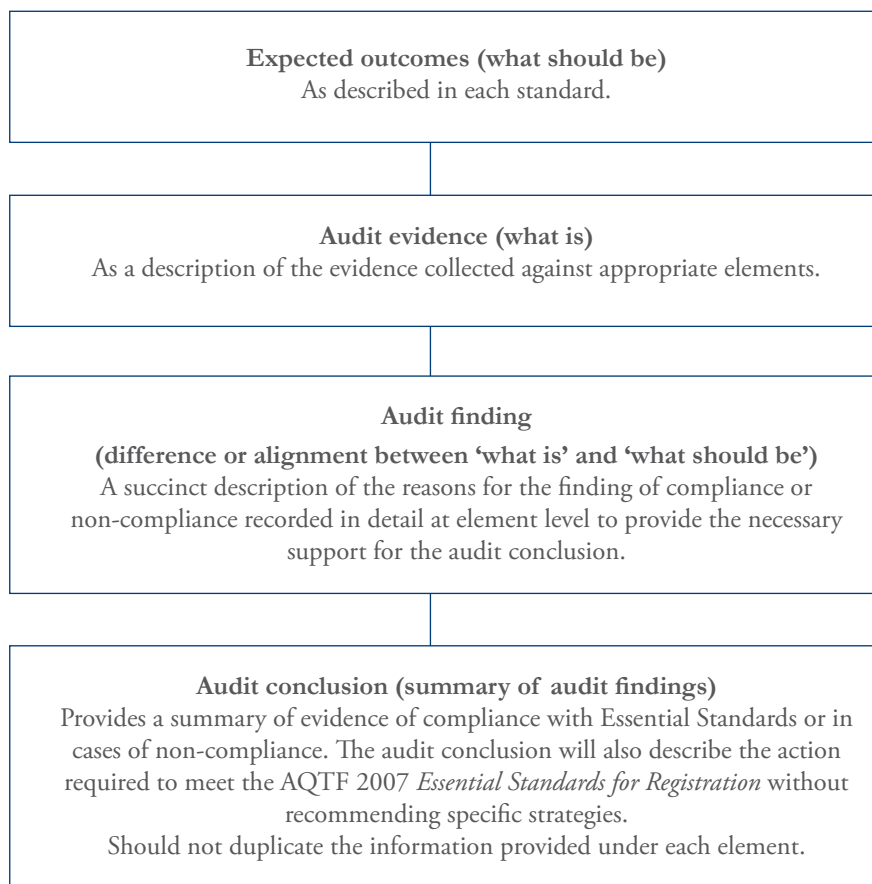
### *Developing the audit report*

The audit report may be developed before the closing meeting or soon after the conclusion of the audit.

The audit report is an important record and should be clear, consistent and accurate in accordance with the reporting format at Appendix 2. It must detail the evidence that leads to a finding of compliance or a finding of non-compliance. The report must provide a conclusion against each standard to summarise the audit outcomes and also note any strengths and opportunities for improvement. The evidence and findings must also be detailed for each element.

- Fair, open and transparent
- Outcomes-focused
- Evidence-based
- Focused on continuous improvement.

*The following diagram explains how audit findings are formulated:*



The auditor's reasoning should clearly lead to the conclusion. When drawing together the report for the registering body the auditor includes a summary at standard level of findings for each element. This summary provides a conclusion about the RTO's compliance or non-compliance with each standard, and includes details of any major gaps in evidence, the implications for the quality of training and assessment, and suggested responses. The summary does not replicate the detail of the audit report at element level. The summary at standard level reports, where identified, on the RTO's strengths and any opportunities for improvement.

When drawing together the report for the registering body the auditor includes a summary at standard level of findings for each element. This summary provides a conclusion about the RTO's compliance with each standard, details major gaps in evidence of compliance, describes the implications for the quality of training and assessment, and details rectification required. The summary does not replicate the detail of the audit report at element level. The summary at standard level reports, where identified, on the RTO's strengths and any opportunities for improvement.

Reporting an audit conclusion of compliance at standard level will look something like the one that follows

Standard 1: The RTO provides quality training and assessment across all of its operations		
Audit conclusion	Result	✓
RTO LMN is compliant with Standard 1.	Compliant	✓
The RTO is collecting data from its key clients that demonstrate a high level of satisfaction with training and assessment outcomes and learner and client services. The RTO also collects data from all of its trainers and assessors and engages them in making decisions about improvements to training and assessment. The RTO's results from continuous improvement demonstrate that the RTO is systematic in its approach and is evaluating the effectiveness of these improvements.	Non-compliant	
The RTO has access to the facilities, equipment and learning resources that reflect current industry requirements and meet the requirements of the Training Package qualifications assessed at audit. Trainers and assessors hold the relevant trainer and assessor competencies and where this is not the case suitable arrangements are in place for their direct supervision.	Not audited	
<b>Strengths</b>		
RTO LMN has very effective relationships with its industry clients that the RTO uses to validate its training and assessment strategies.		
<b>Opportunities for improvement</b>		
RTO LMN could use the contract industry trainers it employs from industry as a resource to contribute to the professional development of its full time staff.		

### 3.2 The RTO monitors training and/or assessment services provided on its behalf to ensure that they comply with all aspects of the AQTF 2007 Essential Standards for Registration.

Evidence	Result	✓
A description of the evidence reviewed against the Essential Element	Compliant	✓
LMN Training has two other organisations that are offering training and assessment on its behalf. This arrangement has been in place for 12 months to enable the RTO to expand its services into regional locations.	Non-compliant	
LMN Training has clearly documented the obligations that its partner organisations must meet to provide this service. LMN provides its partners with all relevant learning and assessment resources and has developed a monitoring program in conjunction with each partner. Records of meetings and actions taken indicate that this is working effectively.	Not audited	
Data is collected from clients receiving services from each partner and this is jointly reviewed by LMN and the partners. The actions identified by LMN as part of its continuous improvement activities have also been adopted by the partners. Trainers and assessors from both partner organisations are engaged in moderation and validation activities through teleconference.	Not applicable	
The auditor contacted both partner organisations (the principal officer and a trainer) and one major client for each by phone. This confirmed that arrangements are in place as evidenced by the documentation sighted at LMN training		

#### Findings

LMN Training has satisfactory arrangements in place that ensure training and assessment provided by its two partner organisations is compliant with all aspects of the AQTF 2007 *Essential Standards for Registration*.

Reporting an audit conclusion of non-compliance at Standard level will look something like the one that follows. Note that examples of evidence analysed which support the conclusion reached are included against each element.

<b>Standard 1: The RTO provides quality training and assessment across all of its operations</b>		
<b>Audit conclusion</b>	<b>Result</b>	
RTO BCD is not compliant in Standard 1.	Compliant	✓
<p>The RTO provided evidence that the quality of training and assessment had been improved a great deal as a result of feedback collected from stakeholders. However, this activity relates only to face-to-face training and assessment and not to online training and assessment activity, which makes up the bulk of the RTO's business. The training and assessment materials for online programs do not meet the requirements of the clients noted on the training and assessment strategy and there is insufficient support for online students.</p> <p>The training and assessment materials for the online programs do not reflect current workplace requirements as specified in the Training Package. The unsuitability of these materials indicates that the current level of attrition in online learning programs will continue as clients' needs are not being met. Students are not being provided with training and assessment that meets current workplace practice and because of this the quality of training and assessment is jeopardised.</p> <p>The RTO will need to develop a strategy to collect, analyse and act on feedback from online students. The RTO will also need to ensure that online learning and assessment materials meet the needs of learners.</p>	Non-compliant	✓
<b>Not audited</b>		
<b>Strengths</b>		
RTO BCD has an excellent professional development program in place for staff.		
<b>Opportunities for improvement</b>		
It is suggested that consultation with industry stakeholders in the development of strategies for training and assessment, which is currently kept as a set of emails, is formally summarised and analysed so that when the strategies are reviewed this information is more accessible.		

The following example illustrates the reporting of a finding of non-compliance at Element level.

### 3.2 The RTO monitors training and/or assessment services provided on its behalf to ensure that they comply with all aspects of the AQTF 2007 Essential Standards for Registration.

