



Audit & Risk Management Committee 2/2025

Schedule	Thursday 13 March 2025, 9:00 — 13:00 AEDT
Venue	Online via Zoom video conferencing
Description	A Members-only session will be held prior to the main meeting and will commence at 9:00am (Canberra time).
	All enquiries should be directed to the Secretary by email: secretary.armc@anu.edu.au.
Organiser	s.47F Personal privacy

Agenda

Important Information for Members

ARMC Important Information for Members.docx	1
Acknowledgement of Country.docx	2

PART 1 - PROCEDURAL ITEMS (presenter - Alison Kitchen, ARMC Chair)

*1.1-1.5 - Announcements, Absence, Disclosure & Minutes

1.1 - 1.5 - Procedural Items.docx	3
1.5 Att A - Draft Minutes - ARMC - 29 January 2025.docx	4



*1.6 - Matters Arising

1.6 - Matters Arising.docx	12
1.6 Att A - Matters Arising March 2025.docx	13


PART 2 - KEY BUSINESS ITEMS



*2.1 - Council Deliberations Update (presenter - Alison Kitchen, ARMC Chair)

 2.1 Council Deliberations FEB 2025.docx	15
 2.1 Att A - Council Summary of Meeting Outcomes – FEB 2025.docx	16



*2.2 - Vice-Chancellor's Report - (presenter - Genevieve Bell, Vice-Chancellor)

 2.2 - Vice-Chancellor's Report - Verbal Update Final.docx	21
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*2.3 - Chief Financial Officer's Report (presenter - Michael Lonergan, CFO)

 2.3 - Chief Financial Officer's Report.docx	23
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*2.4 - 2024 Draft Annual Financial Statements (University)
(presenters - Michael Lonergan, CFO s.47F Personal privacy, Interim Chief Information Officer)

 2.4 - 2024 Annual Financial Statements (University).docx	26
 2.4 Att A - 2024 ANU Consolidated Financial Statements (Draft).pdf	38
 2.4 Att B - ANU 2024 Financial Results.pdf	106




*2.5 - 2024 Draft Annual Financial Statements (University's Subsidiaries)
(presenters- Michael Lonergan, CFO & Lachlan Blackhall, Deputy Vice-Chancellor Research & Innovation)

 2.5 - 2024 Annual Financial Statements (University's Subsidiaries).docx	131
 2.5 Att A - ANUE AFS 2024.pdf	132

*C2.6 - s.47D - Public Interest Conditional Exemptions - Financial or property interests of the Commonwealth, s.47E - Public Interest Conditional Exemptions - Certain Operations
Commercial Management & Procurement (presenter s.47F Personal privacy, Director,


 <small>s.47D - Public Interest Conditional Exemptions - Financial or property interests of the Commonwealth, s.47E - Public Interest Conditional Exemptions - Certain Operations of Agencies</small>	152
 <small>s.47F Personal privacy</small>	156

*2.7 - Equity Interests Update (presenter - Lachlan Blackhall, Deputy Vice-Chancellor Research & Innovation)


 2.7 - Equity Interests Update - Feb 25.docx	157
 2.7 Att A - ANU Noncontrolled Equity Interests - Feb 2025.pdf	162
 2.7 Att B - Supplementary Paper Equity Interests.docx	185



*2.8 - Corporate Plan 2024 Performance Deep Dive (presenter - s.47F Personal privacy, Director PSP)

 2.8 - Corporate Plan 2024 Performance Deep Dive.docx	189
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*2.9 - Corporate Plan 2025 Performance Baseline (presenter - s.47F Personal privacy, Director PSP)

 2.9 - Corporate Plan 2025 Performance Baseline.docx	216
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PART 3 - AUDIT, ASSURANCE & RISK (presenter - s.47F Personal privacy, Manager Audit & Risk)

*3.1 - Internal Audit Work Plan - Progress Update and 2025 Plan

 3.1 - IAWP Progress Update.docx	227
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 3.1 Att A - IA Plan 2025 and Strategy.pptx	228
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*3.2 - Strategic Risk Register and Other Risk Updates

