

## National Audit and Registration Agency (NARA)

### THE FIVE PRINCIPLES OF GOOD PRACTICE FOR DETERMINING SUFFICIENCY OF EVIDENCE

#### Background

The *AQTF 2007* does not specify how much evidence RTOs must keep for auditor scrutiny and to demonstrate their compliance with the AQTF 2007 Standards.

Current practices vary enormously. Some RTOs are being told that they must keep specific types of records for a certain number of years, while others are told that they must retain various percentages of documentation.

There are major resource, environmental and logistical challenges in the storage of hard copy documentation and other physical forms of evidence for long periods of time.

With that being the case, how can a judgement be reached on what level of evidence it is reasonable to expect an RTO to retain in order to demonstrate AQTF 2007 compliance?

The answer lies in the RTO considering what records it needs to keep and for what purposes. Some RTOs receive government funding and this typically requires RTOs to retain specific records for a defined period. Similarly RTOs need to keep all student results (not physical records) for 30 years to allow them to reissue testamurs to learners. RTOs then need to consider what other information and records they generate through their business activities and which they should keep to enable an AQTF (or CRICOS) auditor to make an informed decision of RTO compliance at audit. (\*South Australian and Queensland RTOs refer below.) The implementation of a retention schedule utilising a risk assessment approach may also help RTOs justify and rationalise appropriate record keeping and disposal of evidence.

The types of evidence that an RTO provides to an auditor will depend upon its size and scope. The key point is that the type of evidence provided should be able to demonstrate a consistency of approach, compliance with the standards and the achievement of quality outcomes. The key factor for RTOs and auditors to consider is the quality of evidence available not merely the quantity.

\* Footnote:

South Australian RTOs must fulfil the requirements of all Guidelines issued by the *Training and Skills Commission*. These are available at <http://www.training.sa.gov.au/OVETorgs/pages/default/guideline/>  
Queensland RTOs must fulfil the requirements of all policies issued by the Training and Employment Recognition Council. These are available at [http://www.trainandemploy.qld.gov.au/partners/registration\\_and\\_audit/regulations/index.html](http://www.trainandemploy.qld.gov.au/partners/registration_and_audit/regulations/index.html)

## **The Five Principles of Good Practice for Determining Sufficiency of Evidence**

The following principles should be considered by NARA Auditors, NARA-endorsed Quality Consultants and RTOs in making judgements about how much evidence should be retained for AQTF and CRICOS audits.

1. *'Live' evidence from current practice is valuable.*

To comply with Element 2.5 of the AQTF Standards RTOs must keep current and accurate records of learners' participation and progress. This evidence constitutes 'live' evidence. AQTF auditors should take advantage of observing or scrutinising documentation, assessment and decision making processes as they happen in an RTO at the time of an audit. Note - this does not mean auditors need to 'sit in' on classes or participate in 'on the job' learning activities.

Live evidence is a rich source of current audit information that can lead to in-depth discussion between the auditor and the RTO trainers, administrators, quality managers and learners. This type of direct dialogue can also make a strong contribution to RTO continuous improvement processes.

2. *The appeals period of the RTO is a minimum period for retaining evidence.*

To comply with Element 2.6 of the AQTF Standards, all RTOs must have a process in place for students to lodge appeals against decisions, including those that affect their learning and assessment outcomes. At a minimum, all documentation relating to the learners' participation and progress and the RTO's teaching and assessment decisions should be kept for the period during which the student of an RTO can lodge an appeal.

3. *The evidence should be sufficient to demonstrate the RTO's performance on the AQTF Quality Indicators.*

An RTO must be able to demonstrate how it is using the AQTF 2007 Quality Indicators and other data, to identify areas for improvement in its business and how well it is meeting client needs.

4. *The evidence should be sufficient to demonstrate compliance at audit.*

An RTO must ensure that the sample of evidence retained will be of sufficient depth and breadth to enable an auditor to make judgements of AQTF compliance.

To do this, the RTO should look at the *Users' Guide to the Essential Standards for Registration*, in particular the *Intent*, *Key actions* and *Evidence guide* sections of each Element. The information contained in these sections should be considered in the light of the nature of the RTO's business and the evidence *it already has available* to satisfy Principles 1 – 3 above. Where an RTO is unable to provide evidence against these sections of the *Users' Guide* through Principles 1 – 3 above, the RTO will need to explore other sources of evidence.

It should be noted that NARA does *not* expect NARA Auditors and NARA-endorsed Quality Consultants to be specifying evidence requirements at the level referred to in the *Explanatory notes* of the AQTF 2007 *Users' Guide*.

5. *Retain all evidence of RPL for RTO staff*

The provision of RPL by an RTO to its own staff or those of a partnering organisation has been the cause of some concern in the VET sector. This is an unfortunate situation for those RTOs committed to quality and which utilise rigorous RPL processes.

For those RTOs with less experience in RPL, there are particular risks and the possibility for perceived conflicts of interest in the provision of RPL to their own staff. These can be avoided by good management and educational processes.

The integrity of RPL processes should be fully evident to AQTF auditors and the retention of all documentation involved in the provision of RPL for an RTO's staff is strongly recommended. This will allow RTOs that have a good track record in RPL to demonstrate the quality and integrity of their processes and ensure auditors can have confidence that RTOs are effectively managing any potential conflicts of interest.

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