ACT Audit Office

AUDITOR-GENERAL AN OFFICER OF THE ACT LEGISLATIVE ASSEMBLY

REPORT SNAPSHOT

University of Canberra financial governance arrangements

Why did we do this audit?

In 2023 the University of Canberra (UC) reported an operating deficit of $11.9 million, which increased to $41.0 million in 2024. In light of these deficits an audit was conducted that considered the effectiveness of the UC's financial governance and administrative arrangements.

What did we find?

- The UC developed its 2023 and 2024 budgets based on a series of assumptions about higher revenue from increased student numbers.
- Assumptions about increased student numbers were derived from the UC's Education Transformation and Growth (ETaG) Program, which sought to achieve a rapid and significant increase in student numbers by transforming the UC's educational offerings. There was considerable up-front cost associated with the ETaG Program.
- The assumptions about increased student numbers were too optimistic and the expected increase in revenue did not materialise. The UC needed to take drastic and significant action to reduce expenditure to address the financial viability of the institution.
- The UC has since undertaken further work to develop a detailed financial strategy and associated financial goals, including the development of formal financial objectives to support the strategic objectives of the organisation.

What are the key issues?

- While the UC made optimistic assumptions for its 2023 and 2024 budgets, it otherwise has an appropriate and fit-for-purpose financial management framework.
- The UC has recognised the need to develop a detailed financial strategy and associated financial goals, including the development of formal financial objectives to support the strategic objectives of the organisation.

What did we recommend?

- The report made four recommendations aimed at improving UC's financial management policies and procedural guidance and the annual budgeting process and clarifying the responsibilities of the Audit and Risk Management Committee and the Finance Committee in relation to financial oversight.