 3.2 - Strategic Risk Register 2025 and Other Risk Updates.docx	240
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 3.2 Att A - Draft Strategic Risk Register 2025.docx	243
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 3.2 Att B - Draft Enterprise Risk Register 2025.pdf	256
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 3.2 Att C - Consolidated Fraud Reporting Dashboard 2022-23.pdf	257
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 3.2 Att D - Obligations Directory Plan.docx	258
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*3.3 - Audit Recommendations Update

 3.3 - Audit Rec Status Update.docx	269
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3.4 - MIR KPMG – Remote Work Risk Assessment

 3.4 - MIR KPMG - Remote Work Risk Assessment.docx	276
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 3.4 (a) MIR – KPMG Remote Work Risk Assessments.pdf	277
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PART 4 - REGULAR REPORTS & OTHER ITEMS FOR NOTING





4.1 - ANU Financial Update (Year to date financials and forecast)

 4.1 - ANU Financial Update.docx	283
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*4.2 - Digital Plan – Progress Update (presenter - Paul Hargreaves - Interim Chief Information Officer)

 4.2 - Digital Plan - Progress Report.docx	289
 4.2 Att A - DP Dashboard.pptx	292
 4.2 Att B - DICE Dashboard January 2025.pptx	297
 4.2 Att C - NMP Dashboard January 2025.pptx	300
 4.2 Att D - L&T Dashboard January 2025.pptx	301
 4.2 Att E - SE Dashboard January 2025.pptx	303
 4.2 Att F - RVS Dashboard January 2025.pptx	305
 4.2 Att G - US Dashboard January 2025.pptx	307



*C4.3 - Information Security Update (Confidential) (presenter - Shirley McCombe, Interim Chief Information Security Officer)

 4.3 - Information Security Update.docx	311
 4.3 Att A - Information Security Dashboards.pdf	314

4.4 - ANAO Audit Activity Report

 4.4 - ANAO Audit Activity Report.docx	333
 ANAO Audit Activity ANU - March 2025 (1).pdf	334
 ANU 2024 Closing letter draft_final.pdf	349

4.5 - ARMC Charter and PGPA Responsibilities

 4.5 - ARMC Charter and PGPA Responsibilities for 2025.docx	369
 4.5 Att A - ARMC Charter and PGPA.docx	370

4.6 - Council Committees (January/February 2025) - Executive Summaries

 4.6 - Council Cttees Executive Summaries.docx	372
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4.7 - Legislation Update

 4.7 - Legislation Update.docx

376

PART 5 - OTHER BUSINESS

5.1 - 2025 Rolling Agenda Plan and Meeting Dates

 5.1 - 2025 Forward Agenda and Meeting Dates.docx

378

 5.1 Att A - ARMC 2025 Forward Agenda as at Feb 25 docx

379

Released under the Freedom of Information Act 1982

AUDIT AND RISK MANAGEMENT COMMITTEE**MINUTES**

The second meeting of the Audit and Risk Management Committee for the year was held at 9.00am on Thursday 13 March, by video-conference facilities (Zoom). A members-only session was held between 9.00-9.22am, which was followed by the official meeting.

Present:

1. Ms Alison Kitchen (Chair)
2. Mr Andrew Metcalfe AO
3. Ms Fran Raymond

Apologies:

1. Dr Anne-Marie Schwirtlich AM (Council member)
2. Mr Josh Chalmers

In attendance:

Vice-Chancellor, Professor Genevieve Bell

Provost, Professor Rebekah Brown

Chief Operating Officer, Mr Jonathan Churchill

Deputy Vice Chancellor (Research & Innovation) Professor Lachlan Blackhall – Items 2.5 & 2.7

s.47F Personal privacy, Research & Innovation Portfolio – Item 2.7

Chief Financial Officer, Mr Michael Lonergan

Interim Chief Information Officer, Mr Paul Hargreaves – Items 2.4 & 4.2

Director, Commercial Management & Procurement, s.47F Personal privacy – Item C2.6

Interim Chief Information Security Officer, Ms Shirley McCombe – Item C4.3

Director, Planning and Service Performance, s.47F Personal privacy - Items 2.8 & 2.9

Director, Corporate Finance & Reporting, s.47F Personal privacy

Professor Juliana Ng, Council Member

Mr Bruce Preston (Crowe)

Mr Rahul Tejani (ANAO)

Corporate Governance & Risk Office (CGRO) Secretariat:

s.47F Personal privacy

Audit and Risk Management Committee Secretary, s.47F Personal privacy

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PART 1: PROCEDURAL ITEMS

*1.1 – ANNOUNCEMENTS AND APOLOGIES

The Chair noted that the following papers were confidential and made available to members only:

- **Item 2.6 ANU Insurance** s. 47E(d) Adverse effect on operations of agency
- **Item 4.3 Information Security Update**

*1.2 – LEAVE OF ABSENCE

- No other leave of absence was requested for future meetings.

