

ORDINARY MINUTES

1

JAMES COOK UNIVERSITY COUNCIL

MEETING (7/16)

1 SEPTEMBER 2016, TOWNSVILLE

PRESENT: Chancellor (Mr Tweddell) (Chair), Deputy Chancellor (Hon. P Lindsay), Vice Chancellor and President (Professor Harding), Chairperson of the Academic Board (Professor Naylor), Ms Cannon, Miss Casey, Ms Caswell, Mr Charlton, Mr Derlagen, Mr Gilliver, Mr Haddrick, Mr Harridge, Mr Kirkwood, Mr Landy, Professor Leggat, Associate Professor Leicht, Ms McLaughlin, Mr Phillips, Mr Twomey and Dr Tyrell.

ATTENDANCE: Mr Kern (Secretary). Mr Smalley (A/g Minute Secretary).
Professor Cocklin (Permanent Advisor)
Professor Martin Nakata (for Item 6)

APOLOGIES: Apologies were received from Mr Mosch. Council noted that Mr Twomey would be joining the meeting at 8.15pm.
An apology was also received from Ms Brand (Permanent Advisor).

Meeting Commenced: 6:02pm

LATE PAPERS: The Chancellor noted that the papers for items 12, 13, 28, 29.2, 29.4, 29.6, 30, 31 and 32 had been distributed late (several on the day of the meeting). Within those distributions was a revised version of his written report to Council. He apologised for its lateness.

1. DECLARATION OF CONFLICTS OF INTERESTS

The Council noted that the Chancellor had a conflict of interests in regard to Confidential Item 9 (JCU Chancellor's Support and Entitlement Provisions).

Ms Cannon reported that, in her capacity as Chief of Staff, she was responsible for preparing the *JCU Risk Management Framework and Plan* to be considered at this meeting (refer Item 10). Council did not view this as a conflict of interests.

2. MINUTES

The following Minutes were adopted as a true and correct record:

- 2.1**
- Ordinary Minutes of Meeting (6/16) held on 14 July 2016, as confirmed by the Chair and subject to the following amendment:
 - Under Minute Item 16.8, the Council Member being granted a leave of absence from the 1 September 2016 Meeting was 'Mr Mosch' and not 'Professor Naylor'.
- 2.2**
- Confidential Minutes of Meeting (6/16) held on 14 July 2016, as confirmed by the Chair.
- 2.3**
- Executive Minute - Academic and Student Delegations Register - Minor Omissions and Amendments, dated 20 July 2016.
- 2.4**
- **REFER SEPARATE PAGES.**

3. BUSINESS ARISING FROM THE MINUTES

3.1 ACADEMIC AND STUDENT DELEGATIONS REGISTER – REVIEW OF EXISTING ACADEMIC DELEGATIONS REGISTER AND ENROLMENT DELEGATIONS SCHEDULE

Mr Haddrick advised Council that his consideration of Ms Caswell's comments made on the Academic and Student Delegations matter at Council's Meeting (5/16) held on 14 July 2016 (Refer Minute Item 9) were still being finalised and would be reported to Council at its Meeting (8/16) being held on 21 October 2016.

4. MATTERS NOT YET FINALISED**4.1 USE OF THE UNIVERSITY SEAL AND UNIVERSITY SEAL POLICY**

Item 17 to this meeting refers.

The Secretary advised Council that benchmarking against other Australian universities on the use of university seals and on the reporting on use has been completed. Policy statements from all but six universities (some do not have a policy or similar document) have been obtained and were currently being compared to JCU's Policy.

Benchmarking, involving 23 universities had revealed that:

- only one records transaction amounts in their seal register;
- eighteen report to their Council,
- two have discontinued the practice of reporting to their Council, in order to allow their governing bodies to focus more on strategic matters
- where a report is provided to the governing body it normally contains only the date of use, the name of any party involved and the type of instrument being sealed, and
- for most, the practices are consistent with those at JCU and there is no compelling reason for JCU to change its practice.

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The Secretary further advised Council that should there be proposed amendments to the use of the University Seal policy, they would be provided to the 21 October 2016 Meeting.

5. CHANCELLOR'S REPORT

The Chancellor's written report, which included a table listing his consultations on the Review of the JCU's Council Size and Composition, was noted.

