CONTROLLED ENTITY PROCEDURES 2012

Issued by: Chief Financial Officer

Date: 1 March 2012

Signature:

Name: Mark Easson

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1 Purpose and application

(1) These procedures are to give effect to the Controlled Entity Policy 2012 ("the **policy**").

(2) These procedures apply to the operation and management of all controlled entities.

2 Commencement

These procedures commence on 1 March 2012.

3 Interpretation

Words and phrases used in these procedures and not otherwise defined in this document have the meanings they have in the policy.

Note : See clause 6 of the policy.

4 Proposals to establish or acquire a controlled entity

(1) A proposal under clause 8 of the policy must be submitted to the relevant Deputy Vice Chancellor accompanied by the form set out in Schedule 1 to these procedures. The decision on relevant Deputy Vice-Chancellor will be made by the Vice-Chancellor, with the Provost having responsibility until a formal assignment is determined and communicated to SEG.

(2) Approved proposals must be submitted to the Office of General Counsel for advice on the steps necessary for implementation of the approved structure.

5 Reports and accounts of controlled entities

The annual report for Senate of a controlled entity must be in the form prescribed in Schedule 2 to these procedures.

NOTES

Controlled Entity Procedures 2012

Date adopted:

Date registered:

Date commenced: 1 March 2012

Administrator: Chief Financial Officer

Review date: 1 March 2017

Related documents:

Corporations Act 2001 (Cth)

University of Sydney Act 1989 (as amended) (NSW)
Public Finance and Audit Act 1983 (NSW)

Australian Accounting Standard AASB 127 *Consolidated and Separate Financial Statements*

Guidelines Concerning Commercial Activities
University of Sydney (Delegations of Authority – Administrative Functions) Rule 2010

Affiliates Policy
Code of Conduct – Staff
Controlled Entity Policy 2012
External Interests Policy 2010

AMENDMENT HISTORY

Provision	Amendment	Commencing

SCHEDULE 1

COVERING CHECKLIST FOR PROPOSAL FOR ESTABLISHMENT OR ACQUISITION OF CONTROLLED ENTITY

This form is to be completed and attached to the proposal, before submission to the relevant Deputy Vice-Chancellor.

Information to be provided in the Proposal	Proposal Reference	Comment (As appropriate)
The name of the controlled entity		
Details of the structure of the controlled entity		
Proposed members of the board, their expertise and experience		
Proposed obligations of members of the board		
Proposed role of the controlled entity, with specific reference to significant implications for the University		
An assessment of why it is preferable for the entity's proposed activities to be undertaken by a controlled entity rather than directly by the University		
Expected benefits from the creation or acquisition of the controlled entity (eg revenue streams, intellectual property, access to research results and commercialisation opportunities)		
Clear indication of the nature and value of the respective contributions to be made by the University and other stakeholders and whether they will change over time		
The method of reporting by the governing body of the controlled entity to the Senate		
Applicable milestones and internal reviews		

A detailed budget for the 12 months following creation/acquisition		
A summary of the estimated costs and resources for the first three years following creation/acquisition		
Details of an OH&S assessment, including any potentially adverse issues (acquisition only)		
Details of the entity's financial position and its record keeping and accounting practices. In relation to the latter, details of what changes, if any, would need to occur to bring the entity in line with University accounting practices (acquisition only)		
An assessment of benefits and risks to the University of the creation or acquisition of the controlled entity.		
Attach a copy or summary of any strategic plan for the proposed entity		

I have completed the attached proposal and in doing so have addressed all the relevant issues contained in checklist above. I support the creation/acquisition of the controlled entity	
Name of Proposer	**Signature and date**

Approval of the Chief Financial Officer.	
Name of CFO	**Signature and date**

I have reviewed the proposal and the completed checklist and in accordance with the Controlled Entity Policy and Controlled Entity Procedures :	
	Recommend the establishment/acquisition of the controlled entity
	Require additional Information or work to be performed (see below)
	Recommend that the controlled entity not be created /acquired
Name of Deputy Vice Chancellor	**Signature and Date**

Details of additional information or work required

For legal review – When completed this document must be submitted to the Office of General Counsel for advice on implementation.

SCHEDULE 2

CONTROLLED ENTITY ANNUAL REPORTS

Clause 11 of the *Controlled Entity Policy 2012* requires controlled entities to report to the relevant Deputy Vice-Chancellor. Reports must address each of the items specified below, either by providing the required information or providing an explanation of why it is not provided.

1. A review of performance of the past year, as measured against the entity's approved objectives and key financial and non financial performance indicators.
2. Current financial year or future year matters that influence the controlled entity's performance, including risks and opportunities and strategies adopted (or proposed) to manage them.
3. A prognosis of performance for the next year, and longer term if appropriate.
4. An assessment of the alignment between the controlled entity's objectives and the University's objectives.
5. An analysis of the material business risks faced by the controlled entity, a description of the risk profile and a summary of risk management strategies and practices including those related to fraud.
6. The annual audited financial statements (if not audited, then the board approved financial report) in the format prescribed by the Chief Financial Officer.
7. Financial targets and projections for a three year forecast.
8. A list of directors and the number of meetings each attended.
9. A description of major investing and financing activities.
10. Disclosure of all benefits provided to directors and all transactions with entities in which directors have a financial interest.
11. Details of any indemnity or insurance against a liability given to a current or former officer.

12. Disclosure of benefits provided to the University and to University staff (dollar value, description of the benefit and name of each recipient), (the latter may be necessary for fringe benefits tax purposes).
13. Details of any significant change in the commercial activity carried on and the risk of the commercial activity.
14. Disclosure of all agreements entered into with University staff.
15. Disclosure of any related party transactions.
16. Significant events that have occurred during the year.
17. Information about the controlled entity's subsidiaries (if any).
18. Certification that appropriate arrangements have been instituted to ensure that the entity complies with legal obligations relevant to its operations.
19. Certification that the entity complies with Controlled Entity Policy 2012.
20. Any other matters that the board considers relevant.

Submitted by (Name of entity)*:*

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Chair _____ *Date* _____