

Governance

The University is governed by the *University of Southern Queensland Act 1998* (USQ Act). The University was established, under the *University of Southern Queensland Act 1989*, as an autonomous institution on 1 January 1992 following the commencement of operations, 25 years prior, as the Queensland Institute of Technology (Darling Downs).

Our University's functions and powers

Under Section six of the USQ Act, the University has all the powers of an individual, which allows us to, for example:

- enter into contracts
- acquire, hold, dispose of, and deal with property
- appoint agents and attorneys
- engage consultants
- fix charges, and other terms for services and other facilities it supplies
- do anything else necessary or convenient to be done for, or in connection with, its functions.
- (e) confer higher education awards
- (f) disseminate knowledge and promote scholarship
- (g) provide facilities and resources for the wellbeing of the University's staff, students and other persons undertaking courses at the University
- (h) exploit commercially, for the University's benefit, a facility or resource of the University, including, for example, study, research or knowledge, or the practical application of study, research or knowledge, belonging to the University, whether alone or with someone else
- (i) perform other functions given to the University under the USQ Act or another Act.

Without limiting subsection (1), the University has the powers given to it under the Act or other Acts. The University may also exercise its powers both domestically and abroad.

The University is a body corporate, and may sue or be sued in its corporate name. It has a seal. Its functions, as stated at Section 5 of the Act, are to:

- (a) provide education at university standard
- (b) provide facilities for, and encourage, study and research
- (c) encourage the advancement and development of knowledge, and its application to government, industry, commerce and the community
- (d) provide courses of study or instruction (at the levels of achievement the Council considers appropriate) to meet the needs of the community

Council is responsible for the overall governance of the University, and achieves this by working with the senior management team to develop strategic directions, develop policy, and monitor performance.

The legislative framework within which the Council operates is the USQ Act. Pursuant to the provisions of the USQ Act, the Council may make statutes and rules which have legal standing. The provisions of the USQ Act that are particularly relevant in this regard are those that specify the functions, powers, and delegations of Council.



The Governing Body

Under Sections 7 to 11 of the USQ Act, the Council is established as the governing body of the University. Council is responsible for the overall governance of the University. The University Council consists of ex-officio, appointed, elected and co-opted members. The membership of the Council in 2006 is detailed in the following pages. The Seventh Council of the University of Southern Queensland commenced its term of office on 7 October 2005 and met on six occasions throughout the year. The Council's term of office will expire on the 6 October 2009.

The legislative framework within which the Council operates is the USQ Act. Pursuant to the provisions of the USQ Act, the Council may make statutes and rules which have legal standing. The USQ Act defines the functions and powers of the Council (at Sections 8 and 9) and sets limits on what the University and its delegates may do.

Under the USQ Act the Council has the power to:

- do anything necessary or convenient to be done for, or in connection with, its functions
- appoint the University's staff
- manage and control the University's affairs and property
- manage and control the University's finances.

The Council may delegate its powers to:

- an appropriately qualified member of the Council
- an appropriately qualified committee that includes one or more members of the Council, or
- an appropriately qualified member of the University's staff.

However the Council is not able to delegate its power to make University statutes or rules, adopt the University's annual budget or approve the spending of funds available to the University by way of bequest, donation or special grant.

Section 10 of the Act states that, in discharging these responsibilities, Council must act in the way that appears to most likely to promote the University's interests. In doing so, the University of Southern Queensland Council endeavours to monitor and assess its performance, both collectively and in terms of the individual contributions of members.