Evidence	Result	✓
A description of the evidence reviewed against the Essential Element.	Compliant	
XYZ Training is conducting workplace training and assessment on behalf of the RTO. A written agreement between the two organisations has been in place since February 2007.	Non-compliant	✓
The agreement does not include responsibilities for continuous improvement of training and assessment, client services and administrative systems, including collecting stakeholder feedback, employer input to review processes, management of operations (AQTF Elements 1.1, 1.5, 2.1, 2.3); the provision of information to clients before enrolment and client support (AQTF Elements 2.2, 2.4, 2.5); or responsibility for managing complaints and appeals (AQTF Element 2.6). Through discussions with RTO management and management at XYZ Training, I confirmed that neither party considered they had responsibility for these aspects of the AQTF 2007 <i>Essential Standards for Registration</i> .	Not audited	
Communication between the RTO and XYZ Training is solely by telephone and no record is kept of these discussions. Neither party was able to provide examples of monitoring or reviewing the agreements as telephone calls were about logistical matters.	Not applicable	

#### Findings

RTO BCD has an excellent professional development program in place for staff.

#### Opportunities for improvement

The RTO has an agreement in place with XYZ Training but the agreement does not allocate responsibility for all aspects of the AQTF 2007 *Essential Standards for Registration*. The quality of training, assessment and client services in the partner organisation is compromised because responsibilities are not clearly defined and are being neglected.

## The desk audit

Desk audits are scheduled according to the business rules in the AQTF 2007 *National Guidelines for Risk Management*. A desk audit can be used to make a judgement about compliance with the AQTF 2007 *Essential Standards for Registration* based on documentation provided by the RTO.

A desk audit can also be used to prepare for a site audit. The same audit principles that apply to site audits apply to desk audits.

A desk audit is limited by the documentation that an RTO can provide. If further information is required, a follow-up telephone call to clarify and discuss particular issues or to request additional evidence can be made.

The following steps are used for desk audits:

<i>Activity</i>	<i>Relevant audit principles</i>
Confirm the aspects of the standards that are going to be audited.	<ul style="list-style-type: none"><li>• Systematic</li></ul>
Ensure that the resources required to conduct the desk audit are in place. This may include getting agreement from technical advisers to participate, audit tools and background information on the RTO.	<ul style="list-style-type: none"><li>• Systematic</li><li>• Flexible</li></ul>
Conduct the audit, completing the audit report to record the findings. Using the standards as a guide, examine the evidence provided and identify and gaps if they exist.  If evidence is lacking, request further evidence from the RTO. It is important to explain clearly why the evidence submitted is insufficient, and what additional type of evidence is needed. If the quality of the evidence is insufficient and the RTO cannot, or does not, provide additional evidence by the required date, a judgement that the RTO is non-compliant can be made.	<ul style="list-style-type: none"><li>• Systematic</li><li>• Flexible</li><li>• Outcomes-focused</li><li>• Evidence-based</li><li>• Focused on continuous improvement</li><li>• Fair, open and transparent</li></ul>

# Section 6

## The audit approach

### Suggested approaches for AQTF 2007 audits

This section of the Handbook suggests approaches to audit that could be used. It also discusses risk factors and their effects on the auditing approach.

The AQTF 2007 *Essential Standards for Registration* are not designed to be audited in a linear fashion, starting with Element 1.1 and then working consecutively through the elements. This linear approach is not recommended because the elements are interconnected and an RTO's evidence will be better understood if it is considered holistically and in the context of the RTO's operations.

Whatever approach to audit is used, it must focus on the outcomes that the RTO is (or is not) achieving before discussing the processes used to achieve those outcomes.

Regardless of which approach is used, all of the requirements of the standards set down in the audit plan must be audited. The approach to audit, must be discussed with the RTO prior to the audit so that there is clarity and agreement about how the audit will proceed.

### Holistic audit approaches

The following possible approaches focus on the outcomes and evidence from core RTO processes that can be linked back to the relevant requirements of the AQTF 2007 *Essential Standards for Registration*. The approaches foster a more holistic way of viewing an RTO's business and achievement of planned approaches to quality training and assessment.

The following approaches are described in further detail below:

- from marketing to awarding a credential
- a continuous improvement approach
- an approach using strategies for training and assessment.

### From marketing to awarding a credential

The auditor asks the RTO representative to 'step through' the processes used with specific groups of clients from:

- marketing and providing information to clients (Elements 2.2, 2.5), to
- identifying individual clients' needs (Elements 2.3, 3.2), to
- developing (or adjusting) the strategy for training and assessment (Elements 1.2, 1.4, 2.3, 3.2), to
- providing client support (Elements 2.3, 2.4, 2.5, 3.2), to
- delivery to clients (Elements 1.3, 2.3, 2.4, 3.2), to

- assessing clients (Elements 1.3, 1.5, 2.3, 2.4, 3.2), to
- providing feedback to clients (Elements 2.4, 2.5, 2.6, 3.2), to
- recording results of clients (Element 2.5, 3.2, 3.3), to
- awarding credentials to clients (Elements 2.5, 3.2, 3.3).

The review and continuous improvement of outcomes and processes can also be addressed using this approach (Elements 1.1, 2.1, 2.3, 3.1, 3.2).

The audit should be focused on evidence of outcomes wherever relevant, using questions (while examining supporting evidence) such as:

- Did these clients receive information about training, assessment and client services before they registered/enrolled? Was this information useful? Have any changes being made to the information provided to clients in response to feedback?
- How is effectiveness of training and assessment measured for these clients? What were your findings? Did you make any changes as a result of these findings?

These questions would then lead to other questions about process, for example:

- Take me through the assessment tools you used for these units of competency. Could you show me how you established that they meet the requirements of the Training Package?
- What do you do to ensure your assessors for this qualification are making consistent judgements?

## A continuous improvement approach

Auditors can also construct the audit around continuous improvement outcomes and processes. The RTO representative should be asked to provide some examples of improvements that have been made to the way the RTO operates, including:

- the way in which training and assessment is planned and delivered
- the way in which services are provided to clients
- the administration processes used.

A discussion of continuous improvement will give you a good overview of how the RTO is operating, particularly in relation to Elements 1.1, 1.2, 1.3, 1.5, 2.1, 2.2, 2.3, 2.4, 2.6 and all of Standard 3. Follow-up questions, requiring supporting evidence for the responses, will address the remaining elements, if they have not already been covered.

When exploring outcomes relating to continuous improvement, examples of questions that could be used (together with supporting evidence) include:

- What data do you collect about your services?
- What have you learnt from this feedback?
- What changes have you made to training and assessment and to the way in which your services are provided to clients?
- How do you know that your strategies for training and assessment meet industry requirements and are of a high quality? (What information do you have about the competence of staff, facilities, resources and equipment?)
- Can you give me an example of adjustments made to a training and assessment strategy? Why did you make them?
- Have you made any recent changes to administrative processes? How did these changes come about?

Process questions could include:

- How do you ensure that the organisation delivering training and assessment on your behalf understands and implements your continuous improvement processes?
- Take me through the processes you use to ensure that continuous improvement is systematic throughout the RTO. How are your staff involved with continuous improvement strategies and implementation?

## An approach using strategies for training and assessment

Another way to structure an audit is by using training and assessment strategies as the starting point. This means exploring Standard 1 and many aspects of Standards 2 and 3. The remaining elements can be explored through the collection of further evidence.

Outcomes-focused questions (together with supporting evidence) might include:

- How do you know that your strategies for training and assessment produce high-quality outcomes?
- Could you explain how assessment was carried out for these two units of competency and tell me what informed the development of the assessment for these competencies?
- You've identified learners who may have literacy support needs. How did you know that their needs were met?
- You developed this strategy with input from local employers. Do you know whether they were satisfied with the way training and assessment was subsequently carried out? Based on this information, have you made any changes to the strategy?
- Has data been collected on the quality of assessment conducted by the organisation that is assessing on your behalf? Has your RTO made any changes in light of this data?

Process questions could include:

- Could you explain how the strategy for training assessment for this qualification was developed and how trainers and assessors use the strategies?
- How do you inform your clients about the support services that you offer?
- How do you ensure that the partnering organisation is implementing the assessment strategy that you both agreed to?