*1.3 – DISCLOSURE OF PECUNIARY OR MATERIAL PERSONAL INTEREST

- The Chair reminded all members of their responsibilities as members of the Committee under the PGPA Act 2013 and the obligation to disclose material personal interests.

*1.4 – ARRANGEMENT OF AGENDA

Resolved:

The Committee **resolved** all other unstarred items as proposed in the meeting papers.

*1.5 – MINUTES

Resolved:

The Committee **approved** the minutes of the meeting held on 29 January 2025 (meeting 1/2025).

*1.6 – MATTERS ARISING

The Committee noted there were six matters arising from previous ARMC meetings. Of these, the Committee approved the recommended closure of two matters as listed in the papers.

The Committee discussed the remaining open items, noting:

- Open Item 2.5 – *ANAO Performance Audit Recommendations Update* was approved for closure on the Matters Arising register. The Committee requested the item be tracked through the standing audit recommendations paper.

Resolved:

The Committee:

1. **Noted** the Matters Arising updates; and
2. **Approved** the closure of matters as proposed in the papers and discussion.

PART 2: KEY BUSINESS ITEMS

2.1 – COUNCIL DELIBERATIONS – UPDATE

- The Chair noted that there is now a more robust procedure in place to address conflicts of interest.
- The Chair highlighted item 24, where a review of the structure of Council's Committees is underway. A proposal paper will be presented to the March meeting of Council.

Resolved:

The Committee **noted** the summary of relevant items considered by Council at its meeting of 14 February 2025.

*2.2 – VICE-CHANCELLOR'S REPORT

The Vice-Chancellor provided an update to the Committee, highlighting the following key points:

- ANU had been summoned to parliament for Senate Estimates since the last meeting of the Committee.

- The Sheldon Inquiry under the Senate Education Legislation Committee was convened yesterday and ANU made a submission.
- ANU Renew 2025 activities were launched. Voluntary Separation Scheme (VSS) applications close at the end of the week.
- An ANU wide consultation paper was put out for a proposed new operating model. Staff Town Halls for consultation have been held and all papers are publicly available on the ANU Renew Website.

Resolved:

The Committee **noted** the report from the Vice-Chancellor.

***2.3 – CHIEF FINANCIAL OFFICER'S REPORT**

The Chief Financial Officer (CFO), Mr Michael Lonergan, spoke to the paper noting:

- **s 47G - Public Interest Conditional Exemptions - Business** This is not a major risk for ANU.
- The ARMC noted with concern the high percentage of budget savings currently at risk and requested that they receive regular reporting on progress in this area.
- **MATTER ARISING:** The ARMC requests that future CFO Report's provide an update on the budgetary impact of the VSS, the prospective impact of ANU Renew principles and change plans, and tracked updates on the percentage "at risk".

Resolved:

The Committee **noted** the report from the CFO.

***2.4 – 2024 DRAFT ANNUAL FINANCIAL STATEMENTS (UNIVERSITY) & ANAO CLOSING LETTER (provided at attachment 4.4 b)**

Mr Michael Lonergan (CFO), ^{s.47F Personal privacy} Director, Corporate Finance and Reporting and ^{s.47F Personal privacy} ^{s.47F Personal privacy} Interim Chief Information Officer (CIO) presented this item, noting:

- Communication to the community around the University's finances will be critical and a focus ahead, given the regular confusion around a reported operating profit with another Staff Town Hall scheduled in early April.
- ANAO and Crowe had noted the fantastic engagement with the CFO and ANU management during the audit.
- ANAO and Crowe, in conjunction with the Committee, noted that whilst good progress had been made regarding Excess Annual Leave, they wished to continue monitoring the matter for a further year.

