

TRIM No: 13/71862
Action Officer: Loraine D'Silva
Contact No: (07) 323 54738



Department of
Education, Training
and Employment

Mr Steve Cusack
Director
Kase Enterprises Pty Ltd
Unit 2/51 Secam Street
MANSFIELD QLD 4122

Dear Mr Cusack,

I refer to the VET Pre-qualified Supplier Agreement (PQS) audit of Kase Enterprises Pty Ltd recently conducted by officers of this department. Attached is an audit report outlining non-compliances for your attention and action.

The audit identified non-compliances constituting overpayments as defined in the PQS agreement. You are required to take action to reverse such payments through changes to the AVETMISS data as outlined in the audit report. Further, the audit identified concerns relating to the consistency of assessment tools and processes applied by your organisation particularly in relation to on-the-job evidence and RPL assessment. These will be forwarded to the Australian Skills Authority for attention as it deems appropriate.

The department requires your undertaking and commitment to ensure all non-compliances identified in the audit report are addressed and rectified. These rectifications will be examined by the department at future audits. Failure to rectify previously identified non-compliances may result in a significant impact to your organisation's risk rating and the future of the PQS Agreement held with the department.

In order to ensure ongoing compliance, your organisation must comply with and maintain its currency of knowledge of the VET Pre-qualified Supplier Agreement, the Registered Training Organisation User Choice 2010-2015 Policy, the *Vocational Education, Training and Employment Act 2000* and all relevant sections of the Standards for NVR Registered Training Organisations and departmental policies and guidelines.

I would like to thank you for the cooperation your organisation demonstrated throughout the audit process. Should you need further clarification regarding the finalisation of the audit process, please contact Ms Loraine D'Silva, Lead Auditor, Training Compliance Unit on (07) 32354738 or via email at loraine.d'silva@dete.qld.gov.au

Yours sincerely

REX TOM
Manager
Training Compliance Unit
12 / 3 / 2013

Kase Enterprises Pty Ltd

| SRTO DETAILS | | | |
|-------------------------------|--|----------|---|
| SRTO number | 2973 | | |
| Address | Unit 2/51 Secam Street, Mansfield, QLD 4122 | | |
| Contact person | Mr Steve Cusack | Website | www.kase.com.au |
| Phone number | (07) 3343 3733 | E-mail | admin@kase.com.au |
| Student numbers | 104 | | |
| AUDIT TEAM | | | |
| Lead Auditor | Loraine D'Silva | Auditor | Phoebe Lee |
| Phone | (07) 323 54738 | Observer | N/A |
| E-mail | loraine.d'silva@dete.qld.gov.au | | |
| AUDIT DETAILS | | | |
| Audit date | 22-23 January 2013 | | |
| Audit outcome on day of audit | Compliant <input type="checkbox"/> | | Non-compliant <input checked="" type="checkbox"/> |
| Other audit notes | <ul style="list-style-type: none"> The organisation's core clients are employees/trainees within the civil construction industry. Training and assessment is conducted face-to-face at the employer workplace or construction sites. | | |

| FOCUS OF AUDIT | | | |
|--------------------|--|----------------|---------------|
| Qualification code | Qualifications | Total Students | Delivery site |
| 30841QLD | Certificate III in Construction Material Testing | 34 | State-wide |
| R1120709 | Certificate II in Civil Construction | 29 | State-wide |
| MSL40109 | Certificate IV in Laboratory Techniques | 29 | State-wide |

| INTERVIEWEES | |
|---|--|
| Mr Steve Cusack - Director | |
| Ms Kate Cusack – Administration Manager | |

Vocational Education and Training (VET) Pre-Qualified Supplier Agreement

| Clause 26 Good faith | |
|--|--|
| In performing its obligations under this Agreement and seeking to become entitled to public funding under this Agreement the Supplier has: | At time of audit: <input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Not Compliant |
| Y N | |
| <input checked="" type="checkbox"/> <input type="checkbox"/> | acted in good faith in all matters pertaining to the Agreement; and |
| <input checked="" type="checkbox"/> <input type="checkbox"/> | acted consistently with the spirit of this Agreement and the Funding Program; |
| <input checked="" type="checkbox"/> <input type="checkbox"/> | acted in a way that best achieves the objectives of the Funding program. |

Clause 3.2 The SRTO must:

- (c) comply with the AQTF, the Act and all relevant laws in the performance of its obligations under this agreement.