These approaches can be starting points for audits. A combination of approaches may be used. The key is to adopt an approach that has been agreed with the RTO, that is logical, that considers the elements holistically and that concentrates on outcomes before moving on to processes where an outcome has not been clearly demonstrated.

## Considering risk

The AQTF 2007 *National Guideline for Risk Management* describes the processes used by registering bodies to schedule and determine the scope of an RTOs audit. These processes assign a risk rating to each RTO and also assess the risks associated with applications for registration and an RTO's operating context.

The auditor must consider any factors that potentially increase the risk associated with an RTO's ability to meet the requirements of the AQTF 2007 *Essential Standards for Registration*. The auditor must be aware of potential risks when planning and carrying out the audit in order to make an opportunity to explore them and to decide how they are managed by the RTO.

# Section 7

## The audit team

### Audit team roles and responsibilities

An audit may be conducted by a single lead auditor or by an audit team consisting of a lead auditor, one or more auditors and/or a technical adviser.

#### *Lead auditor*

The role of the lead auditor is to:

- confirm the scope of the audit with the registering body
- contact the RTO and make an appointment for the audit
- identify and confirm resources (including audit team members and audit documentation) required to conduct the audit
- review documentation and develop a plan and schedule for the audit in conjunction with the RTO and then confirm these arrangements
- brief the audit team
- conduct the opening meeting
- identify and gather information
- manage audit team resources by ensuring that there is effective communication between the members of the audit team, and by working with the RTO's representative to ensure that auditors and technical experts have access to the materials, sites and personnel they require
- coordinate the audit findings by meeting with the audit team to synthesise the evidence collected
- prepare the audit report with support from the audit team
- conduct the feedback session with the RTO and confirm follow-up
- provide information to the RTO about the complaints process and follow-up action required
- provide feedback to the audit team.

#### *Auditors*

The role of an auditor is to:

- participate in the opening meeting
- identify and gather information
- analyse information

- evaluate information
- report findings
- participate in the feedback session
- undertake other duties as requested by the lead auditor.

### *Technical advisers*

The participation of a technical adviser in AQTF 2007 quality assurance audits is also described in the AQTF 2007 *National Guideline for Industry Regulator Engagement*. The Guideline outlines opportunities for registering bodies and industry regulators to collaborate in a variety of ways, both before and during audits, to quality assure the training and assessment services offered by RTOs. Technical advisers may also be used to provide advice to auditors where a registering body has determined that access to expert industry advice is necessary to ensure that strategies for training and assessment meet industry requirements. Technical advisers are not auditors and will at all times during a site audit of an RTO work under the direction and supervision of an auditor. Technical advisers can advise the audit team on current industry, regulatory or workplace requirements and must have knowledge of training and assessment issues related to their industry.

At a site audit the role of a technical adviser is to assist the auditor to:

- identify and gather information about strategies for training and assessment, the quality of training and assessment, the qualifications of staff and adherence to legislation and regulatory requirements as they affect the quality of training and assessment
- analyse and evaluate information
- report findings and clarify issues relating to training and assessment, including legislative and regulatory requirements
- undertake other duties as requested by the lead auditor.

Technical advisers will normally participate in the opening meeting for the audit and may also participate in the closing meeting. Technical advisers may also participate in a desk audit by evaluating training and assessment materials.

### *Observers*

Sometimes observers attend audits to ensure that correct audit processes are being followed. Also, trainee auditors or members of the registering body's staff may attend audits as observers. Auditors from registering bodies in other states or territories may attend as observers on occasions as part of the national strategy to build national consistency in audit approaches across Australia. Observers do not have an active role in the audit. The registering body will seek permission from the RTO if an observer is to attend the audit.

## Audit team competencies

Confidence and reliance in the AQTF 2007 audit process depends on the competence of audit teams who conduct audits on behalf of state and territory registering bodies.

The registering body must ensure that for each AQTF 2007 audit the lead auditor and/or audit team has the minimum competency requirements specified in this Handbook.

An audit team may comprise a lead auditor and one or more auditors, and may also include technical advisers who provide specific knowledge or expertise to the audit team. Technical advisers must operate under the direction of an auditor. Any technical adviser involved in an audit is not required to comply with the minimum competency requirements specified for auditors.

It is also possible that an audit team may include auditors in training. These individuals should audit only with direction or guidance from the lead auditor.

The lead auditor is the audit team leader, responsible for the audit's management and reporting. If only one auditor is conducting an audit, that auditor must perform all the relevant duties of a lead auditor as specified in this Handbook, and meet all essential competency requirements.

Audit team competence should be demonstrated by a blend of essential components which are generic to quality management systems and specific to the VET context. The essential competency requirements of an audit team are:

- personal attributes, which must be met by all auditors
- generic skills, which must be met by all auditors
- VET knowledge, which must be met by all auditors
- audit qualifications, which must be met by the lead auditor
- work experience, which must be met by the lead auditor
- VET qualifications, which must be met collectively by the audit team.

### *Personal attributes*

Auditors must be able to meet the requirements of AS/NZS ISO 19011:2003, *Guidelines for Quality and/or Environmental Management Systems Auditing* (Section 7.2 – Personal Attributes). Auditors must be ethical, openminded, diplomatic, observant, perceptive, versatile, tenacious, decisive, and self-reliant.

### *Generic skills*

Each auditor must have the following generic skills:

- verbal communication and interpersonal skills, including negotiation and conflict-resolution skills
- the ability to work with others and in teams

- written communications skills, including report writing
- planning and organisational skills
- conceptual, analytical and problem-solving skills
- computer and internet skills.

### *VET knowledge*

Each auditor must have the following VET-specific knowledge:

- AQTF 2007
- management systems and processes, particularly in a VET context, and how to analyse them
- how legislation relates to RTOs' operations
- the range of VET contexts and operations
- how effective strategies for training and assessment can be developed
- how to assess the quality of training and assessment and identify improvements
- the principles of evidence and how to apply them in an outcomes-based auditing environment.

### *Audit qualifications*

A lead auditor must possess formal auditor qualifications such as those described in the AS/NZS ISO 19011:2003, *Guidelines for Quality and/ or Environmental Management Systems Auditing*, or its equivalent.

Note: for AQTF 2007 auditors, the following units of competency are determined to be equivalent to the lead auditor qualification requirements in the AS/NZS ISO19011:2003 Guideline:

- BSBAUD401A Prepare for a quality audit
- BSBAUD402A Participate in a quality audit
- BSBAUD501A Initiate a quality audit
- BSBAUD502A Prepare to lead a quality audit
- BSBAUD503A Lead a quality audit
- BSBAUD504A Report on a quality audit.

### *Work experience*

Lead auditors are required to have relevant, current work experience in:

- education or training
- quality systems auditing.

### *VET qualifications*

The audit team must collectively hold or be able to demonstrate competencies equivalent to the following units from the Training and Assessment Training Package (TAA04):

- TAAENV401A Work effectively in vocational education and training
- TAADES401A Use Training Packages to meet client needs
- TAAASS401A Plan and organise assessment
- TAAASS402A Assess competence
- TAAASS403A Develop assessment tools
- TAACMQ503A Lead and conduct training and/or assessment evaluations.

### *Transition arrangements*

The audit team competencies establish a new minimum benchmark for all audit teams. Accordingly, registering bodies will make changes to recruitment, selection and/or professional development procedures and arrangements to ensure that all audit teams fully comply with the minimum auditor competencies by 1 July 2008.

# Section 8

## Terminology

The following terms are common to the VET sector and are used in the AQTF 2007 *Essential Standards for Registration* and this Handbook. Each term is followed by a definition and, where appropriate, further explanation. If the definition of a word or phrase listed below is inconsistent with the definition of the same word or phrase used in state or territory legislation, the definition provided in that legislation takes precedence.

