



GOOD GOVERNANCE HANDBOOK

IIBIT AHE PTY LTD
trading as

GLOBAL HIGHER EDUCATION (GHE)

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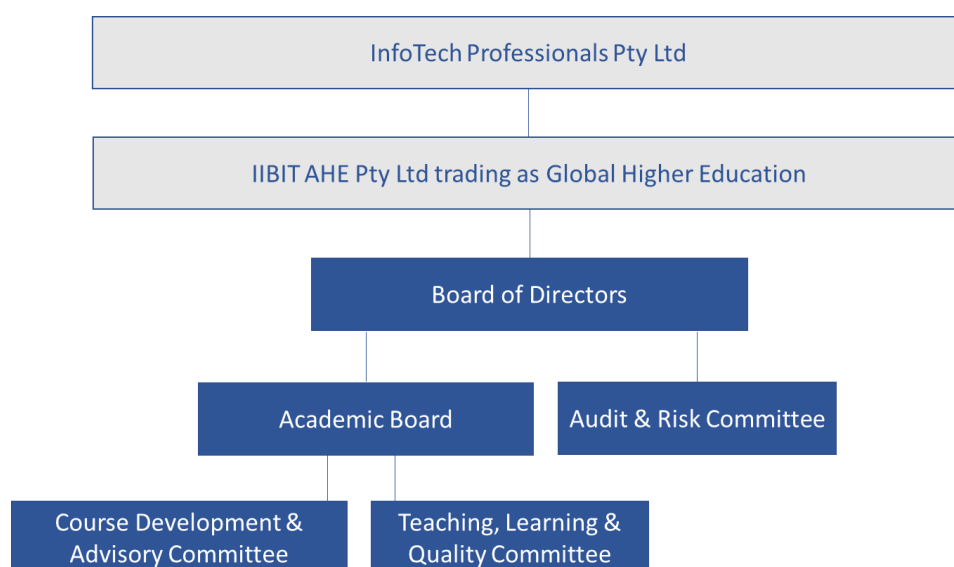
1 Introduction

IIBIT AHE Pty Ltd, trading as Global Higher Education (GHE), is a wholly owned subsidiary of Infotech Professionals Pty Ltd (ITP). The purpose of GHE is to deliver high quality higher education offerings in areas of long-standing expertise and market demand. To meet this purpose, GHE has applied for and been a registered as an Institute of Higher Education (PRV14041) as defined by the Tertiary Education Quality and Standards Agency (TEQSA) under the *Higher Education Standards Framework (Threshold Standards), 2021*.

The relationship between ITP, its 100% shareholder, and GHE is formalised via the Shareholder Framework. Its purpose is to provide transparency, role clarity, define responsibilities, strengthen corporate governance and mitigate risks of regulatory non-compliance. The Framework is a component of GHE's overall governance framework and was reached by consensus between the shareholder and the Board of Directors.

GHE's governance structure is summarised below in figure 1.

Figure 1: GHE Company and Governance Structure



Independent Directors, external members and staff who are members of GHE governance boards and committees need to demonstrate a commitment to educational values, a strong record of ethical behaviour and a relevant skill set including familiarity with legal requirements. Individuals holding these positions require an understanding of what it means to be a board or committee member and the significant responsibilities in relation to fulfilling governance obligations.

This handbook is an integral part of the governance induction process and provides the following information:

- a broad overview of key governance legislative requirements that apply to Directors only;
- an overview of features of good corporate governance practices for the information of all members of governance boards and committees.

This Good Governance Handbook was produced in house. It is largely based on text from the *Commonwealth Government's Corporate Governance Handbook for Organisation Directors and Committee Members A Reference Guide to Understanding the Serious Commitment of being an Organisation Director or Committee Member*, the *EFQM Excellence Model® Higher Education Version 2003* and the *TEQSA Guidance Note on Academic Governance* and the *TEQSA Guidance Note on Corporate Governance*.

2 Governance Overview

2.1 What is governance?

There are many definitions of governance. At GHE the following definition has been developed and followed:

Corporate and academic governance is the system of rules, practices and processes by which GHE is directed and controlled. Essentially it involves balancing the interests of GHE's many stakeholders, such as its owners, governance, management, students, industry, government and the community to ensure the future sustainability of GHE, compliance with Commonwealth and State laws and legislative instruments and guide the ongoing development of a quality culture with a student outcome focus.

