

**If it isn't visible;  
it doesn't exist**

**Best Practice in Meeting AQT07 in fee-for service courses**

## THE CASE FOR BEST PRACTICE

The current version of AQTF is accompanied by auditors who tell you “You don’t need policies and procedures any more (even though AQTF still refers to specific policies). This is not recommending Best Practice. In fact, following such advice leaves your business extremely exposed in terms of risks.

We see the ‘insides’ of many RTOs and are increasingly finding that the new system is leaving most absolutely unsure of the ‘*what and why*’ of risk management. This manual will explain the ‘*why*’ and the model policies and procedures will give you a sound ‘*what*’.

If you don’t have policies and procedures, you have no:

- protection against the happenstances of Murphy’s Law;
- shield against litigation and other undesirable threats to your business;
- guidelines for dealing with complaints and appeals in the interests of natural justice;
- guarantee that all staff will perform the same essential tasks in accordance with the principles you have established;
- way to track and measure performance and plan quality improvement
- visibility, in that you cannot guarantee that your business actually does do what you say it does
- reliable basis for extending your business to include CRICOS registration; a process that requires policies and procedures to a nitpicking degree
- operational plan for determining the outcomes desired for your business

Auditors might say they are content with “*Show me, tell me*”, but no quality business ever operates without a set of policies and procedures.

In 1992 Amy, and her ATS team, developed a Quality Management system and found that there were some ‘spin-off’ benefits to in doing so. Firstly, the team saved a huge 30% on operating costs because people saved time normally spent on wheel reinvention. They also achieved a further 30% or more reduction in both time costs because they were able to do things right the first time.

Most of the huge administrative costs faced by organizations are incurred because of having to backtrack over past mistakes or through having different staff doing things in different ways. You might not think that this makes a difference to you, especially in a microbusiness, but having a documented system makes sure that you move from ‘*management by crisis*’ to management by planning.

Time means money in a commercial operation and ‘*not doing things right the first time*’ takes resources away from your core business – training and assessing students.

The AQTF system was developed initially with the needs of ensuring accountability in government funding training. This may seem foreign to those of you who train only 50-100 or so students a year under fee-for-service courses, but the principles of the system still apply.

If you implement a quality system in the right way your organization will operate a lot more smoothly. You will be able to learn the management and administration of a quality system simply by following the methods we outline in this guide and adapting the exemplar documents to your own needs.

The AQTF system has now been with us for some years, and for those who have not been audited for some time, there are significant changes. The system we offer you will provide you with a system that is tried and true and has saved us a great deal of time, money and angst in running our RTO. It has also been tried and tested with client RTOs.

**When you are up to your neck in alligators, it is not easy to remember that your primary objective is to drain the swamp.**

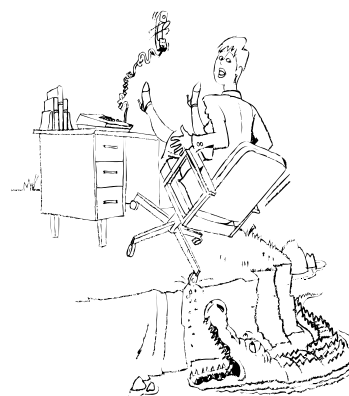
AQTF07 may have made auditing someone simpler (we have yet to be convinced after attending several), but it does not provide you with a set of management guidelines in the way that the older versions did.

If you follow our advice and use our model policies and procedures to develop a set of personalised management documents, you will find that you automatically have the process that leads to the desired outcomes.

None of the procedures on the CD should be strangers to you.

You have been:

- Providing information to prospective students
- Taking enrolments
- Collecting fees
- Planning training programs
- Providing resources
- Hiring competent staff
- Assessing students
- Recording results
- Issuing qualifications
- Gathering feedback from students and stakeholders
- Improving the quality of your services and resources



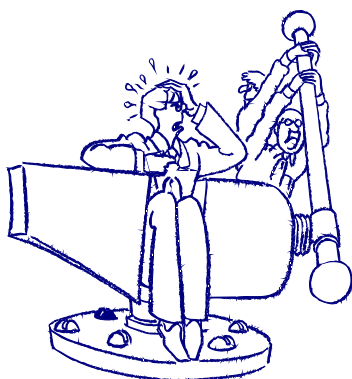
All that is required of you now is that you have an organised system to ensure all these things are done to meet the standards and provide auditable outcomes.

