

Due Diligence Policy and Procedure

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Purpose

The Australia Institute of Future Education (**AIFE**) will exercise due diligence to establish the nature of the following matters before entering into contracts and/or agreements with external parties or filling vacancies in governance and leadership positions:

- Associated regulatory history
- Potential current or historical conflicts of interest
- Financial standing and history
- Compliance history, and
- Other matters that may arise relating to ethical and moral standing.

This Policy sets out the policy dimensions, expectations and due diligence processes.

Scope

This Policy applies to the following:

- Roles:
 - Members of the Board of Directors and AIFE's Governing Bodies, and
 - Key personnel.
- Partnerships:
 - Articulation partner agreements, and
 - Third-party partner service agreements.

Policy

AIFE will only appoint a person into a governance position or into a key personnel role after AIFE has assured itself that the person satisfies the *Tertiary Education Quality and Standards Agency Fit and Proper Person Determination 2018*.

AIFE will only enter into contracts and/or agreements with external entities after due diligence processes have been undertaken, the outcome is deemed to be positive, and (if required) the Board of Directors has formally approved them.

Prior to entering into contractual arrangements, due diligence assessments will be undertaken including for articulation partners, third-party partners, and governance/key personnel appointments.

A TEQSA *Fit and proper person requirements declaration* (FPP) form must be completed as part of formalising the arrangement.

If the FPP form is found to be intentionally inaccurate, the arrangement, whether with a third-party partner, member of governance, or key personnel member, will be terminated.

Procedure

Articulation Partner Agreements

Prior to entering into a contractual agreement with an articulation partner, AIFE will undertake a due diligence process which will require the following:

- **Confirmation** through public sources, such as [ASIC Connect](#), [ASQA's Decisions and Notices](#), [AAT eCase](#), [Training.gov.au](#) or [TEQSA's National Register](#), the partner's regulatory history, such as proposed cancellations or conditions imposed, and financial standing history, such as bankruptcy
- **Disclosure** by proposed members of the Board of Directors and Academic Board, the Chief Executive Officer and the Dean of any interests they may have that have the potential to create a conflict with their duties to AIFE.

As part of formalising the articulation partner agreement, the articulation partner's governance members and any other key personnel who make decisions that have a substantial affect on their institution, will be required to complete a TEQSA FPP form.

Appointment of Governance Members and Key Personnel

The due diligence process for appointing governance members and key personnel is conducted at two stages:

Stage 1 – Prior to appointment:

1. Preferred candidates will need to complete a FPP form
2. Verification of the information provided in the preferred candidate's CV and completed FPP form will be undertaken. In the case of academic appointments, their research activities will also be verified where possible.
3. The following repository of public information may be accessed in verifying the information disclosed by the preferred candidate:
 - [ASIC Connect](#) (financial standing due diligence)
 - [TEQSA's National Register](#) (regulatory history due diligence)
 - [ASQA's Decisions and Notices](#) (regulatory history due diligence)
 - [Training.gov.au](#) (regulatory history due diligence)
 - [AAT eCase](#) (regulatory history due diligence)
 - [ACCC Public Register](#) (conduct due diligence)
 - [LinkedIn](#) (professional history due diligence)
 - Any publicly accessible research registers (where applicable)
4. AIFE will have regard to the following matters:
 - **Timing** – When was the preferred candidate involved in the incident? (e.g., what period of time has elapsed since TEQSA imposed a condition on an Institute of Higher Education (IHE) at which the preferred candidate was concurrently employed?)

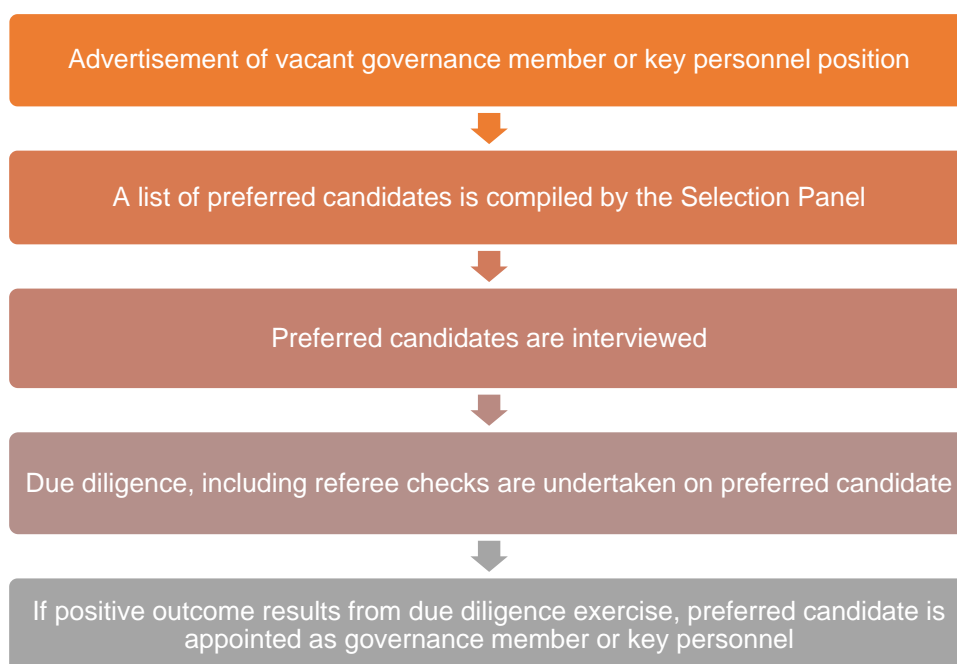
- **Gravity** – How significant was the incident in which the preferred candidate was involved? (e.g. did the actions of the preferred candidate result in an infringement notice issued by the ACCC for contravening the Australian Consumer Law)
- **Frequency** – How many incidents was the preferred candidate involved in? (e.g. how many times was a condition imposed on the registration or course accreditation of the IHE while the preferred candidate was in his/her position?).