Functions and powers

Council		Academic Board	
COMMITTEE	CHAIR	COMMITTEE	CHAIR
Audit and Risk	Graeme Stratford	Academic Board	Dr Roslyn Reilly (acting)
Investments and Contracts Sub-Committee	John Dornbusch	Academic Board Executive	Dr Roslyn Reilly – acting Chair, Academic Board
Chancellor's	Bobbie Brazil (Chancellor)	Academic Program	Professor Graham Baker – Deputy Vice-Chancellor (Scholarship)
Honorary Awards	Bobbie Brazil (Chancellor)	Program Review	Associate Professor Peter Albion – acting Deputy Chair, Academic Board
Finance and Facilities	John Dornbusch	Research and Higher Degrees	Professor Graham Baker – Deputy Vice-Chancellor (Scholarship)
Governance and Legislation	Bobbie Brazil (Chancellor)	Higher Degrees Review and Admissions Committee	Professor Gerard Fogarty – Pro Vice-Chancellor (Research)
Discipline	Nominee of Chancellor as required	Animal Ethics Committee	Pro Vice-Chancellor (Research) or nominee (Associate Professor Ron Atkinson)
University Appeals Board	Nominee of Chancellor as required	Human Research Ethics Committee	Pro Vice-Chancellor (Research) or nominee (Dr Des Coates)
		Institutional Biosafety Committee	Associate Professor Grant Daggard
		Faculty Advisory	Dean of Faculty

USQ Seventh Council

The Seventh Council of the University met on six occasions, during 2006. Membership was as follows:

CHANCELLOR (EX-OFFICIO)

Don Stevens AM, FCPA

Former General Manager and Secretary,
Heritage Building Society, Toowoomba

Until 3 March 2006 0 / 0

Roberta (Bobbie) Brazil BA LLB LLM UQ,
GradDipLP QUT

Director, Brookstead

From 4 March 2006 5 / 6

VICE-CHANCELLOR (EX-OFFICIO)

Professor Bill Lovegrove, BA (Hons), PhD Qld,
FAPS 6 / 6

CHAIR, ACADEMIC BOARD (EX-OFFICIO)

Professor Rod Smith, DipEngC GIT, BE
MEngSci Melb, PhD UNE, FIEAust

Acting Dean, Faculty of Engineering and
Surveying, USQ, Toowoomba

Until 1 August 2006 3 / 3

Dr Roslyn Reilly, DipNur EducColNursAust,
BEdStud UQ, MNur Flinders, EdD USQ

Reg Nurse, Reg Midwife

Head of Department, Nursing and
Midwifery, Faculty of Sciences, USQ,
Toowoomba

From 2 August 2006 3 / 3

ONE MEMBER OF THE FULL-TIME ACADEMIC STAFF OF THE UNIVERSITY, ELECTED BY MEMBERS OF THAT STAFF

Associate Professor Andrew Hoey BSc(Hons)
UQ PhD CQU

Associate Professor in Human Physiology
and Pharmacology, Department of Biological
and Physical Sciences, Faculty of Sciences,
USQ, Toowoomba 6 / 6

ONE MEMBER OF THE FULL-TIME STAFF OF THE UNIVERSITY, OTHER THAN THE ACADEMIC STAFF, ELECTED BY MEMBERS OF THAT STAFF

Jane Farmer, BA (Dist) USQ

Manager, Organisational Development and
Equity, Human Resources, USQ, Toowoomba
5 / 6

ONE STUDENT MEMBER, ELECTED BY THE ENROLLED STUDENTS OF THE UNIVERSITY

James O'Brien

Enrolled student, Bachelor of Business
program, majoring in Accounting and
Management and Leadership, USQ,
Toowoomba 6 / 6

FIVE MEMBERS APPOINTED BY THE GOVERNOR-IN-COUNCIL

Jan Boys DipT BCAE, BEd QUT, BA UQ, MEd GU

Executive Director, Schools, Moreton East
District, Education Qld, Ipswich 3 / 6

Stephen Dixon BEc LLB Monash

Managing Partner, Bell Dixon Butler
Lawyers, Hervey Bay 6 / 6

John Dornbusch, BEd UNE BEd MBA USQ
FAICD

Managing Partner, Dornbusch Partners Pty
Ltd, Toowoomba 5 / 6

Anne Story, BAppSci UQ

Managing Director, AAA Hort Services,
Toowoomba 3 / 6

Graeme Stratford, BAcc SA, GradDipCmlComp
QUT, ACA, MACID

Retired (previously partner,
PricewaterhouseCoopers), Brisbane 5 / 6

THREE ADDITIONAL MEMBERS APPOINTED BY THE COUNCIL, ONE OF WHOM MUST BE A GRADUATE OF THE UNIVERSITY

Wendy Ashley-Cooper, BA University of Cape
Town GradCertEd University of Rhodesia BEd
University of South Africa MEdAdmin UNE
Head of School, The Glennie School,
Toowoomba 5 / 6

