1.   WHAT IS GOVERNANCE?

Governance refers to the framework of rules, relationships, systems and processes by which an enterprise is directed, controlled and held to account and whereby authority within an organisation is exercised and maintained. It encompasses authority, accountability, stewardship and leadership, and direction and control exercised in any organisation.[1]

In the University context, the University Council ("the Council") is responsible for governance.

2.   THE PURPOSE OF THIS STATEMENT

The purpose of this statement is to assist the Council:

2.1   to communicate its commitment to effective governance[2];

2.2   to recognise the requirements of the University's enabling legislation;

2.3   to express all the common elements that underlie good governance [3]; and

2.4   to recognise the unique nature and purpose of the University.

3.   GOVERNANCE WITHIN THE UNIVERSITY

The University is established by an Act of State Parliament: *The University of Adelaide Act 1971 (SA) ("the Act").*

The Act sets out the key governance entities in the University (Council, Chancellor, Vice-Chancellor), as well as associated bodies such as the Graduate Association and the Adelaide University Union[4].

The Act provides the head powers for the Council to make statutes and rules [5] and by-laws[6] and provides for the University community to participate in the University's governance through the holding of an Annual Meeting[7].

The Act defines "*the University*" to consist of *"…the Council, members of academic staff, members of the general staff, graduates and students*".[8]

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[1] Standards Australia, *Good Governance Principles*, AS 8000-2003, 23 June 2003, 10–12 (*Governance Standards*);
G20/OECD, *Principles of Corporate Governance*, September 2015, 51–54; Australian Institute of Company Directors, 'Good Governance Principles and Guidance for Not-for-Profit Organisations' (2013) (*Principles and Guidance)* 12 [Principle 1].

[2] *Governance Principles* 10 [2.2.1].

[3] Ibid [2.2.2]; *Principles and Guidance* above n 1, 22 [Principle 3].

[4] *University of Adelaide Act 1971* (SA) s 21 ("*AU Act*").

[5] Ibid s 22.

[6] Ibid s 23.

[7] Ibid s 18.

[8] Ibid s 4(2)

4.   **THE OBJECT OF THE UNIVERSITY**

The object of the University is "*the advancement of learning and knowledge, including the provision of university education*"[9] ("the University's Object").

5.   **COUNCIL AS THE GOVERNING BODY**

The Council is established under the Act and its composition determined by Section 12 of the Act.

Membership of the Council and Terms of Office are prescribed by the Act.[10]

The Council's primary responsibilities are set out in *Section 9(1) and 9(2) of the Act.*

> *"Section 9 - Council to be Governing body*
>
> *9(1) The Council is the governing body of the University and has the following as its primary responsibilities:*
>
> a.   *appointing the Vice-Chancellor as the chief executive officer of the University, and monitoring his or her performance;*
>
> b.   *approving the mission and strategic direction of the University, as well as the annual budget and business plan;*
>
> c.   *overseeing and reviewing the management of the University and its performance;*
>
> d.   *establishing policy and procedural principles, consistent with legal requirements and community expectations;*
>
> e.   *approving and monitoring systems of control and accountability, including general overview of any entities controlled by the University (within the meaning of Section 50AA of the Corporations Act 2001);*
>
> f.   *overseeing and monitoring the assessment and management of risk across the University, including commercial undertakings;*
>
> g.   *overseeing and monitoring the academic activities of the University;*
>
> h.   *approving significant commercial activities of the University.*
>
> *9(2) – the Council must in all matters endeavour to advance the interests of the University."*

The Council approves the strategic direction of the University and monitors its performance.

Council Members have duties to exercise care and diligence, act in good faith and to manage potential and actual conflicts of interest. The conduct of Council Members is regulated by *Sections 15 to 17 of the Act.*

To achieve the University's Object, the University and the Council must together do all that is reasonably possible.

From a governance perspective this includes:

5.1   Recognising the role, powers and responsibilities of the Council as the governing body;[11]

5.2   Recognising the role, powers and responsibilities of the Chancellor;[12]

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[9] Ibid s 4A.

[10] Ibid s 12–12A.

[11] Ibid s 9.

[12] Ibid s 7, s 11(4)(a), s 12(1)(a).

