



Due Diligence – An introduction

Charles Sturt University (CSU) is committed to the development and expansion of quality educational programs in Australia and overseas. As part of this commitment, CSU works with private and public organisations around Australia and overseas in the delivery of CSU courses in locations where CSU does not have a physical presence.

One way in which CSU builds and strengthens its relationship with third party providers, and ensures the quality of its educational programs, is through the conduct of a thorough Due Diligence Assessment for all new third party providers. CSU is required by law to regularly conduct a Due Diligence Assessment on all third party course providers.

A Due Diligence Assessment is an essential first step prior to the commencement of formal negotiations between CSU and third parties for the delivery of CSU courses in Australia or overseas.

A Due Diligence Assessment is a systematic review conducted by CSU, in cooperation with third parties, of the capacity, sustainability, reputation, resources, academic quality and commitment of the third party to deliver CSU's courses at an equivalent academic and professional standard to CSU in Australia. The Due Diligence Assessment consists of two sections:

1. SECTION A: Academic Quality and Capability Due Diligence Survey
2. SECTION B: Governance, Management and Financial Due Diligence Questionnaire

The Due Diligence Process will include, at a minimum,

1. a site visit by academic and/or administrative officers of CSU to assess issues such as facilities, staffing, standards, markets and programs; and
2. a structured questionnaire, conducted in cooperation with the third party, to document the party's financial, management and governance systems.

The framework provided below is a guide only. CSU may include other due diligence requirements or assessments, or may be required by the Government to include other assessments, from time to time to ensure the quality of its programs and build its relationships with third party providers.

OVERVIEW

1. Academic Quality and Capability Due Diligence Survey

CSU will undertake a site visit, and will seek information from the third party, to establish the following:

1. that it meets all local registration and accreditation requirements in the territory relevant to the delivery of the CSU course, including legal requirements or requirements established by professional and industry associations or government;
2. that it has a sufficient number of appropriately qualified academic and administrative staff for the delivery of the CSU courses and the administration of students to a high professional standard consistent with the academic and administrative standards in place at CSU from time to time;
3. that the teaching methods and capabilities, and assessment skills and capabilities, of academic staff employed or retained by the third party are equivalent to the quality and standard provided by CSU to students in Australia;
4. that the third party has on staff an appropriately qualified and experienced Academic Course Coordinator in the area of the CSU course who has the qualifications, experience and capabilities to coordinate and manage the delivery of academic programs of study to the academic and administrative standards in place at CSU from time to time;
5. that the third party has, or can obtain, adequate library resources to support the CSU course, including but not limited to an appropriate quantity of prescribed texts to support the CSU course and appropriate access to physical and online resources as may be determined by CSU from time to time;
6. that there is a market for the CSU course in the territory and that the marketing and recruitment capabilities of the third party are appropriate to recruiting the minimum students intake requirements for CSU courses and that the courses can be delivered profitably for both parties;
7. that prospective students will have the minimum academic qualifications recognised by CSU;
8. where subject credits are proposed to be granted by CSU for subjects taught and assessed by the third party, that the third party's subjects are taught and assessed to equivalent academic standards and quality as provided by CSU locally in Australia;
9. that the third party has the capacity to provide CSU course materials to a production standard equivalent to that which CSU provides to students enrolled in CSU courses in Australia;

10. that the third party has existing and effective systems in place for communicating with students;
11. that adequate computing facilities are available for students including access to the internet and email facilities during hours convenient to the students study patterns;
12. that adequate and appropriate facilities are available for the conduct of examinations and other forms of assessment relevant to the ordinary standards for delivery of assessment in the CSU course;
13. that adequate and appropriate systems of security are in place to ensure the integrity of examination and assessment processes;
14. where the language of instruction is English, that the third party has in place systems to ensure that students are sufficiently competent in the English language to meet the requirements of the course including meeting minimum IELTS standards;
15. where the language of instruction and assessment is a language other than English, that the third party has in place processes that ensure, to the satisfaction of CSU, that items of assessment requiring moderation by CSU staff (such as questions on assessment tasks and responses by students to assessment task question) can be appropriately translated and the translation verified against recognised Australian translation standards;
16. that appropriate systems, staffing and services are in place for the welfare of students;
17. that appropriate systems are in place to support student feedback;
18. that appropriate systems are in place to support the development of third party staff and the maintenance by those staff of the necessary skills and capabilities to maintain the quality of teaching, assessment and administrative over time;
19. that appropriate and transparent academic and administrative systems are in place to support the delivery of CSU courses and the administration of students and that they are subject to ongoing quality assurance procedures;
20. that the facilities available to students, including class rooms, lecture theatres, laboratories, computer facilities and libraries are of an equivalent standard to the facilities available to students enrolled with CSU in Australia;
21. that the third party can provide independent academic referees of high standing that will attest to the academic experience, quality and standards of the third party.

2. Governance, Management and Financial Due Diligence Questionnaire

CSU will ask the third party to respond to a standard questionnaire completed by all CSU third party providers.

The purpose of this Questionnaire is to obtain information in order to assess, in the opinion of the University, your organisation's governance/management structures and financial viability and its ability to commercially manage the provision of educational and related services in cooperation with Charles Sturt University.

This Questionnaire forms part of the University's response to its legal obligations under Division 3 of the *Charles Sturt University Act 1989* and the *Public Finance and Audit Act 1983*, which require that

- all universities in New South Wales conduct a due diligence assessment of all organisations that wish to cooperate in the delivery of educational and/or related services before entering into a commercial arrangement; and
- public money is spent in an efficient, effective and ethical way.

The questionnaire will ask the organisation to supply information and documentation, including:

1. financial statements for the previous year showing the financial position of the entity including profit and loss, balance sheet, cash flows etc;
2. statement signed by the Directors that the company is solvent and the state of the directors knowledge about future events that may impact on the solvency of the entity or its capacity to deliver the services;
3. provision of audit, banking, business and accounting referees;
4. relevant registration documents for incorporated organisations or similar documentation for other entities;
5. names, details and qualifications of members of the Board of Directors;
6. names, details and qualifications of officers who can exert influence over the financial management of the organisation (eg. CEO, CFO etc);
7. governance and management chart including names, qualifications and details of senior executives and managers and relationship of other entities to the principal entity;
8. the type and quantum of insurance held by the third party (note, CSU currently requires third parties to maintain the equivalent of at least AUD\$10 million in public liability and professional indemnity insurance for each claim, and where health services involved the same level of insurance for medical malpractice.);
9. disclosures regarding individual directors and managers.

CSU may obtain independent credit references or reports on the organisation as part of the Due Diligence process.

Need more information

If you have any questions, or require further information, please contact the CSU Partnership Coordinator, CSU International, Charles Sturt University, on ph: +61 2 + 6933 2666; fax: +61 2 + 6933 2799; or email:

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The CRICOS Provider Number for Charles Sturt University is 00005F