The system we have documented in this manual and on the CD-Rom contains the essential documents that will ensure that you work consistently.. If the VET system invents more, we will develop more.

Before you start, you should obtain copies of the *AQTF Essential Standards for Registration* and their accompanying *User's Guide*:

These can be downloaded from the DEST web site which is [www.dest.gov.au](http://www.dest.gov.au) or you can phone them to find out the order details. If all this fails, phone us and we will point you in the right direction.

Some States and Territories have their own versions of rules and regulations about registration applications and the type of evidence that must accompany the forms.



If this is your first time experience of a compliance audit, or if you have not undergone an RTO audit for several years, you are probably experiencing some angst.

The '*third degree*' version of auditing is now long behind us and auditors are now taking a more 'conversational and collegiate' role in discussing operational matters with RTOs.

What they are consistently finding is a lack of knowledge about unpacking training packages and developing good training and assessment systems.

The principles of developing training and assessment systems are covered in our policies and procedures, but when unpacking a training package you may need assistance from a designer.

## THE PURSUIT OF EXCELLENCE

*Excellence* is about the willingness to provide goods and services without error, defect and omission according to the expectations of the clients. While this might appear to be the same thing as perfection, it does allow room for improvement and the evolution of better ways to operate. The major problem that many businesses face is wastage from inefficient ways of operating, or not being consistent in the way that they do things. Correcting these procedural errors can result in time and money cost savings of as much as 60%.

All this takes is the effort to **get it right the first time!**

Your *intent* should be to get it right the first time but your *policies* will include how you plan to put the wheels back on the red wagon once any wobble has been detected. You back this up with documented *procedures* that ensure that everyone knows how to build a strong wagon. In other words, fix the errors before they become problems, not when the crash occurs. Often it is the little things that mount up to become big things. Remember the rhyme where for the loss of a horseshoe nail the kingdom was lost? Good risk management is being aware to all the tiny signals that say '*something is not quite right*'. Compliance auditors have a job to do – show you where things are not quite right. Use the experience to make a good organisation even better.

More quality is lost, and more waste occurs, through system or procedural faults than human error. Fix these and you increase your profits. Quality assurance case studies have shown that errors *in the system* can account for 70% or more of reducible costs. If you have set a standard, then you can measure your performance against it and decrease your error rate over time. Best Practice approaches to management will always give you the desired outcomes for:

- a) accountability of organizations funded from the student fees or the public purse
- b) consistency between providers and portability of qualifications
- c) ensuring that you have the resources and systems in place to meet the national standards for training
- d) guaranteeing the rights of your consumers (students) to get the level and quality of training they pay for need and to be protected.

As someone who delivers a fee-for-service course (or three), you have an expectation of the system too. You want to preserve and promote the quality of your delivery systems in order to ensure that consumers are attracted to your training programs.

Meeting the specified outcomes takes a commitment of time and resources in the planning stage but reduces the amount of 'afterburning' required to gather information to present at audit.

If you get it right the first time, this commitment will be considerably reduced. So will the frustration of being required to be a bureaucrat without prior training in administrative systems if you are a normal 'right brained; creative thinker' trainer.

There are five essential components of establishing a compliance system:

1. Identifying your rights and responsibilities under legislation and the AQTF
2. Developing organisational policies on how you intend to be compliant
3. Developing procedures to 'get it right the first time'
4. Maintaining a library of training compliance resources, legislation and regulations for your staff to access
5. Training your staff in their responsibilities

If you follow the system outlined in this publication, you should be able to cover all the bases.

## Quality Management Principles

A *Quality Management System* sets out procedures for dealing with the everyday happenings of the business. Setting up such a system is another way to avoid *Management by Crisis*.

