

COUNCIL POLICIES

PREAMBLE

The Council shall educate itself regarding the values held by the persons it represents and shall act always under the influence of those values. The Council's education may be facilitated by (1) reviewing reports in the media, (2) studying responses in citizen questionnaires and comments by key informants, (3) discussions with elected representatives, consumers, and service providers, and (4) monitoring the demand and utilisation of services.

At least once a year, the Council disseminate a statement of its values and give an accounting of its financial resources and the extent to which these funds have been translated into services.

The over-riding function of Council is to formulate policies for the University. Governing bodies fall into the trap of reacting to management by engaging in approval exercises. In order to discharge our governance functions properly then policies have to be formulated so as to ensure that they become "parent to all executive action". Principles to be applied in that exercise are:

Explicitness: policies must be in written form;

Currency: only up-to-date policies work;

Literalness: policies must mean what they say;

Availability: to make a difference policies must be focussed into a single repository that has pre-eminence over other organisational documents;

Brevity: policies that are "too long" or "too many" are enemies of good leadership.

A common governance folly is to want to know everything that is going on in an organisation. It is the function of the Vice-Chancellor of the University to implement the Council's policies, and to be accountable to the Council for that implementation. Hence, monitoring principles are established.

An effective relationship between the Council and the Vice-Chancellor recognises that the work of the Council and of Vice-Chancellor are truly separate. Effectiveness calls for two strong, totally different responsibilities. Either party trying to do the other's job is interfering with effective operation. It is not the Council's task to save the Vice-Chancellor from the responsibilities of that job, nor is it the Vice-Chancellor's task to save the Council from the responsibilities of governing.

However, there must be mutual expectations: the Vice-Chancellor must be able to rely on the Council to confront and resolve issues of governance, whilst respectfully staying out of management. The Council must be able to rely on the Vice-Chancellor to confront and resolve issues of management whilst respectfully staying out of governance.

Council's leadership is discharged in simply doing the job. Quality of design is paramount. Individually, and as a collective we need vision, values and strategic mentality.

On the other hand, the Vice-Chancellor must be able to influence an organisational culture in which the University's impacts on the world are at least up to Council expectations, whilst setting high levels of ethics, prudence, creativity and concern for the development of people. Further, the Vice-Chancellor influences the Council towards greater integrity and capability for strategic leadership. The Council has the right to expect performance, honesty and straightforwardness in the Vice-Chancellor.

THE COUNCIL'S RESPONSIBILITY FOR ITSELF

Council members must bear responsibility for the integrity of governance. The Council is responsible for its own development, its own job design, its own discipline; and Council members who do not choose to accept this breadth of responsibility should resign. The VICE-CHANCELLOR should help the Council membership in attending meetings, exercising discipline, implementing governance methods, development, agendas and exercising a vision for the future, but the VICE-CHANCELLOR can only assist a body which has assumed responsibility for itself.

The strength of the Council arises from the diversity of views and experience which its members bring to the issues of policy directions and strategic planning. Disagreement and argument on such issues are to be welcomed as part of the process of intelligent, communicative, assertive and mentally healthy debate by members of a vigorous governing body.

Great care must be taken to avoid the disharmony and distrust which can arise from interpersonal difficulties. To avoid such problems Council will carefully plan its job performance as a Council; clarify tasks and off limit topics; avoid preoccupation with trivia, and minimise committees. A governing body must not allow individual proclivities to destroy the process.

The most effective way to achieve all of this "good process" is to formulate or codify explicit policies about process.

The second most important task of the Council then, is to set out explicit governing policies, as indicated above; and thirdly to ensure that the staff faithfully serves the Council's policies. To do the latter requires that we establish clear guidelines to ensure executive performance.

The attached documents are designed to cover all of these areas.

STATEMENT OF COUNCIL'S PRIMARY RESPONSIBILITIES

The Council adopts as its primary responsibilities:

- (a) appointing the Vice-Chancellor as the chief executive officer of the University, and monitoring his/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 controlled entities. A controlled entity is one that satisfies the test of control in s.50AA of the *Corporations Act*;
- (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.

While retaining its ultimate governance responsibilities, the University Council may have an appropriate system of delegations to ensure the effective discharge of these responsibilities.

