Controlled and Non-Controlled Entity Procedure

Section 1 - Context

(1) This procedure outlines the process to be followed for the formation, management or participation in an Entity by the University.

Section 2 - Authority

(2) Authority for this document is established by the Controlled and Non-Controlled Entity Policy (the Policy).

Section 3 - Scope

(3) This procedure applies to all Entities (other than Research IP Translation Entities) within the RMIT Group.

(4) It does not apply to Research IP Translation Entities within the RMIT Group which must follow the Research IP Translation Entity Procedure.

Section 4 - Procedure

Controlled Entity

Proposal for Establishment of a Controlled Entity

(5) A proposal submitted by the Vice-Chancellor (VC) in accordance with the Policy for the formation or management of, or participation in, a Controlled Entity must include the assessments and measures set out in clause (9) of the Policy as well as:

a. the rationale for the proposal in accordance with the required purposes of the Policy;
b. a detailed financial and legal due diligence report in accordance with the Controlled Entity Guideline;
c. a strategic execution plan for the Controlled Entity;
d. draft governing documents that comply with any legislative requirements and include reference to the reporting obligations of the Controlled Entity to RMIT University Council;
e. a detailed risk assessment in accordance with the Controlled Entity Guideline;
f. proposed members of the governing body of the Controlled Entity.

(6) Appropriate care should be taken when drafting contracts (refer to the Contract Management Policy) to ensure controlled entities are not inadvertently established.

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Nominations and Remuneration of Directors of a Controlled Entity

(7) Nominations for directorship of a Controlled Entity must be in accordance with the Policy.

(8) Nominations made under clause (7) must be in a form specified by the University Secretariat which:

a. details that the proposed director possesses the skills, knowledge and experience (including but not limited to fit and proper person requirements) necessary to enable the Board of the Controlled Entity to provide proper stewardship and control of the Entity;
b. satisfies any local laws;
c. details any conflicts of interest;
d. details any proposed remuneration arrangements.

(9) Remuneration of directors of Controlled Entities must be approved by the Vice President, People and Culture and the VC.

(10) The directors of a Controlled Entity will appoint a Company Secretary or any jurisdictionally equivalent company secretarial position in accordance with the Controlled Entity Guideline.

Reporting

(11) Controlled Entities must provide the following to Council or its nominated subcommittee:

a. financial statements in a form required by the Chief Financial Officer (quarterly);
b. safety, risk, insurance, audit and operations report (quarterly);
c. strategic execution plan (annual);
d. budget, as approved by the Chief Financial Officer (annual);
e. report of performance against annual business plan, as approved by the VC (annual);
f. audit and risk report in a form required by the Director, Risk Management (annual);
g. assurance statement as defined by the Director, Risk Management (annual);
h. report on commercial activities (annual);
i. access to the annual financial statements.

(12) To the extent that the entity undertakes academic or research activities, a report of activities is periodically provided to the Academic Board or nominated subcommittee, in a form required by the Chair, Academic Board.

(13) Controlled Entities must immediately advise the VC and Director, Risk Management if there are any:

a. possible or actual extreme risks as identified by the risk management framework;
b. actual or possible insurance claims;
c. significant changes to entity performance.

(14) Controlled Entities must immediately advise the VC and the University Secretary and Academic Registrar if there is any actual, threatened or potential litigation which is likely to have a material effect on the Controlled Entity or the University.

Operations

(15) The Board of Directors must ensure that the Management Committee operates the Controlled Entity in accordance with:

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a. the governing document of the Controlled Entity;
b. any applicable laws and regulatory requirements;
c. policies of the University, including, without limitation, the Delegations of Authority Policy and the Conflict of Interest Policy.

Non-Controlled Entity

Proposal for Participation in a Non-Controlled Entity

(16) A proposal submitted to Council in accordance with clause (6) or (7) of the Policy must include the assessments and measures set out in clause (9) of the Policy as well as:

a. the rationale for the proposal;
b. details of any financial or other commitments by the University;
c. governing documents that comply with any legislative requirements;
d. a detailed risk assessment;
e. existing or proposed members of the governing body of the Non-Controlled Entity.

(17) Appropriate care must be taken when negotiating and developing contracts (refer to the Contract Management Policy) to ensure the University does not inadvertently participate or acquire an interest in a Non-Controlled Entity.

Reporting

(18) The relevant member of the University Executive responsible for a Non-Controlled Entity must immediately advise the VC and Director, Risk Management if there are any:

a. possible or actual extreme risks as identified by the risk management framework;
b. actual or possible insurance claims;
c. significant changes to Entity performance.

(19) The relevant member of the University Executive responsible for a Non-Controlled Entity must immediately advise the VC and the University Secretary and Academic Registrar if there is any actual, threatened or potential litigation which is likely to have a material effect on the Non-Controlled Entity or the University.

Section 5 - Compliance

(20) Compliance with this procedure is monitored by the University Secretary and Academic Registrar.

(21) Breaches of this procedure are reportable via the Organisational Breach Reporting Form and are managed in accordance with the Compliance Breach Management Procedure.

Section 6 - Resources

(22) Refer to the following documents which are established in accordance with this procedure:

a. Controlled Entity Guideline.

Status and Details

Status	Current
Effective Date	22nd June 2026
Review Date	11th June 2031
Approval Authority	Manager, Central Policy
Approval Date	11th June 2026
Expiry Date	Not Applicable
Policy Owner	Brooke Griffin Chief of Staff to the Vice-Chancellor
Policy Author	Connie Merlino University Secretary and Academic Registrar
Enquiries Contact	Council Secretariat

Glossary Terms and Definitions

"RMIT Group" - RMIT University and its controlled entities (RMIT Europe, RMIT Online, RMIT Vietnam, RMIT University Pathways)

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