

# Controlled Entity Rules

## Section 1 - Scope

(1) The Council of the University of New England ("University") has certain obligations under the [University of New England Act 1993](#) ("UNE Act") in respect of its Controlled Entities: see Section 16A of UNE Act.

(2) The UNE Act empowers the Council to make rules with respect to any matter that is required or permitted to be prescribed or that is necessary or convenient to be prescribed for the carrying out of or giving effect to the UNE Act: see Sections 29 and 28 of the UNE Act and Clause 25 of the [University of New England By-law 2005](#).

(3) Subject to paragraph 4, these rules apply in relation to the Controlled Entities of the University and bind the University and, to the extent possible under Section 29 of the UNE Act, also bind the officers, staff, contractors and other representatives of the University and its Controlled Entities.

(4) To the extent that there is any inconsistency between these Rules and the Constitution of a Controlled Entity, the Constitution will prevail.

## Section 2 - Principles

(5) The term "controlled entity" is defined in Section 16A(6) to mean a person, group of persons or body of which the University or Council has control within the meaning of a standard referred to in Section 39(1A) or 45A(1A) of the [Public Finance and Audit Act 1983](#).

(6) The Council makes the rules ("[Controlled Entity Rules](#)") set out below in relation to its Controlled Entities.

(7) If for any reason these [Controlled Entity Rules](#) do not take effect as rules under Section 29 of the UNE Act, then they will be deemed and construed as a policy made by the Council.

(8) Where the Council has a right, power or function in respect of a Controlled Entity, then the Council may delegate that right, power or function to the Vice-Chancellor and Chief Executive Officer. This includes without limitation the power to appoint and remove directors and other officers of a Controlled Entity. Without affecting the delegation from the Council to the Vice-Chancellor and Chief Executive Officer, the Vice-Chancellor and Chief Executive Officer may sub-delegate (and revoke) such a right, power or privilege to another person or body as the Vice-Chancellor and Chief Executive Officer sees fit.

(9) Controlled Entities may be established or acquired by the University for a variety of reasons including:

- a. to provide an appropriate governance framework for the management of specialised functions of the University, or
- b. to separate the management of non-core functions of the University from core functions; or
- c. to provide for a level of independence in the decision making or operation of a function of the University; or
- d. to enable the University to establish a more flexible operational environment for the purpose of the management of specific functions of the University; or
- e. to act as a holding entity for specific activities of the University.

(10) When establishing a Controlled Entity, it is the role of the University to set out the objectives of the controlled entity in the Constitution of that Controlled Entity.

(11) Subject to the obligations outlined in [Controlled Entity Rules](#) and [Guidelines](#), the UNE Act and the Constitution of the Controlled Entity, Controlled Entities are separate legal entities that will act to achieve the stated objectives outlined in the Constitution of the Controlled Entity. The University recognizes the need for Controlled Entities to act in accordance with the objects and requirement of their Constitutions.

## Section 3 - Rules

(12) The University will ensure, as far as is reasonably practicable:

- a. that the governing bodies of Controlled Entities:
  - i. possess the expertise and experience necessary to provide proper stewardship and control, and
  - ii. comprise, where possible, at least some members who are not members of the Council or members of staff, or students, of the University, and
  - iii. adopt and evaluate their own governance principles, and
  - iv. document, and keep updated, a corporate or business strategy containing achievable and measurable performance targets; and
- b. that a protocol is established regarding reporting by governing bodies of Controlled Entities to the Council.

(13) Controlled Entities will be structured, as far as reasonably practicable, in a manner that enables the controlled entity to:

- a. achieve the purpose(s) for which they were created; and
- b. comply with these [controlled entity rules](#).

(14) Controlled Entities will, as far as reasonably practicable, adopt report requirements that are in accordance with applicable accounting standards, and any other applicable standards.

(15) Controlled Entities will act within the scope of the University's rights, powers and obligations pursuant to the UNE Act with appropriate financial prudence.

(16) Controlled Entities will not exercise any function or engage in any activity that the University is not authorised by or under the UNE Act to exercise or engage in, except to the extent that the Council is permitted to do so by the Minister under Section 16A of the UNE Act.

(17) Controlled Entities will be required to have regard to the best interests of the University and any other shareholders in addition to meeting their own stated objectives and operational requirements.

(18) Controlled Entities will have regard to and act in a manner consistent with the University's strategic plan from time to time.

(19) Controlled Entities will operate in accordance with a standard of governance which meets the relevant legal requirements and community expectations, and which is in accordance with these [Controlled Entity Rules](#).

(20) Controlled Entities will not do or omit to do any action or thing that causes the University to be in breach of its obligations under the UNE Act or otherwise at law.

## Section 4 - Procedures

(21) The [Controlled Entity Guidelines](#) set out guidelines and administrative procedures that are to be observed in relation to these [Controlled Entity Rules](#).

(22) The Chief Financial Officer of the University has responsibility for managing implementation of and compliance with the [Controlled Entity Rules](#) and [Controlled Entity Guidelines](#).

(23) The Chief Legal and Governance Officer of the University has responsibility for advising the Council and University in relation to the [Controlled Entity Rules](#) and [Controlled Entity Guidelines](#).

## Status and Details

<b>Status</b>	Historic
<b>Effective Date</b>	27th July 2015
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<b>Approval Date</b>	24th February 2014
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<b>Unit Head</b>	Kate McNarn Director Governance and University Secretary
<b>Enquiries Contact</b>	Office of the Director Governance and University Secretary 0267732925

## Glossary Terms and Definitions

**"UNE Act"** - Is the University of New England Act 1993 (NSW).

**"Controlled Entity"** - Means a person, group of persons or body of which the University or Council has control within the meaning of a standard referred to in Section 39(1A) or 45A(1A) of the Public Finance and Audit Act 1983.