2.2 Why is governance important?

Implementation and maintenance of good governance facilitates robust decision making and improves strategy, performance, compliance and accountability, and is characterised by ongoing monitoring and evaluation of both corporate and academic functions.

Good governance is an essential ingredient in corporate success and sustainable growth. Effective corporate governance helps an organisation to achieve its objectives and desired outcomes and fulfill its obligations through sound:

- strategic and business planning;
- risk management;
- financial management and reporting;
- human resource planning and control;
- compliance and accountability systems.

Good governance also helps provide a framework for establishing responsibility to the people served by GHE – its members, clients and other stakeholders including funding bodies.

2.3 Corporate and Academic Governance

Based on the TEQSA definition, corporate governance is broadly defined as the framework of structures, rules, relationships, systems and processes of an entity through which:

- corporate directions and targets are set;
- authority is delegated;
- organisational performance is monitored;
- risks are identified, managed and controlled;
- organisational accountability is maintained;
- corporate culture is developed and influenced.

Again, based on a TEQSA definition, academic governance is the framework of policies, structures, relationships, systems and processes that collectively provide leadership to and oversight of an education organisation's academic activities. Such activities include teaching, learning and scholarship, and research and research training (if applicable.) The collective oversight of the academic community is usually exercised through a single body (e.g. an academic board, with or without sub-committees) and/or a variety of other structures (e.g. faculty boards, teaching and learning committees and course advisory committees.

A degree of separation between corporate governance, academic governance and management is ideal, although some interdependency between these functions and executive management is required for coherency of governance overall. While corporate governance may therefore delegate defined academic functions to academic governance bodies such as Academic Board, corporate governance retains the ultimate responsibility for all governance functions.

3 Governance at GHE

3.1 Powers of the Board of Directors

The Shareholder Framework specifies that:

- *As per the company's constitution, the shareholder may appoint and remove the Board of Directors, usually via annual general meeting, or in the interim as required by resolution.*
- *To establish the Board, the Shareholder appoints one independent member as a Director and Inaugural Chair and two Shareholder representatives.*
- *The IIBIT AHE constitution provides that the Board itself may appoint and remove directors as set out in the Board Appointment, Renewal and Removal Policy subject to the total number not exceeding the maximum allowable within the Constitution.*
- *The Shareholder also has other functions usually specified in the constitution, including the power to amend the constitution, the right to vote in meetings of the members, including at general and special meetings. The AGM is the primary forum in which shareholders are expected to scrutinise the past performance and the future plans of the company as presented by the Board.*
- *The Board oversees the effective management of the company.*
- *The Company adheres to the specific requirements for Board composition under its constitution and the Higher Education Standards Framework (2021) and other legislative requirements as required.*
- *The Board provides regular reporting to the shareholders on key aspects of the performance, activities and future plans of the Company. Typically, this will be quarterly or interim as appropriate.*
- *The shareholder, beyond appointment of the inaugural Director and Chair of the Academic Board, and the two Shareholder Representatives, does not seek to involve itself directly in the governance of the company.*
- *Directors, appointed by the shareholders recognise their duty to act in the best interests of the Company, rather than in the interests of the shareholders or specific shareholders.*

Key Reference Documents

- | | |
|--|---|
| <ul style="list-style-type: none">• IIBIT AHE Pty Ltd Constitution• Shareholder Framework• Delegation of Authority Policy and Schedule | <ul style="list-style-type: none">• Governance Framework including Terms of Reference for:<ul style="list-style-type: none">○ Board of Directors;○ Audit and Risk Committee;○ Academic Board;○ Course Development and Advisory Committee;○ Teaching, Learning and Quality Committee |
|--|---|

4 Common Law Requirements

Directors need to familiarise themselves with relevant requirements established under other laws including Common Law. These are summarised below.

4.1 Care and diligence

Directors and other officers must exercise their powers and discharge their duties with the degree of care and diligence that a reasonable person would exercise. A Director or other officer who makes a business judgment will be deemed to have met this requirement (and their equivalent duties at Common Law and in equity) in respect of the judgment if they:

- make the judgment in good faith for a proper purpose;
- do not have a material personal interest in the subject matter of the judgment;
- inform themselves about the subject matter of the judgment to the extent they reasonably believe to be appropriate;
- rationally believe that the judgment is in the best interests of the organisation.

4.2 Good faith

Directors and other officers must exercise their powers and discharge their duties in good faith in the best interests of the organisation and for a proper purpose.

