

# AQTF Audit Report - Continuing Conditions of Registration

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## Sarina Russo Schools Australia Pty Ltd trading as Sarina Russo Institute Skills for Industry – NTIS – 0427

 TRIM: 10/185641  
 Version 3.1 – 29 July 2011  
 Training and International Quality

| RTO details            |  |   |  |
|------------------------|--|---|--|
| Legal name             | Sarina Russo Schools Australia Pty Ltd   | Registration expiry   | 17/12/2011   |
| RTO contact            | Ms Marcel Creed  | Phone   | 07 3221 5100   |
| Audit team             |  |   |  |
| Lead auditor           | Denise Middleton   |   |  |
| Phone                  | 07 46 872 858  | E-mail  | Denise.MIDDLETON@deta.qld.gov.au   |
| Audit details          |  |   |  |
| Audit number           | 0427-20A   | Conditions audited  | 1 - 9  |
| Other audit notes      | <ul style="list-style-type: none"> <li>Renewal should be approved under delegation with a monitoring audit to be conducted in 2012.</li> <li>The contact person for this organisation is now Kathleen Newcombe. Ms Newcombe replaced Marcel Creed although VARS is still showing Marcel Creed.</li> <li>There has been a lot of discussion regarding fees paid in advance; however insufficient evidence has been provided to demonstrate the organisation meets the requirements of Condition of Registration 5.</li> </ul> |   |  |
| Audit date             | Audit outcome on day of audit  | <input type="checkbox"/> Compliant<br><input type="checkbox"/> Significant non-compliance | <input checked="" type="checkbox"/> Minor non-compliance<br><input type="checkbox"/> Critical non-compliance |
| Rectification received | Audit outcome following rectification  | <input type="checkbox"/> Compliant<br><input type="checkbox"/> Significant non-compliance | <input type="checkbox"/> Minor non-compliance<br><input type="checkbox"/> Critical non-compliance            |
| Audit advice           |  |   |  |
| Recommendation         | <input type="checkbox"/> Approve application <input type="checkbox"/> Refer to site visit <input type="checkbox"/> Refer to RME  |   |  |

### Condition 1 - Governance

 At time of audit:  Compliant  Not Compliant

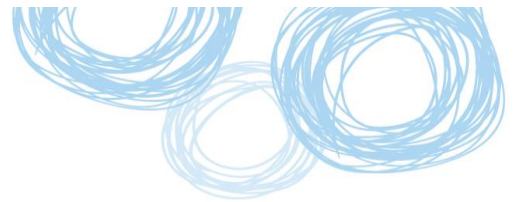
#### Description of evidence sighted:

- The organisation's two Directors will meet regularly to ensure that the organisation complies with the requirements of the AQTF. The Directors are supported to achieve this goal by a quality assurance team.
- Fit and proper person declarations were received from the following:
  - Sarina Russo, Managing Director
  - Anthony Thomas, Chief Financial Officer and Chief Operational Officer
  - Gerry Pennisi, Chief Executive Officer
- Regular staff meetings with trainers and assessors will be held to ensure that the experiences of trainers and assessors influence decision made by senior management.

#### Evidence checklist:

| Evidence provided confirms:   | Y                                   | N                        |
|---|-------------------------------------|--------------------------|
| <ul style="list-style-type: none"> <li>The RTO's Chief Executive must ensure that the RTO complies with the AQTF <i>Essential Conditions and Standards for Continuing Registration</i> and any national guidelines approved by the National Quality Council or its successors. This applies to all of the operations within the RTO's scope of registration, as listed on the National Training Information Service.</li> </ul> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <ul style="list-style-type: none"> <li>The RTO's senior officers and directors or substantial shareholders who are in a position to influence the management of the organisation must satisfy fit and proper person requirements unless these requirements have already been met through other legislative provisions.</li> </ul>   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

[These are the people identified in section 2.1 of the RTO 1(b) form. Each of these people has completed and declared the



RTO 4 form - Fit and proper person requirements declaration.]

- The RTO must also explicitly demonstrate how it ensures the decision making of senior management is informed by the experiences of its trainers and assessors.

### Condition 2 – Interactions with the Registering Body

At time of audit:  **Compliant**  **Not Compliant**

#### Description of evidence sighted:

- Copies of emails from various members of the DET staff verified that the organisation provides information regarding the organisation's performance in timely manner.
- Internal audits will be conducted by the quality management team employed by the organisation.
- The organisation has a policy in place to retain student records for thirty years and have given an undertaking that the records can be returned to the registering body if the need should arise.
- A guarantee has been provided stating that the organisation will notify the registering body of any significant changes to its operations or performance.
- The organisation provided financial reports for the last five years. The financial viability of the organisation was supported by a letter from Robertsons Chartered Accountants.