The Chancellor advised Council that the Deputy Chancellor would be absent from Australia from 6 September to 20 October 2016, and that he had received the Deputy Chancellor's assurance that during that period, he would be fully contactable and be able to carry out the duties of Deputy Chancellor, including acting as Chancellor, if required.

RESOLVED:

N-UNISEC

that the attached Chancellor's Report, be noted.

6. VICE CHANCELLOR'S REPORT

Presentation by member of Senior Staff

Professor Martin Nakata, Pro Vice Chancellor, Australian Indigenous Education and Strategy, addressed Council on *The Real Business of Indigenous Education*.

Council noted that Professor Nakata leads JCU's recently-established Australian Aboriginal and Torres Strait Islander Centre, accepting the role in May 2016. He is internationally recognized as an outstanding scholar, in terms both of learning and teaching and of research. He was the first Torres Strait Islander to graduate with a PhD, which he completed at JCU. He was named as one of JCU's inaugural Outstanding Alumni in 2010. Mr Nakata's work has challenged the established ways of understanding the contemporary position of and possibilities for Indigenous Australians.

The Vice Chancellor spoke to her report.

In response to comments by the Deputy Chancellor in relation to the Regional Data Centre initiative and the late distributions of the Council Agenda, the Vice Chancellor observed that in having limited financial resources, JCU has to live with some level of risk in regard to IT systems. She also commented that it was highly reasonable for

Council to receive agendas complete and on time to enable it to properly consider meeting material.

The Vice Chancellor advised Council that she would be discussing issues concerning the reasons, including resourcing considerations raised by the Deputy Chancellor, for late and incomplete distributions with the Chief of Staff.

The Chancellor said that Council's next Workshop would examine Council's purposes and how it may best meet those purposes including meeting arrangements such as the format and distribution of Agenda papers.

RESOLVED:

N-VC

1. that the address by Professor Nakata, be noted; and
2. that the Report from the Vice Chancellor, be noted.

7. REPORT TO COUNCIL FROM CHAIRPERSON OF ACADEMIC BOARD

The Chairperson of Academic Board stated that he took his written report as read and commented as follows:

- the restructured Academic Board had transitioned well, in its first year, to the new structure;
- its Charter is now very useful – it gives a good picture of how the elements of the Board's work come together;
- the review of academic governance has freed up time within the Board;
- with initial one-year appointments of some members soon to expire, expressions of interest had been issued for those Board positions;
- two students had been appointed onto the Board, Mr Jack Middleton and Ms Maddison Griffin.
- the delegations decided at the last Board meeting had been enacted;
- the Board should now be able to manage student policy in a more integrated way; and
- the process to deal with instances of misconduct, which principally concern plagiarism or behaviours in examination settings and which is becoming increasingly sophisticated, had been streamlined and would give the process a new focus.

RESOLVED:

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that the Report from the Chairperson of Academic Board, be noted.

8. COUNCIL – 2016 PERFORMANCE MEASURES (KPIs) – MID-YEAR RESULTS

The Vice Chancellor spoke to the report on the mid-year performance of the 2016 KPIs (Key Performance Indicators) monitored by Council. She noted that the current below target performance in:

- Institutional Commencing Student Load (EFTSL), and
 - Research Income (HERDC categories 1-4),
- represented challenges for the University.

RESOLVED:

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that the mid-year performance of the 2016 KPIs (Key Performance Indicators) monitored by Council, be noted.

9. CONFIDENTIAL – JCU CHANCELLOR'S SUPPORT AND ENTITLEMENT PROVISIONS

The Chancellor left the meeting for this item. The Deputy Chancellor took the chair.

The Council noted proposed amendments to the Chancellor's Support and Entitlement Provisions which had been prepared by the Secretary to Council, in consultation with the

Deputy Chancellor and the Vice Chancellor. The provisions incorporated benchmarking with other Universities, and reflected contemporary requirements of a Chancellor who is expected to be engaged in the many communities the University serves, notwithstanding that the role in Queensland cannot be remunerated. Several amendments simply reflected changes in organisational structure, technology and the expectations of the Chancellor's spouse to accompany the Chancellor in response to Official Invitations and to Official University events.