Stage 2 – Following successful appointment

Key personnel will be required to:

1. Disclose any potential conflict of interests, which will be recorded in the AIFE's *Register of Declaration of Interests*
2. Sign a contract which requires them to maintain their status as a Fit and Proper Person, as required by TEQSA
3. Ensure the FPP form is accurate and current.

The flow chart below depicts the due diligence process described above.



Third-Party Partnerships

Prior to entering into a contractual agreement with a third party, regardless of whether or not the third party is a related entity, the following due diligence will be undertaken by AIFE:

1. **Confirm** through public sources, such as [ASIC Connect](#) and the [ACCC Public Register](#), the entity's history and track record in providing services to the education and non-education sectors

2. **Check** the FPP declarations of all governance members and persons in a position to have an impact on the higher education to be delivered or who are involved in substantial decision making
3. **Verify** the financial standing of the entity through examination of the last three years of audited financial statements, including any history of bankruptcy
4. **Assess** staff members' CVs to ensure they have the appropriate profile and the capacity to deliver higher education
5. **Review** the administrative capability, including the entity's staffing structure and systems.

As part of formalising the contractual arrangements, the third party entity's governance members and any other personnel, who make decisions that have a substantial an impact on the higher education to be delivered, will have to complete a TEQSA FPP form.

Responsibilities

All key personnel are responsible for:

- Completing the FPP form as accurately as possible
- Informing the relevant governing body of any change in their circumstance that may affect their fitness and propriety. The relevant bodies are:
 - The Chair of the Board of Directors, on behalf of the Board of Directors, if the person concerned is: (1) a member of any of AIFE's governing bodies, (2) the Academic Board Chair, or (3) the Chief Executive Officer or a person in a third-party entity with substantial decision-making authority, and
 - the Chair Academic Board, on behalf of the Academic Board, if the person concerned is the Dean.
- Completing a new FPP form, if there is a change in circumstances that affects the accuracy of a previously completed FPP form
- Completing a new FPP form annually.

The Board of Directors and the Academic Board are responsible for assuring themselves that all key personnel are fit and proper.

The Chief Executive Officer is responsible for assuring that all key personnel in a third-party entity are fit and proper.

All staff are responsible for making a disclosure to the relevant body if they become aware that the circumstances of any key personnel have changed requiring them to complete a new FPP form:

- The Chair of the Board of Directors if the key personnel is (1) a member of any AIFE's governing bodies or (2) the Chair of the Academic Board or (3) the Chief Executive Officer
- The Chair of the Academic Board if the person concerned is the Dean.

Definitions

For the purposes of this Policy and Procedure, the following terms are defined as follows:

Articulation partner	A provider with whom AIFE has an agreement which will enable a student who has completed a course with the other provider to be admitted to one of AIFE's course with or without credit
Governing Bodies	Means the Board of Directors and its sub-committees, and the Academic Board and its sub-committees
Provider	A TEQSA-registered "Institute of Higher Education" or an ASQA-registered Registered Training Organisation or a recognised overseas/international provider
Key personnel	Any members of AIFE's governing bodies, the Chief Executive Officer, the Dean or other persons in a position to influence AIFE's operations

Version history

Version #	Changes	Approval Body	Approval Date
1.0	New policy	Board of Directors	11 October 2021

Additional Information

Policy Status	Approved
Policy Owner	CEO
Next Review Date	3 years from Approval Date
Related Internal Documents	Conflict of Interest Policy and Procedure
Higher Education Standards Framework (Threshold Standards) 2022	Standards 6.1.1
Other legislative or regulatory instruments	Not applicable

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