5.3 Recognising the role and responsibilities of Council members;[13]

5.4 Recognising the role, powers and responsibilities of the Vice-Chancellor; [14]

5.5 Recognising the requirement that the Council and the selection committee[15] appoint members [16] who have a commitment to education and higher education in particular [17] and who have an understanding of and commitment to the principles of equal opportunity and social justice & access and equity; [18]

5.6 Recognising the need for an appropriate level of skills and experience to be represented on the Council to enable the Council to properly fulfil its responsibilities; [19]

5.7 Establishing, monitoring and maintaining its own system of reporting, management and maintenance of Council business including, where prudent, through Standing Committees of Council;

5.8 Establishing, monitoring and maintaining a system of review for its own effectiveness including with respect to performance of individual members as well as committees established by the Council;

5.9 Declaring, managing and monitoring potential conflicts of interest;[20]

5.10 Ensuring that the University manages and maintains systems that preserve and protect financial probity and internal controls;

5.11 Establishing the oversight and monitoring of risk across the University including for commercial undertakings;[21]

5.12 Establishing the oversight and monitoring of the University's academic activities; [22]

5.13 Ensuring that the University provides and monitors appropriate systems for preserving and protecting the interests and welfare of the *University Community* as that term is defined in the Act;[23]

5.14 Establishing "policy and procedural principles consistent with legal requirements and community expectations"; [24]

5.15 Overseeing and reviewing the management of the University and its performance [25] as well as appointing the Vice-Chancellor and monitoring and reviewing the performance of the Vice-Chancellor; [26]

5.16 Approving the mission and strategic direction of the University and the annual budget and business plan; [27]

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[13] Ibid s 12(2), ss 15–17A.

[14] Ibid s 8.

[15] Ibid s 12(1)(b).

[16] *UA Act* s 12(2) requires the Council 'as far as practicable, to be constituted of equal members of men and women.'

[17] Ibid s 12(2)(a).

[18] Ibid s 12(2)(b).

[19] *Governance Principles* above n 1, 15 [3.2 6]; *Principles and Guidance*, above n 1, 16 [Principle 2].

[20] Ibid 19 [3.2.13]; *UA Act* ss15–17.

[21] *UA Act* s 9(1)(f); *Principles and Guidance*, above n 1, 25 [Principle 4].

[22] Ibid s 9(1)(g).

[23] *UA Act* s 18 defines '*University Community*' as '*the Council, members of the academic staff, members of the general staff, graduates and students.*'

[24] Ibid s 9(1)(d).

[25] Ibid s 9(1)(c).

[26] Ibid s 9(1)(a).

[27] Ibid s 9(1)(b).

5.17   Protecting the University's proprietary interest in the official insignia; [28] and

5.18   Enhancing the interests of the University; [29]

5.19   Encouraging a culture within the University that is characterised by respect for individuals;

5.20   Encouraging the management of public and private funds to their highest and best use in pursuit of the statutory Object of the University.

5.21   Ensuring that the University identifies, monitors and manages ethical decision-making.

5.22   Giving due consideration to the identity and heritage of the University, its contribution in shaping South Australia and its benefactors and stakeholders.

6.   DELEGATION

Section 10 of *the Act* allows the Council by instrument in writing to delegate any of its powers or functions to the holder of an office or position within the University. However, this section does not authorise the Council to divest its principal responsibilities or any function of the Council that the Act clearly intended the Council to perform itself.

A power or function delegated by the Council to the Vice-Chancellor can be further delegated if the instrument of delegation allows it.

Delegations are a legal mechanism for permitting the exercise of powers by an entity where the powers are vested in another entity. The delegate exercises the power in their own right. Delegations of statutory powers can only occur where the law permits it.

Many functions exercised on a day to day basis do not involve the use of a delegation, but instead come from an entity's authority. Authority can arise from the nature of a role or position or entity, for example, the functions and duties set out in an individual's Position Description, or committee Terms of Reference, or from specific direction from a Policy.

Recognising that delegations and authorities are different, the University operates two separate databases, one for delegations and one for authorities. The delegations database contains the formal Instruments of Delegation that are necessary to give effect to a delegation under legislation.

The authorities database contains those authorities that arise from a position or policy. Delegations and authorities are governed by a Delegations and Authorities Framework.

7.   STANDING COMMITTEES

The Council has established Standing Committees and has approved their terms of reference.

The Committees are as follows.

7.1   Convenors' Committee

7.2   Academic Board

7.3   Special Degrees Committee

7.4   People and Culture Committee

7.5   Audit, Compliance and Risk Committee

7.6   Finance and Infrastructure Committee

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[28] Ibid s 5B(1).
[29] Ibid s 9(2).

7.7   Senior Executive Review Committee

7.8   Council Selection Committee

The committee structure serves two important purposes: to encourage and facilitate appropriate information sharing to enhance the performance of each committee; and to enhance communications as between the committees and the Council so that performance of the University overall is enhanced.

The Chairs of each of the Committees meet together regularly as the Convenors' Committee.

8.   ACADEMIC BOARD

The Act assumes the existence of the Academic Board.

The Chair of Academic Board is an ex officio member of Council[30].