The Deputy Chancellor advised Council that in his view the documentation of the Provisions represented best practice as very few other universities did so. Council noted that the costs associated with the Chancellor are borne out of the Council Overheads.

Council agreed that the Chancellor's Support and Entitlement Provisions should be reviewed and updated at the commencement of each term of the Chancellor.

A-SECT

RESOLVED:

1. that the proposed amendments to the JCU Chancellor's Support and Entitlement Provisions, be approved; and
2. that the document be updated at the commencement of each term of the Chancellor.

10. RISK MANAGEMENT POLICY AND RISK MANAGEMENT FRAMEWORK AND PLAN REVIEW

Council noted that the Audit Committee is required to review the University's Risk Management Framework and Plan annually and the Risk Management Policy every two (2) years. The Audit Committee had undertaken its review of both documents and the Chair, in introducing the item, noted that:

- the revised Risk Management Framework and Plan was a development on what Council had seen earlier and the document would need to be further refined over time;
- the document related primarily to the Parent Entity, although the existence of controlled and non-controlled entities of the University were recognised;
- the document presented the risk categories, the underlying causes and the treatments;
- the Risk Management Policy had only minor amendments including changes to the Risk Appetite definition; and
- the next stage was to produce indicators/metrics in order to predict trends.

He also noted that unlike Audit Committee, which focussed on the Parent Entity, Finance Committee had carriage of the entire risk spectrum for the controlled entities, not just their financial risk. Audit Committee would be further discussing its role at its next meeting.

Council discussed the approach being taken to risk management of the controlled entities, which are corporations with their own responsibilities and which may operate in an environment different to JCU and inherently will have their own risks and will have regard to matters specific to that entity. JCU was now in a position to identify the risks being faced by each of the entities and was producing a dashboard to assist Finance Committee. That dashboard would display information gleaned from entity reports and other sources. JCU would also provide entities with governance manuals. (Item 32 also refers.) The Chair of Futures Committee advised Council that as JCU was the parent controlling entity, it needed to develop processes in order to address the current gap by mandating to its controlled entities what they can and cannot do, thereby ensuring that they manage themselves in line with JCU's thinking. For example, it could require compliance with certain JCU policies and procedures and elements of its risk framework.

The Futures Committee had reviewed and endorsed, at its June 2016 meeting, the Risk Appetite Statement and Risk Matrix in accordance with its Charter and had also looked at the Framework and Plan and provided comment back to the Audit Committee. The Audit

Committee had been impressed with how the concept of 'risk appetite' had developed within JCU, and the constructive and positive language used in the Framework and Plan.

Council noted that further discussion on the Consequence Table would take place at a future meeting of the Audit Committee.

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RESOLVED:

that the revised Risk Management Policy, and Risk Management Framework and Plan, be approved.

11. UNIVERSITY POLICY – FINANCIAL DELEGATIONS REGISTER – AMENDMENT – ADDITION OF NEW DELEGATIONS

Council noted that the approval by Finance Committee at its 5 May 2016 meeting of the *FMPM840: Foreign Exchange Risk Policy*, which allowed the University to obtain approval from Queensland Treasury to enter into derivative transactions under Part 7, Division 1 of the *Statutory Bodies Financial Arrangements Act 1982 (Qld)* (SBFA Act), had necessitated the addition of two new delegations to the Financial Delegations Register.

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that the establishment of two new delegations for inclusion into the Financial Delegations Register:

1. *Authority to open Foreign Currency bank accounts – Responsibility: Deputy Vice Chancellor, Services and Resources; and*
2. *Approval to hedge a Foreign Currency transaction – Responsibility: Deputy Vice Chancellor, Services and Resources;*

be approved.

12. REFER SEPARATE PAGES

13. REFER SEPARATE PAGES

14. JCU PATHWAYS PTY LTD (JCUP) - JCU PATHWAYS NAME CHANGE APPROVAL

Council noted that JCUP was established in mid-2015 as a controlled entity of JCU to address the systemic market failure and absence of suitable providers, in north Queensland, for English Language Intensive Courses for Overseas Students (ELICOS) services.

It also noted the proposal to change the entity's name to 'JCU College', as the current name 'JCU Pathways' does not accurately communicate to the marketplace the full suite of training and education offerings contemplated for delivery by the company. 'JCU College' is consistent with the names adopted by other Australian universities in this context and there are no legislative impediments to the Company adopting the name 'JCU College'.

