

GUIDE TO 2024 FINANCIAL ASSESSMENT

SKILLS FIRST PROGRAM

TABLE OF CONTENTS

About this guide	1
Terminology	1
Overview	1
Important information	1
The financial assessment process	2
An independent assessment	2
Probability of default assessment	2
Due diligence check	2
Mandatory documents	2
1. Audited financial statements	2
2. Due diligence request form	3

Department of Jobs, Skills, Industry and Regions, 121 Exhibition Street Melbourne Victoria 3000

© Copyright State of Victoria,

Department of Jobs, Skills, Industry and Regions 2023

Except for any logos, emblems, trademarks, artwork and photography this document is made available under the terms of the Creative Commons Attribution 3.0 Australia license.

About this guide

Terminology

In this document:

'we', 'us' or 'our' means the Department of Jobs, Skills, Industry and Regions.







'you' means a training provider that holds a 2023 Standard VET Funding

Overview

Passing an independent financial assessment to our satisfaction is one of the conditions for us to offer you a 2024-25 Standard VET Funding Contract (the 2024-25 contract).

This guide explains the independent financial assessment process and the mandatory documents you must submit.

Important information

Due date to submit documents		5:00pm (AEDT) Friday, 27 October 2023
Independent assessor		We have engaged Equifax Australasia Credit Ratings Pty Ltd, trading as Corporate Scorecard (A.B.N 33 007 527 611) to do the financial assessment on our behalf
Where to submit your documents		Submit directly to Corporate Scorecard via: skillsfirst2024@equifax.com  We recommend you request an email delivery/read receipt.
Enquiries		Submit an enquiry via the Skills Victoria Training System (SVTS), using enquiry category '2024 Skills First contracting'
No fees		We will pay all Corporate Scorecard's fees in this financial assessment for the 2024 contracting process.

The financial assessment process

An independent assessment

We've nominated Corporate Scorecard as the independent assessor to do the financial assessments for the 2024 contracting process.

Probability of default assessment

Corporate Scorecard will complete a detailed analysis to determine your probability of defaulting on payments to your creditors in the next 12 months. To do this analysis, they will use the mandatory documents you submitted and other publicly available information.

To pass the financial assessment, the probability of default must be above the threshold we consider acceptable. We will be guided by Corporate Scorecard in determining this threshold.

Due diligence check

Corporate Scorecard will conduct due diligence checks, create profiles of ownership, and establish who are relevant persons. These profiles help us to understand your ownership structure.

Corporate Scorecard may conduct credit checks of your directors, committee members and relevant persons to determine if there is a history of debt recovery, pending court actions or current insolvency proceedings.

We reserve the right to request other reasonable information from you during the financial assessment process.



You can fail the financial assessment due to adverse findings from the due diligence check.

Mandatory documents

You must submit these documents to Corporate Scorecard:

1. Your latest audited financial statements.
2. A completed and signed due diligence request form (this form is published on [SVTS](#)).



If you don't meet the requirements in this Guide, Corporate Scorecard will assess your submission as unsuccessful.

1. Audited financial statements

You must submit your latest audited financial statements, including:

- notes to the financial statements.
- the independent auditor's report for the legal entity making the application.

Make sure your financial statements meet the requirements outlined below.

Your legal entity as a Registered Training Organisation

The financial statements must relate to your legal entity as a Registered Training Organisation.

Where you are submitting audited financial statements related to a parent entity, you must include:

- a copy of the Deed of Cross Guarantee between you and the parent entity

- proof of registration of the Deed of Cross Guarantee with the Australian Securities and Investment Commission (ASIC).

End of financial year reporting

Where your financial year reporting ends 30 June, we deem your latest audited financial statement to be for the year ended 30 June 2023.

Where your financial year reporting ends 31 December, we deem your latest audited financial statement to be for the year ended 31 December 2022.

Independent audits

The financial statements must:

- contain each audited financial statement for a distinct 12-month period and include an independent audit report.
- have the independent audit report issued by a person or entity listed as a current Registered Auditor with ASIC. You can check if you've met this requirement at [ASIC Registered Audit](#).

Your independent audit report must be an unqualified one. The exception is a specific qualification on completeness of income for fund raising activities, as is sometimes the case for non-for-profit entities in receipt of regular donations.

An unqualified audit report will have the words that state, or are to the effect, that the financial statements present fairly and or give a true and fair view. An Emphasis of Matter is not considered a qualification.

- i** Learn Local organisations are required to provide audited financial statements but are exempt from the requirement for the independent auditor to be an ASIC Registered Auditor. This is the only exemption to using an ASIC Registered Auditor.

2. Due diligence request form

You must have an authorised officer complete all relevant sections of our due diligence request form. The authorised officer must be someone who meets the definition of a 'Relevant Person' in the draft 2024-25 contract.

A relevant person means someone at a sufficiently high level within your organisation to exercise a material degree of control or influence over the management or direction in relation to training delivery.¹

- i** The due diligence request form is published on SVTS.

¹ relevant person includes any Executive Officer or High Managerial Agent, consistent with how these are defined under the *Corporations Act 2001* (Cth) and the *National Vocational Education and Training Regulator Act 2011* (Cth) as persons with a high level of Control.