



# Guide for CRICOS providers undertaking an independent external audit

## Purpose

This guide sets out TEQSA's expectations for the independent external audit (external audit) process for providers with self-accrediting authority (SAA) applying to renew their CRICOS registration.

Standard 11.4 of the *National Code of Practice for Providers of Education and Training to Overseas Students 2018* (National Code) requires providers with SAA to undertake an external audit no more than 18 months prior to applying to renew their CRICOS registration. The purpose of this guide is to support providers in meeting this requirement, provide advice on best practice for this process, and highlight common issues TEQSA has observed in this area.

## External audit report

The results of the external audit should be outlined in a report (audit report) that includes the findings, conclusions, and recommendations of the auditors. The audit report informs TEQSA's assessment of the application for re-registration.

The report should:

- outline the scope of the audit, specifying what the audit will include and exclude
- outline the methodologies of the audit (such as policies and internal reviews, interviews of staff, verifying student files) and provide a rationale explaining why the methodology is fit-for-purpose
- identify the policies, procedures and processes used by the provider to manage compliance with the *Education Services for Overseas Students Act 2000* (ESOS Act) and National Code
- assess the provider's implementation of its policies, procedures, and processes against the requirements of the ESOS Act and National Code
- detail areas of non-compliance, risks of non-compliance, and the risks that arise from these areas of non-compliance.

When applying for renewal of CRICOS registration, providers should include an action plan, detailing the actions required to address any areas of non-compliance identified by the external audit, who is responsible for these actions and when they will be completed.



TEQSA recognises that providers may not always have completed all elements of their action plan prior to applying to TEQSA for re-registration. However, TEQSA expects providers to submit evidence of their capacity, resources, and approach to implementing the action plan within a reasonable time frame.

The audit report also offers an opportunity for providers to gain a better understanding of their regulatory obligations and to improve their internal quality assurance processes. Furthermore, the audit report and the provider's response to the findings in the report should enhance the quality of education and overall experience for overseas students at that institution.

## Identified issues

In the past, not all audit reports submitted to TEQSA have provided us with sufficient clarity to determine whether a provider is compliant with the requirements of the National Code. This can result from deficiencies in the external audit process or the report itself where:

- the scope of the external audit is not clearly outlined or is not sufficiently broad to demonstrate compliance with all requirements of the National Code
- the methodology of the external audit is not clearly explained to show how findings were made
- findings of compliance are made without reference to evidence
- findings of compliance are made without explaining how the evidence demonstrates compliance
- findings of compliance are made on the basis that a policy or procedure exists, without assessing whether it is fit-for-purpose and meets the requirements of all applicable National Code Standards
- responsibilities for key remedial actions are not clearly specified.

An audit report with one or more of these issues may result in TEQSA being unable to be satisfied that all standards have been met. In these circumstances TEQSA will request further evidence from the provider.

## What TEQSA will look for

TEQSA's ability to efficiently assess a provider's application for renewal of CRICOS registration is greatly assisted by a high-quality audit report. A high-quality report will include the following key information:

- the policies, procedures, processes and supporting documentation that the auditor has considered
- the basis for which the policies, procedures, processes and supporting documentation were selected as representative of the state of compliance with each Standard
- the types of evidence, including samples, assessed



- the findings of non-compliance or risks of non-compliance and how the provider’s action plan will fully address these risks.

When reviewing an audit report, TEQSA assesses the provider’s compliance with each of the 11 Standards of the National Code. The table at Figure 1 outlines, for each of the Standards, the key considerations and evidence that TEQSA recommends should be considered by the auditor to inform their assessment.

TEQSA considers Standards 2, 3, 4, 6, and 8 as critical to ensuring the quality of education delivered to overseas students. As such, TEQSA recommends that the external audit closely review these Standards and their associated risks to ensure each is fully satisfied.

TEQSA welcomes the diversity of educational delivery across the sector and recognises that the requirements of the ESOS Act and National Code can be met in different ways according to the circumstances of the provider. TEQSA’s approach is to ensure that the requirements of the ESOS Act and National Code are met, not to prescribe how they are met. If you are preparing an application for re-registration and are unsure about the forms of evidence to include, please contact the ESOS/CRICOS team at [cricos@teqsa.gov.au](mailto:cricos@teqsa.gov.au).

