



Practice Guide

Leadership and Accountability

(Standards 4.1, 4.2)

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Outcome Standards for NVR Registered Training Organisations

Quality Area 4 – Governance

What are the key concepts?

The following key concepts are covered in this practice guide:

Standard 4.1	Standard 4.2
<ul style="list-style-type: none"> Suitability of governing persons Information to support governing persons Organisational culture 	<ul style="list-style-type: none"> Roles and responsibilities Accountability Ensuring compliance (including third parties)

Achieving these Standards in practice

The following table lists examples of activities that may demonstrate compliance with the Standards, as well as risks to mitigate or control. These examples are not a complete list of every activity or risk, nor do all the activities listed need to be completed to achieve compliance. Rather, they are a guide and should be considered within the context, size, scale and student cohorts of your RTO's operations.

Standard 4.1: An NVR registered training organisation operates with integrity and maintains accountability for the delivery of quality services	
Performance indicators	Example activities and other considerations for compliance
<p>An NVR registered training organisation demonstrates:</p> <ol style="list-style-type: none"> the organisation and its governing persons are fit and proper persons, having regard to the Fit and Proper Person Requirements made under section 186 of the Act, as in force from time to time; its governing persons are suitable persons to oversee the operation of the organisation; its governing persons act diligently and make informed decisions which facilitate compliance with this instrument and any other instrument made under section 185 of the Act, as in force from time to time; and the governing persons lead a culture of integrity, fairness and transparency in the organisation's delivery of services. 	<ul style="list-style-type: none"> You can demonstrate the due diligence you undertake to assure yourself that your RTO staff are fit and proper in respect of the public being able to have confidence in their suitability to be involved in VET delivery. You have up to date records of your RTO's governing persons, being all executive officers, high managerial agents and any persons who exercise a degree of control or influence over the management or direction of your RTO. You are timely in submitting a Fit and Proper Person Declaration, in accordance with ASQA's requirements. You can show how governing persons are driving the right culture and holding staff and others responsible for high quality training delivery. The ways this is demonstrated may vary but governing persons can describe how a

culture of accountability, fairness and transparency is fostered within the RTO and their expectations of staff, students and others (such as **third parties**) are conveyed and understood.

- You can articulate how governing persons communicate and drive the vision, purpose, commitment and capability of the RTO.
- You have evidence of regular evaluation of your organisation's governance structures and systems – for example by gathering feedback on how your organisation is perceived in terms of integrity and quality.
- You undertake external and peer reviews of your organisation's governance and control structures, and initiate action plans to continuously improve your governance operations.
- Your governing persons can describe how they access the information they need to make informed decisions about the RTO's compliance with the Standards, including identifying areas for improvement.
- You can show how you use data and evidence to support your RTO's compliance and integrity, including:
 - student enrolment, progression and completion data
 - student feedback, complaints and appeals
 - industry and employer feedback
 - outcomes of self-assurance or review activities.
- You can demonstrate that there is a sufficient level of financial acumen across the Executive team.

Known risks to quality outcomes

- Failing to adopt governance structures, processes and procedures that ensure your RTO staff are, and remain, fit and proper in respect of their particular roles in VET delivery. For example, failing to undertake due diligence checks as part of your general recruitment or selection practices, and intermittently throughout their engagement/ employment.
- Inadequate governance to manage risks and safeguard against improper or illegal conduct and prevent the RTO from being vulnerable to insider exploitation or criminal activities.
- Insufficient processes in place to ensure governing persons continue to meet the **Fit and Proper Person Requirements**.
- Shadow-directorship in an organisation that leads to a failure to recognise all governing persons with influence.
- Failing to detect and respond to behaviours or individuals in the organisation that are undertaking concerning or suspicious activity.
- Not requiring staff or governing persons to properly disclose their interests in other corporations or organisations.

	<ul style="list-style-type: none"> • Not acting on feedback received from students, industry or the community related to the quality and integrity of RTO operations.
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Standard 4.2: Roles and responsibilities of NVR registered training organisation staff and third parties are clearly defined and understood

Performance indicators	Example activities and other considerations for compliance
<p>An NVR registered training organisation demonstrates:</p> <ol style="list-style-type: none"> It supports staff members to understand the components of this instrument and any other instrument made under section 185 of the Act, as in force from time to time, which are relevant to each staff member's role as an employee of the organisation; It informs staff members of any changes to regulatory or legislative requirements that may affect the organisation's delivery of services; It has a system in place for ensuring any third parties meet the requirements of this instrument and any other instrument made under section 185 of the Act, as in force from time to time, and are aware of their obligations under these instruments; and the roles and responsibilities of persons engaged by the organisation are well understood and documented, ensuring accountable decision-making. 	<ul style="list-style-type: none"> • You have systems in place to document and communicate lines of accountability, staff roles and responsibilities (including compliance obligations), and these are well understood within the organisation. • You have documented decision making accountabilities and delegations that are adhered to by all staff. • You can demonstrate your processes to support staff, including those of third parties, to understand the Outcome Standards and Compliance Requirements and to keep them up to date on any relevant changes to regulatory requirements that will impact their work. • You can show how staff, including those employed by third parties, are supported to drive a culture of compliance and continuous improvement including providing opportunities for them to proactively raise issues and areas for improvement. • Your staff can describe how they identify and report compliance risks, particularly where they may impact student wellbeing or outcomes. • You can demonstrate your systems for monitoring and reviewing third party compliance – for example, you have evidence that your third parties are aware of, and meet, their obligations under the Standards, and have recorded the action you will take if they are not.
	Known risks to quality outcomes
	<ul style="list-style-type: none"> • Roles and responsibilities are not clearly understood by staff and/or reporting lines do not support the identification, escalation and resolution of compliance risks. • Purchased 'off-the-shelf' systems for managing compliance with the Standards are not contextualised to the organisation's needs. • Identified compliance or integrity risks are not addressed in a timely manner. • Neglecting to ensure that this Standard is applied with sufficient rigour to third parties and their staff, and not maintaining a process for managing risks against the Standards associated with third parties.

Self-assurance questions

1	How do you ensure governing persons are suitable, fit and proper and remain so throughout their engagement with your RTO?
2	What systems and processes are in place to ensure governing persons are acting diligently

	and within their delegated authority?
3	How do you ensure governing persons are familiar with the Standards and aware of their responsibility to monitor the organisation's performance against them?
4	How does the organisation communicate and monitor its values and drive a culture of compliance and continuous improvement?
5	What due diligence do you do during your recruitment and performance management of your RTO staff to ensure that they are fit and proper for their role?
6	What systems and processes do you have in place to determine, communicate and monitor staff roles, responsibilities and accountabilities within the RTO?
7	How do you ensure staff remain familiar with the Standards and any changes to regulatory requirements?
8	How do you support staff to voluntarily report compliance and integrity risks?
9	What systems and processes do you have in place to respond to and address compliance and/or integrity risks that are reported or identified?
10	What systems, processes and monitoring activities do you have in place to oversee and ensure third party compliance with the Standards?