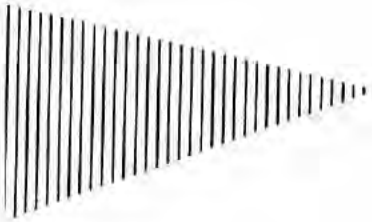
Review of Financial Governance of ANU Student Associations

Report

Australian National University

16 October 2014



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Inherent Limitations

Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to this review operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. This review is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed on the control procedures are on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by the Australian National University's (ANU / University) management and personnel. We have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted with the report. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with ANU. The findings expressed in this report have been formed on the above basis.

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1. Executive Summary

1.1 Background

The Australian National University ('ANU', or the 'University') charges students an annual student services and amenities fee (SSAF) under the *Higher Education Legislation Amendment (Student Services and Amenities) Act 2011* (the Act). In the 2014 academic year, the SSAF was $281 for a full-time student. Revenue raised from the SSAF is both allocated to independent student associations and retained by the University for expenditure on services and capital works of general benefit as defined under the Act. In 2014 the University allocated the following amounts to the following student associations:

- Australian National University Students' Association (ANUSA): $1.241m;
- Postgraduate and Research Students' Association (PARSA): $1.015m; and
- Australian National University Student Media (ANUSM): $192,000.

In July 2014, the Australian National University Sport and Recreation Association (ANUSRA) and the above student associations were invited to apply for additional funding allocations from the 2014 SSAF revenue. Following the submissions for additional funding allocations, it emerged that: ANUSA had not yet obtained an audit report for its financial statements for the year ended 31 December 2013; and ANUSM noted debt of $13,109.22 owed to the Australian Taxation Office, comprising three fines totalling $850, outstanding GST payments and accrued interest.

"Subsequent discussions between the University and the student associations revealed concerns about the effectiveness and efficiency of current financial governance arrangements, including accounting and auditing functions, and the University formed the view that the best way to improve these was to conduct a thorough but brief review with a view to having a new financial governance structure in place by 1 January 2015."[1]

The University expanded the scope of this review beyond financial governance to consider human resource functions relating to succession planning and the skills and experience of employees.

It is intended that a second engagement in response to the recommendations of this review will be conducted to develop tools and methodologies to support the in-scope processes.

1.2 Objective

The objective of this engagement was to assess the governance arrangements relating to finance and human resource functions of the ANU student associations.

1.3 Summary of Findings and Recommendations

1.3.1 Positive Observations

- A passionate and deeply engaged leadership team across all associations, who are committed to their association and the welfare of its members;
- A culture where the associations' executives members are receptive towards improving the effectiveness and efficiency of governance arrangements within their respective associations; and
- ANUSM's current regime of having half-yearly election cycles for half of its leadership board which supports the retention of organisational knowledge and experience after each election.

[1] *Memorandum: Allocations of Student Services Amenities Fee funds to Student Associations in 2015*, 19 August 2014

1.3.2 Findings and Recommendations

Finding 1: Non-compliance with ANU Funding Agreement (Risk rating: High)

The ANU has established standard multi-year funding agreements with the student associations to detail the agreed terms and conditions of SSAF funding under the Act. EY identified six clauses (refer to section 3.1 for specific clauses) within the funding agreement where one or more of the student associations had not met their requirements and obligations. On the basis of these findings we make the following recommendations:

> ***Recommendation 1 (Process):*** The ANU should enforce the audit requirement imposed under clause 10.2 of the funding agreement (i.e. requiring student associations to obtain independent certification that the SSAF funds have been expended in accordance with the funding agreement). This provides a safeguard for the University's compliance with the Act.
>
> ***Recommendation 2 (Process):*** The ANU should develop guidance detailing a compilation of the financial, governance and legal requirements of student associations under the funding agreements and the Act. This should be disseminated to the associations seeking SSAF funding, particularly after a change in administration.
>
> ***Recommendation 3 (Process):*** The ANU should develop a standardised reporting template, which addresses requirements of the funding agreement and the Act, for student associations to use for the purposes of reporting under clause 8.2 (requiring student associations to provide the ANU with an updated, comprehensive and detailed acquittal of expenditures incurred over the past six months against the budget and permitted expenditure categories).
>
> ***Recommendation 4 (Process):*** ANUSM should prioritise the audit of their 30 November 2013 annual report to ensure compliance with the funding agreement.