George Fox, BCom LLB UQ

Solicitor, Toowoomba

From 9 September 2006 1 / 2

Terry Kirkland, BBus Curtin

General Manager, Toowoomba Newspapers
Pty Ltd, Toowoomba

Until 24 May 2006 1 / 2

Dr Cindy Shannon, BA (Economics/History)

University of Queensland; GradDipEd (Tertiary)
DDIAE; MBA USQ; DSocSci UQ

Director, Shannon Consulting Services,
Brisbane 4 / 6

SECRETARY TO COUNCIL

Steve Tanzer, MPA UC

General Manager, University Services
Division

Meetings member attended / Meetings eligible to attend



Back row: George Fox, Stephen Dixon, Dr Roslyn Reilly, Graeme Stratford, James O'Brien

Seated: Jane Farmer, John Dornbusch, Bobbie Brazil, Professor Bill Lovegrove, Associate Professor Andrew Hoey, Wendy Ashley-Cooper

Absent: Jan Boys, Anne Story, Dr Cindy Shannon

Senior Executive

VICE-CHANCELLOR AND PRESIDENT

Professor Bill Lovegrove, BA(Hons), PhD Qld, FAPS

The Vice-Chancellor is our Chief Executive Officer. Professor Bill Lovegrove was appointed Vice-Chancellor and President of the University of Southern Queensland on 1 October 2003.

Professor Lovegrove has a high-level international research profile in the areas of visual information processing and dyslexia and a record of strong leadership in developing international programs and in building staff performance and extensive commercial links with industry and government. Professor Lovegrove has represented the Australian Vice-Chancellors' Committee (AVCC) on many occasions. He has been the Chair, Pro Vice-Chancellors/Deputy Vice-Chancellors (Research) Subcommittee of the AVCC, 1998, the Chair, Research Working Group, McKinnon Benchmarking Report, 1999 and a member of the Standing Committee on Research and a member of the Standing Committee on International Issues.

The Vice-Chancellor is supported by an executive team, detailed on this page.

DEPUTY VICE-CHANCELLOR (GLOBAL LEARNING SERVICES)

Professor Jim Taylor, BEd Birmingham, MEd (Hons) Sydney, PhD UQ

The Deputy Vice-Chancellor (Global Learning Services) undertakes the role of Chief Information Officer (CIO) for the University; with responsibility for vision, strategic direction and leadership for the University-wide provision of Information and Communication Technology (ICT). The incumbent oversees the management of the Division of ICT through delegation to the Chief Technology Officer (CTO). The Deputy Vice-Chancellor (Global Learning Services) is also responsible for management of the Division of Academic Information Services (DAIS), through delegation to the Executive Director. DAIS includes the Distance and e-Learning Centre and the University Library.

DEPUTY VICE-CHANCELLOR (SCHOLARSHIP)

Professor Graham Baker, BEng Qld, MSc London, PhD Heriot-Watt

The Deputy Vice-Chancellor (Scholarship) is responsible for overall strategic management, leadership and executive line management for the Academic Division of the University through delegation to Pro Vice-Chancellors (Learning and Teaching, Regional Engagement and Social Justice, Planning and Quality, and Research), Deans of Faculties (Arts, Business, Education, Engineering and Surveying and Sciences) and Directors of Centres for Research and Innovation.

