

Contract Performance Audit Instruction Guide

Contractor:

Audit location:

Contractor's ABN:

Audit commencement date:

Company's representative name:

Audit completion date:

HPRM file reference:

Name of auditor:

Overview of the Contract Performance Audit

- Section 1 - Contract Documents
- Section 2 - Vehicle Registration and Insurance
- Section 3 - Driver Details
- Section 4 - Safety
- Section 5 - Performance
- Section 6 - Additional requirements

Overview of the Contract Performance Audit Process

1. ASTP to contact the contractor to advise commencement of an audit.
2. Nominated auditor to contact the ASTP to receive an audit package.
3. Audit engagement letter and confidentiality agreement sent by auditor to contractor.
4. Acceptance letter returned by the contractor, to the auditor with agreed audit date.
5. **Audit tool** is used by the auditor to assist with developing the audit findings report.
6. The draft audit findings report is sent to ASTP seven days after conducting the audit. The auditor will have discussed and confirmed the details in the report with the contractor.
7. ASTP reviews the draft audit report.
8. Final report issued to ASTP and the contractor seven days after receiving comment from ASTP.
9. Contractor has 21 days to respond to ATSP with comments on the final report.
10. ASTP writes to the contractor to either finalise the audit or require additional actions.
11. Following the completion of the audit, the contractor is requested to complete a survey on how the audit was conducted.

This Guide is to be used in conjunction with the Audit Tool (excel document)

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Contract Performance Audit Package

The purpose of this package

This package has been designed for auditors conducting contract performance audits for the Assisted School Travel Program (ASTP).

The purpose of the package is to provide a consistent and transparent framework for conducting performance reviews for contracted ASTP service providers.

This package also assists ASTP contractors in understanding the requirements of an audit and the level of service standards required for contracting services for the ASTP.

Contents of this package

This package is supported by the following documents on the ASTP website which include:

- Audit letter template (word document)
- Instructional guide (word document)
- Report template (word document)
- Contractor Fact Sheet #8 – Contract Performance Audits (word document)
- Introductory presentation (power point document)
- **Audit tool** (excel document)
- Onsite Vehicle Check tool (excel document)

Where to go for further information

For further information refer to the [Contractor Fact Sheet #8 – Contract Performance Audits](#) on the ASTP website or contact the ASTP by using the details below:

Phone: 1300 338 278

Email: generalenquiries.astp@det.nsw.edu.au

Website: <https://education.nsw.gov.au/public-schools/astp>

Address: Attention: Quality Assurance Team

Assisted School Travel Program

Locked Bag 7009

Wollongong East NSW 2520

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Audit Process Check List

The following information is provided to assist the auditor in completing the audit process:

- Following confirmation from ASTP to commence the audit, the auditor sends the audit engagement letter to the contractor to sign.
- Once an agreed audit date is finalised, a copy of the letter is sent to the ASTP.
- The ASTP provides the auditor with an information package that contains specific information related to the contractor.
- Before commencing the on-site audit, the auditor randomly selects 10 students from the run cards provided and notifies the ASTP of the selected students. The ASTP will contact both the parents and the schools requesting the completion of customer surveys.
- The auditor starts the audit after receiving the information package from ASTP.
- At the end of the audit a copy of the completed **audit tool** (excel document) is e-mailed to ASTP.
- If any **safety issues** are identified during the audit which **impacts the services provided to the students**, ASTP needs to be notified immediately.
- The draft audit report is to be issued to ASTP 7 days after completion of the audit. ASTP will provide the auditor with the applicable comments / results from the customer surveys to be included in the report.
- The auditor provides the final report to the contractor and ASTP 7 days after receiving comments from the ASTP.
- The contractor has 21 days to respond to the final audit report. This response is to be provided to both the auditor and the ASTP.

Auditors involvement in the audit process ends

- ASTP will write to the contractor to either finalise the audit report or require additional action.
- Following the completion of the audit the contractor is requested to complete a survey on the auditor's professional conduct with a copy returned to ASTP.

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Section 1 – Contract Documents (refer to section 1 of the Audit Tool)

- Contractor has a signed *Contract Agreement* on file
- Contractor has a signed RCTI on file
- ABN details are correct and match the *Contract Agreement*
- Sub-contracting - details of agreements are on file
- Certificate of currency for the legal liability (or public liability) insurance policy to \$20 million
- Workers compensation insurance policy exists where required

Auditor's comments

Notes for Auditor

Contract agreement and RCTI

Sight copies of the *Contract Agreement* and RCTI. Request ASTP to provide a copy if the contractor does not have a one on file.