4.3 Use of position

Directors, the Secretary, other officers and employees, must not improperly use their position to gain an advantage for themselves or someone else or cause detriment to the organisation.

4.4 Use of information

Directors, or other officers and employees who obtain information because they are, or have been, a Director or other officer or employee of an organisation must not improperly use information to gain an advantage for themselves or someone else or cause detriment to the organisation.

4.5 Good faith, use of position and use of information (Criminal Offences)

Directors, or other officers and employees as applicable under relevant provisions of the *Corporations Act 2001* commit an offence, where they:

- are reckless or are intentionally dishonest;
- fail to exercise their powers and discharge their duties in good faith in the best interests of the organisation or for a proper purpose;
- use their position dishonestly with the intention of directly or indirectly gaining an advantage for themselves, or someone else, or causing detriment to the organisation; or recklessly as to whether the use may result in themselves or someone else directly or indirectly gaining an advantage, or in causing detriment to the organisation;
- obtain information because of their role with the organisation and use the information dishonestly with the intention of directly or indirectly gaining an advantage for themselves, or someone else, or causing detriment to the organisation; or recklessly as to whether the use may result in themselves or someone else directly or indirectly gaining an advantage, or in causing detriment to GHE.

4.6 Reliance on information or advice provided by others

Directors or other officers and employees may rely on information or professional or expert advice. Reliance on the information or advice will be taken to be reasonable unless the contrary is proved, where:

- the preparer of the information or advice is a reliable and competent employee or professional adviser or expert, another Director in relation to matters within the board's authority on which the owner of Director did not serve in relation to matters within the board's authority; and
- the reliance is made in good faith and after making an independent assessment of the information or advice, having regard to the owner of Director's knowledge of the GHE and the complexity of the structure and operations of the organisation.

4.7 Responsibility for the actions of a delegate where power is delegated

The board is responsible for the exercise of the power by the delegate as if the power had been exercised by the board itself. The board may rely on the actions of a delegate if:

- they believed on reasonable grounds at all times that the delegate would exercise the power in conformity with the duties imposed on the Board by the *Corporations Act 2001* and the organisation's Constitution;
- they believed on reasonable grounds and in good faith and after making proper inquiry, if the circumstances indicated the need for inquiry; and
- that the delegate was reliable and competent in relation to the power delegated.

4.8 Material personal interest (Duty to Disclose)

A Director has a duty to notify other Directors of a material personal interest that relates to the affairs of the organisation when conflict arises. It is also prudent to ensure that notification is documented in the minutes of relevant board meetings. In addition, the conflict of interest should be recorded in GHE's Register of Conflicts of Interest which is maintained by the Governance Officer.

A Director who has a material personal interest in a matter that is being considered at a meeting must not be present while the matter is being considered at the meeting, or vote on the matter, unless participation is approved in accordance with relevant provisions of the *Corporations Act 2001*.

4.9 Disqualification from managing companies (Owners)

Under the *Corporation Act 2001* there are four scenarios where a person becomes disqualified from managing companies:

1. Where a person is convicted under any of the following circumstances, they are disqualified from managing an organisation for a period of five (5) years:
 - on indictment of an offence that concerns the making, or participation in making, of decisions that affect the whole or a substantial part of the business of the organisation, or concerns an act that has the capacity to affect significantly the organisation's financial standing;
 - as a result of an offence that is a contravention of the *Corporations Act 2001* or involves dishonesty and is punishable by imprisonment for a minimum prescribed period; or – as a result of an offence against the law of a foreign country that is punishable by imprisonment for a prescribed period;
 - where a person is an undischarged bankrupt under the law of Australia, its external territories or another country.
2. In addition, a person is disqualified from managing organisations if the person has executed a personal insolvency agreement under the *Bankruptcy Act 1966* or a similar law of an external Territory or a foreign country, and the terms of the agreement have not been fully complied with.
3. If the person is disqualified under an order made by a court of a foreign jurisdiction that is in force, from being a Director of a foreign organisation, or being concerned in the management of a foreign organisation.
4. If a person is, at the time, disqualified from managing Aboriginal and Torres Strait Islander organisations under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

4.10 Duty to prevent insolvent trading

The Board of Directors has responsibility to prevent insolvent trading by GHE. The failure of a Director to prevent insolvent trading may result in personal liability for compensation equal to the amount of that loss or damage where:

- a person is an Owner at the time when GHE incurs a debt;
- GHE is insolvent at that time, or becomes insolvent by incurring that debt, or by incurring at that time debts including that debt;
- at that time, there are reasonable grounds for suspecting that GHE may be insolvent, or would become insolvent, as the case may be;
- GHE is, at the time the debt is incurred, or becomes at a later time, a corporation to which the relevant provisions of the *Corporations Act 2001* apply.