In a training organisation, management issues are generally so complex that it virtually dictates the need to develop a system and that everyone agrees to follow it to the letter to reach the goals and outcomes of your operational plan. This may seem complex and unfamiliar at first, but as people get used to 'following the yellow brick road' their jobs will actually get easier, because the guesswork is taken out of everyday routines.

Even the daunting task of developing and managing assessments against competency standards will become second nature as you become more familiar with the how and why of collecting evidence for auditing.

Quality Management is all about producing evidence of having done your job well or not so well so that something can be done about it. T

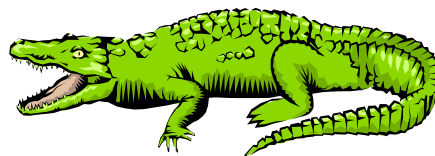
his is a concept that should be familiar to you from discovering the need to document competency achievement very accurately. Failing to do so can have some very unpleasant consequences. A few years ago a student convinced a training organisation that he had completed all the requirements for Recognition of Prior Learning (RPL) and the organisation did not collect, check and record the evidence as they should.

The student was deemed competent by the system and when he subsequently killed a client in an aged care facility through incompetence, the training organisation was sued for negligence.

This is a worse-case scenario that is sadly not an isolated case. Such risks can easily be avoided by establishing clear policies and procedures and making sure that everyone in your organisation follows them to the letter.

There is a set of Australian Standards which set out the guidelines for doing this, but they require a great deal of interpretation to make them relevant to the world of small business. If you are planning a size of business that involves complex or multiple tasks, then some time invested in setting up a full quality system will pay dividends down the track.

The basis for establishing a Quality Management system is the *Truth* that '*If it isn't visible, it doesn't exist*'. How do you make your management system *visible*? You document it in some way so that you have a trail to follow next time you have to work your way through the swamp. It's the only way to avoid those lurking reptilians.



A very simple quality management system can be achieved by collating sets of policies, procedures and work instructions and examples of how things should be done in a ring binder, using plastic sleeves.

The techno savvy put these on an Intranet or give them to staff on interactive CDs so that they can be sure that everyone uses the kosher procedures, forms and guidelines. Even the not-so-techno savvy can put hyperlinks in Word Documents or produce simple web pages linking PDF files and forms.

Never be challenged by technology. It is not hard to master by experimentation and there are many computer training business that will come to you and tutor you through just what you need to 'work smarter'.

Just finding out how the job should be done enables you to stop flying by the seat of your pants. The time and cost savings from such a simple task as this can be enormous.

## INVOLVING YOUR STAFF IN IMPLEMENTING QUALITY PROCEDURES

The best way to avoid a whole number of staff training exercises to a hostile audience is to involve the staff in the development process, thereby giving them some ownership.

It may also be their first introduction to Quality Management Principles, and by using this manual, you will achieve some significant staff development outcomes through experiential learning. Amy learnt her QA system implementation and management by developing one, together with attending in-house workshops run by a colleague who was a certified TQM auditor. What seemed to be a daunting project soon proved to be interesting, as she, her administrative staff, and the intrepid band of trainers, all worked to put together a system that benefited everybody.

Start with what you already have in place. You will already have a fees schedule and refund policy, for example. It is simply a matter of checking your existing documentation against the models and standards to ensure that all the required elements are covered, and then giving them a document number for quality control. The proformas on the CD will also act as a benchmark.

Where you identify gaps in your system, print out the documents from the CD. You and your staff can then examine what the model contains and make some decisions about whether to adopt the model, customise it to meet a local need or to discard it and substitute something else in its place.

Developing quality management systems is also something which you can safely split up the work between individuals and groups. Your clerical staff will have the best handle on effective ways to proceduralise everyday tasks like fees and enrolments, file and data management. If you happen to be a Jack or Jill of all trades, you might like to section off the work into chunks. In all cases, you need to organise some priorities to suit your most urgent needs. The main functions upon which you might divide up the documents and forms are:

- Marketing and publicity
- Student information
- Staff information
- Human resources
- Physical resources
- Fees and financial transactions
- Enrolments and student files
- Recognition of Prior Learning
- Course implementation and management
- Issue of qualifications and results
- Assessments and assessment records
- Staff reporting requirements
- Occupational health and safety
- Gathering feedback and quality improvement



If you dealt with each of these functions one a week (in whatever order you need to prioritise them) you would have covered all of them in a little over three months. By organising the development process, you have turned a mammoth job into manageable chunks. After that, have a timetable for review to turn each issue over regularly and you will be surprised how much easier it becomes manage compliance once you have the system up and running.

