

<b>Audit Guide – Clause 7.4</b>	
<b>7.4. The RTO holds public liability insurance that covers the scope of its operations throughout its registration period.</b>	
<p><b>What is this clause about:</b> This clause requires the RTO to hold current public liability insurance. This requirement was always audited by the regulator up until these new standards were introduced. Since 2015, I have not experienced an auditor requesting to verify public liability insurance of a client. Still, the requirement still exists and is a specified requirement of the legislative instrument Data Provision Requirements 2012 to supply this information to the regulator of request (<a href="#">click</a>).</p> <p>There is nothing tricky about this clause. It is important to note that this clause only relates to public liability insurance. It is not a requirement of the standards for the RTO to hold any other type of insurance although good business practice will demand that the RTO hold relevant insurances to protect its assets. From the regulators perspective, they are only interested in public liability insurance as this relates to the protection of learners engaging with the RTO. The only other point to note about this requirement is that it must be for the same entity as listed on the national training register and confirm that the insurance covers training and assessment activities. To be clear about this, the certificate of currency issued by the insurer must clearly identify the same entity as the RTO listed on TGA. It must also identify that the insurance covers the entity for the delivery of training and assessment activities (or words to that effect). It is fairly common for this not to be included on the certificate of currency and it is usually quite easy to ask the broker to include this information. There is a misconception that the RTO's scope of registration should be included in the certificate of currency. I think this results from the words "scope of operation" being part of the clause. I have never seen this required in a regulatory audit and consider it to be an urban myth.</p>	
<p><b>Evidence to prepare:</b></p> <ul style="list-style-type: none"> <li>– Copy of the current Certificate of Currency for Public Liability.</li> <li>– Evidence that the insurance relates to the RTO entity and for the delivery of training services.</li> </ul>	<p><b>You must be able to demonstrate that:</b></p> <ul style="list-style-type: none"> <li>– You hold public liability insurance that covers the scope of its operations throughout its registration period.</li> </ul> <p><b>You should prepare for these types of questions:</b></p> <ul style="list-style-type: none"> <li>– Can I see the current Certificate of Currency for your Public Liability insurance and its policy document?</li> </ul>

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

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