4.11 Other general governance responsibilities

Directors should familiarise themselves with all relevant legal governance responsibilities. There are a number of other governance responsibilities under the *Corporations Act 2001* and while these additional governance responsibilities are not considered in further detail within this Handbook, examples of requirements or topic areas are listed below.

- Appointment of Directors, including the Chair.
- Conduct of Board Meetings, and General and Special Meetings.;

- Recording of Minutes and Resolutions, and members' access to Minutes.
- Delegations.
- The articulation and use of the organisation name including the inclusion or exclusion of the word 'Limited'.
- Maintaining a Register of Members.
- Adoption of a Constitution, Replaceable Rules or a combination of each one.
- Related parties and financial benefits.
- Receipt, review and lodgement of an Annual Statement with the Australian Securities and Investment Commission (ASIC).
- Appointment of an Organisation Auditor.
- Accounting records and Annual Audited Financial Statements.
- Provision of a copy of Financial Statements and Reports to members, unless a member has waived that right.
- Lodgement of notices of changes to officeholders, the Constitution or Rules etc. to ASIC/TEQSA/ASQA.

Key Reference Documents (4.1-4.11)

- | | |
|--|-----------------------|
| • Governance Framework (including all ToR) | • Financial Framework |
|--|-----------------------|

5 TEQSA Governance Requirements

5.1 Corporate Governance

The overall intent of the corporate governance standards within the *Higher Education Standards Framework (Threshold Standards) 2021* is to establish a corporate governing body that has certain specified characteristics, such as the inclusion of independent members (Directors) that are competent to undertake governance roles.

The governing body is accountable for the direction setting and oversight of the organisation as a whole. This makes the Standards for corporate governance the overarching level of Standards in the HES Framework. The Standards require the governing body to address particular aspects of the governing body's own performance and behaviour, including obtaining advice as needed to make informed decisions and formally delegating authority (e.g. to the organisation's executive) as it sees fit.

The Standards also encompass a series of specific corporate requirements that the governing body must be able to demonstrate and assure itself about as part of its corporate accountabilities as outlined below.

- Directors of the governing body are fit and proper persons, meet Australian residency requirements, if any, of the instrument under which the organisation is established or incorporated, or otherwise there are at least two members of the governing body who are ordinarily resident in Australia.
- The governing body attends to governance functions and processes diligently and effectively, including:
 - obtaining and using such information and advice, including independent advice and academic advice, as is necessary for informed and competent decision making and direction setting;
 - defining roles and delegating authority as is necessary for effective governance, policy development and management; and monitoring the implementation of those delegations;
 - confirming that the provision of higher education and research training and the conduct of research, whether by the organisation or through an arrangement with another party, are governed by the registered organisation's institutional policies, and the operations of the organisation and any associated party(ies) are consistent with those policies;