<b>Access and equity</b>	Policies and approaches aimed at ensuring that vocational education and training are responsive to the individual needs of clients whose age, gender, cultural or ethnic background, disability, sexuality, language skills, literacy or numeracy level, unemployment, imprisonment or remote location may present a barrier to access, participation and the achievement of suitable outcomes. Access and equity does not mean that an RTO has to accept anyone as a client.
<b>Accredited course</b>	A structured sequence of vocational education and training that has been accredited by a state or territory course accrediting body and leads to an Australian Qualifications Framework (AQF) qualification or statement of attainment.
<b>Appeal</b>	A process whereby a client of an RTO, or other interested party, may dispute a decision made by the RTO. The decision made by the RTO may be an assessment decision or may be about any other aspect of the RTO's operations.
<b>Apprenticeship/ traineeship</b>	A structured training arrangement for a person employed under an apprenticeship/traineeship training contract. It usually involves the person receiving training and being assessed both on and off the job.
<b>Apprenticeship/ traineeship training contract</b>	A contract governing the terms of an apprenticeship or traineeship that is made between an employer and a person employed by them as an apprentice or trainee. The contract must be registered with the relevant state or territory government department or agency in accordance with that state or territory's legislation. The training provided under the contract must be delivered by an RTO approved by the state or territory department or agency and a training plan developed by the RTO must form the basis of the person's training and assessment.
<b>Articulation</b>	The arrangements that facilitate the movement or progression of learners from one qualification or course to another, or from one education and training sector to another.
<b>Assessment</b>	The process of collecting evidence and making judgements on whether competency has been achieved, to confirm that an individual can perform to the standard expected in the workplace, as expressed by the relevant endorsed industry/enterprise competency standards of a Training Package or by the learning outcomes of an accredited course.
<b>Assessment guidelines</b>	The endorsed component of a Training Package that underpins assessment and sets out the industry's approach to valid, reliable, flexible and fair assessment.
<b>Assessment tools</b>	The instrument(s) and procedures used to gather and interpret evidence of competence: <ul style="list-style-type: none"><li>• Instrument – the specific questions or activity used to assess competence by the assessment method selected. An assessment instrument may be supported by a profile of acceptable performance and the decision-making rules or guidelines to be used by assessors.</li><li>• Procedures – the information or instructions given to the candidate and the assessor about how the assessment is to be conducted and recorded.</li></ul>
<b>Audit</b>	A planned, systematic and documented process used to assess an RTO's compliance with the AQTF 2007 <i>Essential Standards for Registration</i> . State and territory registering bodies conduct independent audits as a condition of registration. RTOs can conduct internal audits to assess their compliance with the standards and their own policies and procedures as part of their continuous improvement process.

<b>Australian Qualifications Framework (AQF)</b>	The policy framework that defines all qualifications recognised nationally in post-compulsory education and training in Australia. The AQF comprises titles and guidelines that define each qualification, as well as the principles and protocols covering cross-sectoral qualification links and the issuing of qualifications and statements of attainment.
<b>Australian Quality Training Framework (AQTF)</b>	The Australian Quality Training Framework (AQTF) is a set of nationally agreed quality assurance arrangements for training and assessment services delivered by training organisations. The first version of AQTF was implemented in 2002. It was revised in 2005 and again in 2007, including changes to the identification of Excellence Criteria.
<b>The AQTF 2007 comprises:</b>	<ul style="list-style-type: none"> <li>• AQTF 2007 <i>Essential Standards for Registration</i></li> <li>• AQTF 2007 <i>Standards for State and Territory Registering Bodies</i></li> <li>• AQTF 2007 <i>Excellence Criteria</i>.</li> </ul>
<b>Authenticity</b>	One of the rules of evidence. To accept evidence as authentic, an assessor must be assured that the evidence presented for assessment is the candidate's own work.
<b>Benchmarking</b>	The continuous process of measuring and comparing products, services and practices with comparable systems or organisations both inside and outside the VET sector for the purpose of continuous improvement.
<b>Chief Executive</b>	The most senior executive of an RTO.
<b>Client</b>	A learner, enterprise or organisation that uses or purchases the services provided by an RTO.
<b>Client services</b>	The services provided by an RTO to clients in order to assist and support the successful achievement of learning outcomes.
<b>Competency</b>	The broad concept of industry competency concerns the ability to perform particular tasks and duties to the standard of performance expected in the workplace. Competency requires the application of specified skills and knowledge relevant to effective participation in an industry, industry sector or enterprise.
<b>Complaints process</b>	A process by which a client of an RTO, or other interested parties, may raise a concern about the RTO's policies, procedures, services or products with a view to having them changed and improved.
<b>Continuous improvement</b>	A planned and ongoing process that enables an RTO to systematically review and improve its policies, procedures, products and services to generate better outcomes for clients and to meet changing needs. It allows the RTO to constantly review its performance against the AQTF 2007 <i>Essential Standards for Registration</i> and to plan ongoing improvements. Continuous improvement involves collecting, analysing and acting on relevant information from clients and other interested parties, including the RTO's staff.
<b>Contractors</b>	Individuals who are engaged by an RTO through a contractual arrangement to undertake training and assessment. Contractors are included in the group 'staff' for the purposes of the AQTF 2007 <i>Essential Standards for Registration</i> .
<b>Course accrediting body</b>	The authority responsible, under the VET legislation and decision-making framework of a particular state or territory, and in accordance with the AQTF 2007 <i>Standards for State and Territory Course Accrediting Bodies</i> , for accrediting courses for delivery both inside and outside Australia.
<b>Credit transfer</b>	Credit transfer assesses the initial course or subject that an individual is using to claim access to, or the award of credit in, a destination course. The assessment determines the extent to which the client's initial course or subject is equivalent to the required learning outcomes, competency outcomes, or standards in a qualification. This may include credit transfer based on formal learning that is outside the AQF.

<b>Currency</b>	One of the rules of evidence. In assessment, currency relates to the age of the evidence presented by a candidate to demonstrate that they are still competent. Competency requires demonstration of current performance, so the evidence collected must be from either the present or the very recent past.
<b>Data</b>	The information collected about aspects of an RTO's operations and performance.
<b>Dimensions of competency</b>	Dimensions are part of the broad concept of competency, which includes all aspects of work performance as represented by task skills, task management skills, contingency management skills and job/role environment skills.
<b>Direct supervision</b>	Means that a person conducting training who does not hold the training competencies determined by the National Quality Council receives regular guidance, support and direction from a person designated by the RTO who does hold those training competencies. It is not necessary for the supervising person to be present during all training delivery.
<b>Documented</b>	Recorded in written form.
<b>Essential Standards for Registration</b>	The standards a training organisation must meet in order to become a registered training organisation (RTO) and maintain its registration. A training organisation must be registered in order to deliver and assess nationally recognised training and issue nationally recognised qualifications. The AQTF 2007 <i>Essential Standards for Registration</i> comprise: <ul style="list-style-type: none"> <li>• standards and underpinning elements</li> <li>• conditions of registration</li> <li>• quality indicators.</li> </ul>
<b>Excellence Criteria</b>	A set of criteria in the AQTF 2007 against which an RTO may voluntarily self-evaluate for quality improvement, or be formally evaluated on a voluntary basis in order to seek recognition as either 'quality committed' or 'outstanding'.
<b>Fair and reasonable refund policy</b>	Criteria used by an RTO to develop its refund policy, and used by clients and interested parties to form a judgement of that policy. A fair and reasonable refund policy is one free from bias, dishonesty and injustice. While taking account of the RTO's business requirements, the policy also takes into account unforeseen circumstances that may befall a person and affect their ability to continue their training (for example, long-term illness or injury).
<b>Fairness</b>	One of the principles of assessment. Fairness in assessment requires consideration of the individual candidate's needs and characteristics, and any reasonable adjustments that need to be applied to take account of them. It requires clear communication between the assessor and the candidate to ensure that the candidate is fully informed about, understands, and can participate in, the assessment process and agrees that the process is appropriate. It also includes an opportunity for the person being assessed to challenge the result of the assessment and to be reassessed if necessary.
<b>Flexibility</b>	One of the principles of assessment. To be flexible, assessment should reflect the candidate's needs; provide for recognition of competencies no matter how, where or when they have been acquired; draw on a range of methods appropriate to the context, competency and candidate and support continuous competency development. Flexibility can also refer to an aspect of continuous improvement, in relation to meeting client and stakeholder needs.
<b>Flexible learning and assessment</b>	An approach to VET that allows a range of learning and assessment strategies to be adopted in a variety of learning environments in order to cater for differences in individual learning interests, needs, styles, and opportunities.

