

# Controlled and Related Entities Procedure

## Section 1 - Purpose

(1) The purpose of this Procedure is to support the University of Canberra's (University) [Controlled and Related Entities Policy](#) and outline the process and requirements for the establishment and operation of controlled entities.

## Section 2 - Scope

(2) This Procedure applies to University staff, affiliates, and controlled entities, including the staff and affiliates of controlled entities.

## Section 3 - Policy

(3) Refer to [Controlled and Related Entities Policy](#).

## Section 4 - Procedure

### Establishing a Controlled Entity

(4) To establish a controlled entity the Chief Operating Officer and Vice-President Operations must be consulted, and each of:

- a. the relevant Deputy Vice-Chancellors, about the desirability of doing so; and
- b. the Chief Operating Officer and Vice-President Operations, about the appropriate structure of the controlled entity.

(5) A formal written proposal which complies with this Procedure must then be submitted to the Chief Operating Officer and Vice-President Operations and the relevant delegate under the [Delegations of Authority Policy](#).

(6) The written proposal must set out:

- a. how the controlled entity would align with the University's objectives and strategic priorities;
- b. why it is proposed to establish a controlled entity rather than the University itself conducting the business or using an alternative structure;
- c. an assessment of the risks and benefits to the University in establishing the controlled entity;
- d. the principal commercial and financial assumptions, including initial investment and any non-financial contribution by the University to the controlled entity, which must be prepared in consultation with each of the Chief Financial Officer and Commercial Director; and
- e. any legal or tax advice regarding the establishment of the controlled entity, which must be obtained from the University's Legal Office

(7) The relevant delegate, in consultation with the Chief Operating Officer and Vice-President Operations, will

determine whether to make a recommendation to Council to approve the proposed controlled entity.

## **Amendments to Constitution of a Controlled Entity**

(8) Constitutions of controlled entities must give the University the power to approve any amendments to the constitution of a controlled entity on the recommendation of its governing board.

(9) The controlled entity must not alter its constitution unless Council has, by resolution, authorised the alteration.

## **Remuneration and Benefits for Appointments to the Governing Board**

(10) Council must approve any remuneration payable to directors based on the advice of the governing board.

(11) Any benefits provided to directors, including remuneration, must be disclosed in the controlled entity's annual financial statements and reported to the University.

## **Winding Up of Controlled Entity**

(12) The winding up of a solvent controlled entity is a decision for Council, based on legal, tax, and other relevant advice.

(13) The Chief Operating Officer and Vice-President Operations must first be notified of any intention to wind up a controlled entity and the reasons for it.

(14) A proposal must then be prepared which sets out the reasons for the proposed winding up and includes all relevant financial, legal and other information to enable the Chief Operating Officer and Vice-President Operations to make a recommendation to Council.

## **Participating in a Related Entity**

(15) Before participating in a related entity, both of the following must be consulted about the desirability of doing so:

- a. the Chief Operating Officer and Vice-President Operations; and
- b. the relevant Deputy Vice-Chancellor or Vice-President.

(16) A formal written proposal which complies with this Procedure must then be submitted to the Chief Operating Officer and Vice-President Operations and the relevant delegate under the [Delegations of Authority Policy](#), and must set out:

- a. how the related entity would contribute to the University's objectives and strategic priorities; and
- b. the extent of University resources (including from a staffing perspective) that would be required to participate in the related entity.

(17) The relevant delegate, in consultation with the Chief Operating Officer and Vice-President Operations, will determine whether to approve the participation of the University in the proposed related entity.

# **Section 5 - Responsibilities**

Who	Responsibilities
Council	As set out above and as defined in the <a href="#">Controlled and Related Entities Policy</a> .

# Section 6 - Implementation and Reporting

## Reporting Requirements for a Controlled Entity

(18) The governing board of a controlled entity must, unless otherwise directed by Council, make an annual report to Council reporting on:

- a. strategic objectives and progress; and
- b. key developments, initiatives and opportunities.

(19) The governing board of a controlled entity must also report to the Finance Committee on an annual basis:

- a. the annual business plan for the forthcoming year (Nov); and
- b. the annual financial statements of the entity for the previous year and any accompanying audit report (Apr).

## Notification Requirements for a Controlled Entity

(20) A controlled entity must inform the Chief Operating Officer and Vice-President Operations as soon as possible after becoming aware of any of the following:

- a. a potential material risk exposure, financial or otherwise;
- b. changes of directors;
- c. identified conflicts of interests;
- d. proposed or actual related party transactions (including any proposed agreements with University staff);
- e. any indemnity or insurance against a liability given to a current or former officer;
- f. any benefits provided by the controlled entity to the University or a University staff member; and
- g. any changes to any previous such notification.

(21) A controlled entity must make its financial and other records available to the University's internal auditors upon request.

## Status and Details

<b>Status</b>	Current
<b>Effective Date</b>	20th March 2024
<b>Review Date</b>	8th December 2025
<b>Approval Authority</b>	Council
<b>Approval Date</b>	9th December 2022
<b>Expiry Date</b>	To Be Advised
<b>Custodian</b>	Jonathan Pheasant Chief Operating Officer and Vice-President Operations
<b>Responsible Manager</b>	Lauren Polis Director, Legal & Policy
<b>Author</b>	Lauren Polis Deputy General Counsel
<b>Enquiries Contact</b>	Nick Markesinis Policy Manager <hr/> Policy