Academic Board is the key body assisting the Council in the oversight and monitoring of academic governance and management of academic activities of the University. The work of the Academic Board is supported by an academic governance structure involving a number of sub-committees. These sub-committees support governance in the following key areas:

8.1   University Learning

8.2   University Research

8.3   Academic Program Entry and Approvals

8.4   Quality Enhancement

8.5   International Strategy

8.6   Faculty Boards (including student representatives).

9.   VICE-CHANCELLOR

The Council appoints the Vice-Chancellor[31] under Section 8(1)(a) of *the Act.*

The Vice-Chancellor "*is the principal academic and chief executive officer of the University, responsible to the Council for the academic standards, management and administration of the University.*" [32]

The Vice-Chancellor establishes an appropriate management structure in order to discharge the obligations of that Office.

10.   CONTROLLED ENTITIES

The University's controlled entities are listed below.

10.1.1   Adelaide Research and Innovation Pty Ltd

10.1.1.1   ACN 008 123 446

10.1.2   Adelaide Unicare Pty Ltd.

10.1.3   Martindale Holdings Pty Ltd

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[30] Ibid s 12(1)(aa).

[31] To accommodate international convention the title 'Vice-Chancellor' is now generally accompanied by the words "and President" immediately following. The title 'Vice-Chancellor and President' has been in conventional use since 2004.

[32] *UA Act* s 8(2).

10.1.4   National Wine Centre Pty Ltd

Each of these entities is subject to governance, monitoring and reporting requirements directed and reviewed by various Standing Committees of Council. Each entity also reports directly to one of the Vice-Presidents as shown in the Table below.

Name of Entity	Responsible Vice-President	Relevant reporting requirement	Key University Contact
Adelaide Research Innovation Pty Ltd (ARI) - ACN Pty Ltd	DVC&VP (Research)	Financial	Chief Financial Officer
Australian Centre for Plan functional Genomics Pty Ltd		Risk Insurance Notifiable event Internal Audit	General Counsel
Women's and Children's Health Research Institute Inc.			
Adelaide UniCare Pty Ltd	DVC&VP (Academic)	WorkCover	Associate Director HR
Martindale Holdings Pty Ltd	VP (Services and Resources) and Chief Operating Officer		
National Wine Centre Pty Ltd		WHS Due Diligence	Chair of University Health and Safety Committee (UHSC)

11.   ACCOUNTABILITY AND STRATEGIC PLANNING AND PERFORMANCE MONITORING

The University has developed and adopted a strategic plan, entitled 'Future Making'' ("the Plan").

The University has a coherent and transparent university-wide framework for performance monitoring, reporting, and planning which fulfils internal and external accountabilities and is consistent with good practice in Australian higher education and enables the University to:

- systematically monitor and report on outcomes against the University's objectives and targets;
- integrate planning and resource allocation cycles for the purposes of making realistic and informed decisions on the University's core business activities; and
- use its performance reports and plans as the principal tools to effectively oversee progress against its strategic directions, statutory obligations and quality improvements.

The University reviews performance and undertakes planning at all levels.

In accordance with best practice, the University ensures that good governance is part of its routine operations with the requirements of laws, regulations, Codes of best practice and organisational standards and conduct being integrated in the University's day to day practices and procedures.

A formal accountability framework is overseen by the Vice-Chancellor and President.

12.   POLICY FRAMEWORK

To manage internal governance, the Council has adopted the Adelaide Policy Framework that provides the operational structure for developing, implementing, reviewing and maintaining the University's policies and procedures in a form and manner consistent with best practice.

Under the Adelaide Policy Framework there are three categories of policies – governance, academic and management.

13. **GOVERNANCE POLICIES**

These are policies that underpin the University's governance and are approved by Council, unless otherwise delegated.

In addition to these policies, there are a number of specific commitments made by the University that influence its strategic direction and decision making - for example, the Dornwell Framework.

Reflecting the University's commitment to best practice and recognising the powers and responsibilities of the Council set out in *the Act*, Council has determined that certain key obligations shall be managed by and through the Council.

This includes policies that influence or direct the University on key strategic issues or are matters that warrant Council oversight or attention.

The rationale for determining how policies are classified is broad, and is based on a number of factors primarily (but not exclusively) found in Section 9 of the Act.

13.1 **The classification factors include:**

13.1.1 the potential for advancement of the University's core objectives arising from the policy;

13.1.2 where the subject matter is directly the responsible of the Council under Section 9 of the Act and the Council has not otherwise delegated it;

13.1.3 the relative importance of the subject matter;

13.1.4 the protection of proprietary interests of insignia in the University;

13.1.5 the preservation or protection of the University's name and reputation.

13.2 The following University policies are classified as Governance Policies and are subject to review and approval by the Council.