#### Evidence checklist:

| Evidence provided confirms:   | Y                                   | N                        |
|---|-------------------------------------|--------------------------|
| ▪ The RTO's Chief Executive must ensure that the RTO cooperates with its registering body:  |                                     |                          |
| a. in the conduct of audits and in the monitoring of its operations   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. by providing accurate and timely data relevant to measures of its performance  | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. by providing timely information about significant changes to its operations  | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. by providing timely information about significant changes to its ownership   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. in the retention, archiving, retrieval and transfer of records consistent with its registering body's requirements   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f. by providing a statement demonstrating its financial viability, and/or its annual financial statements, and/or a business plan on request of the registering body. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

### Condition 3 – Compliance with Legislation

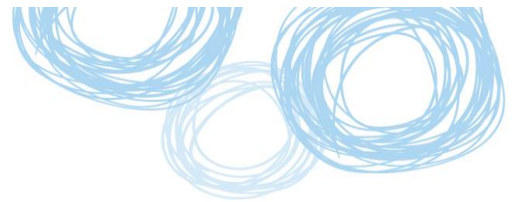
At time of audit:  **Compliant**  **Not Compliant**

#### Description of evidence sighted:

- The legislation handbooks outline precisely listed the legislation pertaining to the organisation's operations and scope of registration
- The organisation provided staff and client legislation handbooks outlining the legislation pertaining to clients and staff participation in vocational education and training.

#### Evidence checklist:

| Evidence provided confirms:  | Y                                   | N                        |
|--|-------------------------------------|--------------------------|
| ▪ The RTO must comply with relevant Commonwealth, State or Territory legislation and regulatory requirements | <input checked="" type="checkbox"/> | <input type="checkbox"/> |



that are relevant to its operations and its scope of registration.

- It ensures its staff and clients are fully informed of these requirements that affect their duties or participation in vocational education and training.

#### Condition 4 - Insurance

At time of audit:  Compliant  Not Compliant

##### Description of evidence sighted:

The organisation provided the following information regarding insurance coverage:

- Insurer: Marsh (Qld) Pty Ltd
- Type: Public Liability
- Value: \$50,000,000.00
- Expiry: 30 April 2012

##### Evidence checklist:

- Evidence provided confirms: Y N
- The RTO holds insurance for public liability throughout its registration period that is suitable for the size and scope of its operations.

#### Condition 5 – Financial Management

At time of audit:  Compliant  Not Compliant

Following rectification:  Compliant  Not Compliant

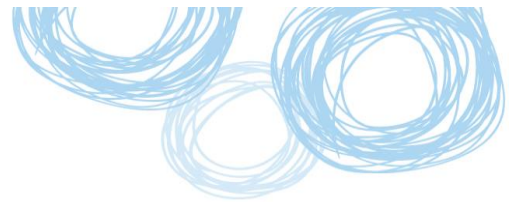
##### Description of evidence sighted:

- The organisation has provided financial reports for five years demonstrating that the organisation has been financially viable for during the period of its registration.
- The student handbook contains information regarding the fees charged by the organisation. The fees and charges outlined include:
  - Course fees
  - Administration fees
  - Materials fees
  - Time payment details
  - Cost involved in re-issuing of a testamur
  - Guarantee that students will be supported to complete their study
- A refund policy outlined how to apply for a refund and provided forms to apply a refund.

The detailed financial reports provided included a letter of support from Robertsons Chartered Accountants which supported the financial viability of the organisation.

##### Evidence checklist:

- Evidence provided confirms: Y N
- The RTO must be able to demonstrate to its registering body, on request, that it is financially viability at all times during the period of its registration.



- The RTO must clearly express the following fee information to each client in a language that clients understand:
  - a) The total amount of all fees including course fees, administration fees, materials fees and any other charges
  - b) Payment terms, including the timing and amount of fees to be paid and any non-refundable deposit/administration fee
  - c) The nature of the guarantee given by the RTO to complete the training and/or assessment once the student has commenced study in their chosen qualification or course
  - d) The fees and charges for additional services, including such items as issuance of a replacement qualification testamur and the options available to students who are deemed not yet competent upon completion of training and assessment, and
  - e) The organisation's refund policy.
- The evidence provided relating to fee information supports the RTO's statement regarding collection of fees in advance (below).