**Figure 1 – Key considerations and evidence for external audit**

Key considerations	Key evidence
<b>Standard 1</b>	
Marketing and recruitment policies, procedures, and processes that ensure the accuracy of: <ul style="list-style-type: none"> <li>• recruitment and marketing communications including social media,</li> <li>• information about onshore third-party providers</li> <li>• international student transfers</li> <li>• the publishing requirements for CRICOS registered name and registration number.</li> </ul>	Marketing materials, including: <ul style="list-style-type: none"> <li>• website links</li> <li>• course guides</li> <li>• promotional flyers</li> <li>• campus specific prospectuses</li> <li>• social media sites including Facebook, Instagram, You Tube and LinkedIn</li> <li>• onshore third-party provider/s materials.</li> </ul>
<b>Standard 2</b>	
Information about: <ul style="list-style-type: none"> <li>• admissions requirements</li> <li>• enrolment deferral, suspension, and cancellation</li> <li>• refunds</li> <li>• credit transfer, advanced standing, and articulation arrangements</li> <li>• Recognition of Prior Learning (RPL)</li> <li>• records management</li> <li>• work-integrated learning component, if applicable</li> <li>• welfare arrangements for younger overseas students, if applicable.</li> </ul> Additional supporting documentation may include: <ul style="list-style-type: none"> <li>• application forms</li> <li>• information for tuition fees and non-tuition fee charges</li> </ul>	Marketing materials, including: <ul style="list-style-type: none"> <li>• course-specific brochures</li> <li>• international student handbooks</li> <li>• course information on the provider’s website.</li> </ul> Sample of a valid number of student files to assess the consistent application of guidelines for: <ul style="list-style-type: none"> <li>• admissions, including English language pre-requisites</li> <li>• credit transfer and RPL</li> <li>• cohort tracking of student outcomes</li> </ul>



<ul style="list-style-type: none"> <li>processes for recording course credit on PRISMS and issuing CoEs with reduced course duration.</li> </ul>	<ul style="list-style-type: none"> <li>evidence of credit transfer and/or RPL precedent registers or database.</li> </ul>
<b>Standard 3</b>	
<p>Documents such as:</p> <ul style="list-style-type: none"> <li>current letter of offer template</li> <li>policy and procedure relating to offer acceptance for under 18 students, if applicable</li> <li>refund policy</li> <li>complaints and appeals policy.</li> </ul>	<p>Sample of a valid number of student files, including under 18s if applicable, to assess:</p> <ul style="list-style-type: none"> <li>the letters contain the requisite information</li> <li>refund policy matches conditions in letter of offer and reflect ESOS Act student and provider default provisions</li> </ul>
<b>Standard 4</b>	
<p>Documents that demonstrate compliance with the agent recruitment and management process, including:</p> <ul style="list-style-type: none"> <li>agent recruitment and management policy</li> <li>agent agreement template</li> <li>agent application forms,</li> <li>training and induction</li> <li>agent updates and meeting notes</li> <li>reports on performance indicators, such as enrolled students and success</li> <li>reports on corrective actions</li> <li>Board and Committee minutes and relevant agenda items on agent performance</li> <li>agent list on the provider's webpage and PRISMS agent list.</li> </ul>	<ul style="list-style-type: none"> <li>Sample recruitment applications and appointments</li> <li>Sample agent periodical review reports – including evidence that the provider took corrective action and/or terminated</li> <li>reports to Boards and Committees on agent management</li> <li>sample PRISMS reports with agent performance data, including the number and proportion of visa refusals per agent.</li> </ul>
<b>Standard 5</b>	
<p>Policies, procedures, and processes relating to under 18 student admissions, provider transfers, managing welfare arrangements for younger overseas students, working with children checks and/or other regulatory requirements relating to child welfare and protection:</p> <ul style="list-style-type: none"> <li>homestay agreements, policies, and processes for selecting, screening, and monitoring</li> <li>communication materials and resources</li> <li>age-appropriate orientation</li> <li>critical incident policy and procedures; provisions specific to under 18 students.</li> </ul>	<p>Sample of a valid number of under 18 student files:</p> <ul style="list-style-type: none"> <li>letter of offer</li> <li>parent or guardian consent</li> <li>Confirmation of Appropriate Accommodation and Welfare (CAAW) arrangements</li> <li>evidence that the Working with Children legislative requirements were met by provider staff, homestay hosts, as well as continued monitoring by the homestay provider and provider</li> <li>evidence of six-monthly reviews of homestay arrangements and</li> </ul>



