



# Department of Education and Training

Higher Education and Skills

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Ms Anne Duggan  
Manager CFMEU Education and Training Unit  
Constructions Forestry Mining and Energy Union Construction and General  
Division Victorian Branch  
540 Elizabeth St  
MELBOURNE VIC 3000

Dear Ms Duggan

## **2021 SKILLS FIRST AUDIT AND ASSURANCE PROGRAM – OUTCOME OF BUSINESS PROCESS AUDIT/TRANSACTIONAL COMPLIANCE AUDIT**

I write regarding the *Skills First* Audit and Assurance Report issued 02 December 2021, for the Business Process Audit (BPA)/Transactional Compliance Audit (TCA) conducted by Protiviti (the Auditor) from 9 November 2021.

The BPA/TCA consisted of an examination of Constructions Forestry Mining and Energy Union Construction and General Division Victorian Branch's (CFMEU) business and transactional processes to assess your organisation's compliance with the 2021 Standard VET Funding Contract.

### **Review of Findings**

Whilst noting that CFMEU has documented business processes for all key control areas, the BPA/TCA identified issues relating to Training Participation, with the root causes relating to People and Organisation. The Department acknowledges that while human error is an unfortunate element of all business processes, it is the responsibility of your organisation to put in place adequate procedures that ensure compliance with the Contract.

Additionally, the Auditors have identified high risk issues relating to Eligibility, specifically on the missing evidence of citizenship. CFMEU is reminded that this is one of the core student eligibility requirements when determining the student eligibility to *Skills First* funding.

The Training and Assessment Strategy (TAS) for the Certificate II in Building and Construction Pre-apprenticeship noted a program duration of 672 hours delivered over 24 weeks. This duration does not quite align with the AQF minimum recommended duration of 0.5-1 year for a program at that level.

The Department acknowledges that the hours documented in the TAS are within the recommended range, however, the AQF states that teaching, learning and assessment activities are usually measured in equivalent full-time years. The generally accepted length of a full-time year used for educational participation is 0.5 years.

Therefore, CFMEU is requested to review its TAS to ensure that the above requirements are met and to make sure that the TAS accurately describe how the learner cohort has the characteristics to achieve the required rigour and depth of training in a (slightly) shorter timeframe than the AQF recommended

duration. We request that the CFMEU submit the updated TAS within 10 business days from the date of this letter.

### Student Surveys

The Department has reviewed the 2021 Student Satisfaction Survey (as found in the VETStat portal) and noted that CFMEU scored slightly lower when comparing to their 2020 results in three (3) measures of student experience and outcome. It is pleasing that CFMEU scored significantly higher than the 2021 Victorian average in seven (7) out of eight (8) measures.

We also note that CFMEU has scored significantly higher than the Victoria average in all measures relating to Employer feedback.

The Department encourages your organisation to continue to consider themes appearing in the surveys and any other forms of student and stakeholder feedback

### Management Action Plan

Having considered the Management Action Plan (MAP) provided with the Report, the Department encourages CFMEU to continue to implement the committed rectification actions to minimise the risk of the non-compliances reoccurring.

As per Clause 11.3 b (iii) (A) of the Contract, the Training Provider is required, within six (6) months of the date of the final Report, to advise the Department in writing of the steps taken to comply and implement the MAP.

### Next Steps

I would like to take this opportunity to highlight the professional development workshops and information sessions that the Department conducts from time to time, as well as refer you to the suite of support documents available in the Skills Victoria Training System (SVTS) to further support your organisation's understanding of the Contract requirements.

I trust your organisation found the audit useful for continuous improvement purposes.

Yours sincerely



**Lance Snell**  
Acting Executive Director  
Training Market Services  
30 December 2021