- undertaking periodic (at least every seven years) independent reviews of the effectiveness of the governing body and academic governance processes and ensuring that the findings of such reviews are considered by a competent body or officer(s) and that agreed actions are implemented;
 - maintaining a true record of the business of the governing body;
 - the governing body takes steps to develop and maintain an institutional environment in which freedom of intellectual inquiry is upheld and protected, students and staff are treated equitably, the wellbeing of students and staff is fostered, informed decision making by students is supported and students have opportunities to participate in the deliberative and decision-making processes of the higher education organisation.
- The organisation is able to demonstrate, and the corporate governing body assures itself, that the organisation is operating effectively and sustainably, including:
 - the governing body and the entity comply with the requirements of the legislation under which the organisation is established, recognised or incorporated, any other legislative requirements and the entity's constitution or equivalent;
 - the organisation's future directions in higher education have been determined, realistic performance targets have been established, progress against targets is monitored and action is taken to correct underperformance;
 - the organisation is financially viable and applies, and has the capacity to continue to apply, sufficient financial and other resources to maintain the viability of the entity and its business model, to meet and continue to meet the requirements of the Higher Education Standards Framework, to achieve the organisation's higher education objectives and performance targets and to sustain the quality of higher education that is offered;
 - the financial position, financial performance and cash flows of the entity are monitored regularly and understood, financial reporting is materially accurate, financial management meets Australian accounting standards, effective financial safeguards and controls are operating and financial statements are audited independently by a qualified auditor against Australian accounting and auditing standards;
 - risks to higher education operations have been identified and material risks are being managed and mitigated effectively;
 - mechanisms for competent academic governance and leadership of higher education provision and other academic activities have been implemented and these are operating according to an institutional academic governance policy framework and are effective in maintaining the quality of higher education offered;
 - educational policies and practices support participation by Aboriginal and Torres Strait Islander people and are sensitive to Aboriginal and Torres Strait Islander knowledge and cultures;
 - qualifications are awarded legitimately;
 - there are credible business continuity plans and adequately resourced financial and tuition safeguards to mitigate disadvantage to students who are unable to progress in a course of study due to unexpected changes to the higher education organisation's operations, including if the organisation is unable to provide a course of study, ceases to operate as an organisation, loses professional accreditation for a course of study or is otherwise not able to offer a course of study;
 - the occurrence and nature of formal complaints, allegations of misconduct, breaches of academic or research integrity and critical incidents are monitored and action is taken to address underlying causes;
 - lapses in compliance with the HESF are identified and monitored, and prompt corrective action is taken.

The governing body is also accountable for periodic independent reviews and improvement of the effectiveness of the organisation's governance systems.

5.2 Academic governance

The overall intent of the Standards (as reflected in 6.3.1) is to establish a system of academic governance that will provide competent academic oversight and monitoring of all academic activities at the institutional level. This overarching arrangement encompasses but extends beyond local monitoring of an individual program or subject of study, e.g. by subject coordinators, up to the institutional level.

The following are required as part of this system.

- Processes and structures are established and responsibilities are assigned that collectively:
 - achieve effective academic oversight of the quality of teaching, learning, research and research training;
 - set and monitor institutional benchmarks for academic quality and outcomes;
 - establish and maintain academic leadership at an institutional level, consistent with the types and levels of higher education offered;
 - provide competent advice to the corporate governing body and management on academic matters, including advice on academic outcomes, policies and practices.
- Academic oversight assures the quality of teaching, learning, research and research training effectively, including by:
 - developing, monitoring and reviewing academic policies and their effectiveness;
 - confirming that delegations of academic authority are implemented;
 - critically scrutinising, approving and, if authority to self-accredit is held, accrediting or advising on approving and accrediting, courses of study and their associated qualifications;
 - maintaining oversight of academic and research integrity, including monitoring of potential risks;
 - monitoring and initiating action to improve performance against institutional benchmarks for academic quality and outcomes;
 - critically evaluating the quality and effectiveness of educational innovations or proposals for innovations;
 - evaluating the effectiveness of institutional monitoring, review and improvement of academic activities;
 - monitoring and reporting to the corporate governing body on the quality of teaching, learning, research and research training.

Key Reference Documents

Delegation of Authority Policy and Schedule

- Governance Framework (including all ToR)

5.3 Fit and proper person requirements

Under the *Higher Education Standards Framework (Threshold Standards) 2021* and the *Education Services for Overseas Students Act 2000* all Board and Committee members must complete a Fit and Proper Person Declaration. These requirements are also set out in *the Fit and Proper Person Specified Matters 2012* legislative instrument. Under this instrument two criteria are assessed: matters in relation to a body corporate and matters in relation to a person who makes, or participates in making decisions that affect the whole, or a substantial part of the body's affairs.

Matters in relation to a body corporate

The deliberating authority/agency will consider:

- whether the body corporate has ever had a condition imposed on its approval as a higher education organisation or VET organisation;
- whether the body corporate has ever breached a condition of approval as a higher education organisation or a VET organisation; and
- whether the body corporate has ever breached a requirement under Division 19 of the Act or Division 4 of Schedule 1A to the Act;

- whether the body corporate has been suspended or has ceased to be a higher education organisation under Division 22 of the Act or a VET organisation under Division 5 of Schedule 1A to the Act;
- whether the body corporate has ever become insolvent, applied to take the benefit of a law for the benefit of insolvent debtors, or entered arrangements with its creditors;
- whether the body corporate has ever provided the Minister with false or misleading information or made a false or misleading statement to the Minister, and whether the body corporate could have reasonably known that the statement made or information provided to the Minister was false or misleading;
- whether the body corporate has ever been found not to be a fit and proper person for the purposes of the *Education Services for Overseas Students Act 2000*, the *National Vocational Education and Training Regulator Act 2011*, the *Tertiary Education Quality and Standards Agency Act 2011*, the Act or by a VET Regulator;
- any other relevant matter relating to the body corporate’s business dealings.