Vocational Education, Training and Employment Act 2000

Vocational Education, Training and Employment Regulation 2000

At time of audit:

Compliant

Not Compliant

Training Plans

Y N

- Signatures of all parties to the agreement (student, employer and SRTO) sighted for all training plans *VETE Act Section 100(1)*
- SRTO has taken reasonable steps to ensure each training plan is signed –
(a) if the training plan is the initial training plan for the apprentice or trainee – before the probationary period for the apprentice or trainee ends; or
(b) if a training plan for an apprentice or trainee ends because the supervising registered training organisation has been replaced – within 14 days after the replacement day *VETE Act Section 100(2)*
- SRTO ensures a copy of the signed training plan is given to each apprentice or trainee, and the employer, within 7 days after the parties sign it. *VETE Act Section 101*
- If changes have been made to training plan, the changed training plan has been signed by all parties to the training plan within 14 days after the parties agree to the change. *Section 18(1)&(2) VETE Regulation*
- If changes have been made to the training plan, the SRTO ensures a copy of the signed changed training plan is given to each apprentice or trainee, and the employer, within 7 days after the parties sign it. *Section 19 VETE Regulations*

Requirements of a training plan for an apprentice or trainee

Y N

Skills Queensland Guideline 10

- The purpose of the training plan
- The circumstances and process for changing the training plan
- The training plan's role in the completion process
- Whether training delivery for individual competencies will be in the form of structured training and/or workplace tasks
- The responsibilities of each party for the record of the training undertaken in the apprentice's or trainee's training record
- The employer's name (including legal name) and contact details
- The apprentice's/trainee's name and date of birth
- The title of the apprenticeship/traineeship
- The SRTO's name (including legal name) and contact details
- The planned commencement and completion dates
- Training contract type i.e. Full Time, Part Time or School-based
- The qualification/statement of attainment title, including level and qualification code
- The name of each competency to be achieved, including its unit code
- The training plans contains the acknowledgement and undertaking from all parties
- Training plans align with training package requirements regarding the selection of units
- Individual training plans within student files have been fully developed

Training Records

YN

SRTO has provided the apprentice or trainee with the appropriate training record to be kept for the apprenticeship or traineeship within 14 days after a training plan is signed by the parties to the training plan. *VETE Regulations Section 20(1)*

Where training is required to be delivered by the employer or the SRTO, the employer or the SRTO has at intervals of not more than 3 months –

(a) required the apprentice or trainee to produce the training record to have the particulars of the training completed by the apprentice or trainee during the interval entered in it; and

(b) kept the record complete, accurate and up-to-date by entering the particulars in it.

Section 20(6) VETE Regulations

Availability of facilities

Y N

The organisation has provided facilities, services, supervision and training required under the training plan for all apprentice and trainee files examined. *VETE Act Section 92*

Issuance of Qualification or Statement of Attainment

YN

The SRTO has within 14 days after receiving the notice mentioned in section 69, given the person who was the apprentice or trainee a statement of attainment detailing the training the person completed under the training plan before it ended.

Section 105(2)

NON-COMPLIANCES:

Training Plans:

While the training plan template used by the organisation addressed the majority of requirements outlined under Guideline 10, a few omissions were noted as follows:

- the purpose of the training plan
- the responsibility of each party for the recording of the training undertaken in the apprentice's or trainee's training record
- the title of the apprenticeship/traineeship
- the planned commencement and completion dates
- training contract type: i.e. full-time, part-time or school-based
- obligation of the apprentice/trainee to undertake the training and to complete their training record.

The organisation did not have a consistent system for recording the issue of signed training plans to the trainee/employer within 7 days of all parties signing it.

For the majority of training plans audited, the number of units of competency listed exceeded the requirements of the training package for the completion of the qualification. While there was an instruction requiring the electives not selected to be struck out on the training plans, this had not been implemented.

Availability of Facilities:

Refer to non-compliances identified under Clause 1.2 (SRTO and Employer Resource Arrangement).

Clause 9 Records

Information and material necessary to provide a complete record of training and assessment was sighted at audit including:

Y N

records of each student's participation in training and assessment for each unit of competency, including records of the commencement of educational content, attendance and progression;

retained full and complete records of each student's participation to validate withdrawn claims for payment

evidence that the SRTO has a process in place to capture the employer's verification

At time of audit:

Compliant

Not Compliant

- regarding the on-the-job component
- evidence that the SRTO has consistently retained evidence to support that the on-the-job training component has been achieved for each unit of competency for each participant prior to submission of claims for payment
- accurate AVETMISS start and end dates for each student for each unit of competency;
- copy of the qualifications and statements of attainment issued to each student;

For each unit of competency for each student, the auditor sighted:

Y N

- completed and accurate assessor's marking guide, criteria and observation checklists for the unit of competency; and
- the completed paper-based assessment items for the unit of competency
- implemented and retained the full range of assessment evidence as per assessment master versions for each unit of competency.