Finding 2: Polices and Procedural Documentation (Risk rating: Moderate)

EY's examination of student association policies and procedural documentation revealed key gaps in documentation for accounts receivable, write-off and provision for doubtful debts, procurements, and handover arrangements.

> ***Recommendation 5 (Policy):*** The collective policies and procedures shared between ANUSA, PARSA and ANUSM should be updated to include: accounts receivable; write-off and provision of doubtful debts; procurement; and handover arrangements.

Finding 3: Shared Services Operating Model (Risk rating: Moderate)

ANUSA, PARSA and ANUSM currently engage different accounting and audit service providers while maintaining a shared bookkeeper. EY found that there were inconsistencies in the accounting and audit services provided with each association selecting their respective service providers for varying reasons including continual knowledge of the associations and discounting on fees. EY notes that ANUSM could not provide a formal agreement with Hallets, its accounting service provider. EY also notes that the current shared bookkeeper has limited experience in performing the required duties for the role, despite the material level of funding, and the volume of transactions being processed by the three associations.

> ***Recommendation 6 (Process):*** ANUSM should cease engagement with Halletts until a formal agreement is prepared that details their terms of engagement and fees relating to the current financial reporting period. Accounting services relating to future reporting periods should be provided under the shared services operating model in recommendation 7 below.
>
> ***Recommendation 7 (Process):*** To enhance the existing shared services operating model and leverage the benefits gained from a shared bookkeeper, the associations should also consistently engage the same accountant and same auditor across all three associations. In selecting an accountant and auditor, a panel should be established for the assessment of suppliers. The panel should have representation from all three associations and an ANU representative to provide guidance based on the ANU's procurement processes.

Recommendation 8 (Process): The student associations should consider the engagement of a more suitably qualified bookkeeper. It is recommended that the bookkeeping role be filled by a full-time professional with a relevant postgraduate accounting qualification from the Institute of Chartered Accountants Australia or CPA Australia.

1.4 Opportunities for Improvement

During the course of the review, EY identified potential opportunities to improve the student associations' governance frameworks. These opportunities are either not directly within the scope of this review or do not represent a high enough risk to constitute a finding. They have therefore been listed below for the consideration of the University:

Executive members of student associations typically comprise of students with limited experience in governance or financial management. The short timeframes (due to annual changes in administrations) in which a leadership team can gain experience within each association serves to further exacerbate the issue of inexperience. The ANU should consider providing training to executive members such as the Foundations of Directorship course offered by the Australian Institute of Company Directors. This is a one day course that provides a basic overview of governance, finance, strategy and risk to persons in executive positions;

Discussions with the ANU noted that the associations can also consider tightening the election process to identify more suitably experienced candidates for the executive positions. Potentially introducing a requirement that in order to qualify for candidacy for one of the three in-scope associations, a student must have previously held a similar position in one of the ANU's 'top 20' smaller associations;

Discussions with the ANU also noted the benefit of providing leadership training to support newly elected executive members. In-house leadership training available to students can be provided by the ANU's Centre of Higher Education, Learning and Teaching (CHELT). The ANU should consider the mandatory attendance of newly elected executive members at leadership training such as those offered at CHELT;

Review of executive meeting minutes for the three associations revealed inconsistencies in documentation standards, lack in clarity, inclusion of inappropriate personal details, and the absence of minutes (in the case of PARSA). In order to enhance accountability and transparency of decisions made at meetings, the ANU could develop a standardised template for the associations to use when documenting a record of the executive meetings. The template should include details relating to the outcome of a decision, timing and accountable personnel; and

The annual election of a potentially entirely new leadership team for ANUSU and PARSA, coupled with the short transition and handover period in between leadership teams, exposes these associations to the risk of a loss of relevant knowledge and experience after each election cycle. In order to address this risk, the student associations could adopt a longer transition and handover period in order to provide the incoming leadership team with more practical guidance on the management of the association and the governance arrangements in place. Note: this may require a change to an association's constitution.