GENERAL MANAGER, UNIVERSITY SERVICES, REGISTRAR AND SECRETARY TO COUNCIL

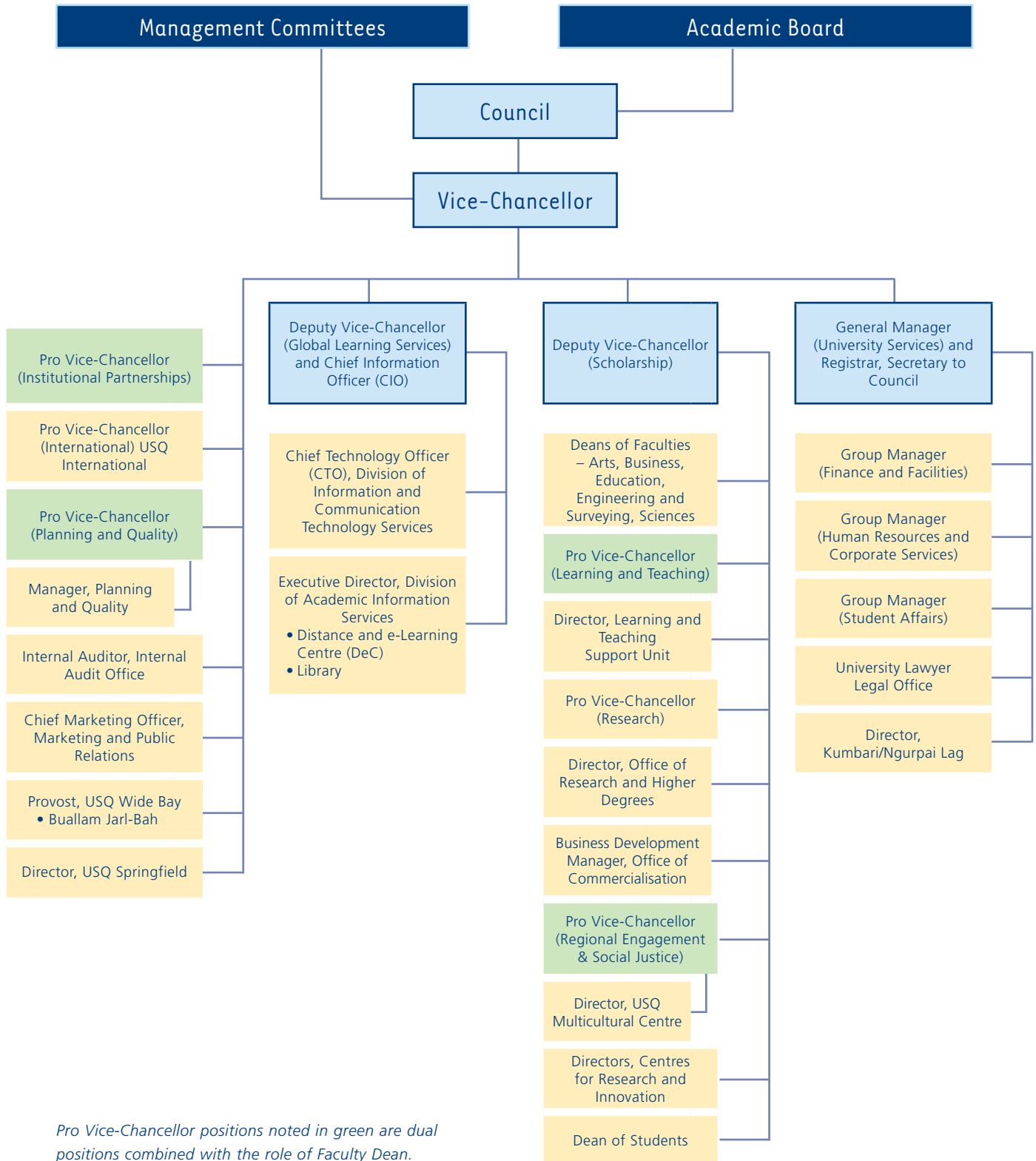
Mr Steve Tanzer, MPA UC

As the head of the University Services Division, the General Manager has responsibility for leadership, coordination and overview of Human Resources and Corporate Services, Finance and Facilities, Integrated Business Information Systems, Student Affairs, and Kumbari/ Ngurpai Lag Higher Education Centre. The General Manager is Secretary to the University of Southern Queensland Council.