<b>Industry</b>	Representative bodies that have a stake in the training, assessment and client services provided by RTOs. These could include industry skills councils, industry associations, unions, regulatory bodies, licensing bodies and group training companies (not an exhaustive list).
<b>Learner</b>	An individual who is receiving, responding to and processing information in order to acquire and develop competence. This incorporates the processes of preparing for and presenting for assessment.
<b>Learning</b>	<p>The process followed by a learner.</p> <ul style="list-style-type: none"> <li>• formal learning refers to learning that takes place through a structured program of instruction and is linked to the attainment of a formal qualification or award (for example, a certificate, diploma or university degree)</li> <li>• non-formal learning refers to learning that takes place through a structured program of instruction but does not lead to the attainment of a formal qualification or award (for example, in-house professional development programs conducted by a business)</li> <li>• informal learning refers to learning that results through experience of work-related, social, family, hobby or leisure activities (for example, the acquisition of interpersonal skills developed through several years as a sales representative).</li> </ul>
<b>Learning and assessment strategy</b>	See Training and Assessment Strategy.
<b>Learning program</b>	See Training program.
<b>Management system</b>	The framework of structures, policies and processes used to ensure that the organisation can achieve its objectives.
<b>Moderation of assessment</b>	A process which involves assessors discussing and reaching agreement about assessment processes and outcomes in a particular industry or industry sector. It enables assessors to develop a shared understanding of the requirements of specific Training Packages, including the relevant competency standards and assessment guidelines, the nature of evidence, how evidence is collected and the basis on which assessment decisions are made.
<b>National Quality Council (NQC)</b>	<p>A committee of the Ministerial Council for Vocational and Technical Education (MCVTE). The NQC has a role in:</p> <ul style="list-style-type: none"> <li>• providing the Ministerial Council with advice on the operation of the AQTF 2007 and any changes to it that are considered necessary</li> <li>• providing the state and territory registering and course-accrediting bodies with information and advice on implementation of the AQTF 2007</li> <li>• providing the Ministerial Council with information and advice on the operation of the AQTF 2007 in each state and territory, including advice on their registration, audit and related processes, and on the Commonwealth processes that support the AQTF 2007.</li> </ul>
<b>National recognition</b>	<ul style="list-style-type: none"> <li>• Recognition by an RTO of the AQF qualifications and statements of attainment issued by all other RTOs, thereby enabling national recognition of the qualifications and statements of attainment issued to any person</li> <li>• Recognition by each state and territory's registering body of the training organisations registered by any other state or territory's registering body and of its registration decisions.</li> <li>• Recognition by all state and territory course-accrediting bodies and registering bodies of each other's accredited courses and accreditation decisions.</li> </ul>
<b>Nationally Recognised Training (NRT) logo</b>	The logo used nationally to signify that training and assessment products and services meet the requirements agreed under the National Skills Framework.

<b>National Skills Framework (NSF)</b>	The system of VET that sets out the system's requirements for quality and national consistency in terms of qualifications and the delivery of training. The NSF applies nationally, and has been endorsed by the Ministerial Council for Vocational and Technical Education (MCVTE).
<b>National Training Information Service (NTIS)</b>	The national register for recording information about RTOs, Training Packages and accredited courses. The national register is a key component of the National Skills Framework.
<b>Outcomes</b>	The consequences of actions implemented by an RTO to achieve quality training, assessment and client services.
<b>Outcomes-focused auditing</b>	An audit approach in which the primary role for the audit team is to confirm that outcomes from RTO processes meet the requirements of the standards. This decision will be informed by data collected in relation to quality indicators and other evidence provided by the RTO.
<b>Partners/Partnership</b>	Two or more parties in a working relationship who are creating added value for clients and the community.
<b>Performance</b>	The outcomes achieved from processes, products and services that permit evaluation relative to goals, trends and comparisons.
<b>Policy</b>	A documented statement of a definite course of action that is to be adopted and implemented.
<b>Principles of assessment</b>	To ensure quality outcomes, assessment should be: <ul style="list-style-type: none"> <li>• fair</li> <li>• flexible</li> <li>• valid</li> <li>• reliable</li> <li>• sufficient.</li> </ul>
<b>Procedure</b>	A documented method or set of instructions that describes how a process is carried out.
<b>Process</b>	The systematic actions, people and resources required to achieve an outcome.
<b>Qualification</b>	Formal certification in the VET sector by an RTO that a person has satisfied all requirements of the units of competency or modules that comprise an AQF qualification, as specified by: <ul style="list-style-type: none"> <li>• a nationally endorsed Training Package, or</li> <li>• an accredited course that provides training for that qualification.</li> </ul>
<b>Quality</b>	The ability of a set of inherent characteristics of a product, system or process to meet specified standards or objectives and fulfil the expectations of customers and interested parties.
<b>Quality indicators</b>	Quality indicators are a set of three indicators which are part of the AQTF 2007 <i>Essential Standards for Registration</i> . Data against the quality indicators, when considered in the context of the RTO's business, provides a measure of the RTO's performance and the quality of outcomes it is achieving for clients.
<b>Recognition of prior learning (RPL)</b>	An assessment process that assesses an individual's non-formal and informal learning to determine the extent to which that individual has achieved the required learning outcomes, competency outcomes, or standards for entry to, and/or partial or total completion of, a qualification.
<b>Record</b>	A written, printed or electronic document providing evidence that activities have been performed.
<b>Registered Training Organisation (RTO)</b>	A training organisation registered by a state or territory registering body in accordance with the AQTF 2007 <i>Essential Standards for Registration</i> within a defined scope of registration. (See also Scope of registration.)
<b>Registering body</b>	The authority responsible under the VET legislation and decision-making framework of a particular state or territory, and in accordance with the AQTF 2007 <i>Standards for State and Territory Registering Bodies</i> , for registering training organisations, including all the processes relating to registration and the imposition of sanctions on RTOs.

<b>Registration</b>	Formal recognition by a state or territory registering body, in accordance with the AQTF 2007 <i>Standards for State and Territory Registering Bodies</i> , that a training organisation meets the requirements of the AQTF 2007 <i>Essential Standards for Registration</i> . A training organisation must be registered in order to deliver and assess nationally recognised training and issue nationally recognised qualifications.
<b>Reliability</b>	One of the principles of assessment. Reliability refers to the degree to which evidence presented for assessment is consistently interpreted and results in consistent assessment outcomes. Reliability requires the assessor to have the required competencies in assessment and relevant vocational competencies (or to assess in conjunction with someone who has the vocational competencies). It can only be achieved when assessors share a common interpretation of the assessment requirements of the unit(s) being assessed.
<b>Rules of evidence</b>	These are closely related to the principles of assessment and provide guidance on the collection of evidence to ensure that it is valid, sufficient, authentic and current.
<b>Sanction</b>	An action that a state or territory registering body imposes on an RTO for non-compliance with the AQTF 2007 <i>Essential Standards for Registration</i> . Sanctions may include: <ul style="list-style-type: none"> <li>• the imposition of specific conditions on the RTO's registration (which can cover any aspect of its registration, including its scope of registration, the locations where it may provide training or the type of delivery and assessment activities it may provide)</li> <li>• amendment of registration (including a reduction in the RTO's scope of registration)</li> <li>• suspension of registration</li> <li>• cancellation of registration.</li> </ul>
<b>Scope of registration</b>	The particular services and products that an RTO is registered to provide. The RTO's scope defines the specific AQF qualifications, units of competency and accredited courses it is registered to provide, and whether it is registered to provide: <ul style="list-style-type: none"> <li>• both training delivery and assessment services, and to issue the relevant AQF qualifications and statements of attainment, or</li> <li>• only assessment services, and to issue AQF qualifications and statements of attainment.</li> </ul>
<b>Staff</b>	Individuals working for the RTO, including contractors.
<b>Stakeholders</b>	Individuals or organisations affected by, or who may influence, the RTO's services but who are not directly involved in purchasing or using the RTO's services.
<b>Statement of Attainment</b>	Formal certification in the VET sector by an RTO that a person has achieved: <ul style="list-style-type: none"> <li>• part of an AQF qualification, or</li> <li>• one or more units of competency from a nationally endorsed Training Package, or</li> <li>• all the units of competency or modules comprising an accredited short course (meaning an accredited course that does not meet the requirements for a full AQF qualification).</li> </ul>
<b>Sufficiency</b>	One of the principles of assessment and also one of the rules of evidence. Sufficiency relates to the quality and quantity of evidence assessed. It requires collection of enough appropriate evidence to ensure that all aspects of competency have been satisfied and that competency can be demonstrated repeatedly. Supplementary sources of evidence may be necessary. The specific evidence requirements of each unit of competency provide advice on sufficiency.
<b>System</b>	A series of processes that are inter-related and repeatedly provide quality outcomes.
<b>Training</b>	The process used by an RTO to facilitate learning.
<b>Training and assessment strategy</b>	A framework that guides the learning requirements and the teaching, training and assessment arrangements of a vocational education and training qualification. It is the document that outlines the macro-level requirements of the learning and assessment process, usually at the qualification level.