1.5 Overall Assessment

The student associations currently have inadequate operational and financial governance frameworks in place. This is manifested in their failure to comply with their funding agreements with the ANU, key gaps in their procedures and policies documentation, and inefficient and ineffective service provider arrangements. However, the student associations have made encouraging progress in beginning to develop governance arrangements. These positive steps include the early stages of developing financial policies and procedures as well as handover documentation by individual executive team officers.

Appendix A details the risk categories and likelihood criteria in determining the risk ratings of findings. *Appendix B* details the personnel consulted during this review. *Appendix C* details the documents and source references that were reviewed.

1.6 Signatories

Prof Marnie Hughes-Warrington, Deputy Vice-Chancellor (Academic)
Date: October 2014

Ms Kate Molloy, Director Corporate Governance & Risk Office
Date: October 2014

Ms Catherine Friday, Partner EY
Date: 16 October 2014

2. Background

2.1 Scope and Risks Examined

The scope of this engagement reviewed current processes for ANUSA, PARSA and ANUSM. These processes include, but were not limited to:

- Financial records management, preparation of financial statements by an external accounting firm and the engagement of an external auditor; and
- Human resource management relating to hand over arrangements and succession planning for changes in management (i.e. annual appointment of committee roles).

In reviewing the above processes, we also examined the feasibility of establishing consistent controls across the associations; and the potential for a shared services arrangement for the functions listed above.

This review was not an external audit and therefore did not examine the accuracy or completeness of financial records. No assurance has been provided in relation to the student associations' compliance with applicable legislative requirements such as accounting and financial reporting standards.

The associated risks addressed by this engagement included, but are not limited to, those outlined in the Table 1 below.

Table 1 - Associated risks

	Associated risks identified
1.	Lack of transparency in financial governance arrangements, human resource management, and legal and general counsel functions.
2.	Inefficient or ineffective business process and control framework.
3.	Misappropriation of expenditure paid for under the SSAF funding.
4.	Inadequate governance arrangements supporting student associations' administrative functions.

2.2 Methodology

In performing this review we undertook the following activities:

- Conducted an opening meeting to discuss and agree the review activities with the Pro Vice-Chancellor (Student Experience) and Executive Officer (Education) that are in scope (note: this opening meeting occurred on 22 August 2014);
- Met with ANUSA, PARSA, ANUSM and other relevant parties to obtain an understanding of the current process and control framework for the in-scope processes;
- Met with key University stakeholders: Deputy Vice-Chancellor (Academic); Executive Director, Administration and Planning; Associate Director, Finance and Business Services; Executive Officer (Education); Pro-Vice Chancellor (Student Experience) and Director, Corporate Governance and Risk Office (CGRO);
- Examined relevant documentation related to the process and control framework for the in-scope processes;
- Discussed with key management personnel (i.e. current presidents of the associations or editors of ANUSM) their understanding of the control environment for the in-scope processes; and
- Discussed findings with stakeholders and developed recommendations.

3. Detailed Findings and Recommendations

3.1 Non-compliance with ANU Funding Agreement

Finding 1	***Risk Rating: High***

Context

The ANU established standard multi-year funding agreements with the student associations to detail the agreed terms and conditions of SSAF funding under the Act. EY obtained the funding agreements and examined the student associations' compliance with the funding agreements.

EY identified six clauses within the funding agreement where student associations had not met their requirements and obligations under the funding agreement:

Clause 8.2	*No later than 15 July and 15 January in any year during the Agreement Period, the Students' Association must provide to the ANU an updated, comprehensive and detailed acquittal of expenditures incurred by the Students' Association in the previous six month period as against the Budget and the permitted categories of expenditure set out in clause 3 of this Agreement.*
Clause 8.3	*During the Agreement Period and 12 months afterwards, the Students' Association must: provide a copy of each audited Annual Report prepared by the Students' Association as soon as practicable after the Annual Report is completed and in any case no later than 30 April each year.*
Clause 8.4	*The Students' Association must make all Reports submitted to the ANU available to its members and the public via a dedicated web page maintained on the Students' Association website which is accessible via a direct link on the front page of the Students' Association website.*
Clause 10.1	*The Students' Association must ensure that its accounts are audited in accordance with the applicable legislation governing the auditing of its financial records.*
Clause 10.2	*The Students' Association must ensure that its terms of engagements of any auditor include certification that the Funds have been expended in accordance with this Contract.*
Clause 10.3	*The Students' Association will ensure that ANU is provided with a copy of the auditor's report including certification provided in accordance with clause 10.2 at the time it submits its audited annual report to the ANU.*

Finding 1	*Risk Rating: High*

Finding

Table 2 sets out each association's compliance against the six clauses listed above.