Professor Graham Baker, Mr Steve Tanzer, Professor Jim Taylor and Professor Bill Lovegrove

Lines of responsibility



Our internal control framework

The role of our internal control framework is to monitor and guide the University's functions and exercise of power as defined in the USQ Act. This framework encompasses the strategic planning process, the University's performance against the benchmarks set by our Operational and Resource Management Plan, our program accreditation processes; and periodic reviews conducted throughout the University.

The Operational and Resource Management Plan serves to guide the University's resource management practices and is drawn from an established and documented budgetary process that permits approved expenditure budgets in non-Faculty areas and fixed allocations to the Faculties and other academic units.

The University's management committees support and implement the framework and advise the Vice-Chancellor on matters pertaining to the management of the University according to policies determined by the Council and on the development of policies for consideration by the Council.

Internal audit

Structure

The Internal Audit office reports to the Office of the Vice-Chancellor for administrative purposes and acts as the main point of contact with management, whilst functionally, the Internal Audit office reports to the Audit and Risk Committee. During 2006, the Internal Audit activity continued with a co-sourced arrangement with PricewaterhouseCoopers who perform most of the field work for planned reviews. This arrangement is subject to a three year contract due to expire in June 2007. During the first half of 2007 consideration will be given to the ongoing structure of the Internal Audit function at the University.

Planning

Internal Audit activities are planned after consultation with the Audit and Risk Committee and the external auditors. Additionally USQ's Planning and Quality review schedules are considered as part of the planning process; extensive consultations are held with management to ensure that Internal Audit activities result in best value to the University. The whole planning process is informed by the University's risk register. A strategic plan for the three year period 2007 – 2009 will form the basis of ongoing Internal Audit activity, although these plans are flexible and can be changed if necessary. The final plan of activities is approved by the Audit and Risk Committee.

Activities

During the year Internal Audit carried out a number of reviews of operational processes such as Joint Commercial Ventures, Attendance and Absence Management, Telecommunications, Performance Management, Code of Conduct, Safety and Security and departmental and faculty reviews. A key area of activity during the year was the introduction of more stringent follow-up methods to ensure that internal audit findings and recommendations are being addressed adequately by management. This has provided the Audit and Risk Committee

THE UNIVERSITY'S MANAGEMENT COMMITTEES

Vice-Chancellor's Committee
Vice-Chancellor's Executive Committee
Budget Management Committee
Social Justice Committee
*Disability Advisory Committee
*Indigenous Affairs Committee
*Status of Women in Employment and Education Committee
*Multicultural and Transnational Advisory Committee
*Student Equity Network
*Staff Equity Advisory Group
Executive Workplace Health and Safety Committee
Intellectual Property Committee
International Education Committee
ICT Strategy Committee
University Assembly
University Quota Management Committee
Planning, Quality and Review Committee
Learning and Teaching Enhancement Committee
Staff Development Committee
*General Staff Development Advisory Committee
University Program Management Committee

**Denotes sub-committee of parent committee*

with the added assurance of an improving control environment in addition to the value derived from Internal Audit reviews.

Reporting

Following the completion of fieldwork for a review, audit findings are prioritised and presented to management in a written draft report to allow consideration of the matters raised and to provide a formal response. An action plan with clear implementation responsibilities and timelines is agreed with management and incorporated into the final report. These action plans form the basis of follow up reviews to ensure that adequate progress is made in addressing the issues identified. Copies of the audit reports are provided to the Vice-Chancellor's Executive Committee which took an increasing role in the management of the implementation of recommendations made through Internal Audit reviews in 2006. All audit reports are submitted to the Audit and Risk Committee for their information and further action where necessary.