Does the applicant intend to collect fees in advance from individual students? *Note: Fees paid in advance from other clients (e.g. companies, incorporated bodies, government agencies) on behalf of the student are not intended to be covered by Condition 5.*

- Yes – continue                       No – bypass next dot point

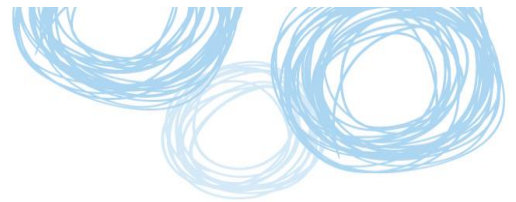
Evidence provided confirms **how, after 1 July 2011:**

Cross which option is nominated on application

- Where the RTO collects fees in advance it must ensure it complies with one of the following options:  
  - Option 1 – The RTO is administered by a state, territory or commonwealth government agency, or  
 Option 2 – The RTO holds current membership of an approved Tuition Assurance Scheme, or  
 [Option not currently possible]
  - Option 3 – The RTO may accept payment of no more than \$1000 from each individual student prior to the commencement of the course. Following course commencement, the RTO may require payment of additional fees in advance from the student but only such that at any given time, the total amount required to be paid which is attributable to tuition or other services yet to be delivered to the student does not exceed \$1,500, or
  - Option 4 – The RTO holds an unconditional financial guarantee from a bank operating in Australia for no less than the full amount of funds held by the RTO which are prepayments from students (or future students) for tuition to be provided by the RTO to those students, or
  - Option 5 – The RTO has alternative fee protection measures of equal rigour approved by the registering body.  
 [A description of the alternative measures proposed must be provided and accompanied by a comprehensive explanation demonstrating how the proposed measures are of a rigour equal to Options 1 – 4. The Director, Training Quality, will determine whether the RTO's fee protection measures demonstrate equal rigour.]
  - The RTO cannot yet demonstrate compliance with the fees paid in advance option 2 as it is awaiting advice from NQC regarding what constitutes an approved Tuition Approval Scheme.

Evidence provided confirms:

- The RTO must have its accounts certified by a qualified Accountant to Australian Accounting Standards at least annually, and provide the certificate to its registering body on request. If the registering body reasonably deems



it necessary, the chief executive must provide a full audit report on the RTO's financial accounts from a qualified and independent accountant.

**Summary of non-compliances**

- The materials provided did not outline how the organisation was going to protect fees paid in advance. The organisation has a Tuition Assurance Scheme with ACPET; however this scheme does not cover Option 2.

**Rectification required**

- The organisation is to provide evidence of how it is going to protect fees paid in advance.

**Rectification received**

21/10/2011:

- The evidence provided stating that the organisation has coverage under an ACPET arrangement does not cover fees paid in advance by domestic students. This Tuition Assurance Scheme (Australian Student Tuition Assurance Scheme (ASTAS)) has not been approved by the Registering Body.

**Further rectification required**

- The organisation is to provide evidence of how it is going to protect fees paid in advance for all students.

**Condition 6 – Certification & Issuing of Qualifications & Statements of Attainment**

At time of audit:  Compliant  Not Compliant

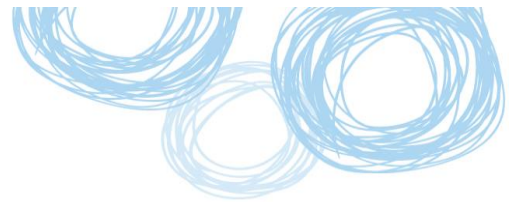
Following rectification:  Compliant  Not Compliant

**Description of evidence sighted:**

- A policy was provided which outlined how this organisation will maintain records for thirty years in accordance with record retention requirements.
- The organisation provided a letter provided by STAC verifying that the organisation had submitted AVETMISS compliant data to the Department.
- A policy was provided verifying that the organisation will return records to the registering body in accordance with requirements.