NON-COMPLIANCES:

In an attempt to minimise paperwork the organisation had consolidated its assessor's validation checklist with the on-the-job supervisor's verification report. The organisation was advised that these documents needed to be separate to allow the clear demonstration of on-the-job skills verified by the supervisor and the completion of structured formal assessment to be verified by the assessor.

Further, the audit identified inconsistencies in the retention of records, particularly against the requirements listed in the organisation's master assessment tools/training plans. For example, for units of competencies within 30841QLD Certificate III in Construction Material Testing, where the training plan indicates assessment methods such as demonstration, oral/written responses, self-assessment and third party, most files did not contain evidence of self-assessment. Similarly, log books were retained in some files though not consistently. The format of log books was lacking particulars such as unit codes.

It was noted in some files where RPL was granted, actual samples of work were not retained due to confidentiality requirements by the employers. Hence, it was difficult to validate retention of evidence required as a mandatory part of the organisation's RPL assessment process. Overall it was identified the organisation did not have a systematic approach to the retention of records.

Clause 10 Access to premises and records

The SRTO gave the department access to its premises:

YN

- to inspect and copy information and material related to the Agreement or kept by the Supplier under clause 9.1; and
- to monitor the provision of training and assessment and other VET Services and performance of the SRTO's obligations under the Agreement.
- employees and contractors provided full and accurate answers to questions asked by the department in connection with training and assessment, other VET Services and Supplier obligations under the Agreement.

At time of audit:

- Compliant
 Not Compliant

Clause 11 Publicity

In making any public statements in relation to the training and assessment funded under this agreement the SRTO:

Y N N/A

- has referenced the department as the funding source within any public statement
- has not made any misleading public statements including statements to students, employers or other organisations relating to the Agreement or the department

At time of audit:

- Compliant
 Not Compliant
 Not Applicable

Clause 13 Insurance

| | | |
|---|--|---|
| The organisation provided evidence that for the term of its agreement with the department it: | | At time of audit: |
| Y | N | <input checked="" type="checkbox"/> Compliant |
| <input checked="" type="checkbox"/> <input type="checkbox"/> | maintained public liability insurance for a minimum of \$10 million arising out of any one event in respect of death, injury, loss, or damage howsoever sustained to or by any person or property; | <input type="checkbox"/> Not Compliant |
| <input checked="" type="checkbox"/> <input type="checkbox"/> | maintained professional indemnity insurance and | |
| <input checked="" type="checkbox"/> <input type="checkbox"/> | maintained workers compensation insurance. | |

User Choice 2010 – 2015 Policy

Clause 1.2 – SRTO and employment arrangements

| | | |
|--|---|---|
| The SRTO has: | | At time of audit: |
| Y | N | <input type="checkbox"/> Compliant |
| <input checked="" type="checkbox"/> <input type="checkbox"/> | assessed employment arrangements of each traineeship to ensure the employer provides adequate facilities, range of work supervision and the on-the-job training required by the Vocational Education, Training and Employment Act 2000 (the Act); | <input checked="" type="checkbox"/> Not Compliant |
| <input checked="" type="checkbox"/> <input type="checkbox"/> | sourced or developed an Employer Resource Assessment (ERA) document which addresses the employment and training arrangements required under the Act for traineeships and apprenticeships; | |
| <input type="checkbox"/> <input checked="" type="checkbox"/> | has been undertaken an ERA on the apprentice's or trainee's workplace to ensure the range of work, facilities and supervision arrangements are in place complied with all requirements of the Agreement; | |
| <input type="checkbox"/> <input checked="" type="checkbox"/> | has taken appropriate action when the employment arrangements do not meet the requirements of the Act, the Agreement and/or the qualification. | |
| NON-COMPLIANCES: | | |
| The ERA's retained by the organisation consisted of the old department template and did not include specific or detailed information regarding the adequacy of facilities, range of work and supervision ratios. The organisation advised that it visits each workplace to ensure adequacy of facilities and range of work. With regard to supervision arrangements it ensured a 1:1 ratio most times; however, in some instances it allows trainees nearing completion of the qualification to provide supervision to new trainees for the relatively simpler work tasks. | | |