ABN details

ABN details can be validated using the web-site link <http://abr.business.gov.au/> Confirm details are correct and site the last BAS statement or other relevant documentation to confirm.

Sub-contractor agreement

- Obtain approvals of all sub-contractor agreements listed with ASTP.
- All the audit requirements apply to the sub-contractors. Copies of all relevant documents need to be provided.
- Ask for a list of sub-contracts from the contractor and sight copies of the sub-contractor agreements for each contractor.
- Where sub-contractors are not being used, request that the statutory declaration provided is signed.
- Refer to Section 3 – Driver Details for validation of bank statements in confirming no sub-contracting arrangements are in place. Section 3 addresses the issue of subcontracting in detail.

Worker's compensation insurance policy

- Ask for a copy of the workers compensation insurance policy to check currency.
- Ensure that the policy is current and covers the level and number of employees employed by the contractor.

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Section 2 – Vehicle Registration and Insurance (refer to section 2a and 2b of the **Audit Tool**)

- Currency of vehicle registration and comprehensive insurance
- Wheelchair vehicles have an Engineering Certificate signatory
- Vehicles are less than 15 years old and do not have 2 doors
- Able to provide a copy of the maintenance program for each of the vehicles
- Able to provide a copy of the last AIS notice for each vehicle and a copy of the maintenance log book/mechanics inspection report or service invoice for each vehicle

Auditor's comments

Notes for Auditor

Vehicle registration and comprehensive insurance

- Obtain a list of all ASTP vehicles prior to the day of the evaluation. Select a relevant sample size where there is a large number of vehicles and it is not practical to audit all the vehicles.
- Confirm that all these vehicles are still in use and match the registration and insurance paper details.
- Ensure the correct category of business registration and insurance is used. Registration types hand and private may be used in exceptional circumstances (reference [Becoming an Eligible Service Provider](#) for details).
- List any incorrect details in the ASTP spreadsheet provided for submission with the audit report together with copies of registration papers where applicable.

Wheelchair vehicles have a current engineering certificate

- Sight and obtain copies of engineering certificate where missing on ASTP records.
 - Registration papers should list the engineering number on the registration certificate.
 - The certificate should clearly state the vehicle configuration.
- List the missing or incorrect details in the **Audit Tool** provided for submission with the audit report, together with the copies of the engineering certificates where applicable.

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All vehicles are less than 15 years old and do not have 2 doors

- Check the **Audit Tool** to ensure no vehicles are over the age of 15 years unless copies of ASTP exemption letters can be provided. The contractor should have copies of these letters on file.

Maintenance

- Contractor is to have a vehicle maintenance plan that is consistent with, or better than, the manufacturer's maintenance specifications / standards and is capable of being audited (contractor must provide evidence of manufacturer's recommended maintenance standards to ensure that their schedule is suitable).
- A documented system which allows for drivers to identify mechanical faults.
- Copies of Heavy Vehicle Inspection Scheme (HVIS) certificates for vehicles (as stated on the registration papers) are kept with defect notices cleared and supported by the required evidence.
- Maintenance records to confirm that the schedule is being adhered to, which includes registration numbers, dates, organisation or licensed repairer who conducted the maintenance, odometer reading at the time maintenance was done, detailed descriptions of work carried out.
- Maintenance records demonstrate that maintenance was actually undertaken in accordance with the maintenance schedule and the manufacturer's recommended standards.
- Check repairs have been carried out by a Motor Vehicle Repair Industry Authority (MVRIA) repairer. This requirement does not include changing light bulbs, changing engine oil, greasing, changing wheels / tyres and topping up fluid levels as specified by the RMS: www.rms.nsw.gov.au/documents/business-industry/buses/boas-auditor-handbook.pdf
- Auditors are required to obtain the details of the MVRIA qualified person(s), including licence details and / or repairer licence number.
- Check that the contractor has in place pre-departure and end of shift procedures. Documentation should be provided supporting these checks.

