Good Governance in Private HE Providers
What does TEQSA look for?

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ACPET 2014 Conference
29 August 2014
Topics

- Definitions of corporate governance
- TEQSA’s focus
- Three pillars of HE governance
- Diversity of structures
- Governing body
- Academic governance
- Future directions
Definitions of corporate governance

- OECD: Procedures and processes according to which an organisation is directed and controlled

- ASX: framework of rules, relationships, systems & processes within and by which authority is exercised & controlled

  - ASX adds ‘relationships’, which reminds us that governance is a dynamic co-operative system
There is a wide range of good practice guidelines and codes of governance, including UA code

TEQSA must assess against current Threshold Standards

- but new Standards coming!
- PRS 3 contains 8 sub-sections, but overriding requirement at the head:
  - ‘HEP shows sound corporate and academic governance of its HE operations’
Ambrogio Lorenzetti – the city of good government
Three pillars of HE governance

- **Corporate governing body**
  - Sets overall directions, approves P&Ps, monitors achievement of objectives

- **Academic governing body**
  - Sets P&Ps for academic quality & integrity, guardian of academic standards
  - Scrutiny of academic community

- **Executive management**
  - Implements strategic directions, P&Ps, deploys resources to achieve objectives

*Relationships! Define them!*
Diversity of structures

- Statutory bodies
  - E.g. universities, TAFEs, with own Acts
- Companies limited by guarantee
  - NFP, including some private universities
- Public listed companies
  - FP, variability in owners, ASIC + ASX
- Pty Ltd companies
  - FP, can be subsidiaries, ASIC reporting
- Incorporated associations
  - Incorporated under State laws
Governing body

- Which is the governing body in a multi-layered group scenario?
- How can sole director meet requirements for range of expertise, external members & distinction between governance and management (if owner & CEO)?
  - expertise can be external to board
  - diversity of input, checks and balances
  - better to have this in main Board, so main Board makes informed decisions
  - not requirements in new draft standards
Academic governance

- Top-level body for oversight of academic decision-making processes:
  - course approval
    - Guidance Note coming
    - how does AB ensure courses meet standards?
    - *the more robust your own processes, the less TEQSA needs to do*
  - P&Ps relating to academic quality assurance, e.g. course review - GN
  - P&Ps relating to academic standards:
    - assessment
    - moderation of assessment
  - Guidance Note coming
Check-points

- Who is your governing body?
- Are the roles of your three pillars of governance codified?
- Does governing body discuss educational & business issues?
- Does it monitor non-financial risks?
- What reports does it receive of student performance?
- How does it know whether students are achieving learning outcomes?
Future directions

- 3 relevant Guidance Notes coming
- Increasing focus on TEQSA validating provider’s own self-regulation
  - CACs – convince us you have done our work for us!
- Governance will remain a focus in streamlined re-registrations
  - especially RM & academic governance
- Transitional period to new Standards will allow for pipeline effect
Questions and Answers