<b>Training Package</b>	A nationally endorsed, integrated set of competency standards, assessment guidelines and AQF qualifications for a specific industry, industry sector or enterprise.
<b>Training plan</b>	A documented program of training and assessment required for an apprenticeship/traineeship training contract. It is developed by an RTO in consultation with the parties to the contract as the basis for training and assessing a person undertaking an apprenticeship or traineeship.
<b>Training program</b>	A program (also known as a learning program), developed by an RTO, that meets the training and assessment requirements of a qualification from a Training Package, one or more designated units of competency, or an accredited course. The training program may specify such matters as essential and elective units, the sequence and timing of training and assessments, and the resources required. It may form part of a training and assessment strategy.
<b>Unit of competency</b>	Specification of industry knowledge and skill and the application of that knowledge and skill to the standard of performance expected in the workplace.
<b>Validation of assessment</b>	<p>A process for ensuring that the way a unit of competency or group of units is assessed, and the evidence collected through these assessments, is consistent with the requirements of the unit or group of units of competency and of industry. It includes validating the assessment process, the assessment tools and instruments, the evidence collected using tools and instruments, and the interpretation of that evidence to make a judgement of competence in relation to the same unit(s) of competency.</p> <p>Validation may be undertaken before, during and after the actual assessment activity occurs and may include both formative and summative assessment. (The latter includes assessment for the purpose of granting RPL.)</p>
<b>Validity</b>	<p>One of the principles of assessment and also one of the rules of evidence. Assessment is valid when the process is sound and assesses what it claims to assess. Validity requires that:</p> <ul style="list-style-type: none"> <li>• assessment against the units of competency must cover the broad range of skills and knowledge that are essential to competent performance</li> <li>• assessment of knowledge and skills must be integrated with their practical application</li> <li>• judgement of competence must be based on sufficient evidence (that is, evidence gathered on a number of occasions and in a range of contexts using different assessment methods). The specific evidence requirements of each unit of competency provide advice on sufficiency.</li> </ul>
<b>Vocational competency</b>	Vocational competency in a particular industry consists of recent, relevant industry knowledge and experience and may be combined with a relevant industry qualification. A person who has vocational competency will demonstrate current skills and knowledge for the job role and have relevant current experience in the industry. In making an assessment of whether a person meets the industry's expectation of vocational competence, reference should be made to the guidance provided in the Assessment Guidelines of the relevant Training Package.

# Appendix 1

The *National Code of Practice for Auditors and Technical Advisers* describes the conditions that an auditor and technical adviser must adhere to when fulfilling their roles during audits. Auditors and technical advisers are required to sign this code of practice before undertaking audits. The code requires auditors and technical advisers to act in a professional and ethical manner, protecting the rights of the organisations they audit and meeting the needs of clients. In doing so, they must be objective, independent, honest, constructive and diligent.

## National Code of Practice for Auditors and Technical Advisers

### *Conflict of interest*

Auditors and technical advisers must disclose in advance any information that could limit their capacity to make unbiased audit judgments, and they must manage any potential conflicts of interest. Potentially conflicting or competing interests that should be declared include past or present financial, professional or personal relationships with the RTO, its employees or competitors.

Auditors and technical experts should never accept gifts, inducements, commissions or benefits from RTO staff, or any other interested party, beyond modest hospitality.

Auditors and technical advisers must not promote any personal business interests while conducting audits.

Auditors and technical advisers must not suggest to RTOs that registration would be simpler, easier or less expensive if any specific consultancy services were used by the training organisation, person or body.

Auditors must not misrepresent their own or others' qualifications, competence or experience.

### *Confidentiality*

Auditors and technical advisers must not discuss or disclose any information relating to an audit except where they are reporting in any of the following circumstances:

- to their client (the state or territory registering body that has commissioned the audit)
- to associated agencies on a 'need to know' basis
- under applicable laws
- after authorisation in writing by the RTO and the client.

### *Intellectual property*

Auditors and technical advisers must take all responsible steps to protect ownership of intellectual property and any commercial-in-confidence material or information disclosed in the course of an audit.

### *Responsibility to be informed*

Auditors must be informed about, and up to date with, the AQTF 2007, including nationally agreed products, policies and practices for training delivery and assessment.

### *Customer focus*

Auditors must ensure that an RTO clearly understands the audit processes and its rights in that process.

Auditors will be polite, respectful, considerate and non-discriminatory in dealing with RTO representatives.

### *Fair presentation*

Auditors and technical advisers must report their findings comprehensively, truthfully and accurately, based on the evidence presented. They must not communicate false, erroneous or misleading information that could compromise the integrity of any audit.

### *Accountability*

Auditors and technical experts must not act in any way that could prejudice the reputation of the state or territory registering body, or the audit process, and must fully cooperate with any inquiry into any alleged breach of this national code of practice.

### *Continuous improvement*

Auditors must participate in specified professional development activities provided by their state or territory registering body and continue to develop their auditing skills. Where it is relevant to do so, they should inform the registering body about the effectiveness of audit processes and documentation.

# Appendix 2

## The Audit Report

### AQTF 2007 AUDIT REPORT

#### RTO DETAILS

RTO Name NTIS Number  
 Address Website  
 Registration Contact  
 Phone Number E-mail  
 Student Numbers

#### AUDIT TEAM

Lead Auditor Auditor/s  
 Technical Advisor/s Observer/s

#### REGISTERING BODY DETAILS

Contact Person  
 Phone Number E-mail

#### AUDIT DETAILS

Type of Audit Initial/Post-initial/Extension to scope/Renewal/Monitoring/Complaint/Strategic  
 Standards audited  
 Conditions audited  
 Audit Date/s

Compliant  Minor non-compliance

Audit outcome

Significant non-compliance  Critical Non-compliance

Other audit notes

#### FOCUS OF AUDIT

#### QUALIFICATION/UNIT OF COMPETENCE/ACCREDITED COURSE

NTIS Code	Qualification/Unit of Competence/Accredited Course (as per NTIS)	Delivery Site



## RTO DETAILS

Standard 1: The RTO provides quality training and assessment across all of its operations		
Audit conclusion	Result	✓
<p>Provide a conclusion about the RTOs compliance with Standard 1.</p> <p>If the RTO is not compliant, comment on:</p> <ul style="list-style-type: none"> <li>• major gaps in evidence of compliance (details of non-compliance is provided at the element level)</li> <li>• implications for the quality of training and assessment</li> <li>• rectification required without recommending specific strategies</li> </ul>	Compliant	<input type="checkbox"/>
	Non-compliant	<input type="checkbox"/>
	Not audited	<input type="checkbox"/>
Strengths		
Opportunities for Improvement		