Section 3 – Driver Details (refer to section 3a, 3b, 3c and 3d of the **Audit Tool**)

Testing of all Drivers

- RMS consent to driver licence check forms are signed by the drivers and are on file.
- RMS consent to vehicle check forms are signed by the driver / contractor and are on file.
- Working With Children Check (WWCC) clearance e-mail and Department approval letters are on file with current details.
- Medical assessment certificates are on file and are current for drivers.

Child protection questions to the contractor

When would you employ a driver after a WWCC application has been submitted?

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What actions occur when a serious allegation has been made to a driver's conduct or interaction with a student?

Drivers

Employment questions for contractors

What is the current award and rate payable to your drivers? Are all your employees paid the award rate and required entitlements?

How do you employ drivers and how do you make them aware of their entitlements (clause 24.1 of the *Contract Agreement*)?

Where drivers are providing their own vehicles request a copy of the vehicle lease agreement or subcontract.

Tick the box if the answer is **yes** to the following questions:

- Can you provide a copy of all group certificates issued to each employee (random sample provided)?
- Can you provide a copy of the last 10 payment statements for employees (random sample provided) with a list of their weekly hours and employment status (part time / full time / casual)?
- Do the payment statements show any payments for leave to verify entitlements (show examples)?
- Provide a copy of the driver relief list (ensure the list includes all the required contact details) – if applicable.
- Can you provide the list five payment statements for employees (random sample provided)?
- Are drivers records maintained for a period of up to seven years in accordance with ATO requirements?

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Drivers licence status checks for employees

How do you ensure employee's driver licence remains current?

Document the process in place by the contractor (complete section 3b of **Audit Tool**)

Review payment statements, group certificates, employee contracts and bank statements (see section 3c of **Audit Tool**)

***Note:** requirements related to employee payment and working conditions for taxi networks are not subject to the same requirements. See the detailed instructions below for auditing employment records for taxi drivers.

Notes for the Auditor

Driver working conditions

To ensure the contractor is paying drivers in accordance with award rates and the contract agreement ask the following questions and audit the responses:

- What is the current award and rate payable to your drivers?
- How do you employ drivers and how do you make them aware of their entitlements (clause 24.1 of the *Contract Agreement*)?
- Can you provide a copy of all group certificates issued to each employee?
- Provide a copy of the last 10 payment statements for employees (random sample) with a list of their weekly hours and employment status (part time / full time / casual).
- Do the hours of payment align with the hours of travel by sampling some of the run cards and using google maps to estimate journey time?
- Are all your employees paid the award rate and required entitlements?
- Do the payment statements show any payments for leave to verify entitlements (show examples)?
- Provide a copy of the driver relief list (ensure the list includes all the required contact details).
- Provide five payment statements of relief drivers (randomly selected).
- Are drivers records maintained for a period of up to seven years in accordance with ATO requirements?

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Note – special conditions for taxi drivers:

Bailees and bailors in the Taxi Industry within the Metropolitan Transport District are not covered by the National Workplace Relations System and the *Fair Work Act 2009* and still remain within the NSW Industrial Relations System governed by the provisions of the Taxi Industry (Contract Drivers) Contract Determination, 1984.

The contract determination provides for permanent and casual engagement. A casual bailee is not a permanent driver and is not entitled to any sick, or annual leave. The following taxi operator requirements are subject to audit in meeting this contract requirement. The taxi network needs to demonstrate that the following documents are maintained or audited:

- GST compliant tax invoices with specified particulars as outlined below
- records relating to the calculation and payment of annual leave, sick leave, long service leave and payment for down time entitlements of drivers
- records relating to any monies deducted by you or bonds deposited with the owner / operator by the driver
- all Schedule I elections forms
- all Schedule II Driver Log Books forms (as completed by the driver)
- receipts for each payment made by the driver.

Source: <https://www.industrialrelations.nsw.gov.au/assets/Uploads/publications/Factsheets-listing-34/Factsheet-for-Owner-Operators.pdf>

Sub-Contracting

Following questions asked in establishing if sub-contracting arrangements exist:

Do you have any sub-contracting arrangements in place that have been approved by ASTP?

Do you have any sub-contracting arrangements in place that have not been approved by ASTP that you wish to disclose?

Is there any further information that you wish to provide before commencing this audit section?

The following questions are to be asked where sub-contracting is being used:

Have all payments owed to subcontractors been made?

Demonstrate how you ensure that the subcontractor does not subcontract to more than one level - i.e. ensuring subcontractor is not subcontracting the service - level 2.