In discussion, the Committee noted:

- The Chair asked about the audit findings, of which four relate to IT general controls and practical solutions. The Interim CIO noted that they have responded to the audit findings.

Resolved:

The Committee:

1. **Noted** the commentary and analysis on the draft 2024 Statements of Income, Statement of Financial Position and Statement of Cash Flows for the University; and
2. **Formally considered and endorsed** the University's draft 2024 Annual Financial Statements for approval by Council.

***2.5 – 2024 DRAFT ANNUAL FINANCIAL STATEMENTS (UNIVERSITY'S SUBSIDIARIES)**

Mr Michael Lonergan (CFO) and Professor Lachlan Blackhall, Deputy Vice-Chancellor Research & Innovation (DVCRI) spoke to the item, noting:

- A slight adjustment of the ANUE governing structure has been made, with the removal of their audit committee. The audit process has found no issues with ANUE.

- Professor Blackhall noted that the disestablishment of the ANUE audit committee was in consideration of the structure of ANUE and also limiting the use of unnecessary resources. The Chair noted their support for this and the proposed approach going forwards.
- ANAO confirmed they would raise any concerns at subsidiary level to the ANU ARMC.

Resolved:

The Committee:

1. **Noted** the ANU Enterprise Pty Ltd Annual Financial Statements.
2. **Endorsed** the proposed approach that ANUE financial statements will, in future, be presented to ARMC through the University's consolidated financial statements only.

C2.6 –*Resolved:*****2.7 - EQUITY INTERESTS UPDATE**

Professor Lachlan Blackhall (DVCRI) and **s.47F Personal privacy** presented the update and noted:

- There is no identified material risk exposure in the University's Equity Interests. The two highlighted as being low risk are from a reputational perspective, owing to the nature of start-ups.

In discussion, the Committee noted:

- ANUE is proposing to hire external professional directors that have fiduciary board experience to provide governance and oversight of entities and interests, for a new Equity Interests Governance Committee.
- The Committee supported the proposal of moving to an annual reporting cycle for Equity Interests (EI). The DVCRI portfolio will present to ARMC annually to report on EI performance.
- The Committee requested a presentation from Professor Blackhall on research costing and pricing. Professor Blackhall explained the Research Expenditure Model and highlighted areas of cross subsidy.
- ARMC expressed support for the costing and pricing model proposed in the discussion and endorsed it going forwards.
- **MATTER ARISING:** The Committee requested that, in consultation with the CFO and Provost, an update be given at the May ARMC meeting from the DVCRI with a view to develop a whole of University costing and pricing implementation plan.

Resolved:

The Committee noted:

1. The new Governance and Performance Framework proposed for managing entities, equities and interests within the responsibility of the Research & Innovation Portfolio; and
2. The new register for ANU non-controlled equity interests and the proposed approach for managing them.

***2.8 – CORPORATE PLAN 2024 PERFORMANCE DEEP DIVE**

Director PSP, **s.47F Personal privacy** spoke to the item, noting:

- The report gives a high level first look at KPIs endorsed by ARMC, with the intention to get questions and feedback from ARMC on details the committee might seek, in preparation of the first quarterly report due in May.

- [s.47F Personal privacy] also presented an initial look at the KPI dashboard to give ARMC a sense of what will be included in the quarterly report.

The Committee noted that the dashboard was well presented and discussed measurement of KPI's in future reporting.

Resolved:

The Committee **noted** the deep dive into 2024 KPI performance.

***2.9 – CORPORATE PLAN 2025 KPI BASELINE**

Director PSP, [s.47F Personal privacy] spoke to the item.

- The VC suggested that direct reports of the Provost and COO read this paper. Change management activities will include a focus on the Corporate Plan KPI's with these becoming the basis of Council and Committee reporting.

Resolved:

The Committee **noted** the 2025 KPI performance baseline.

PART 3: AUDIT, ASSURANCE AND RISK

***3.1 – INTERNAL AUDIT WORK PLAN - PROGRESS UPDATE AND 2025 PLAN**

Manager, Audit & Risk, [s.47F Personal privacy] spoke to the item, noting:

- The University has appointed five providers to the panel. All contracts have been signed to date for three years, with an option to extend for two years.
- [s.47F Personal privacy] gave a short presentation on planned 2025 activities including an assurance mapping exercise.