Matters in relation to a person who makes, or participates in making decisions that affect the whole, or a substantial part of the body’s affairs

The deliberating authority/agency will consider:

- whether the person has ever become bankrupt, applied to take the benefit of a law for the benefit of bankrupt or insolvent debtors, compounded with his or her creditors or assigned his or her remuneration for the benefit of creditors;
- whether the person has ever been disqualified from managing corporations under Part 2D.6 of the *Corporations Act 2001*;
- whether the person has previously been involved with a higher education organisation, who had a condition imposed, breached a condition or breached a requirement under Division 19, or a VET organisation who had a condition imposed, breached a condition or breached a requirement under Division 4 of Schedule 1A to the Act;
- whether the person has previously been involved with a higher education organisation, who has had their approval revoked under Division 22 of the Act, or a VET organisation who has had their approval revoked under Division 5 of Schedule 1A to the Act;
- whether the person has ever provided the Minister with false or misleading information or made a false or misleading statement to the Minister, and whether the person could have reasonable known that the statement made or information provided to the Minister was false or misleading;
- whether the person has ever been found not to be a fit and proper person for the purposes of the *Education Services for Overseas Students Act 2000*, the *National Vocational Education and Training Regulator Act 2011* or the *Tertiary Education Quality and Standards Agency Act 2011*, the Act or by a VET Regulator;
- any other relevant matter relating to the person’s honesty, knowledge and ability.

All member of governance boards must complete a Fit and Proper Person form at the start of their appointment and advise the Chair of the relevant board of any change to their status at their earliest opportunity.

Key Reference Documents

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| • Fit and Proper Person Requirements declaration (TEQSA) | • Governance Framework (including all ToR) |
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6 Good Governance

Corporate and academic governance comprises a set of relationships between an organisation's management, its boards, its members and other stakeholders, and a structure with policies and processes through which the objectives of an organisation are established, attained and monitored. Good governance should be an all-pervading attribute within an organisation – a key enabler to aid in defensible decision making concerning the affairs of the organisation. Therefore, effective implementation and maintenance of good governance facilitates continuous improvement in relation to Strategy, Performance, Compliance and Accountability.

The eight features of good governance are:

- Leadership
- Strategic in focus
- Perusing quality and excellence
- Risk aware
- Participatory
- Performance focused
- Responsive to change
- Compliance focused, following the rule of law
- Accountable and transparent

A brief overview of the key features of good governance is provided in the following sub-sections of the Handbook.

6.1 Leadership

Excellent leadership from boards helps to develop and facilitate the achievement of the mission and vision, and develop values required for the long term success of the organisation. During periods of change there is a constancy of purpose. Where required, board leadership is able to change the direction of the organisation and inspire others to follow.

While the tone is set by boards as a whole, each Director or other officer, has a major influence on the integrity, ethics and values of an organisation. Continual espousal of ethical principles by these high profile people demonstrates to staff, students and other stakeholders that the organisation values these attributes.

It is important when setting an ethical standard for an organisation, that a code of conduct be established, covering members. The code should be developed in consultation with the board, other officers, management and staff and cover such matters as:

- the principles underpinning the responsibilities and duties of Directors, other Officers, management and other employees;
- guidance for interpreting the principles.

Boards should ensure that there is a focus by the board, especially by the Chair, on identifying the right mix of skills and experience required on the Board and that the necessary efforts are made to continually evaluate the Board and individual Director contributions and, if necessary, replenish the Board with the desired competencies.

Areas of focus in relation to leadership for all Directors include but are not limited to:

- role modelling ethics and values to support the creation of the organisation's culture;
- role modelling a quality culture;
- personal and active involvement in improvement activities either the organisational level or in the area of jurisdiction;
- participation in joint improvement activities within and outside the organisation;
- active listening to and responding inspirationally to staff at all levels of the organisation;

- understanding the internal and external drivers for change, and their implications;
- support for the external relationships that the organisation needs to alter to drive or support change
- driving forward and developing change plans, ensuring the resources and investments needed to support change are secured;
- communicating change plans and the reasons for them communicated to staff and other stakeholders;
- listening and learning – sharing experiences, learning from each other and taking action.