Table 2 - Compliance with requirements of funding agreements

Requirement	ANUSA	PARSA	ANUSM
Clause 8.2	Non-compliant. Submission of acquittal for 1 June 2013 - 30 November 2013 was late by seven months Submission of acquittal for 1 December 2013 - 31 May 2014 was late by one month.	Non-compliant. Submissions of acquittal for both the second halves of 2012 and 2013 were not provided.	Non-compliant. Submission of acquittal for 1 December 2013 - 31 May 2014 was late by 15 days.
Clauses 8.3 and 10.1	Non-compliant. Audited annual report for 30 November 2013 was late by five months.	Compliant.	Non-compliant. Audit of 30 November 2013 annual report is still outstanding at time of EY fieldwork (September 2014).
Clause 8.4	Compliant.	Compliant.	Non-compliant. Acquittal reports prior to 1 December 2013 - 31 May 2014 reporting period are not available on their website.
Clause 10.2	Non-compliant. Auditors have not certified that SSAF funding has been expended in accordance with the funding agreement.	Non-compliant. Auditors have not certified that SSAF funding has been expended in accordance with the funding agreement.	Non-compliant. Auditors have not certified that SSAF funding has been expended in accordance with the funding agreement.
Clause 10.3	Non-compliant. Unavailable to provide due to non-compliance with clause 10.2.	Non-compliant. Unavailable to provide due to non-compliance with clause 10.2.	Non-compliant. Unavailable to provide due to non-compliance with clause 10.2.

Note: clauses 10.2 and 10.3 support legislative requirements of the ANU. Under the Act, the ANU is required to confirm, on an annual basis, that SSAF revenue is spent in accordance with the Act, and only on allowable services and amenities[2].

Risk rating

Likelihood (A): The instances of non-compliance already exist and thus have a likelihood of almost certain.

[2] https://www.education.gov.au/student-services-and-amenities-fee

Finding 1	*Risk Rating: High*

Consequence (3): The instances of non-compliance currently only represent breaches of the funding agreement between ANU and the student associations. There is therefore no liability due to third parties unless it results in a breach of legislation.

Overall risk rating: High.

Implication

The associations' failure to comply with the requirements of the funding agreement limits the ANU's oversight over the expenses associated with the SSAF funding and exposes the ANU to potential breaches of the Act.

Recommendations (Process)

1. The ANU should enforce the audit requirement imposed under clause 10.2 of the funding agreement (i.e. requiring student associations to obtain independent certification that the SSAF funds have been expended in accordance with the funding agreement). This provides a safeguard for the University's compliance with the Act;
2. The ANU should develop guidance detailing a compilation of the financial, governance and legal requirements of student associations under the funding agreements and the Act. This should be disseminated to the associations seeking SSAF funding, particularly after a change in administration; and
3. The ANU should develop a standardised reporting template, which addresses requirements of the funding agreement and the Act, for student associations to use for the purposes of reporting under clause 8.2; and
4. ANUSM should prioritise the audit of their 30 November 2013 annual report to ensure compliance with the funding agreement.

Recommendation	*University Response*	*Responsible Party*	*Estimated Completion Date*
Recommendation 1:	Agreed. There are likely to be costs involved in requiring Student Associations to obtain independent certification that the SSAF funds have been expended in accordance with the funding agreement. To minimise any additional costs the certification will be obtained as part of the Student Associations annual audit, commencing with the November 2014 accounts.	Student Associations	30 April 2015
Recommendation 2:	Agreed. This will be incorporated into the budgeting and reporting template noted at Recommendation 3. Student Associations will engage their	Student Associations with assistance	30 November 2014