Clause 2.4.3 AVETMISS Reporting Requirements.

| | | | |
|---|---|---|------------------------------------|
| The SRTO has: | | At time of audit: | |
| Y | N | NA | <input type="checkbox"/> Compliant |
| <input type="checkbox"/> <input checked="" type="checkbox"/> | correctly reported the delivery identifier code specified in AVETMISS for the relevant mode of delivery Clause 2.4.3.c | <input checked="" type="checkbox"/> Not Compliant | |
| <input checked="" type="checkbox"/> <input type="checkbox"/> | gathered sufficient evidence that competency has been achieved, as expressed by the relevant endorsed industry/enterprise competency standards of a training package or by the learning outcome of an accredited course AND confirmed with the employer that the student has consistently demonstrated competent performance in workplace tasks relevant to the unit of competency/module to support the outcome of the assessment (AVETMISS Outcome Identifier Code 20); Clause 2.4.3.d | | |
| <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> | retained sufficient evidence to support that students have attempted all assessments and failed in at least one method (AVETMISS Outcome Identifier Code 30); Clause 2.4.3.d | | |
| <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> | retained sufficient evidence to support the student's participation in the learning | | |

instances where this leads to the entire qualification has been achieved through RPL;

- complied with all requirements of the Agreement;
- not submitted claims for payment for units in excess of the competency count for the qualification;
- not submitted claims for payment for units of competency previously assessed as competent.

NON-COMPLIANCES:

As outlined within this audit report, non-compliances were identified under Clause 3.2 and 9 with regard to general documentary evidence as required to be demonstrated under the PQS Agreement.

Clause 2.5 Fees and Charges

2.5.1 Student Contribution Fees

At time of audit:

- Compliant
- Not Compliant

- (b) The Supplier provided the participant details of its fees and charges policy, including the student contribution fees and any additional charges as identified in section 2.5.8, its method of collection, refunds, and exemptions and provide access to this written policy to participants prior to their enrolment.
- (c) The SRTO has retained evidence of fees collected as well as evidence of participants who have been deemed totally or partially exempt from the payment of student contribution fees.
- (e) The Supplier has not charged participants more than the student contribution fee contained in the User Choice 2010 - 2015 Policy except as required periodically by the department.

2.5.2 Partial Exemption—Tuition Fees

The SRTO must not charge more than 40 per cent of the student contribution fee where the participant falls into one or more of the following exemption categories:

- (a) The participant was or will be under 17 at the end of February in the year in which the Supplier provides training, and the participant is not at school and has not completed year 12;
- (b) The participant holds a health care card or pensioner card issued under Commonwealth law, or is the partner or a dependant of a person who holds a health care card or pensioner concession card, and is named on the card;
- (c) The participant issues the SRTO with an official form under Commonwealth law confirming that the participant, his or her partner or the person of whom the participant is a dependant, is entitled to concessions under a health care card or pensioner concession card; or
- (d) The participant is an Aboriginal or Torres Strait Islander person. Acceptable evidence is as stated on the Training Contract and AVETMISS VET enrolment form.

2.5.3 Student services for Participants

The Supplier must not charge the participant a separate student services fee as this provision has already been captured in section 2.5.1(a) *Student Contribution Fee* of the User Choice 2010-2015 Policy.

2.5.4 Fee exemption on grounds of extreme hardship or other special circumstances

- (d) Where the participant is a school-based apprentice or trainee, the SRTO must exempt the participant from these fees.

2.5.7 Refund Policy

The Supplier must have a refund policy that meets the requirements of the AQTF. This policy must also include provision for:

- (a) full refunds to participants for student contribution fees charged for training delivery that has not commenced at the time of the cancellation of enrolment;
- (b) proportionate refunds where the participant has withdrawn from a unit of competency/module; and
- (c) refunds to employers/industry for additional charges paid beyond the participant and government contributions.

2.5.8 Additional charges

Student: The SRTO may apply additional charges beyond the student contribution fee only if those additional charges are in accordance with the *Vocational Education, Training and Employment Regulation 2000* (Regulations).

Employer/Industry: The Supplier may seek additional charges from the employer/industry. Any additional charges must be negotiated up-front and disclosed to the employer/industry prior to the participant's enrolment.