GOVERNING MANNER

Council will approach its task in a prudent and ethical manner, consistent with its Code of Ethics, emphasising strategic leadership more than administrative detail, clear distinction of Council and staff roles, future rather than past or present; and proactivity rather than reactivity. In this spirit the Council will:

1. Keep its major involvement with the intended long-term impact of the organisation, not with the administrative or programmatic means of attaining those effects.
2. Direct, control, and inspire the organisation through the careful deliberation and establishment of policies. Policies will be statements of values or approaches which address (a) what benefits for which needs at what cost; (b) the boundaries of prudence and ethics to be observed by staff; (c) Council roles and responsibilities; and (d) the Council-Staff relationship.
3. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to attendance, policy making principles, respect of clarified roles, speaking with one voice, and self policing of Council tendencies to stray from rigorous governance.
4. Be accountable to the general public for competent, conscientious, and effective accomplishment of its obligations as a body. It will allow no officer, individual or committee of the Council to usurp this role or deter this discipline.
5. Be an initiator of policy and be responsible for its own performance.
6. Undertake to review its role and performance on an annual basis to ensure its compliance with the National Governance Protocols, the relevant legislation, to identify the needed skills and expertise and to address any issues relating to the execution of its responsibility for the governance of the University.
7. Ensure that its members have the necessary sets of skills required to fulfil their duties on Council, by providing new members receive an appropriate induction to their position on the University Council and that a professional development program is available to all members

COUNCIL MEETINGS

Council meetings are for the single purpose of getting the Council's job done!

1. Meetings are open to members of the University community (and no others,) except when Council is in executive session (dealing with Confidential Matters). Executive sessions will be used when the subject matter is related to litigation, personnel or commercial-in-confidence transactions.
2. Any member may request an executive session, but:
 - the reason must be stated;
 - the Council may include no one else, or anyone else it chooses;
 - authority to declare the session is vested in the Chancellor unless over-ridden by simple majority vote;
 - where possible, announcement of executive session should be on the published agenda.

Agenda Control: the Council has the sole authority over its own agenda. The Chancellor will exercise this control on behalf of Council, although any Council member (with agreement of the majority) can add or delete business from the agenda.

Material related to the Agenda will be given to Council members with adequate lead time for preparation.

Agenda Content: Only those issues which are within the Council's responsibility shall consume Council time. That is, the Council will work only on the Council's job, not on the Administration's jobs, though the Council may review Administration's performance against the Council policies at any time it wishes.

Council members are obligated to prepare for meetings and to participate productively in discussion, always within the boundaries of discipline established by Council.

COMMITTEE PRINCIPLES

The Council may, from time to time, establish committees to help carry out its responsibilities. To preserve Council holism, committees will be used sparingly only when other methods have been deemed inadequate.

Committees will be used so as to minimally interfere with the wholeness of the Council's job.

1. Council committees may not speak or act for the Council except when formally given such authority for specific and time-limited purposes. Such authority will be carefully stated in order not to conflict with authority delegated to the Vice-Chancellor.
2. Council committees are to help the Council to do its job, not to help the staff do its job. Committees will assist the Council chiefly by preparing policy alternatives and implications for Council deliberations. Council committees are not to be created by the Council to advise Staff.
3. Council committees cannot exercise authority over staff, and in keeping with the Council's focus on the future, committees will ordinarily have no direct dealings with current staff operations. Further, the Council will not impede its direct delegations to the Vice-Chancellor by requiring approval of a committee before an executive action.

VICE-CHANCELLOR'S RELATIONSHIP TO COUNCIL

To facilitate optimum effectiveness the Council's responsibility is to establish governing principles and policies of the University.

Implementation of Council's policies, and subsidiary policy development is left to the Vice-Chancellor.

Council policies are designed to direct the Vice-Chancellor to achieve certain results; and to constrain the Vice-Chancellor to act within acceptable boundaries of prudence and ethics.

All Council authority delegated to staff is delegated through the Vice-Chancellor, so that all authority and accountability of staff can be phrased as the authority and accountability of the Vice-Chancellor.

The Vice-Chancellor's performance will be considered synonymous with organisational performance as a whole and will be reviewed annually.

In accordance with same,

1. The Vice-Chancellor is authorised to establish all further policies, make all decisions, take all actions and develop all activities which are true to the Council's policies. The Council may, by expanding its policies, withdraw some delegations, but will respect the Vice-Chancellor's choices so long as the delegation continues. This does not prevent Council from obtaining information about activities in the delegated areas.
2. Only the Council, by majority vote, has authority over the Vice-Chancellor.
3. The Vice-Chancellor may not perform, allow or cause to be performed any act which is unlawful, insufficient to meet commonly accepted business and professional ethics or the "prudent person" test, in violation of funding source requirements or other regulatory bodies or contrary to explicit constraints imposed by Council.
4. Should the Vice-Chancellor deem it necessary to violate a Council policy he or she shall inform the Council. Informing is simply to guarantee no violation may be intentionally kept from the Council, not to request approval. Council response, either approving or disapproving, does not exempt the Vice-Chancellor from subsequent Council judgement of the action, nor does it curtail any executive decision.