Finding 1			*Risk Rating: High*
	bookkeeper and external accountants to further develop and enhance the reporting template and guidelines with assistance from the University as required. The templates and guidelines will be reviewed and endorsed by the Student Associations' Finance Committee (refer Recommendation 5) once established. The requirements will be included in the new funding agreements with Student Associations.	from the University	
Recommendation 3:	Agreed. The University has developed a standardised reporting template which will be included in the new funding agreements with Student Associations. SSAF funding will be contingent on compliance with Recommendations 2 and 3.	Student Associations with assistance from the University	30 November 2014
Recommendation 4:	Agreed. The University will communicate with ANUSM to ensure their audited statements are completed and prioritised as soon as possible. All further SSAF funding will be suspended for ANUSM and any other Student Associations which have outstanding matters in relation to financial affairs.	ANUSM	30 November 2014

3.2 Policies and Procedural Documentation

Finding 2	*Risk Rating: Moderate*

Context

The documentation of policies and procedures provides guidance on day-to-day operations of the student associations, but is particularly important for the purposes of succession planning given the student associations have a change in administration that occurs annually.

EY's examination of procedures noted that the three associations utilise a shared set of policies to mandate their financial operations, but are not developing a consistent framework of documents for the handover of roles and responsibilities between administrations.

Findings

Review of existing policies and procedural documentation revealed the following key gaps:

Accounts receivable: Accounts receivable represents a material balance in the financial statements of the student associations, however, there is no policy relating to the collection of debt;

Write-off and provision for doubtful debts: The audit of ANUSA's 2013 financial statements identified $25,461 in long outstanding debt to be written off, however, there is no policy relating to the calculation of doubtful debt and the determination of uncollectable debt;

Procurement: Although policy relating to necessary signatories for the authorisation of payments exists (including payment thresholds), there is no policy that mandates procurement activities (i.e. conflict of interest, value for money assessment, selection of suppliers); and

Handover arrangements: There is currently no formal set of documents that details handover arrangements for the changes between student administrations. However, discussions with ANUSA and ANUSM revealed that they are currently in the process of documenting roles and responsibilities of key management positions. This will be provided to the incoming elected executives for the upcoming annual change in administration (November 2014).

Risk rating

Likelihood (A): The policy and procedural gaps have already been confirmed and therefore represent the highest likelihood category of almost certain.

Consequence (4): The policy gaps threaten the efficiency and effectiveness of operating procedures but can be dealt with internally.

Overall risk rating: Moderate.

Implications

Formal documentation of an organisation's policies and procedures on various aspects of its operations are an effective risk treatment tool which serves to improve accountability as well as performance in an organisation. Consequently, gaps in association policies and procedures can expose the association to operational, financial and reputational risks.

Finding 2			*Risk Rating: Moderate*
Recommendations (Policy) 5. The collective policies and procedures shared between ANUSA, PARSA and ANUSM should be updated to include: accounts receivable; write-off and provision of doubtful debts; procurement; and handover arrangements.			
Recommendation	*University Response*	*Responsible Party*	*Estimated Completion Date*
Recommendation 5:	Agreed. The Student Associations with assistance from the University will draft and maintain these policies and procedures. In addition, following a suggestion by the University's Finance Committee, Student Associations will establish an over-arching Finance Committee with representation from each of the Student Associations and a member from the University's Finance & Business Services team to meet regularly (minimum bimonthly) to review financial matters, including policies and procedures. Furthermore, the Student Associations should consider inviting a finance professional external to the University to also sit on the Finance Committee.	Student Associations with assistance from the University	31 December 2014

3.3 Shared Services Operating Model

Finding 3	*Risk Rating: Moderate*

Context

Under a shared services operating model, ANUSA, PARSA and ANUSM collectively employ an undergraduate bookkeeper for the maintenance of accounting records and engagement of accountants and auditors. A summary of the current service providers engaged under the current operating model is provided in Table 3 below.

Table 3 - Accounting, auditing and bookkeeping service providers

	Accountant	Auditor	Bookkeeper
ANUSA	Nexis Accountants & Business Advisors	Hardwickes	Undergraduate student
PARSA	Bellchambers Barrett	Bellchambers Barrett	
ANUSM	Halletts	Adrian Bray	

Discussions with all three associations displayed a consensus in the benefits of a shared bookkeeper including, streamlining of processes, sharing of knowledge across associations and alignment of policies and procedures.