Induction Information contains User Choice specific information regarding:

Y N NA

- rate of student contribution fees (currently \$1.55);
- partial tuition fee exemption categories (must not charge more than 40%);
- full refunds for units not commenced and proportionate refunds for units commenced but not completed;
- any additional fees (i.e. Schedule 1 of the VETE Regulations) to be charged to the participant; and
- any additional fees to be charged to the employer/industry.

The SRTO has:

Y N NA

- charged student contribution fees for all students (excluding SATs and appropriately approved exemptees),
- retained sufficient evidence to support the granting of student contribution tuition fee exemptions;
- not charged any SATs student contribution fees;
- calculated student contribution fees based on the correct number of nominal hours;
- calculated student contribution fees at the correct rates;
- ensured any additional fees charged are in accordance with Schedule 1 of the *Vocational Education, Training and Employment Regulations 2000*;
- calculated partial student contribution fee exemptions at the correct rate;
- retained sufficient evidence to support the provision of full and partial refunds to all parties;
- retained sufficient evidence that additional charges to the participant have been charged in accordance with Schedule 1 of the *Vocational Education, Training and Employment Regulation 2000*; and
- retained sufficient evidence that additional charges to the employer have been negotiated.

NON-COMPLIANCES:

A review of the student contribution fees charged by the organisation indicated an incorrect rate had been applied for the year 2012 (\$1.60 instead of \$1.55). As these were charged not to individual trainees but the employers, the organisation was asked to reimburse the fees collected in excess of the current rate for 2012.

| | | | |
|-------------------------------------|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | activity prior to withdrawing (AVETMISS Outcome Identifier Code 40); Clause 2.4.3.d |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | retained sufficient evidence to support recognition of prior learning (AVETMISS Outcome Identifier Code 51); Clause 2.4.3.d |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | retained sufficient evidence to support that an application for recognition of prior learning was assessed and not approved (AVETMISS Outcome Identifier Code 52); Clause 2.4.3.d |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | retained sufficient evidence to support recognition of current competencies (AVETMISS Outcome Identifier Code 53); Clause 2.4.3.d |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | retained sufficient evidence to support that an application for recognition of current competencies was assessed and not approved (AVETMISS Outcome Identifier Code 54); Clause 2.4.3.d |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | retained sufficient evidence to support credit transfers (AVETMISS Outcome Identifier Code 60); Clause 2.4.3.d |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | retained sufficient evidence that an induction was conducted and training plan developed prior to the student's training contract being cancelled or the student changing SRTOs (SRT01 Administration Payment); Clause 2.4.3.d and |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | submitted AVETMISS postcodes that accurately reflect the location in which the majority of training has been undertaken. Clause 2.4.3.e |

NON-COMPLIANCES:

While a sufficient range of assessment was retained for student samples reviewed at audit, it was identified the assessment retention in individual student files did not always align with its training plans and training and assessment strategies. For example, in relation to RII20709 Certificate II in Civil Construction, the training plans indicate assessment methods include demonstration, oral-written questions, self-assessment, third party and log book for majority of the units of competency. However, most files did not include evidence of the self-assessment. Further, log books retained in the files did not identify unit codes for activities or work experience logged in the books.

RII20709 Certificate II In Civil Construction

Quentin Kirk - The file did not contain verification of on-the-job evidence by the workplace supervisor for the following units:

- RIICCM206A
- RIICCM202A
- RIICCM207A
- RIICCM203A

The organisation is required to change the AVETMISS data to reflect ongoing training and assessment ('90' outcome code) until such time as sufficient evidence of the on-the-job verification has been retained to validate claims against a '20' outcome code.

30841QLD Certificate III in Construction Material Testing

Michael Bria's - In relation to BCCCM1000C, the evidence on file does not indicate the completion of training and assessment. The assessment evidence on file was a clustered RPL assessment indicating the outcome code was incorrectly identified under outcome code 20.

- In general, the organisation's evidence of RPL consisted of documentation supporting prior experience/training and completed assessment tools indicating the organisation does not have a distinction between RPL assessments and assessments required under a training and assessment pathway. Hence, the above is indicative of the organisation's lack of understanding of developing assessment tools.

Table 4 – Service provision not funded

| | |
|--|---|
| The SRTO has: | At time of audit: |
| Y N | <input type="checkbox"/> Compliant |
| <input checked="" type="checkbox"/> <input type="checkbox"/> not been funded for delivery of a unit of competency or module through RPL in any | <input checked="" type="checkbox"/> Not Compliant |