Audit and Risk Committee

The main objectives of the Audit and Risk Committee are to:

- assist the Council in the discharge of its responsibility to exercise due care, diligence and skill by assessing and enhancing the adequacy of corporate governance in relation to the University's:
 - reporting of financial information to stakeholders
 - application of accounting policies
 - financial management
 - internal control system
 - risk management system

- business policies and practices
- protection of its assets
- corporate and ethical culture
- compliance with applicable laws, regulations, standards and best practice guidelines.
- provide an open forum for communication between the members of the Council, management and the auditors, both external and internal
- facilitate the maintenance of the independence of the external auditor
- assess and assist management processes related to the identification of risks and threats in the University's operating environment
- assess and improve the quality of internal and external reporting of financial and non-financial information and the correlation between them
- facilitate, support and monitor the performance of the internal audit function
- provide a structured functional reporting line for the internal audit function and facilitate the maintenance of its independence.

In December 2006, the membership of the Audit and Risk Committee was as follows:

AT LEAST THREE INDEPENDENT MEMBERS OF THE COUNCIL WHO ARE NOT EMPLOYED BY THE UNIVERSITY AND ARE ABLE TO CONTRIBUTE TO THE BROAD SKILLS BASE RELEVANT TO THE BUSINESS OF THE COMMITTEE

John Dornbusch, BEd UNE BEd MBA USQ FAICD

Managing Partner, Dornbusch Partners Pty Ltd, Toowoomba

Graeme Stratford, BAcc SA, GradDipCmlComp QUT, ACA, MACID

Retired (previously partner, PricewaterhouseCoopers), Brisbane

Vacant

AT LEAST ONE PERSON EXTERNAL TO THE COUNCIL AND STAFF OF THE UNIVERSITY WHO WOULD BROADLY REPRESENT THE ACCOUNTING PROFESSION AND BE EXPERIENCED IN AUDITING

Tim Davis

Accountant, Elliots

THE CHANCELLOR OF THE UNIVERSITY

Roberta (Bobbie) Brazil BA LLB LLM UQ, GradDipLP QUT

Solicitor, Brookstead

The Vice-Chancellor, Group Manager, Finance and Facilities, Audit and Risk Manager and a representative of the Queensland Audit Office attend Audit and Risk Committee meetings by invitation and have rights of audience and debate but are not members of the Committee.

Program evaluation

The June meeting of Academic Board received the final report of a working party established by the Board at its meeting of 17 November 2004 to review the program accreditation and review process. The report took the form of revised University Calendar Section 4.2 *The Planning, Accreditation and Review Process for Academic Programs*. The essence of the new policy occurs at the planning stage of the accreditation and review process. The planning process now includes provision of Portfolio Plans,

to be prepared by each Faculty as part of the Faculty's Strategic Plan, and a separate Annual Assessment of the Faculty's academic profile. The revised process for new programs now contains a bifurcation of the process in terms of programs deemed by the University Program Management Committee to be 'of significance', that is programs that involve a new area of expertise. The University Program Management Committee is responsible for consideration of the strategic elements of a proposal and will have access to reliable and useful data to enable it to make timely recommendations on the academic portfolio and introduction of new programs and initiatives.

During 2006 the University approved the introduction of seven new programs from 2007, reviewed seven programs and approved their continuation and discontinued 61 programs.

Controlled entities

At present USQ has a controlling interest in University of Southern Queensland (South Africa) Pty Ltd. The University of Southern Queensland (South Africa) Pty Ltd has never traded and is a dormant company. The company has no assets and there is no financial investment in this company.

Risk management

Structure and framework

The Vice-Chancellor's Executive Committee is responsible for the implementation of the University's Risk Management strategy. Risk management activity is coordinated by the Internal Audit office. The University carries out its risk management using a framework which has been developed on the basis of the Australian/New Zealand Standard for Risk Management 4360:2004. Criteria for the analysis of likelihood and consequences, and the measures for establishing risk ratings have been adopted and are being applied successfully.

Risk Management activities fall within the scope of the Audit and Risk Committee which is responsible for overseeing and assessing the adequacy of the University's risk management strategy and processes. Risk management is a standing agenda item for committee meetings and is reported upon by the Internal Audit office.