Findings

EY has three sub-findings relating to the shared services operating model:

1. There were inconsistencies in the accounting and audit services provided due to the separate engagement of different service providers. Each association selected its suppliers for varying reasons including continual knowledge of the associations and discounting on fees. The varying size and experience of the suppliers has resulted in delays in the preparation and audit of financial statements and non-compliance with accounting standards. It should also be noted that delays in the preparation of the financial statements is also due to a recruitment lag resulting in a six-month absence of a bookkeeper;
2. No formal agreement between ANUSM and Halletts could be provided to EY. ANUSM indicated that fees are paid when invoices are received despite there being no terms of engagement with Halletts; and
3. The current bookkeeper has limited experience in performing the required duties for the role. Considering the material level of funding that is received by the three associations, the volume of transactions that are processed, and the instances of non-compliance with taxation requirements and accounting standards, the bookkeeper role requires a more suitably qualified and full-time accounting professional.

Finding 3	*Risk Rating: Moderate*

Risk rating

Likelihood (A): The processes and terms of engagement under the current shared services operating model have already been confirmed and therefore represent the highest likelihood category of almost certain.

Consequence (4): The current operating model threatens the efficiency and effectiveness of operating procedures but can be dealt with internally through changes to the engagement of service providers.

Overall risk rating: Moderate.

Implications

As evidenced in previous years, inappropriate engagement of a bookkeeper, accountant or auditor can result in the poor management of association finances with consequent failure to meet financial obligations when they arise - and resulting in financial loss for the association and potential reputational damage for the association and the ANU.

Recommendations (Process)

6. ANUSM should cease engagement with Halletts until formal agreement is prepared that details their terms of engagement and fees relating to the current financial reporting period. Accounting services relating to future reporting periods should be provided under the shared services operating model in recommendation 7 below;
7. To enhance the existing shared services operating model and leverage the benefits gained from a shared bookkeeper, the associations should also consistently engage the same accountant and same auditor across all three associations. In selecting an accountant and auditor, a panel should be established for the assessment of suppliers. The panel should have representation from all three associations and an ANU representative to provide guidance based on the ANU's procurement processes.
8. The student associations should consider the engagement of a more suitably qualified bookkeeper. It is recommended that the bookkeeping role be filled by a full-time professional with a relevant postgraduate accounting qualification from the Institute of Chartered Accountants Australia or CPA Australia.

Recommendation	*University Response*	*Responsible Party*	*Estimated Completion Date*
Recommendation 6:	Agreed. Further engagement with Halletts will cease until terms and conditions are agreed and documented. In addition, no further long term contracts will be entered into with Halletts until Recommendation 7 has been implemented.	ANUSM	31 October 2014

Finding 3			*Risk Rating: Moderate*
Recommendation 7:	Agreed. Coordinated professional accounting and auditing arrangements will provide both economies of scale and a more effective and consistent service. Student Associations must inform the University of all terms and conditions including expiry date of services with current external accountants and auditors in order to commence transition to one provider. The engagement of a suitably qualified CA/CPA bookkeeper as outlined in Recommendation 8 will mean that only professional auditing services will be required. This will result in savings to the budget for professional accounting services as a CA/CPA bookkeeper will have the technical skills to prepare accounts ready for audit.	Student Associations with assistance from the University	31 October 2014
Recommendation 8:	Agreed. Student Associations must consider the engagement of a suitably qualified bookkeeper while factoring comments in Recommendation 7. Furthermore, an ANU staff member will be a member of the selection panel for the new position.	Student Associations with assistance from the University	31 October 2014

Appendix A Risk Ratings

The above risk ratings are based on the risk rating system as defined in the tables.

Table 4: Risk categories

Rating	Action plan
Extreme	Critical control weaknesses with unacceptable impact on the control environment if not addressed. Requires immediate Executive action.
High	Significant control weaknesses/impact on the control environment if not addressed. Requires action/attention by management as a priority (within 1 - 3 months).
Moderate	Moderate control weaknesses/impact on the control environment if not addressed. Requires action/attention by management within a reasonable timeframe (within 3 - 6 months).
Low	Minor control weaknesses/impact on the control environment if not addressed. Includes matters, which are procedural in nature or minor administrative failings.

