

Contract notification

CN number:	2026-03	Date:	10 February 2026
To:	Chief Executive Officer or equivalent		
Purpose:	General information		
Scope:	All 2026 VET funding contracts		
Subject:	2026 Skills First – internal audit tool		

Purpose

To advise you that we've published the Skills First 2026 internal audit tool.

The tool is to help you self-assess your compliance with the VET funding contract. You can use it to confirm you have policies, processes, systems, and resources in place to meet your obligations under the contract.

Background

In each calendar year you must do an internal audit of your compliance with the contract.

Your internal audit must be signed by your CEO.

You don't have to send us your completed internal audit unless we ask for it.

Main points

The 2026 tool includes the requirements of the current contract. It has things that could be included in any audit or review we do. But you shouldn't rely on it as the only process for monitoring your contractual compliance.

The tool has been updated in the following sections to reflect changes in the 2026 contract:

- a) Subcontracting (subcontractors not allowed to offer incentives)
- b) Training and assessment (minor changes to align with the 2025 Standards for RTOs)
- c) Practical placements (a new requirement to tell students if their program involves a practical placement)
- d) Reporting and payments (greater flexibility for how you can give students information about fees)
- e) Under 17 eligibility clarification (updated wording to include clarification on exemption for completion of year 12/ equivalent qualification)

We don't prescribe how you do your internal audit. We've created this tool as an optional resource for self-assessment. You may prefer to take the contents of this tool and transfer it into a format that works best for you.

The tool can help you to systematically review your operations relevant to Skills First training, to identify if you have appropriate policies and processes in place.

Completing the tool accurately and objectively will help you to identify and address any non-compliance and develop and apply appropriate internal controls.

Forward action:

- While completing the tool, if you identify a non-compliance with the contract, you must develop a rectification plan to address the instances of non-compliance within a reasonable timeframe (clause 11.7).
- If we request that you provide the results of your 2026 internal audit to us, submit it via SVTS enquiries under the category 'Contract Compliance Audit Program - Internal Audit Tool'.
- Submit all questions about this contract notification, including any feedback on the 2026 tool, on SVTS under the same category.

2024 Skills First audit and assurance findings

In September 2025, we published the 2024 Skills First audit and assurance findings to help you understand the key themes from our previous audit program, conducted from October 2024 to July 2025.

These themes informed our new focus areas for 2026 which are:

- Pre- training review and enrolment requirements
- Reporting and payments

We have also suggested a range of key resources for further information.

Resources

2026 Skills First internal audit tool.

2024 Skills First audit and assurance findings.

Critical dates

You must complete an internal audit within 6 months of the contract start date.

We encourage you to complete your audit as early as possible, so you have time to mitigate any compliance risks.



Laura Lo Bianco-Smith
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