**Evidence checklist:**

| Evidence provided confirms:   | Y | N |
|---|---|---|
| <ul style="list-style-type: none"> <li>▪ The RTO must issue to persons whom 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:               <ul style="list-style-type: none"> <li>a. meets the Australian Qualifications Framework (AQF) requirements <input type="checkbox"/> <input checked="" type="checkbox"/></li> <li>b. identifies the RTO by its national provider number from the National Training Information Service <input type="checkbox"/> <input checked="" type="checkbox"/></li> <li>c. includes the Nationally Recognised Training (NRT) logo in accordance with the current conditions of use. <input type="checkbox"/> <input checked="" type="checkbox"/></li> </ul> </li> <li>▪ The RTO must retain client records of attainment of units of competency and qualifications for a period of 30 years. <input checked="" type="checkbox"/> <input type="checkbox"/></li> <li>▪ The RTO must have a student records management system in place that has the capacity to provide the registering body with AVETMISS compliant data. <input checked="" type="checkbox"/> <input type="checkbox"/></li> </ul> <p>[Evidence required to demonstrate how the RTO plans to comply by 3 January 2011]</p> <ul style="list-style-type: none"> <li>▪ The RTO must provide returns of its client records of attainment of units of competency and qualifications to its registering body on a regular basis, as determined by the registering body. <input checked="" type="checkbox"/> <input type="checkbox"/></li> </ul> |   |   |



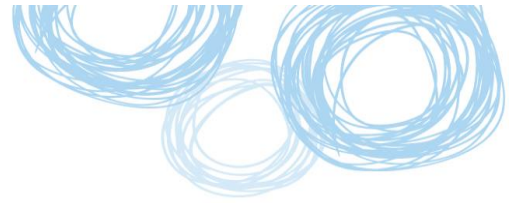
|   |
|---|
| <ul style="list-style-type: none"> <li>The RTO must meet the requirements for implementation of a national unique student identifier. <span style="float: right;"><input type="checkbox"/> <input type="checkbox"/></span><br/>           [Not required until implementation plan is published on www.training.com.au]</li> </ul> |
| <b>Summary of non-compliances</b>   |
| <ul style="list-style-type: none"> <li>Copies of a qualification and statement of attainment was not provided when the application was submitted.</li> </ul>  |
| <b>Rectification required</b>   |
| <ul style="list-style-type: none"> <li>The organisation is to provide copies of its qualification and statement of attainment as per AQF requirements.</li> </ul>   |
| <b>Rectification received</b>   |
| <ul style="list-style-type: none"> <li>On 14 October 2011, copies of a qualification and statement of attainment was provided that met AQF requirements.</li> </ul>   |

|   |  |
|---|--|
| <b>Condition 7 – Recognition of Qualifications Issued by Other RTOs</b>   |  |
| At time of audit:   | <input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Not Compliant |
| <b>Description of evidence sighted:</b>   |  |
| <ul style="list-style-type: none"> <li>The organisation provided a copy of a qualification that the learner had acquired previously and the learner had been given credit transfer for the appropriate units.</li> <li>A credit transfer policy was provide which outlined the procedure for a learner to obtain credit transfer for unit achieved previously while the learner was undertaking study with another registered training organisation.</li> </ul> |  |
| <b>Evidence checklist:</b>  |  |
| Evidence provided confirms:   | <b>Y N</b>   |
| <ul style="list-style-type: none"> <li>The RTO recognises the AQF Qualifications and Statements of Attainment issued by any other RTO.</li> </ul>   | <input checked="" type="checkbox"/> <input type="checkbox"/>                         |

|   |  |
|---|--|
| <b>Condition 8 – Accuracy and Integrity of Marketing</b>  |  |
| At time of audit:   | <input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Not Compliant   |
| <b>Description of evidence sighted:</b>   |  |
| <ul style="list-style-type: none"> <li>The student handbooks and other marketing materials sighted were ethical and consistent with the organisation’s scope of registration.</li> <li>The NRT logo was used on marketing material in accordance with the specification for use of the logo.</li> </ul>         |  |
| <b>Evidence checklist:</b>  |  |
| Evidence provided confirms:   | <b>Y N</b>   |
| <ul style="list-style-type: none"> <li>The RTO must ensure that its marketing and advertising of AQF qualifications to prospective clients is ethical, accurate and consistent with its scope of registration.</li> <li>The NRT logo must be employed only in accordance with its conditions of use.</li> </ul> | <input checked="" type="checkbox"/> <input type="checkbox"/><br><input checked="" type="checkbox"/> <input type="checkbox"/> |

|   |  |
|---|--|
| <b>Condition 9 – Transition to Training Packages/Expiry of Accredited Courses</b>   |  |
| At time of audit:   | <input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Not Compliant |
| <b>Description of evidence sighted:</b>   |  |
| <ul style="list-style-type: none"> <li>The organisation provided examples to demonstrate how the organisation has previously transitioned to new versions of training packages and accredited courses.</li> </ul> |  |





- A policy and procedure for transition from superseded within the appropriate timeframes was provided.

**Evidence checklist:**

Evidence provided confirms:

**Y N**

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