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that:

1. the recommendation to Council by the board of the controlled entity JCU Pathways Pty Ltd, at its meeting held on 15 July 2016, that the company name be changed from 'JCU Pathways' to 'JCU College', be noted;
2. the distribution of the minutes of the 15 July 2016 meeting as a circular to Finance Committee on 10 August 2016, be noted; and
3. the change in name of the controlled entity to 'JCU College Pty Ltd', be approved.

15. REPORT TO COUNCIL FROM CHAIRPERSON OF HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

N-SECT

The written report dated August 2016 was noted.

16. CONFERRAL OF AWARDS IN ABSENTIAA-
EXAMSRESOLVED:

1. that the awards listed in the submission to Council for the:
 - College of Public Health, Medical and Veterinary Sciences (38 awardees),
 - College of Healthcare Sciences (25 awardees),
 - College of Medicine and Dentistry (1 awardee),
 - College of Business, Law and Governance (82 awardees),
 - College of Arts, Society and Education (41 awardees), and
 - College of Science, Technology and Engineering (44 awardees),
 be conferred *in absentia*; and
2. that the date of conferral be 1 September 2016.

17. REFER SEPARATE PAGES**18. REFER SEPARATE PAGES****19. CONTROLLED ENTITIES SUB-COMMITTEE DISESTABLISHMENT**

Council noted that, on 7 June 2016, the Controlled Entities Sub-Committee of Finance Committee endorsed a proposal to disestablish itself and for its business to be resumed by Finance Committee. Finance Committee endorsed the proposal on 29 June 2016.

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RESOLVED:

1. that the disestablishment of the Controlled Entities Sub-Committee, be approved; and
2. that the amended Finance Committee Charter be approved.

20. REFER SEPARATE PAGES**21. REFER SEPARATE PAGES****22. REFER SEPARATE PAGES****23. REFER SEPARATE PAGES****24. REFER SEPARATE PAGES****25. REFER SEPARATE PAGES****26. REFER SEPARATE PAGES****27. REFER SEPARATE PAGES****28. COMMITTEES OF COUNCIL - ADDITIONAL CO-OPTED MEMBERS**

Council noted that Co-opted and Additional members for Committees of Council shall have appropriate qualifications/experience and may be from within or outside the University. Appointments including appointments of coopted and additional members shall be for a period of up to four years and shall be recorded in a membership list for appending to the Charter of the Committee.

Council noted the appointment of the following Additional Coopted Members to fill vacancies on the Audit Committee and the Futures Committee:

- Mr Nick Tate – appointed to the Audit Committee. Mr Tate will address the ICT governance skills shortfall on the Committee
- Dr Bill Foo - appointed to the Futures Committee. Dr Foo is a professional director, corporate advisor and chairman of several publicly listed, private and non-profit entities who is based in Singapore.

N-SECT

RESOLVED:

1. that the appointment to Audit Committee of Mr Nick Tate as an Additional Co-opted Member be noted; and
2. that the appointment to Futures Committee of Dr Bill Foo as an Additional Co-opted Member, be noted.

29 REFER SEPARATE PAGES**30. FINANCIAL REPORTS AND STATEMENTS FOR THE PERIOD TO 8 JULY 2016**

At its meeting (4/16) on 22 August 2016, Finance Committee recommended to Council for approval the Financial Statements, Financial Statement Analysis and other financial information for the period to 8 July 2016. The Chair of Finance Committee, Mr Phillips, summarised the key points.

Mr Kirkwood, Chair of the Audit Committee, referred to the issues he had expressed at the meeting of Council (6/16) about the construct of the Statements, noting that he remained dissatisfied regarding the accrual accounting processes currently being followed. He further commented that he could not form a view on the financial statements for the Period to July 2016 as presented and given the lateness of their distribution. Nonetheless, he recognised the thoroughness of the review of the Statements by both the Audit and Finance Committees. He noted that the Queensland Audit Office had made a comment in 2014, during the conduct of a Special Interest audit, about the accuracy of the statement that the periodic financial statements were prepared using accrual accounting principles but they had made no comment in 2015. The Chancellor advised Council that, with this in mind, when he had attended a meeting with the QAO earlier in the year (19 July), he had specifically asked, the auditors if there were any outstanding issues and they indicated that there were none.

