

Approach to assessing performance



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Regulatory practice guide



Australian Government
Australian Skills Quality Authority

ASQA



ASQA is changing the way we audit, or ‘assess’ the performance of VET providers, using best practice techniques.

Overview

ASQA is changing the way we audit, or ‘assess’, the performance of VET providers using best practice techniques. It is part of our significant reforms over the past year, with the roll-out of the second phase of changes to our audit practice from April 2021.

This change supports a more consistent focus on quality outcomes and self-assurance, enabling us to develop a deeper understanding of provider performance and an improved mechanism for compliance decision making. This applies to the way we assess your performance with the relevant Standards.

The enhanced approach includes four key areas of change:

- 1 Clarifying that the audit process is a part of the ‘performance assessment’ process
- 2 A focus on self-assurance
- 3 An increased focus on the interaction between practice, systems and continuous improvement
- 4 Better engagement with providers during the assessment process.

These changes will support the sector’s journey towards greater provider self-assurance and better outcomes for students, building our consistency, collaboration and continuous improvement. These changes were recently discussed in our webinar [ASQA’s approach to compliance](#).

(1) Performance assessment (audits)



We are clarifying that the audit process is a 'performance assessment' process.

This means you will see changes in the language we use. Audits will be known as performance assessments, auditors will be referred to as assessors and audit reports will be referred to as performance assessment reports.

However, where deficiencies are identified during the performance assessment process, they will continue to be reported as non-compliance against the relevant clauses of the Standards.

These changes better reflect the purpose of our assessment process, which is to assess the performance of providers against the relevant standards and to ensure that quality outcomes are achieved for students and for industry.

What are the Standards we assess performance against?

- *Standards for Registered Training Organisations (RTOs) 2015*
- *National Code of Practice for Providers of Education and Training to Overseas Students 2018*
- *ELICOS Standards 2018*

(2) A focus on self-assurance



Over the past six months, we have been working with the sector to develop a shared understanding of self-assurance.

We know that if providers can effectively self-assure, they will have systems and processes in place to critically examine their performance and student outcomes on an ongoing basis. This helps ensure ongoing compliance with the Standards and continuous improvement.

Self-assurance also forms an important part of managing risk in your organisation. If you effectively self-assure you can:

- identify and fix issues as they arise
- manage risks to quality outcomes and, in doing so, ensure quality student outcomes
- have confidence that you meet your regulatory obligations on a sustained basis.

From April 2021, we will increasingly focus on provider systems of self-assurance when assessing provider performance against the relevant standards.

What is self-assurance?

Self-assurance refers to the way providers manage their operations to ensure a focus on quality, continuous improvement and ongoing compliance. Self-assurance requires providers to have systems in place to critically examine their performance (compliance with requirements) and outcomes (student outcomes), on an ongoing basis, to identify ways to continuously improve. See www.asqa.gov.au/working-together/self-assurance for further information.

③ Strengthening the interaction between practice, systems and continuous improvement



Our assessors will focus more strongly on your understanding of your obligations and systems.

We will review how practice aligns with systems and how you monitor, review and improve your practices.

Our assessors will be considering three key questions when assessing your performance:

- Does your practice align with the requirements of the relevant standard?

- Do you have a system for ensuring ongoing compliance with the relevant standard?
- Do you monitor, review and continuously improve (self-assure) in order to ensure compliance with the requirements of the relevant standard on an ongoing basis?

By answering these three questions, we will better understand your commitment and capability to address issues as they arise and to remain compliant in the future.

Commitment and capability

For further information on the role commitment and capability plays in our approach to compliance, see our regulatory practice guide, [Approach to compliance](#).

(4) Our increased focus on clause 2.2 of the Standards for RTOs



Our assessors will also focus more closely on clause 2.2 of the Standards for RTOs.

As a result, you will see clause 2.2 included in the scope of most performance assessments (audits). This clause specifically requires providers to systematically monitor, evaluate and continuously improve their training and assessment strategies and practices.