Key Reference Documents

Governance Framework (including all ToR)

6.2 Strategy

The implementation of clear strategy setting, planning and monitoring and adaptation to the changing business environment is a critical element of good governance. It is also important that the overall strategy setting and planning of the organisation is clearly documented and communicated.

Strategy should be based on the present and future needs and expectations of key stakeholders following consultation with major stakeholders including funding bodies, employees, parents, clients and key community contacts. The importance of good strategy and related planning is that it helps the organisation clearly set the objectives, strategies, actions, timeframes and performance indicators for a period and provides a means to monitor performance of the organisation. GHE governance boards and committees also play a role in strategy development, planning and monitoring.

Plans should be regularly reviewed and updated to allow for timely and practical adaptation of strategies in response to changing circumstances including new and emerging risks and opportunities occurring in the external environment. Plans should also be reflective of and specifically informed by the annual quality cycle and risk assessment.

Apart from setting the strategic direction of the organisation overall, financial strategy and viability is also essential if an organisation is to meet its ongoing financial obligations, facilitate continuance of its activities and pursue its objectives. Preparation of financial planning and budgeting underpins strategic and annual business planning to ensure financial resources will be sufficient to achieve desired organisational outcomes. Consequently, monitoring of achievement against financial targets can then be performed.

GHE's Board of Directors and management should ensure the preparation of operational budgets, capital management planning and capital budgets and regular monitoring and review of financial performance. A standard planning cycle is between three to five years, with regular revision to reflect the current operating environment and to align updates in strategic and business plans. Members need to ensure that they have at least a reasonable understanding of finance related issues to ensure that relevant governance obligations can be fulfilled.

Key Reference Documents

- Governance Framework (including all ToR)
- Human Resources Framework

- Financial Framework

6.3 Quality and excellence

Regardless of size, culture, tradition or background, to be successful in the future tertiary education needs to deliver excellence in all areas, to an ever more demanding global customer base within a stringent regulatory environment. A strong focus on quality assurance and improvement at the governance level is instrumental in developing a robust quality framework and a strong quality culture.

The pursuit of organisational excellence requires a strong future orientation and a willingness to make long-term commitments to key stakeholders including the community, employers, faculty, and staff. The institution’s planning must anticipate many factors, such as changes in educational requirements, instructional approaches, resource availability, student/stakeholder expectations, new partnering opportunities, technological developments, the evolving internet environment, new student and market segments, demographics, community/societal expectations and strategic changes by comparable organisations. Strategic objectives and resource allocations need to accommodate these influences.

Boards can help achieve this through a quality and excellence framework that:

- offers a holistic approach looking at all areas of the organisation;
- integrates with planning, risk and the budget cycle;
- provides for a process of self-assessment;
- supports internal and external benchmarking;
- is evidenced-based;
- provides a balanced set of results indicators that focus on the need of the customer, the people in the organisation, the local community and other elements of society, regulatory bodies and funding organisations;
- is focused on results;
- provides a framework through which the activities of the organisation are continually improved;
- provides a framework for innovation.

Key Reference Documents

- | | |
|--|---|
| <ul style="list-style-type: none"> • Quality Assurance Policy • Quality Assurance Procedure - Benchmarking • Governance Framework (including all ToR) | <ul style="list-style-type: none"> • Course and Unit Review Policy • Course Design Policy • Course Development, Approval, Amendment and Discontinuation Policy • Student Academic Integrity and Academic Misconduct Procedure |
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6.4 Risk aware

Proactive and ongoing assessment and management of strategic and operational risks is essential to avoid or minimise the consequences of undesirable events and take advantage of new opportunities.

Effective risk management can be achieved through the implementation of relevant principles, a sound framework and a robust process for managing risks.

Boards have a responsibility to ensure that other officers, management and staff of the organisation have in place an appropriate risk management framework to treat risks that have been identified, and to pursue new opportunities. Equally, when members are deliberating board matters, thorough consideration of risks relating to each matter should be integral to discussion, the articulation of board decisions and documentation in minutes of the underlying rationale for those decisions.

There needs to be an ongoing process to identify risk, assess its likelihood and consequences and put in place treatment actions, together with regular monitoring and reporting on risks.