However, if you are using this program because you are about to be audited for the first time (or worse – because you have been audited and have been crunched) and you have no idea of where to start, you have no option but to drop everything and devote a large number of your staff and resources to come up to scratch.

## EXTRACT FROM MASTER DOCUMENT LIST

Code	PPM Six: OH&S	Version	Date
PPM-006	Occupational Health and Safety	1	July 2007
<b>Policies</b>			
OHS-POL-001	Occupational health and safety	1	July 2007
OHS-POL-002	Duty of Care	1	July 2007
OHS-POL-003	Accident and incident reports	1	July 2007
OHS-POL-004	Violence and bullying	1	July 2007
OHS-POL-005	Infection control	1	July 2007
OHS-POL-006	Emergencies and evacuation	1	July 2007
OHS-POL-007	Safety training	1	July 2007
OHS-POL-008	Critical Incident	1	July 2007
<b>Documents</b>			
OHS-DOC-001	Safety Code of Practice	1	July 2007
OHS-DOC-002	Infection Control Guidelines	1	July 2007
OHS-DOC-003	Evacuation Guidelines	1	July 2007
<b>Forms</b>			
OHS-FOR-001	OH&S Risk Assessment Checklist	1	July 2007
OHS-FOR-002	Accident/Incident report	1	July 2007
OHS-FOR-003	Critical Incident Action Plan	1	July 2007

Code	PPM Seven: AQTF Risk Management Systems	Version	Date
PPM-007	AQTF Risk Management System	1	July 2007
<b>Policies</b>			
RMS-POL-001	AQTF Risk Management	1	July 2007
RMS-POL-002	Continuous Quality Improvement	1	July 2007
RMS-POL-003	Issue of Training and Procedural Manuals	1	July 2007
RMS-POL-04	Document Version Control	1	July 2007
<b>Documents</b>			
RMS-DOC-001	Risk assessment matrix	1	July 2007
<b>Forms</b>			
RMS-FOR-001	File Audit Report	1	July 2007
RMS-FOR-002	Audit for AQTF compliance	1	July 2007
RMS-FOR-003	Audit action checklist	1	July 2007

## EXTRACT FROM MASTER DOCUMENT LIST

Standard	Descriptor	Policy	Documents	Forms
2	<b>The RTO adheres to principles of access and equity and maximises outcomes for its Students</b>			
2.1	Student services are continuous improved by collecting, analysing and acting on relevant data	RMS-POL-001 AQTF Risk Management RMS-POL-002 Continuous quality improvement COU-POL-003 Data collecting and reporting STU-POL-004 Access and equity STU-POL-007 Complaints STU-POL-007 Appeals	As for 1.1; 1.2 Complaints review report Appeals review report	As for 1.1; 1.2
2.2	Students are informed about the learning, assessment and support services to be provided and their rights and obligations prior to enrolment and/or entering into a contract with the RTO	STU-POL-001 Student services STU-POL-002 Refunds STU-POL-004 Access and equity STU-POL-005 Anti-discrimination STU-POL-006 Student study and support STU-POL-007 Complaints STU-POL-007 Appeals STU-POL-009 Language, literacy and numeracy STU-POL-010 Student access to personal files STU-POL-011 Sexual harassment STU-POL-012 Disciplinary actions STU-POL-012 Privacy	STU-DOC-001 Student prospectus STU-DOC-002 Student handbook STU-DOC-003 LL&N Self-assessment STU-DOC-004 LL&N answer sheet	STU-FOR-007 Student induction checklist COU-FOR-011 Student information packs STU-FOR-RPL Decision appeal STU-FOR-005 Assessment appeal STU-FOR-010 Complaints form STU-FOR-014 Confidentiality agreement