

Audit Guide – Clauses 2.3 and 2.4	
<p><b>2.3 The RTO ensures that where services are provided on its behalf by a third-party the provision of those services is the subject of a written agreement.</b></p> <p><b>2.4 The RTO has sufficient strategies and resources to systematically monitor any services delivered on its behalf, and uses these to ensure that the services delivered comply with these Standards at all times.</b></p>	
<p><b>What are these clauses about:</b> These clauses are simply about the requirement to have in place a written agreement with third parties and sufficient strategies to monitor the services being delivered on the RTO’s behalf. What is third-party? A third-party that is applicable under this clause is any organisation that is delivering services on behalf of an RTO using the RTO’s scope of registration. These services can include training and assessment services, education support services and activities relating to the recruitment of prospective learners. Note, that the use of contract trainers is not considered by the regulator to be a third-party arrangement. To understand the third-party arrangements, I strongly recommend that you read the “Third-party arrangements” fact sheet from ASQA (<a href="#">click</a>).</p> <p>Ok, what is a written agreement? Well the above fact sheet explains this. Just be aware that there are some mandatory inclusions required by ASQA in third-party agreements. These are specified in standard 8, so refer to that section for details. The point to stress here is the need to ensure there is a current and valid written agreement and that it includes the details of the monitoring arrangements you have established to ensure that the third-party delivers services in accordance with your obligations specified within the RTO standards. Depending on the services being provided and the complexity of the third-party arrangement, monitoring arrangements can take many forms. Some examples of monitoring arrangements include mandating the use of learning and assessment materials, conducting site visits, restricting the third-party’s operation to approved sites and trainers only, restrictions on advertising, internal audits, etc. The more complex the third-party arrangement and the higher risk presented by the arrangement should result in more robust monitoring of the third-party’s activities.</p> <p>If you have a written agreement that specifies the monitoring arrangements then you should be compliant with clause 2.3; however, if you have not implemented those monitoring arrangements or cannot provide evidence of the arrangements being implemented then you will be non-compliant with clause 2.4.</p>	
<p><b>Evidence to prepare:</b></p> <p>Partnership or third-party agreements for each third-party currently engaged.</p> <p>Details of the monitoring arrangements for each third-party.</p>	<p><b>You must be able to demonstrate that:</b></p> <ul style="list-style-type: none"> <li>– You have a written and signed agreement for all third-party arrangements that you are engaged in.</li> </ul>

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<p>Evidence of monitoring arrangements being applied including monitoring of marketing activities, training and assessment quality, trainer assessor competency currency, etc. It is recommended that this evidence be documentary. For example:</p> <ul style="list-style-type: none"> <li>– if you have specified a monitoring arrangements for the third-party only to use trainers to you have approved, then it would be reasonable for you to have a list of those trainers and evidence of their competency and currency.</li> <li>– if your monitoring arrangement includes the requirement for site visits to the third-party sites, then it would be reasonable for you to produce site visit reports or evidence that these site visits have been undertaking.</li> <li>– If your monitoring arrangement includes the conduct of monthly management meetings with third-parties, then it would be reasonable for you to have a record or minutes of these meetings.</li> </ul> <p>Learner records that pertain to the services being delivered by third-parties.</p> <p>Records of outcomes issued such as qualifications and statements of attainment pertaining to services being delivered by third-parties.</p>	<ul style="list-style-type: none"> <li>– You have appreciated the risk and complexity of each third-party arrangement and have established suitable monitoring arrangements within the agreement and can demonstrate that you have implemented these.</li> </ul> <p><b>You should prepare for these types of questions:</b></p> <ul style="list-style-type: none"> <li>– Are you engaged in any third-party arrangements where others are delivering services on your behalf as an RTO?</li> <li>– Can you provide me the written agreement for these third-party arrangements please?</li> <li>– Have you notified ASQA of these third-party arrangements? Can I see the email receipt for these notifications please?</li> <li>– What monitoring arrangements are you applying to ensure the quality of training and assessment?</li> <li>– Can I see evidence of these monitoring arrangements being applied?</li> <li>– Can I have a list of all the qualifications or units of competence that have been issued under the third-party arrangement along with the details of the applicable learners?</li> <li>– Can I please see the following learner files relating to the third-party arrangement?</li> <li>– How do you monitor the advertising that the partner undertakes on behalf of you all registration?</li> <li>– How did you determine the sufficiency of the monitoring arrangements for this third-party agreement?</li> </ul>

## **Newbery's Audit Guide - Standards for Registered Training Organisations (RTOs) 2015**

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