There should be a reporting process to the board by management on the emergence of new risks and the treatment of those risks, with regular integration of risk intelligence into the strategic and business planning cycle of the organisation.

Key Reference Documents

- Risk Management Policy
- Governance Framework (including all ToR)

6.5 Participatory

An organisation's wellbeing results from all of its members feeling their interests have been considered by council in the decision-making process. Thus, boards need to be aware that stakeholders affected by or interested in a decision, especially students, should have the opportunity to participate in the process for making that decision. This can happen in several ways. Community members may be provided with information, asked for their opinion, given the opportunity to make recommendations and, in some cases, be part of the actual decision-making process.

There are various ways that boards can seek input into the governance process. These include but are not limited to:

- formal representation on the board;
- board performance surveys;
- standing or *ad hoc* reports from specific stakeholders or on specific issues;
- expert contributions to board meetings.

Key Reference Documents

- Governance Framework (including all ToR)

6.6 Performance focused

6.6.1 Organisational performance

It is important to establish performance goals – financial and operational – for an organisation and key individuals, together with a system to monitor and report on achievement against those goals.

Regular monitoring of performance against strategic and business plans, budgets and other performance indicators (including service delivery and quality assurance standards) is essential to enable the Board and management of an organisation to respond and take appropriate actions in pursuit of organisational objectives and desired outcomes.

It is important that a performance management framework and regular assessment and continuous improvement of boards as a whole, each individual Director, other officers such as the Chief Executive Officer or equivalent, other management and staff members is enacted. The assessment must be robust and defensible.

6.6.2 Performance of boards

Members should ensure that there is a focus by the Board, especially the Chair, on identifying the right mix of skills and experience required on the Board and that the necessary efforts are made to continually evaluate the Board and individual Director contributions and, if necessary, replenish the board with the desired competencies.

There should be an induction process for new members to the Board to ensure they are aware of their role and responsibilities, and to understand the objectives and operations of the organisation. Regular professional development should also be undertaken to assist Directors to keep up to date with the evolving requirements under governance and non-governance related Statute, Common Law and Contract Law and with changes in the sector in which the organisation operates.

The board should review its own performance at least annually.

Key Reference Documents

- Governance Framework (including all ToR)

6.7 Responsive

Boards should always try to serve the needs of the entire community while balancing competing interests in a timely, appropriate and responsive manner. Boards should approve or endorse decisions and follow processes that make the best use of the available people, resources and time to ensure the best possible results for the organisation.

6.8 Compliance

Directors must ensure the implementation of a clear and unambiguous legislative, regulatory and contractual framework in relation to roles, responsibilities and accountabilities and that decision-making focuses on financial viability and also sustainability in the long term. This means that decisions are consistent with relevant legislation or common law.

An organisation needs to establish a process to ensure vigilant monitoring of compliance with governance and non-governance related legal responsibilities including fulfillment of contractual obligations. This process will help the organisation to respond in a timely and appropriate manner to continue to comply with existing legal requirements and emerging requirements.

Key Reference Documents

- | | |
|---|--|
| <ul style="list-style-type: none">• Quality Assurance Policy• Financial Viability Risk Assessment Requirements 2011• Data Provision Requirements 2012 (Federal Register of Legislation website)• Higher Education Standards Framework (Threshold Standards) 2021 | <ul style="list-style-type: none">• Australian Qualifications Framework (AQF)• The Education Services for Overseas Students Act 2000• National Code of Practice for Organisations of Education and Training to Overseas Students• ELICOS Standards 2018 |
|---|--|

6.9 Accountable and transparent

Accountability is a fundamental requirement of good governance. Boards have an obligation to report, explain and be answerable for the consequences of decisions made on behalf of the community they represent.

Organisational stakeholders should be able to follow and understand the decision-making process. This means that they will be able to clearly see how and why a decision was made and what information, advice and consultation council considered and which legislative requirements (when relevant) were followed.

Reporting needs to be comprehensive enough to ensure that members are well informed but not so complex as to confuse the key issues being reported. Use of summaries with key issues, risks and recommendations highlighted, and graphic representation can greatly assist in communication.

Boards need to establish an agreed format for reporting, to ensure that all matters that should be reported are in fact reported in a systematic and standard way. Reports need to be made available to allow sufficient time to enable members to properly consider them before meetings. Management should also be available to present their reports at Board Meetings.

7 Further Information

For further information, questions or advice please contact one of the following:

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