Standard 2: The RTO adheres to principles of access and equity and maximises outcomes for its clients		
Audit conclusion	Result	✓
<p>Provide a conclusion about the RTOs compliance with Standard 2.</p> <p>If the RTO is not compliant, comment on:</p> <ul style="list-style-type: none"> <li>• major gaps in evidence of compliance (details of non-compliance is provided at the element level)</li> <li>• implications for the quality of training and assessment</li> <li>• rectification required without recommending specific strategies</li> </ul>	Compliant	
	Non-compliant	
	Not audited	
Strengths		
Opportunities for Improvement		

Standard 3: Management systems are responsive to the needs of clients, staff and stakeholders, and the environment in which the RTO operates

Audit conclusion	Result	✓
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Provide a conclusion about the RTOs compliance with Standard 3.	Compliant	
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Provide a conclusion about the RTOs compliance with Standard 3.	Non-compliant	
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Provide a conclusion about the RTOs compliance with Standard 3.	Not audited	
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<p>If the RTO is not compliant, comment on:</p> <ul style="list-style-type: none"> <li>• major gaps in evidence of compliance (details of non-compliance is provided at the element level)</li> <li>• implications for the quality of training and assessment</li> <li>• rectification required without recommending specific strategies</li> </ul>		
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Strengths

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Opportunities for Improvement

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## STANDARDS AND ELEMENTS

Standard 1: The RTO provides quality training and assessment across all of its operations		
1.1 The RTO collects, analyses and acts on relevant data for continuous improvement of training and assessment		
Intent: The RTO improves training and assessment arrangements in accordance with data collected.		
Audit conclusion	Result	✓
A description of the evidence reviewed against the Essential Element	Compliant	
	Non-compliant	
	Not audited	
	Not applicable	
Findings		
The findings in relation to the requirements of the element		

**1.2 Strategies for training and assessment meet the requirements of the relevant Training Package or accredited course and are developed in consultation with industry stakeholders**

Intent: Industry engagement and support is evident in the development of all training and assessment strategies. All training and assessment strategies meet the requirements of the Training Package or accredited course.

Audit conclusion	Result	✓
A description of the evidence reviewed against the Essential Element	Compliant	
	Non-compliant	
	Not audited	
	Not applicable	

**Findings**

The findings in relation to the requirements of the element

**1.3 Staff, facilities, equipment and training and assessment materials used by the RTO are consistent with the requirements of the Training Package or accredited course and the RTO's training and assessment strategies**

Intent: The resources used by the RTO across all of its operations are consistent with current industry standards.

Audit conclusion	Result	✓
A description of the evidence reviewed against the Essential Element	Compliant	
	Non-compliant	
	Not audited	
	Not applicable	

**Findings**

The findings in relation to the requirements of the element

1.4 Training and assessment is delivered by trainers and assessors who:

- a) have the training and assessment competencies determined by the National Quality Council or its successors
- b) have the relevant vocational competencies at least to the level being delivered or assessed, and
- c) continue to develop their vocational and training and assessment competencies to support continuous improvements in the delivery of RTO services

Intent: All trainers and assessors of nationally recognised training meet national benchmark competency requirements and continue to develop their competence.

Audit conclusion	Result	✓
A description of the evidence reviewed against the Essential Element	Compliant	<input type="checkbox"/>
	Non-compliant	<input type="checkbox"/>
	Not audited	<input type="checkbox"/>
	Not applicable	<input type="checkbox"/>
<b>Findings</b>		
The findings in relation to the requirements of the element		

1.5 Assessment including Recognition of Prior Learning (RPL):

- a) meets the requirements of the relevant Training Package or accredited course
- b) is conducted in accordance with the principles of assessment and the rules of evidence, and
- c) meets workplace and, where relevant, regulatory requirements

Intent: The RTO improves training and assessment arrangements in accordance with data collected.

Audit conclusion	Result	✓
A description of the evidence reviewed against the Essential Element	Compliant	
	Non-compliant	
	Not audited	
	Not applicable	

Findings

The findings in relation to the requirements of the element

**Standard 2: The RTO adheres to principles of access and equity and maximises outcomes for its clients**

**2.1 The RTO continuously improves client services by collecting, analysing and acting on relevant data**

Intent: Client services meet clients' needs and are continuously improved in accordance with data collected about their effectiveness.

Audit conclusion	Result	✓
A description of the evidence reviewed against the Essential Element	Compliant	
	Non-compliant	
	Not audited	
	Not applicable	

**Findings**

The findings in relation to the requirements of the element

**2.2 Before clients enrol or enter into a contract, the RTO informs them about the training, assessment and support services to be provided, and about their rights and obligations**

Intent: Clients are provided with accurate and sufficient information to make an informed choice about their enrolment and/or contractual agreement.

Audit conclusion	Result	✓
A description of the evidence reviewed against the Essential Element	Compliant	
	Non-compliant	
	Not audited	
	Not applicable	
<b>Findings</b>		
The findings in relation to the requirements of the element		

**2.3 Employers and other parties who contribute to each learner's training and assessment are engaged in the development, delivery and monitoring of training and assessment**

Intent: Learners, including apprentices and trainees, receive support from all parties engaged in their training and assessment.

Audit conclusion	Result	✓
A description of the evidence reviewed against the Essential Element	Compliant	
	Non-compliant	
	Not audited	
	Not applicable	
Findings		
The findings in relation to the requirements of the element		

2.4 Learners receive training, assessment and support services that meet their individual needs		
Intent: Learners have every reasonable opportunity to complete their training program.		
Audit conclusion	Result	✓
A description of the evidence reviewed against the Essential Element	Compliant	
	Non-compliant	
	Not audited	
	Not applicable	
Findings		
The findings in relation to the requirements of the element		

2.5 Learners have timely access to current and accurate records of their participation and progress		
Intent: Learners have access to their records.		
Audit conclusion	Result	✓
A description of the evidence reviewed against the Essential Element	Compliant	<input type="checkbox"/>
	Non-compliant	<input type="checkbox"/>
	Not audited	<input type="checkbox"/>
	Not applicable	<input type="checkbox"/>
Findings		
The findings in relation to the requirements of the element		

## 2.6 Complaints and appeals are addressed efficiently and effectively

Intent: A description of the evidence reviewed against the Essential Element

Audit conclusion	Result	✓
A description of the evidence reviewed against the Essential Element	Compliant	
	Non-compliant	
	Not audited	
	Not applicable	
Findings		
The findings in relation to the requirements of the element		

**Standard 3: Management systems are responsive to the needs of clients, staff and stakeholders, and the environment in which the RTO operates**

**3.1 The RTO uses a systematic and continuous improvement approach to the management of operations**

Intent: The management system ensures that the RTO meets:

- the AQTF 2007 Essential Standards for Registration
- legislation and regulations under which it is registered.

Audit conclusion	Result	✓
A description of the evidence reviewed against the Essential Element	Compliant	
	Non-compliant	
	Not audited	
	Not applicable	

**Findings**

The findings in relation to the requirements of the element

**3.2 The RTO monitors training and/or assessment services provided on its behalf to ensure that they comply with all aspect of the AQTF 2007 Essential Standards for Registration**

Intent: Services delivered under partnership arrangements comply with the AQTF 2007 Essential Standards for Registration.

Audit conclusion	Result	✓
A description of the evidence reviewed against the Essential Element	Compliant	
	Non-compliant	
	Not audited	
	Not applicable	
<b>Findings</b>		
The findings in relation to the requirements of the element		

### 3.3 The RTO manages records to ensure their accuracy and integrity

Intent: Records maintained by the RTO support the continuous improvement of its operations and provide evidence of compliance with the AQTF 2007 Essential Standards for Registration.