Table 5: Likelihood criteria

Level	Likelihood	The risk/the event
A	Almost Certain	Expected to occur in most circumstances
B	Likely	Will probably occur in most circumstances
C	Possible	Might occur at some time
D	Unlikely	May only occur in exceptional circumstances

Table 6: Consequence criteria

Level	Consequences	If the risk occurred
1	Catastrophic	The consequences would potentially severely impact on ANU's reputation, business continuity or financial position, and threaten the operation of the ANU or critical project. There would be external consequences that threaten the credibility/reputation of the University.
2	Major	The consequences would significantly threaten the survival or continued effective function of the project, or require the intervention of top-level management. There would be external consequences that challenge the credibility / reputation of the ANU.

Level	Consequences	If the risk occurred
3	Moderate	The consequences would not threaten the project objectives but would mean that the administration of the project could be subject to significant review or changed ways of operating. There may be some external consequences which may impact on the credibility / reputation of the ANU.
4	Minor	The consequences would threaten the efficiency or effectiveness of some aspects of the program but would be dealt with internally. There would be no external consequences.

Table 7: Risk ratings

		Consequences			
		Catastrophic 1	Major 2	Moderate 3	Minor 4
Likelihood	A: Almost certain	EXTREME	EXTREME	HIGH	MODERATE
	B: Likely	EXTREME	HIGH	MODERATE	MODERATE
	C: Possible	HIGH	MODERATE	MODERATE	LOW
	D: Unlikely	MODERATE	MODERATE	LOW	LOW

Appendix B Personnel Consulted During this Review

We would like to extend our appreciation to the following personnel who were contacted as part of this review:

Table 8: Personnel consulted during this review

Name	Position	Date
Richard Baker	Pro Vice-Chancellor (Student Experience)	21 August 2014 22 September 2014
Andrew Smith	Executive Officer (Education)	21 August 2014 4 September 2014 26 September 2014
Kathleen Molloy	Director, CGRO	21 August 2014 26 September 2014
Melissa Abberton	Associate Director of Management Reporting and Budget, Finance and Business Services (ANU)	21 August 2014 18 September 2014
Marnie Hughes-Warrington	Deputy Vice-Chancellor (Academic)	11 September 2014
Cam Wilson	President, ANUSA	19 September 2014
Annika Humphreys	Vice President, ANUSA	19 September 2014
Nick Barry	Treasurer, ANUSA	19 September 2014
Dallas Proctor	Financial Officer, ANUSA / PARSA / ANUSM	19 September 2014 22 September 2014 24 September 2014
Tara Shenoy	Editor-in-Chief, ANUSM	22 September 2014
Alex Catalan-Flores	Managing Editor, ANUSM	22 September 2014
Ben Niles	President, PARSA	24 September 2014
George Carter	Vice President, PARSA	24 September 2014
Faraz Junaidi	Treasurer, PARSA	24 September 2014
Gaea Cornelius	Administrator, PARSA	24 September 2014
Chris Grange	Executive Director	30 September 2014

Appendix C Documents Reviewed

Document Name
Higher Education Legislation Amendment (Student Services and Amenities) Act 2011
Associations Incorporation Act 1991 (ACT)
ANUSA Constitution
ANUSA SSAF Expenditure Report 2014 (Q1, Q2)
ANUSA 2013 Audited Financial Statements (Hardwickes)
ANUSA accounting service provider Engagement Letter (Nexis)
Shared Financial Reporting Policy
Shared Fraud Management Policy
Shared Gifts and Entertainment Policy
Shared Payments to Individuals Policy
Shared Purchases and Debit Card Policy
Shared Payments Procedures
Shared Receipts Procedures
ANUSA executive meeting minutes (3/9/2014; 16/9/2014; 27/8/2014)
Example handover document - ANUSA
ANUSA Handover Process
ANUSA Xero delegations listing
ANUSM SSAF Expenditure Report 2014 (Q1, Q2)
ANUSM 2012 Auditing Financial Statements (AJ Bray)
Woroni Admin Manual
Expenses and Reimbursement Policy
Audit and Accountants Invoices
Funding Agreement ANUSA
Funding Agreement PARSA
Funding Agreement ANUSM
PARSA 2013 Audited Financial Statements
PARSA Manual for Various Procedures
PWC Letter of Appointment
PWC Audit Appointment Correspondence
Treasurer Handover Documents
PARSA Constitution
ANUSM Constitution
Memorandum: Allocations of Student Services Amenities Fee funds to Student Associations in 2015

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