Resolved:

The Committee **endorsed** the Internal Audit Strategy and Plan for 2025.

***3.2 – STRATEGIC RISK REGISTER & OTHER RISK UPDATES**

Manager, Audit & Risk, [s.47F Personal privacy] spoke to the item, noting:

- An early stage of the renewed risk register was being presented and further updates would be provided at each ARMC meeting going forward.
- Any further feedback from members via email was welcomed by CGRO.

Resolved:

The Committee:

1. **Noted** the status of the annual review of the University's Draft Strategic Risk Register 2025;
2. **Provided feedback** regarding the strategic risks; and
3. **Noted** the other risk related programs completed and in progress.

***3.3 – AUDIT RECOMMENDATIONS UPDATE**

Manager, Audit & Risk, [s.47F Personal privacy] spoke to the item as presented in the paper.

In discussion, the Committee noted:

- **MATTER ARISING:** CGRO will ensure that areas with audit items that are 6 months overdue or more will be invited to attend ARMC as an ongoing matter.

Resolved:

The Committee:

1. **Noted** the progress update on the current open and overdue Internal Audit recommendations, and
2. **Endorsed** 10 open recommendations, as proposed in the paper provided, for closure.

3.4 – MANAGEMENT INITIATED REVIEW REPORT – ANU REMOTE WORK RISK ASSESSMENTS**Resolved:**

The Committee **noted** the draft report.

PART 4: OTHER ITEMS FOR NOTING**4.1 – ANU FINANCIAL UPDATE****Resolved:**

The Committee **noted** the University's February 2025 year-to-date financial results as compared to the 2025 Budget.

***4.2 – DIGITAL PLAN PROGRESS UPDATE**

Mr Paul Hargreaves spoke to the item as presented in the paper and noted:

- The new piece of work around ANU Renew support is underway. The University is using IT to reduce non-salary costs, avoiding duplication of software and systems.
- Printing consolidation measures have been rolled out to Chancellery and the Library. Over 100k prints have been saved.
- The Digital Dashboard has not changed much since last meeting, though risks have been split into strategic and delivery risks.

The Committee thanked Mr Hargreaves.

Resolved:

The Committee **noted** the Digital Plan update.

***C4.3 – INFORMATION SECURITY UPDATE (PROVIDED TO MEMBERS ONLY)**

s 47E - Public Interest Conditional Exemptions - Certain Operations of Agencies

Resolved:

The Committee **noted** the Information Security update.

4.4 – ANAO AUDIT ACTIVITY REPORT**Resolved:**

The Committee **noted** the ANAO audit activity report.

4.5 – ARMC CHARTER AND PGPA RESPONSIBILITIES FOR 2025

Resolved:

The Committee **noted** the 2025 ARMC Work Plan outlining its Charter responsibilities pursuant to section 17(2) of the Public Governance, Performance and Accountability Rule (PGPA Rule).

4.6 – COUNCIL COMMITTEE MEETINGS (Jan/Feb 2025) – EXECUTIVE SUMMARIES

Resolved:

The Committee **noted** the summary of major items considered by Council in January/February 2025.

4.7 – LEGISLATION UPDATE

Resolved:

The Committee **noted**:

1. That no new legislation has been made by Council or the Vice-Chancellor since the last meeting of ARMC in January 2025; and
2. The update to the report received by ARMC in January 2025 on legislation made by the Acting Vice-Chancellor in December 2024.

PART 5: OTHER BUSINESS

5.1 – 2025 PROPOSED FORWARD AGENDA AND MEETING DATES

Resolved:

The Committee **noted**:

1. The ARMC Forward Agenda for 2025; and
2. The meeting dates and venue/online delivery for 2025.

5.2 – NIXON REVIEW VERBAL UPDATE (**PROVIDED TO MEMBERS ONLY**)

The Vice-Chancellor gave a verbal update. The Committee requested that updates on the matter come back to Council through the Exceptional Business Committee.

Resolved:

The Committee **noted** the verbal update.

The meeting concluded at 12.43pm.

X

Ms Alison Kitchen
Chair, Audit and Risk Management Committee
The Australian National University

Approved at ARMC Meeting 3/2025