What is clause 2.2 of the Standards for RTOs?

Clause 2.2

The RTO:

- systematically monitors the RTO's training and assessment strategies and practices to ensure ongoing compliance with Standard 1
- systematically evaluates and uses the outcomes of the evaluations to continually improve the RTO's training and assessment strategies and practices. Evaluation information includes but is not limited to quality/performance indicator data collected under clause 7.5, validation outcomes, client trainer and assessor feedback and complaints and appeals.

The [Users' guide to the Standards for RTOs 2015](#) includes more detail about clause 2.2 including a guide to compliance, and a case study on effective internal compliance monitoring.

A sampling approach to evidence collection

In order to obtain a strong sense of your organisation and its performance against the Standards during each performance assessment (audit), our assessors will sample evidence across a number of training products.

We will also seek to understand your performance across all Standards for RTOs, by looking at your compliance with a number of clauses under each Standard. This will help us to get a better understanding of your practices and systems across the student journey and also across all eight of the Standards for RTOs.

What is the student journey?

The student journey refers to the key phases of the student experience: marketing and recruitment, enrolment, support and progression, training and assessment, and completion. See www.asqa.gov.au/resources/fact-sheets/asqas-student-centred-audit-approach for further information.



New ways of engaging with providers

We are improving the way we engage with you to be more collaborative, efficient and effective.

Throughout 2020, we made changes to improve the way we engage with you during the performance assessment (audit) process by:

- requesting additional information in advance of interviews with management and others so that we have a better sense of your organisation prior to conducting interviews to place less pressure on your staff during site visits
- changing audit reports (to be known as performance assessment reports) to include more comprehensive evidence and reasoning where there is non-compliance

- documenting minor deficiencies separately where these are easily fixed, non-systemic and are not significant enough to warrant a finding of non-compliance
- ensuring that fit-for-purpose assessment tools and methodology are used in response to regulatory risks.

Changes to Audit Practice – ASQA's Reform Agenda

These changes were discussed in a webinar on 24 September 2020. The webinar can be viewed [here](#).



Interviews

We are making further changes to the way we engage during the performance assessment (audit) process by changing the way that we interview.

While different assessors will have different styles (and each performance assessment is unique), we will increasingly use open ended questions to allow you to demonstrate your understanding of the requirements of the relevant standards and how this relates to your own practice. For example, we will be asking you:

- How do you ensure that training and assessment strategies align with training package requirements?
- How do you ensure that practices align with training and assessment strategies?

- How have the outcomes of industry engagement been incorporated into your strategies and practice?
- How do you know, from an organisation perspective, that marketing information is accurate?

While the questions are illustrative, they reflect our adjustment from primarily identifying any non-compliance (including minor non-compliance) to focusing much more strongly on your systems, how practice aligns with systems and how you monitor, review and improve. This is also consistent with the focus of the *Users' guide to the Standards for RTOs 2015*, which will continue to provide good guidance to providers about ASQA's expectations.

Summary

By better understanding the way your organisation operates, we aim to reduce regulatory burden through a more collaborative, efficient and effective performance assessment (audit) process.

As detailed in separate consultation papers, we will be implementing agreements to rectify as one of our compliance management tools. This provides an opportunity for suitable providers to commit to rectify non-compliance over a longer period than 20 days, where this does not increase harm to students and others and where this supports sustained compliance.

These changes continue our move from input and compliance controls, to concentrating on provider self assurance and quality outcomes for students and industry.

By working together we aim to foster a culture of self-assurance and continuous improvement across the sector, as part of the broader government vision for VET.



The ASQA Info Line is available to help with enquiries regarding regulatory matters between 9.00 am and 7.00 pm Eastern Standard Time (EST), Monday to Friday at 1300 701 801 (dial +61 3 8613 3910 from outside Australia), or via email at enquiries@asqa.gov.au