With respect to providing information and advice to Council, the Vice-Chancellor may not cause or allow the Council to be uninformed or misinformed. Accordingly, he or she must:

1. Cause the Council to be aware of relevant trends, public events of the organisation, material external and internal changes, particularly changes in the assumptions upon which any Council policy has previously been established.
2. Submit the required monitoring data in a timely, accurate, and understandable fashion, *directly* addressing provisions of Council policies being monitored.
3. Marshall as many staff and external points of view, issues, and options as needed for fully informed Council choices.
4. Not present information in unnecessarily complex or lengthy form.

The Council will monitor the Vice Chancellor's performance in such a way as to have systematic assurance of policy compliance, yet leave the Council free to concentrate most of its time on creating the future rather than checking the past. To those ends, the Council's approach to monitoring will be based on its governance philosophy, and carried out in a relatively automatic way. *Council meetings are not, in general to be used for monitoring.*

1. The Council will monitor those matters which it has addressed ahead of time in explicit statements of policy. The purpose of monitoring is simply to determine whether Council policies are being met. Monitoring finds out whether ends are being achieved and limitations are being violated.

2. Monitoring will occur in any one or a combination of the following ways:

Internal Reports: periodic reports from the Vice-Chancellor to the Council;

External Reports: auditors, external assessors retained to answer certain monitoring questions;

Direct Inspection: Directors on a rotating basis selected by Council to select at random a policy for direct monitoring. The Vice-Chancellor will "walk through" implementation of the policy. Directors involved have only the authority to state whether in their opinion, the policy is being implemented.

3. Monitoring reports shall be received by Council as follows: Financial condition (Internal and External reports), monthly; Budget (Internal report), quarterly; Budget (Direct Inspection), annually; Protection of Assets (External Report), Indebtedness (Internal and External reports), Employee Protection (External report), annually.

HEAD OF THE OFFICE OF THE SECRETARIAT'S RELATIONSHIP TO COUNCIL

The Head, Office of the Secretariat will be responsible for coordination of the business of Council and its Committees and for providing or obtaining for Council advice on matters pertaining to the governance of the University.

In particular, the Head, Office of the Secretariat will be accountable through the Chancellor to the Council for:

- Providing or obtaining advice and interpretation, as appropriate, on all matters pertaining to the governance of the University, including legislative and constitutional issues
- coordination and integration of business papers for Council consideration
- management of the services provided to the Council
- preparation of policy on any matter as the Chancellor, Council or Vice-Chancellor may direct
- providing or obtaining advice on the impact of relevant legislation which affects the University, in particular the UNE Act and By-Laws
- providing or obtaining advice and interpretation of the rules, regulations and policies of the University
- preparation of reports, submissions, discussion papers and other documents

ADMINISTRATION AND FINANCIAL POLICY

The Vice-Chancellor shall operate policies and procedures that:

1. Ensure operational and administrative continuity.
2. Are known and available to employees.
3. Ensure long term financial strength of the University.

To assist with the above the Vice-Chancellor shall:

1. Ensure that an asset register is kept of all material assets and that appropriate security is in place.
2. Insure all material assets to 90% of replacement value. Ensure that public liability and workers compensation insurance are always in place.
3. Invest cash in accordance with the investment powers determined by the University of New England Act 1993.
4. Use Trust funds only for the purposes for which they are in trust.
5. Pay accounts as and when they are due.
6. Present at the end of each year a three year rolling budget and after approval bring material alterations or deviations to Council.
7. Prepare annual accounts in accordance with government legislation.
8. Organise for internal and external audits to be undertaken and appropriate internal control measures to be implemented.

REPORTING REQUIREMENTS FOR CONTROLLED ENTITIES

In keeping with the *University of New England Act 1993*, the *University Legislation Amendment Act 2004* and the National Governance Protocols, the University Council requires that each controlled entity of the University provides:

1. a copy of its Annual Report;
2. a copy of its Annual Financial Statement; and
3. a copy of its Audited Statement;

to the University Council or the Audit and Compliance Committee of Council or the Finance Committee of Council.

If not included in the above documents, each controlled entity will provide to the University Council, an annual statement containing:

- advice on the membership of its governing body, the qualifications of the members and how they were appointed to the governing body;
- a copy of the board's governing principles and how these are regularly evaluated; and
- a corporate and business strategy, including a business plan and containing achievable and measurable performance targets.