



Draft Practice Guide

Leadership and Accountability

(Standards 4.1, 4.2)

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Outcome Standards for 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 avoid. 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: The RTO operates with integrity and is accountable for the delivery of quality services	
Performance indicators	Example activities and other considerations for compliance
<p>The RTO demonstrates:</p> <ol style="list-style-type: none"> the governing persons are suitable to oversee the operation of the RTO, including by having regard to the Fit and Proper Person Requirements the governing persons act diligently and make informed decisions to support compliance with the Standards the governing persons lead a culture of integrity, fairness and transparency in the delivery of services. 	<ul style="list-style-type: none"> You can demonstrate how your due diligence processes ensure that governing persons meet the Fit and Proper Person Requirements and remain suitable for their assigned roles over time. You have up to date records for 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 to show how you are satisfied that these individuals satisfy the Fit and Proper Person Requirements. You are timely in making a 'fit and proper person' declaration, in accordance with ASQA's requirements, when you employ a new executive officer, high managerial agent and any person who exercise a degree of control or influence. And you remain compliant by regularly updating these records with ASQA. Governing persons are driving the right culture and holding staff and others responsible for high quality delivery. The ways this will be demonstrated will vary but governing persons can describe how a culture of accountability, fairness and transparency is fostered within the RTO and their expectations

	<p>of staff, students and others (such as third parties) are conveyed and understood.</p> <ul style="list-style-type: none"> You can articulate how governing persons communicate and drive the vision and purpose of the organisation. You have evidence of regular evaluation of your organisation's governance structures and systems, including by gathering feedback on how your organisation is perceived in terms of integrity and quality. 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: <ul style="list-style-type: none"> student enrolment, progression and completion data student feedback, complaints and appeals industry and employer feedback outcomes of self-assurance or review activities. You ensure that there is a sufficient level of financial acumen across the Executive team. You undertake external and peer reviews of your organisation's governance and control structures, and initiate action plans to continuously improve your governance operations.
	Known risks to quality outcomes
	<ul style="list-style-type: none"> 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 key personnel continue to meet the Fit and Proper Person Requirements. Shadow-directorship in an organisation may fail 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. Not acting on feedback received from students, industry or the community related to the quality and integrity of RTO operations.

Standard 4.2: Roles and responsibilities are clearly defined and understood	
Performance indicators	Example activities and other considerations for compliance
<p>The RTO demonstrates:</p> <ol style="list-style-type: none"> roles and responsibilities are documented and well-understood within the RTO, with clear lines of accountability for decision-making staff are supported to understand the Standards as relevant to their role, and are informed about any changes to legislative and 	<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. Decision making accountabilities are clearly documented e.g. who is authorised to make certain academic decisions. You can demonstrate how you ensure that all staff understand their roles and reporting lines. You have processes to support staff to understand the RTO Standards, relevant to their role and responsibilities, and how you keep them up to date on any relevant changes to regulatory requirements that will impact their work.

<p>regulatory requirements that affect the services delivered</p> <p>c. a system for ensuring third parties are aware of their obligations and meet the requirements of the Standards.</p>	<ul style="list-style-type: none"> You can show how staff, including those in third parties, are supported to help drive a culture of compliance and continuous improvement. You provide opportunities for your staff to proactively raise areas for improvement and compliance risks requiring action. Your staff can describe how they identify and report compliance risks, particularly where they may impact student wellbeing or outcomes. You have systems for monitoring and review of third-party compliance have evidence of activities that ensure your third parties are aware of, and meet, their obligations under the Standards, and have recorded the action you take if they are not.
	<p style="text-align: center;">Known risks to quality outcomes</p> <ul style="list-style-type: none"> Where roles and responsibilities are not clear the RTO will struggle to comply with the standards. This is because it takes everyone in the organisation to contribute to the outcomes the Standards set out. Where staff are unclear of their roles, responsibilities and reporting lines and are unable identify or report compliance risks. Purchased 'off-the-shelf' systems for managing compliance with the Standards that are not contextualised to the organisation's needs will fall short of what is required. Neglecting to ensure that this Standard is applied with sufficient rigor to third party staff and 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 employment?
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 systems and processes do you have in place to determine, communicate and monitor staff roles, responsibilities and accountabilities within the RTO?
6	How do you ensure staff remain familiar with the Standards and any changes to regulatory requirements?
7	How do you support staff to voluntarily report compliance risks?
8	What systems, processes and monitoring activities do you have in place to oversee and ensure third party compliance with the Standards?