Mr Phillips acknowledged that the Financial Statements had been provided to Council members extremely late. He explained the modified statement that now appeared in the "Financial Statement Context" section of the Management Report to the Committee discussing the use of accrual accounting principles, which he supported. Mr Phillips advised Council that it would not be easy to apply full accrual accounting as there would be a significant cost impost on operations across JCU. However, he advised Council that there were plans for several improvements to be made to the period accounting processes to improve the periodic financial statements.

RESOLVED:A-
DVC,S&R

that the Financial Statements for the JCU Parent Entity, Financial Statement Analysis and other financial information for the period to 8 July 2016, be approved.

Mr Kirkwood abstained.

31. UNIVERSITY POLICY – FINANCIAL MANAGEMENT – ADDITION AND AMENDMENTS TO FINANCIAL DELEGATIONS REGISTER

Council noted that a major review of the Financial Delegations Register was undertaken in 2015, with the final version being approved by Council at its (5/15) meeting. Since then, the University has undergone further restructures and various areas had reviewed their operational requirements. This had necessitated further amendments to the Register to ensure it:

- reflected organizational changes,
- maintained effectiveness and currency,
- remained the definitive source for all financial delegation information by extracting delegation information contained in policies and including in the Register.

Council noted the proposed addition of a new schedule 9.01.04: Authority to Open and Close Bank Accounts (On All Accounts Other Than Borrowings) (Table 1) to incorporate the creation and closure of bank accounts. Previously the authority to open and close accounts was contained within the relevant Policy Document.

It also noted proposed amendments to financial delegations (Table 2) which have been endorsed by the relevant senior staff member in the Directorate/Office/Division/College following a detailed consultation process. They are largely the result of changes required as a result of the restructuring activity currently occurring.

The Vice Chancellor advised Council that amendments to Table Two, that had been endorsed by the Finance Committee, to remove the word "delegate", were not corrected in the documentation presented to Council.

Ms Caswell stated she would be abstaining from the resolution because of her ongoing concerns about the University's Delegations Registers.

RESOLVED:

that:

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1. the addition of a new Schedule in the Financial Delegations Register: 9.01.04: Authority To Open And Close Bank Accounts (On All Accounts Other Than Borrowings), as represented by Table 1 of the item; and

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2. the further proposed amendments to the Financial Delegations Register, to reflect restructuring activity currently occurring, as amended, be approved.

Ms Caswell abstained from voting.

32. OVERSIGHT OF CONTROLLED ENTITIES

Council noted that:

- Finance Committee was responsible for ensuring adequate reporting arrangements were in place to support its oversight of JCU's controlled entities on behalf of Council and that the Controlled Entities Sub-Committee of Finance Committee had been disestablished by Council.

Council further noted that reporting arrangements had now been put in place by Finance Committee comprising (Refer also Item 10.):

- each entity providing reports to the Divisional Office for the Committee following each Board meeting;
- the presentation to each meeting of the Committee of a Dashboard Report summarising information to hand on the entities;
- each entity providing end of year reports for the Committee's consideration; and
- the production of a Governance Manual for the entities.

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RESOLVED:

that the reporting arrangements that support oversight of the University's controlled entities by Finance Committee, be noted.

33 GENERAL BUSINESS

33.1 The Independent Investigation

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The Chancellor reported that the independent investigation referred to at the previous meeting was underway. There had been searches of the University's internal operations, including its communications network. Statutory declarations had been sought and the investigator would be interviewing, in the first instance, those individuals who had not provided a signed statutory declaration. The interviews would be occurring over the following fortnight. He urged any member contacted by the investigator to engage with them in a courteous and cooperative manner.

33.2 Council Workshop

Mr Kern reminded members of the Council Workshop planned for Saturday 22 October 2016 in Cairns.

33.3 Chancellor's Photograph

Councillors noted that a photograph of the Chancellor had now joined the 'Chancellor line' in the Council Chambers.

The Meeting closed at 9:45 pm



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Chair

..27 September.....2016

This document and the Confidential Minutes for meeting (7/16) are the full minutes for that meeting.