Audit conclusion	Result	✓
A description of the evidence reviewed against the Essential Element	Compliant	
	Non-compliant	
	Not audited	
	Not applicable	
Findings		
The findings in relation to the requirements of the element		

## CONDITIONS OF REGISTRATION

CONDITIONS OF REGISTRATION	RESULTS				EVIDENCE	CORRECTIVE ACTION TO BE TAKEN
	Yes	No	Not audited	Not applicable		

### CONDITION 1 – GOVERNANCE

<p>The RTO's chief executive must ensure that the RTO complies with the AQTF 2007 <i>Essential Standards for Registration</i> and any national guidelines approved by the National Quality Council across all of its operations within its scope of registration listed on the National Training Information Service.</p>						
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### CONDITION 2 – INTERACTIONS WITH THE REGISTERING BODY

<p>The RTO's chief executive must ensure that the RTO cooperates with its registering body in the conduct of audits and the monitoring of its operations, the provision of accurate and timely data relevant to measures of its performance and information about significant changes to its operations and in the retention, archiving, retrieval and transfer of records consistent with its registering body requirements.</p>						
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### CONDITION 3 – COMPLIANCE WITH LEGISLATION

<p>The RTO must comply with relevant Commonwealth, state or territory legislation and regulatory requirements that are relevant to the RTO's operations and its scope of registration and ensure that its staff and clients are fully informed of these requirements where they affect their duties or participation in vocational education and training.</p>						
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## CONDITIONS OF REGISTRATION

CONDITIONS OF REGISTRATION	RESULTS				EVIDENCE	CORRECTIVE ACTION TO BE TAKEN

### CONDITION 4 – INSURANCE

The RTO must hold insurance for public liability throughout its registration period.						
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### CONDITION 5 – FINANCIAL MANAGEMENT

The RTO must protect fees paid in advance and have a fair and reasonable refund policy.						
The RTO must have its accounts certified by a qualified accountant to Australian Accounting Standards, at least annually, and provide the certificate of accounts to its registering body on request. If the registering body reasonably deems it necessary, the chief executive must provide to the registering body, a full audit report of the RTO's financial accounts from a qualified and independent accountant.						

### CONDITION 6 – CERTIFICATION AND ISSUING OF QUALIFICATIONS AND STATEMENTS OF ATTAINMENT

The RTO must issue to persons it has assessed as competent, in accordance with the requirements of the Training Package or accredited course, a qualification or statement of attainment (as appropriate) that meets the Australian Qualifications Framework (AQF) requirements, identifies the RTO by its national provider number from the National Training Information Service and includes the Nationally Recognised Training (NRT) logo in accordance with the current conditions of use.						
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## CONDITIONS OF REGISTRATION

CONDITIONS OF REGISTRATION	RESULTS				EVIDENCE	CORRECTIVE ACTION TO BE TAKEN

The RTO must retain client records of attainment of units of competence and qualifications for a period of 30 years.						
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### CONDITION 7 – RECOGNITION OF QUALIFICATIONS ISSUED BY OTHER RTOs

The RTO must recognise the AQF qualifications and statements of attainment issued by any other RTO.						
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### CONDITION 8 – ACCURACY AND INTEGRITY OF MARKETING

The RTO must ensure its marketing and advertising of AQF qualifications to prospective clients is ethical, accurate and consistent with its scope of registration and the NRT logo is used in accordance with its conditions of use. The RTO must only use references or endorsements about their services or products in its marketing and advertising from a person or organisation in accordance with permission given by that person or organisation.						
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### CONDITION 9 – TRANSITION TO TRAINING PACKAGES/EXPIRY OF ACCREDITED COURSES

The RTO must manage the transition from superseded Training Packages within 12 months of their publication on the National Training Information Service and also manage the transition from superseded accredited courses so that it delivers only currently endorsed Training Packages or currently accredited courses.						
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# Appendix 3

## Checklists for opening and closing meetings

### Opening Meeting Checklist

Organisation: .....

Site: .....

Lead Auditor: .....

Date: .....

#### *Items addressed:*

- Introductions
- Explain the purpose of the audit  
(initial, post-initial, renewal of registration, strategic, monitoring, complaint)
- Confirm the legal status of the organisation (if applicable)
- Sign no conflict statement and confidentiality statement
- Confirm scope/NTIS
- Confirm audit against registration standards and conditions (if applicable)
- Explain sampling process
- Explain evidence (documents, interviews, etc.)
- Explain limits to audit – refer to audit principles and Code of Conduct
- Explain possible findings (strengths, opportunities for improvement and non-compliances)  
and actions to be taken
- Explain the approval process (new organisations and reregistrations only)
- Detail the agenda – who will look at what
- Confirm the administration details for the audit  
(e.g. guides, meeting rooms, access, meal times, confirm any travel arrangements to other sites, interviews  
with staff and learners)
- Verify that staff are aware of the audit
- Invite questions

<i>Name</i>	<i>Role (please complete for additional people present as required)</i>	<i>Signature</i>	<i>Date</i>
	Lead auditor		
	Auditor		
	RTO representative		

## Closing Meeting Checklist

Organisation: .....

Lead Auditor: .....

Date: .....

### *Items to address:*

- Thank you
- Outline general findings
- Give a summary of strengths in organisation
- Make suggestions for improvement
- Discuss the learner/employer survey feedback summary (if applicable)
- Inform of any non-compliances
  
- Discuss actions to be taken
- Discuss timelines for clearance/completion of the audit
- Provide details of the authority's administration processes   
(include procedure for appeal and procedure for complaint)
- Explain that an audit report will be forwarded to the organisation
- Discuss subsequent audits (if applicable)
- Complete the audit evaluation form
- Finalise copies of documentation (original to organisation)

<i>Name</i>	<i>Role (please add others as required)</i>	<i>Signature</i>	<i>Date</i>
	Lead auditor		
	Auditor		
	RTO representative		

# AQTF 2007 National Publications

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## Registered Training Organisations will use these documents

### *AQTF 2007 Essential Standards for Registration*

The Essential Standards apply to all RTOs from 1 July 2007. This publication lists AQTF 2007 requirements for RTOs including:

- three standards relating to training and assessment, client services and management systems
- a set of RTO quality indicators
- Conditions of Registration.

### *AQTF 2007 Users' Guide to the Essential Standards for Registration*

This guide assists RTOs, registering bodies and auditors to interpret and apply the standards.

## State and Territory Registering Bodies will use these documents

### *AQTF 2007 Standards for State and Territory Registering Bodies*

This document lists the standards that apply to the Registering Bodies in each state and territory. It includes:

- three standards
- quality indicators for assessing registering body performance
- a set of operational protocols to ensure national recognition of registration decisions.

### *AQTF 2007 National Guideline for Risk Management*

This guideline describes the nationally consistent risk management approach to be used by all state and territory registering bodies in decisions about scheduling and scope of audits.

### *AQTF 2007 National Guideline for Audit Moderation*

This guideline provides a framework for capacity building and for the development and continuous improvement of auditor performance. It describes the moderation processes used to ensure that auditors have a consistent approach to audit.

### *AQTF 2007 National Guideline for Managing Non-Compliance*

This guideline describes the nationally consistent approach each registering body uses to respond to the outcomes of audit that highlight any non-compliance with the *AQTF 2007 Essential Standards for Registration*.

### *AQTF 2007 National Guideline for Industry Regulator Engagement*

This guideline describes how industry regulators can be engaged in the quality assurance arrangements. It sets out the roles and responsibilities of the registering bodies and regulators and includes a set of principles, protocols and options for industry engagement.

### *AQTF 2007 National Guideline for Responding to Complaints about Vocational Education and Training Quality*

This guideline describes the nationally agreed complaint handling process available to resolve concerns about Vocational Education and Training Quality. It sets out principles, protocols and responses for investigating and resolving complaints and learning from the outcomes.

## Auditors will use this document

### *AQTF 2007 Audit Handbook*

This handbook is a key tool for auditors in applying the outcomes-focused audit model. The handbook describes the principles that underpin a nationally consistent, risk-managed approach to AQTF 2007 audits.

Auditors will also use the *AQTF 2007 Essential Standards for Registration* and the *AQTF 2007 Users' Guide to the Essential Standards for Registration*

AQTF 2007 is underpinned by the principle of transparency. All stakeholders in the VET system should have access to documents detailing the different components of AQTF 2007. All national documents are available for download from the national website: [www.training.com.au/aqtf2007](http://www.training.com.au/aqtf2007).

Excellence Criteria are effective from 1 January 2008. The Excellence Criteria focus on encouraging and recognising overall high performance in training providers. Application for assessment against the Excellence Criteria is voluntary. The full suite of Excellence Criteria documents is also available from [www.training.com.au/aqtf2007](http://www.training.com.au/aqtf2007).