Activities

During the year the University acquired and commenced the use of specialist Risk Management software. The vendor supported the development of a rollout strategy and some training and workshops conducted. In 2007 the software will be introduced across the University. As part of the annual strategic planning process, all organisational units were required to carry out a risk assessment using the University's risk management framework and criteria for analysing risk. The results of this process will be captured into the risk management software and form the basis of a risk register which can be refined and reported upon in future.

The register provides information on the risks identified, such as causes, likelihood of occurrence, consequences in the event of occurrence, mitigating controls, residual risk,

action plans and reporting responsibilities. This will provide management with the opportunity to manage risk and track the implementation of improvements to the control environment. The University made significant progress in 2006 in the understanding, appreciation and application of risk management principles.

Managing change

Organisational change may occur from responding to changes in student needs, labour markets, technology development and government policies. In 2006 various USQ sections undertook eight formal reviews to identify ways of becoming more efficient. These reviews covered the following:

- Division of University Services
- Marketing and Public Relations and the marketing process
- Faculty of Business
- USQ International and USQ International Admissions
- Student Administration
- Faculty of Sciences
- Division of Academic and Information Services.

The guidelines for these reviews are contained in the University calendar in Sections 9.3 and 9.4 and are available at www.usq.edu.au/corporateservices/calendar/part9.htm Following each review a change action plan is prepared and progress is reported as a part of the section's quarterly reporting process.

Additionally the Information and Communications Technology (ICT) Division implemented a significant organisational change program following an extensive review process in 2005. Feedback from staff across the University in relation to change management suggests that there are important improvements which need to be made in our organisational change management thus learning and improvements will be incorporated into our major change projects during 2007.

Students at USQ must be able to respond to change as part of their personal and professional development and the awareness that learning must be life-long in an ever-changing society has been included in USQ's Graduate Attributes. These attributes have been incorporated into the University's program accreditation procedures which can be found at www.usq.edu.au/corporateservices/calendar/part4.htm USQ is seeking to improve its support for students as they move through their personal and professional development at the University. Improving the integration and coordination of University services during the time the students are with USQ is one way of achieving this. During 2006 the Dean of Students and the Learning and Teaching Support Unit in concert with key services providers across the University aimed to deliver substantive improvements to the student learning experience.

These perspectives on change are mutually dependent and interconnected. The USQ Quality Policy is an administrative policy tool designed to provide an overarching framework for the coordination and communication of these different perspectives.

Planning, quality and review

In 2006 we endeavoured to use planning as a means of:

- reflecting the values and expectations of those in the university community
- helping the University respond proactively to emerging threats and opportunities
- harnessing the capacity of the diverse university community to work towards the fulfilment of the University's vision and mission
- integrating the academic and non academic aspects of the organisation to not only maintain the academic rigour of USQ programs but to increase the marketability and sustainability of these programs
- assisting the management team to allocate university resources consistent with the vision and mission
- providing a framework for ongoing management and review so that we could assess progress and revise our plans as circumstances changed.

At USQ quality is achieved when:

- our values, plans, policies and actions are aligned
- we listen and respond to our staff, customers, stakeholders and community
- we apply our resources in line with our values, plans and policies
- we review our plans, actions and achievements and seek to learn from our results
- we achieve results in line with our plans and our staff, customers, stakeholders and community expectations
- we have a high level of commitment to our values, plans policies and actions.

The USQ Planning and Quality Policies can be found in Sections 9.1 and 9.2 of the University Calendar at www.usq.edu.au/corporateservices/calendar/part9.htm

In 2006 the key steps taken by the University to implement improvements to the planning and quality framework were as follows:

- eight formal reviews were undertaken in line with USQ Review guidelines
- a planning timetable was established for both strategic and operational planning and steps were taken to link with greater effectiveness, planning and budgeting
- the planning timetable and the grant management cycle were coordinated
- the planning template was simplified and technology used efficiently to collect and consolidate information from each section
- an end of cycle survey was initiated to collect input from key University planners on ways to improve the planning process.