Demonstrate how you ensure that the sub-contractor meets all the requirements contained within the contract.

How are the sub-contracts selected and what process is undertaken to ensure good performance.

Obtain a copy of the sub-contractors workers compensation insurance ensuring that it is current.

Provide copies of the working with children check for the subcontractor (ensure currency).

Perform testing on section 3d - to ascertain if subcontractors outside the approval of ASTP are being used.

Where sub-contracting **is not occurring** complete the statutory declaration provided.

Where sub-contracting **is occurring** complete the statutory declaration provided.

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Auditors comments

Notes for Auditor

RMS consent to driver license check forms

- From the list provided by ASTP request the contractor to obtain all missing driver license check forms with copies to be forward to ASTP. A copy of this form is available on the ASTP website.
- Where the contractor has signed driver license check forms complete, randomly check driver files to ensure the contractor has a copy on file.

RMS consent to vehicle check forms

- From the list provided by ASTP request the contractor to obtain all missing vehicle check forms with copies to be forward to ASTP. A copy of this form is available on the ASTP website.
- Where the contractor has signed vehicle check forms complete, randomly check the contractor's files to ensure the contractor has a copy on file.

Working With Children Check (WWCC)

- The contractor is required to keep on file for each driver, a copy of the WWCC clearance e-mail, a copy of the Employee Verification print out and letter from the Department approving the driver to work for the ASTP.
- Audit all driver files for this requirement, when checking the files ensure that the WWCC e-mail has the current employee listed on the WWCC e-mailed advice.
- Note the details of incorrect or missing records on the attachment provided by the ASTP.

Questions to ask and document response in the audit report:

1. When would you employ a driver after a WWCC application has been submitted?
2. What actions occur when a serious allegation has been made to a drivers conduct or interaction with a child?

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Medical assessment certificates

- All drivers are required to have a copy of a medical certificate on file.
- Randomly review driver files and sight all signed copies of the medical certificates against the approved ASTP driver list.
- Where drivers sampled are required to undertake annual medical checks, ensure that this has occurred.
- Note the details of incorrect or missing records on the attachment provided by the ASTP.

Review payment statements, group certificates and employee contracts

- Randomly select employees to sight copies of payment statements and group certificates.
- Sight the relevant award conditions, the matching pay rates and entitlements to the payment statements with the relevant award for drivers being the *Passenger Vehicle Transportation Award 2010*. Information on this award may be located at: <https://calculate.fairwork.gov.au/FindYourAward>
- Drivers may be engaged on a full time / part time or casual basis with the relevant class being at a minimum grade 2 ([MA000063](#)).
- **Taxis are not subject to this award.**

Drivers licence status checks for employees

- Ask how the contractor ensures the driver licence remains current. (Clause 11.3.1 of *Contract Agreement*)
- Document the process in place for the audit report.

Subcontract agreement

- Where sub-contracting is occurring the contractor is required to provide a statutory declaration stating that:
 - no remuneration or other allowances or benefits due and owing by the Subcontractor to its Personnel (including deemed workers under any legislation);
 - no payroll tax due and owing by the Subcontractor; and
 - no unpaid worker's compensation insurance premiums due.
- Where sub-contracting is not occurring the contractor is to also provide a statutory declaration stating that "company XYZ is not subcontracting the performance of any of its obligations under the *Contract Agreement* with the ASTP for the delivery of services."

Section 4 – Safety (refer to section 4a and 4b of the Audit Tool)

Current run cards are kept on file

- Sample 30% of the run cards issued
- Randomly select some vehicles on-site to view run cards if the vehicles are available (where possible)
- Audit the process to how a run card is received and updated
- Audit to ensure that this information and any child related information is kept in a secure place (e.g. lockable cabinet / room) with restricted access by staff

Communication

- Ensure the contractor has a mobile phone contact number for each driver (not for taxis)
- Ensure contractor has a contact number and name on file for each school

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Driver training

Review training material used by the contractor and discuss / ascertain:

- Whether material exists which communicates professional conduct as required I contract agreement?
- Does the contractor have a method of establishing sufficient English skills through training?
- Does the contractor have a staff induction program for drivers providing Assisted School Travel services?
- Are copies of the Department's *Code of Conduct* kept on file and provided to drivers? (complete section 4b)
- Is the Code of Conduct incorporated into training, how is this demonstrated? (complete section 4b)
- Section 22 of the *Code of Conduct* talks about the professional relationship between students. Should an allegation regarding child protection occur, what actions are followed by the organisation and how are these actions communicated to drivers (complete section 4b)?
- Does the contractor have a method of establishing sufficient English skills through training or through a job interview process?
- Does the contractor have incident and injury management procedures in place?
- Does the contractor have drug and alcohol policies in place for drivers?
- Are Emergency card / run cards available and can the contractor demonstrate how drivers comply with the instructions on the card?
- Does the contractor have a training and competency register in place with current drivers listed on the register?
- Is specialised training provided for drivers such as disability support training and training to ensure students are correctly seated when travelling?
- What are the specialised training details?

Auditor comments

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Complaint and incident handling procedures

- Request a copy of the organisations compliant handling register / policy and audit the following:
- If a customer complaint is made to the driver by a parent, teacher or student, what process is followed in managing the complaint?
- Should ASTP raise a complaint made by a customer requesting resolution of an issue, what process is applied in addressing the complaint?
- Should the driver be involved in an incident or an incident with a student occurs on the vehicle, what process and systems are in place to manage this occurrence.
- Should a service arrive late to school what process is followed?
- Obtain copies of the driver training material and complaint / incident handling procedures noted above for inclusion in the final audit report.

Notes for Auditor

General overview

- Obtain copies of the driver training material in addressing the materials in the final audit report, to demonstrate that the contractor does provide a training framework.
- List any issues identified in the comment section below

Auditor comments

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Section 5 – Performance (Refer to section 5a and 5b of the **Audit Tool**)

Contract compliance

Identify specific issues from discussions with ASTP occurring in the past 12 months that the audit should address.

This may include contract breach notices issued by ASTP where common patterns are occurring. Where there are no specific contract breach issues, address the questions in Section 5a of the **Audit Tool**.

Audit what measures the contractor has put in place to resolve these issues and list the findings

Auditors comments

Customer review

Identify 10 randomly selected stakeholders to be surveyed. The surveys will be completed by the ASTP with the results provided to the auditor. The results are to be listed in the final audit report with supporting comments.

Auditors comments

On time running performance

Assess how the contractor monitors and manages on time running of drivers and/or sub-contractors.

Auditors comments

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Ease of access to records

Assess how accessible and accurate the contractor's records are.

Auditors comments

Financial viability

Establish how the contractor assesses their financial viability and going concern for the service(s) contracted

Auditors comments

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Section 6 – additional requirements

General requirements

Audit special requirements as provided by ASTP.

Auditors comments

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Customer performance template

To be forwarded to the schools and parents selected for completing the survey. The results from individual schools and parents are to be **kept confidential and not shared with the contractor**.

The contractor and driver will not be notified of these surveys.

Instructions for auditors

The ASTP will send out these surveys to the selected parents and schools. The auditor is to randomly select 10 run cards for the surveys and advise ASTP of this selection.

Once the results are obtained by ASTP they will be provided to the auditor for inclusion in the final audit report.

Contractor name:

Contracted run(s) and the school(s) being surveyed:

How would you assess the overall level of customer service provided by your contracted service provider?

- Exceptional, above expectations
- Good, I am happy with the service provided
- Satisfactory
- Poor, I am not happy with the level of service provided

Does your contractor turn up at the required pick up and drop off times (*Pickup and drop off times as a guide should be within a 10 minute time frame*)?

- The majority of the time, where a phone call is made when the contractor is running late
- Most of the time, where a phone call is made when the contractor is running late
- Sometimes, where I may or may not be notified when the contractor is running late
- Not very often. The contractor often arrives late.

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Assessment of transport service levels

	Very dissatisfied	Dissatisfied	Partly dissatisfied	Neither satisfied nor dissatisfied	Partly satisfied	Satisfied	Very satisfied
The vehicle provided is always clean and in good repair							
The driver is always polite and understanding towards the needs of the student(s)							
The personal presentation of the driver is of a good standard							
There is an ease in communicating with the driver							
Temperature on this vehicle is appropriate and can be adjusted when required							
Seat comfort in the vehicle is appropriate							
The journey time given the distance travelled is appropriate							
The contractor provides a high level of customer service							
When I raise a concern or issue, I feel that it is taken seriously and addressed appropriately.							
I feel that the service provided for the student(s) is safe							

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Add any additional comments related to the performance of the contracted service being audited.