13.2.1 Risk Policy

13.2.2 Freedom of Information Policy

13.2.3 Legal Compliance Policy

13.2.4 Contracts and Agreements Policy

13.2.5 University-Owned Entities Policy

13.2.6 Fraud & Corruption Control Policy

13.2.7 Whistleblower Policy

13.2.8 Brand Policy

13.2.9 Endowment Fund and Equity Investments Policy

13.2.10 Liquidity Risk Management Policy

13.2.11 Interest Rate Risk Management Policy

13.2.12 Cash Investment Risk Management Policy

13.2.13 Credit Risk Management Policy

       13.2.14   Foreign Exchange Risk Management Policy

       13.2.15   Procedures for the Election of Student Representatives to Faculty Boards

       13.2.16   Chancellor Honorarium Policy

       13.2.17   Procedures for the Use of the University Seal and for the Execution of Documents

       13.2.18   Protocol for appointments by the University of Adelaide to the governing bodies of entities affiliated with, or operating to the benefit of, the university (not including controlled entities)

       13.2.19   Acknowledgement at Significant University Events of the Kaurna People and Their Land

14.   ACADEMIC POLICIES

Academic policies relate to the academic activities of the University. These polices are generally overseen by the Vice-Chancellor and President, the Deputy Vice-Chancellor and Vice President [Academic], the Deputy Vice-Chancellor and Vice President [Research], and Academic Board.

15.   MANAGEMENT POLICIES

These are policies that underpin the University's administrative and operational functions and include policies on the following management functions or areas; Student Administrative Services, Human Resources, Financial Services, Facilities and Infrastructure, Property and Technology and Library policies.

16.   RISK MANAGEMENT FRAMEWORK

The University's Risk Management Framework connects the University's governance structures with the management structures to clearly outline what is expected in order to preserve, protect and advance the University's position, how expectations are managed and monitored and what is required at individual and institutional levels.

Institutional obligations are underpinned by management structures and reporting as well as personal accountability statements and review processes relevant to each member of staff.

The Council has ultimate responsibility for identification and management of risk within the University and is supported in this responsibility by the Standing Committees and the Vice-Chancellor. The Vice-Chancellor and the senior executive supports the risk management task through each of the Divisions, led by the Vice-Presidents, so that risks are managed strategically and operationally.

For the University's Controlled Entities, the Board and Senior Management of each entity takes responsibility for managing their risks and liaises with the University-appointed Relationship Manager - customarily, a Vice-President.

The University has adopted the principles of risk management as set out in the International, Risk Management Standard - AS/NZS ISO 31000:2009 *Risk Management – Principles and guidelines*.

The Risk Policy formally affirms the University's strategic commitment to building a risk management culture in which risks and opportunities are identified and managed effectively. The University recognises that, in pursuing its strategic objectives, measured risk-taking is both acceptable and appropriate.

In pursuing its strategic objectives, the University accepts that measured risk-taking is both acceptable and appropriate. The University also acknowledges that accepting and tolerating risk is a necessary part of risk management.

Consistent with its statutory objective, the advancement of learning and knowledge is paramount in all endeavours.

17. **LEGAL COMPLIANCE FRAMEWORK**

The University has adopted a Legal Compliance Framework to establish a robust compliance culture. It includes the following features:

17.1   Legislation Directory - providing links to legislation relevant to a school or area and legal information resources;

17.2   Legislation update process – informing staff of relevant changes to State and Federal legislation that impact the University;

17.3   Legal Compliance Register - an on-line system used to record, notify and manage compliance matters; and

17.4   Annual compliance certification process - to formally demonstrate compliance with the law to regulators, funders and other partners.

18. **ACCOUNTABILITY**

The University is subject to external oversight through a number of mechanisms, and has developed its own internal processes to ensure that it maintains high standards of governance.

Under its Act, the University is required to provide to the Governor of South Australia, an Annual Report, including audited income and expenditure accounts. This report is also laid before Parliament.

External audits and reviews are conducted through both Commonwealth (Tertiary Education Quality and Standards Agency, National Health and Medical Research Council) and State (Auditor-General, ReturnToWorkSA) authorities.

Professional associations and accrediting bodies also monitor aspects of the University's operations.

The University receives grant funding from various sources and is required to report on the acquittal of funds received.

The conduct of employees is guided by an adopted Code of Conduct.

Both employees and contractors are 'public officers' for the purposes of the *Independent Commissioner Against Corruption Act 2012* (SA).

The University has established internal mechanisms to ensure accountability, including an internal audit program, regular reviews of Faculties and Schools, as well as an annual legislative compliance certification process and broad accountability reporting from heads of academic and administrative units, Faculty Deans and Vice-Presidents.

19. **REVIEW**

This Statement has been authorised by the Council. It will be reviewed at least every three years and is next due for review in *[insert month and year 3 years from date of approval]*.