	<p>follow up action if issues have been identified</p> <ul style="list-style-type: none"> <li>critical incident reports and register.</li> </ul>
<b>Standard 6</b>	
<p>Policy, procedures, processes, and information relating to student academic and non-academic support, managing student critical incidents and emergencies, ESOS training:</p> <ul style="list-style-type: none"> <li>orientation program, including slides, PowerPoint or Word document</li> <li>student handbooks and website information relating to pre-arrival information, health and well-being, counselling services, academic support, advocacy, complaints, facilities, accommodation, legal services, course progress requirements and international students' study expectations, adjusting to living in Australia, safety, working in Australia and employment rights and emergency contact details for assistance</li> <li>critical incident policy and procedure</li> <li>HR recruitment or training policies, ESOS training and/or induction manuals and examples of training undertaken.</li> </ul>	<ul style="list-style-type: none"> <li>internal reviews of student support services; uptake, experience</li> <li>critical incident reports and register</li> <li>samples of position descriptions or induction or training.</li> </ul>
<b>Standard 7</b>	
<p>Policy, procedures, and processes for overseas students transferring to and from the provider (including for under 18 students):</p> <ul style="list-style-type: none"> <li>international student transfer policy and procedure</li> <li>release letter templates, both for granting, refusing, and accepting a release</li> <li>process for complaints and appeals when a student is not granted a letter of release.</li> </ul>	<ul style="list-style-type: none"> <li>Sample of a valid number of student files to verify application of policy and procedure</li> <li>PRISMS report on students who have transferred between providers.</li> </ul>
<b>Standard 8</b>	
<p>Policy, procedures, and processes for course progression and monitoring academic progress and attendance, if applicable, managing students at risk, course rules and enrolment period extensions:</p> <ul style="list-style-type: none"> <li>course progression policy and procedure</li> <li>monitoring attendance policy and procedure</li> <li>processes to extend course duration,</li> <li>letter templates and examples, of warning/show cause letters for unsatisfactory course progress and attendance, if applicable.</li> </ul>	<ul style="list-style-type: none"> <li>Sample a valid number of student files to demonstrate course progression and attendance monitoring policy and procedures and the application of the CoE extension process</li> <li>Course progress review meeting minutes or committee meeting agendas and minutes</li> <li>PRISMS Student Course Variation (SCV) reports.</li> </ul>



Standard 9	
<p>Policy, procedures and processes for deferrals, leave of absence, or provider-initiated suspensions and cancellations:</p> <ul style="list-style-type: none"> <li>• change of enrolment policies and procedures</li> <li>• letter templates and examples of correspondence</li> <li>• process for reporting a SCV change to PRISMS.</li> </ul>	<ul style="list-style-type: none"> <li>• Sample a valid number of student files for students relating to deferrals and leave of absence, or provider-initiated suspension or cancellation.</li> <li>• PRISMS report on students who have deferred, been suspended, or had their enrolments cancelled</li> <li>• PRISMS Student Course Variation (SCV) reports.</li> </ul>
Standard 10	
<p>Policy, procedures and processes for complaints and appeals</p> <ul style="list-style-type: none"> <li>• complaints and appeals policy and procedure</li> <li>• information on how to lodge a complaint, as well as appeal avenues, both internal and external and links to the relevant policy and procedures</li> <li>• relevant committee meeting agendas and reports on complaints and/or appeals</li> <li>• letter templates and examples of correspondence used to advise students of outcomes of complaints and appeals.</li> </ul>	<ul style="list-style-type: none"> <li>• Sample valid number of student files involved in a complaint, internal and external appeal.</li> <li>• Complaints and appeals register that record outcomes.</li> </ul>
Standard 11	
<p>Policy and procedures to govern course design and delivery in alignment with requirements relating to third-party provider arrangements (TPA), mode of study, including limitations on online and work-based learning, course duration, full-time study load and the management of student capacity:</p> <ul style="list-style-type: none"> <li>• TPA service agreements</li> <li>• course design and delivery guidelines</li> <li>• Academic Board Committee agendas and minutes for consistent delivery of accredited courses by third-party providers including the provision of suitable resources and facilities</li> <li>• process for assessing and monitoring the maximum number of overseas students at each location.</li> </ul>	<ul style="list-style-type: none"> <li>• reports on periodic internal reviews of third-party providers.</li> </ul>

## Document history

Version #	Date	Key changes
1.0	14 October 2022	