



Controlled Entities Oversight and Reporting Procedure

Section 1 - Preamble

(1) This Procedure is effective from 28 March 2024.

Section 2 - Purpose

(2) This Procedure sets out operating practices and reporting requirements which apply to Deakin University controlled entities under University policy, consistent with good governance practice.

(3) The University is committed to clearly documenting its expectations in regard to the governance of controlled entities and to providing high quality, constructive oversight to assist those entities to fulfil their governance responsibilities.

(4) The University recognises that directors have a duty to act in the best interest of the entity to which they are appointed. This Procedure is designed to support directors of controlled entities to fulfil their duties through the application of good governance practices.

Section 3 - Scope

(5) Directors of boards of controlled entities must ensure that the requirements of this Procedure are met, alongside the board's obligations under legislation.

Section 4 - Policy

(6) This Procedure is pursuant to:

- a. the [Commercial Activities and Entities Policy](#)
- b. [Guidelines for Commercial Activities](#) in accordance with Part 6, Division 6 of the [Deakin University Act 2009 \(Vic\)](#)
- c. section 12 of the Voluntary Code of Best Practice for the Governance of Australian Public Universities 2018 regarding the oversight of controlled entities by the University's governing body.

Section 5 - Procedure

Board of directors of controlled entities

(7) As set out in clause 15 of the [Commercial Activities and Entities Policy](#), the directors of a controlled entity will oversee its activities.

(8) The board of a controlled entity will be constituted so that the combined membership has the skills, knowledge and experience necessary to provide proper stewardship and control of the entity.

(9) The board of a controlled entity is responsible for ensuring that the entity has:

- a. a clear corporate and business strategy which sets out the entity's long-term objectives
- b. an annual business plan and budget containing achievable and measurable performance targets
- c. risk management and compliance processes that are consistent with the University's Risk Appetite Statement and risk management framework
- d. appropriate remuneration arrangements for senior officers, aligned to achievement and performance against the business strategy
- e. insurance cover suitable to the entity's operations and to indemnify directors acting in good faith and the professional discharge of their duties (which may be covered by the University's insurance program)
- f. induction and director training programs to support directors' awareness and fulfilment of their responsibilities, which may include or build on training and support provided by the University.

(10) The board of a controlled entity must:

- a. monitor the full range of strategic and operational risks facing the entity
- b. notify the Deputy Vice-Chancellor, University Services of any sudden or significant risks arising, as soon as they are identified
- c. provide all information and input reasonably required by the University for its six monthly risk assessments of the entity.

(11) Board meetings must be held with appropriate frequency, with appropriate and timely written agenda, papers and minutes produced.

Terms of reference or objects

(12) The board of a controlled entity must have:

- a. a written terms of reference or objects
- b. a written statement of its own governance principles.

(13) The documents stipulated at clause 12 must:

- a. address the responsibilities of the board including all items set out at clauses 9 and 10
- b. clearly articulate the respective roles of the board and management of the entity
- c. be reviewed at least annually as part of the board's review of its own performance as set out at clause 17.

(14) For an incorporated entity, the entity's constitution must include:

- a. the terms of reference or objects
- b. the board's composition
- c. the term of office of directors.

Standards of conduct

(15) Directors of controlled entities must:

- a. comply with relevant University policies governing conduct, specifically:

- i. [Code of Conduct](#)
- ii. [Integrity policy](#)
- iii. [Declaration of Interest procedure](#)
- iv. [Insider Trading Prevention Policy](#)

b. complete training on items i-iv above where it is provided to directors by the University at the University's cost.

(16) Boards of controlled entities must ensure that the entity has policies, which it may adopt from the University, to govern the good management of the entity, including to:

- a. safeguard the integrity of financial reporting
- b. promote and protect workplace health and safety
- c. prevent fraud and corruption
- d. prevent sexual harm
- e. protect whistleblowers making protected disclosures
- f. protect and responsibly manage private information.

(17) Reports on controlled entities must be made to the University Council and relevant Committees, as set out in the table below:

REPORT	RESPONSIBILITY AND TIMING	REPORT ON TO COUNCIL
Regular Reports		
Annual Governance and Financial Statements Financial Statements for previous year Corporate Governance Statements Review by the board of its own performance Board membership and credentials and details of any appointments and cessations during the year	Reporting by the board of the controlled entity annually to the Finance and Business Affairs Committee (FBAC) meeting in February following conclusion of the reporting year.	Report to the March Council meeting (via FBAC Report).
Business Plan and Quarterly Progress Reports Annual draft Business Plan for the following year Quarterly reports on progress against Business Plan key performance indicators including financial performance, during the year	Submission of reports by the board of the controlled entity to FBAC as follows: Annual draft Business Plan to the FBAC meeting in October Quarterly reports in February (Q4 of previous year), May (Q1 of current year), September (Q2), October (Q3).	Report to the next available meeting of Council (via FBAC Report).
Risk Assessment Reports Mid and end-of-year reports of risk assessment of controlled entities	Reports by the Deputy Vice-Chancellor, University Services to the Audit and Risk Committee (ARC) at its meetings in February and September.	Report to Council at its meetings in March and September/October (via ARC Report).
Ad hoc Reports		
Report on outcome of any audit review	Reports on any audit reviews of a controlled entity will be considered by the next available meeting of the Audit and Risk Committee.	Report to the next available meeting of Council (via ARC Report).
Amendments to Constitution or equivalent document	Any amendment to the Constitution or equivalent document must be reported by the controlled entity to the next available meeting of FBAC.	Report to the next available meeting of Council (via FBAC Report).

(18) Reports must be provided to the relevant Committee Secretary:

- a. to timelines advised by the Secretary in the case of regular reports
- b. for consideration at the first available meeting of the relevant Committee in the case of ad hoc reports.

Company Secretary

(19) The Office of General Counsel will provide a Company Secretary for a University controlled entity, unless other arrangements are approved by the board and the Vice-Chancellor.

(20) The Company Secretary is responsible for ensuring that board procedures are followed and that all applicable laws are complied with.

(21) All directors must have access to the advice and services of the Company Secretary.

(22) The Office of General Counsel will maintain the following information on controlled entities:

- a. constitution, statement of objects or equivalent document
- b. the board's terms of reference or equivalent document
- c. the board's statement of its governance principles (corporate governance statement)
- d. company registration details as relevant, including ASIC lodgements
- e. list of directors, their credentials and terms of office
- f. board papers and minutes of meetings.

Section 6 - Definitions

(23) Refer to [Commercial Activities and Entities Policy](#).

Status and Details

Status	Current
Effective Date	28th March 2024
Review Date	28th March 2025
Approval Authority	University Council
Approval Date	26th March 2024
Expiry Date	To Be Advised
Responsible Executive	Kerrie Parker Deputy Vice-Chancellor, University Services dvc-us@deakin.edu.au
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