



## Finance, Audit and Risk Management Committee

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Annual report to Ahpra Board 2024/25

Australian Health Practitioner Regulation Agency  
National Boards

GPO Box 9958 Melbourne VIC 3001 [Ahpra.gov.au](https://www.ahpra.gov.au) 1300 419 495

Ahpra and the National Boards regulate these registered health professions: Aboriginal and Torres Strait Islander health practice, Chinese medicine, chiropractic, dental, medical, medical radiation practice, midwifery, nursing, occupational therapy, optometry, osteopathy, paramedicine, pharmacy, physiotherapy, podiatry, and psychology

## Foreword

In accordance with its' charter the Finance, Audit and Risk Management Committee (FARMC) has conducted a review of its activities for the financial year 2024/25 and provides this annual report to the Ahpra Board and for publication on the Ahpra website.

The financial year 2024/25 has been another productive year, with members completing an extensive program of work over virtual, blended and face to face meetings to meet its obligations.

Along with regular monitoring of internal processes, the Committee considered and accepted recommendations on independent audits of the following:

- Cyber security
- Corporate Compliance framework
- Conflict of interest management (statutory appointees)
- Procurement and contract management
- Respect@Ahpra Framework
- Assurance mapping
- Enterprise resource planning (ERP) system
- Investment policy review

Members expressed gratitude to out going CEO Mr Martin Fletcher and his significant contributions to the Committee. Members also acknowledged out going National Board members Mr Anthony Evans, Mrs Kim Jones and Dr Susan O'Dwyer, and the out going independent member Mr David Balcombe for their commitment over the past years.

I am delighted to welcome three new National Board members to the FARMC in 2024/25 – Adjunct Professor Darryl O'Donnell, Dr Daniel Heredia and Ms Melissa Cadzow. Ms Georgina Crundell has also been appointed as our new independent member.

Several Committee members declared past professional engagements. However, no conflicts of interest were identified.

I would like to acknowledge and thank FARMC members, staff and auditors for their diligence and contribution to the work of FARMC throughout the year.

I am pleased to present the FARMC annual report 2024/25.

**Barbara Yeoh AM**

**Chair**

**Finance, Audit and Risk Management Committee**

# Annual report 2024/25

## Introduction

The FARMC function is to provide oversight of risk at the Scheme-wide level and to provide advice to the Ahpra Board. FARMC monitors the effectiveness of the corporate assurance framework, risk management, financial strategy and sustainability, and internal audit functions, and provides oversight of the external audit process.

This report summarises the main work undertaken by FARMC in 2024/25. It has been produced in accordance with the FARMC Charter to support the Ahpra Board in its governance role and for publication on the Ahpra website.

## FARMC composition, other attendees, and meetings

### 2024/25 FARMC member and meeting attendance

Mr Anthony Evans, Mrs Kim Jones terms on their respective National Boards ended in December 2024 and Dr Susan O'Dwyer's term on the FARMC also ended in December 2024. The Ahpra Board appointed new National Board representatives Dr Daniel Heredia, Adjunct Professor Darryl O'Donnell and Ms Melissa Cadzow, effective from 28 February 2025 to December 2027.

Independent member, Mr David Balcombe's term on the Committee expired in May 2025. The Ahpra Board appointed Ms Georgina Crundell as an independent external member for a term of 3 years, effective from 1 June 2025 until 31 May 2028.

Name	Membership status	Attendance
Barbara Yeoh AM, Chair	Member, Ahpra Board	Aug, Dec 2024, Mar, Jun 2025
Leanne O'Shannessy PSM	Member, Ahpra Board	Aug, Dec 2024, Mar, Jun 2025
Lynton Norris	Member, Ahpra Board	Aug, Dec 2024, Mar 2025
David Balcombe	External member	Aug, Dec 2024, Mar 2025
Anthony Evans	National Board member (Optometry)	Aug, Dec 2024
Kim Jones	National Board member (Dental)	Aug 2024
Susan O'Dwyer	National Board member (Medical)	Aug 2024
Dr Daniel Heredia	National Board member (Medical)	Mar, Jun 2025
Professor Darryl O'Donnell	National Board member (Podiatry)	Mar, Jun 2025
Melissa Cadzow	National Board member (Pharmacy)	Mar, Jun 2025
Georgina Crundell	External member	June 2025

### 2024/25 FARMC meeting other attendees

Members of Ahpra's executive and senior management were in attendance as required to provide information to meet FARMC's requirements and receive constructive feedback.

Internal and external auditors were in attendance and other independent assurance providers joined as guests to present reports and respond to questions.

Attendees	Position
<b>Ahpra staff</b>	
Martin Fletcher	Chief Executive Officer, until 20 December 2024
Kym Ayscough	Acting Chief Executive Officer
Justin Untersteiner	Chief Executive Officer, from 14 April 2025
Bjorn Arne Berge	Security Operations and Platform specialist
Chris Robertson	Executive Director, Strategy and Policy

Attendees	Position
Damian Byass	National Director, IT Management
Jarryd Osteraas	National Director, Corporate Risk and Assurance
Jamie Orchard	General Counsel
Kelly Johnston	National Director, Finance
Liz Davenport	Executive Director, Finance and Risk
Mark Edwards	Executive Director, People and Culture
Michael George	Director, Financial Control
Mike Rillstone	Chief Technology Officer
Morgan O'Connell	National Director, Cyber and Information Security
Peter Johnston	Director, Financial Reporting and Analysis
Peter Styles	Senior Industrial Relations Advisor
Rachel Garland	Corporate Counsel
Sangeetha Masilamani	Program Manager, Government Relations
<b>External auditors</b>	
Sanchu Chummar	Victorian Auditor-General's Office
Natalia Stephenson	Victorian Auditor-General's Office
Peter Gallagher	Victorian Auditor-General's Office
<b>Internal auditors</b>	
Stuart Painter	Ernst & Young
Ashlea McLeod	Ernst & Young
Suhas Prasad	Trustwave
<b>Other external attendees</b>	
<b>Claire Casucci</b>	Principal Consultant, Frontier Advisory
Matt Franklin	Matt Franklin and Associates

## **FARMC achievements 2024/25**

### **Unqualified external audit opinion 2023/24**

FY2023/24 financial statements were recommended to Ahpra Board for adoption, following a smooth process, once again an unqualified Victorian Auditor General's Office (VAGO) independent audit opinion of the statements was received in time to meet reporting obligations.

### **Major program investment**

Reviewed and noted quarterly reporting on the Transformation Program, Ahpra's major program to improve the future state experience for practitioners, staff, community, and regulatory partners and endorsed funding releases to the Ahpra Board.

### **Cyber security and risk management**

Considered an independent audit carried out by Trustwave and noted the recommendations. The Cyber security audit was substantial in terms of its breadth, having measured Ahpra's cyber security effectiveness against 183 controls from the Australian Government Information Security Manual Guidelines (ISM Guidelines). A comprehensive implementation plan was developed as informed by the audit.

Quarterly Cyber security program reports were considered by the Committee, presented by the interim CTO and National Director, IT Management.

### **Review of the procurement and contract management processes**

Assessed the design and effectiveness of Ahpra's key procurement and contract management processes and controls, with consideration given to the consistency of application across Ahpra and opportunities to improve the efficiency of practices.

### **Legislative & regulatory compliance reporting**

A corporate (legislative and regulatory) compliance report was noted by FARMC for implementation and reporting of FY2023/24 statutory compliance.

### **Conflict of Interest framework**

Completed an internal audit on the conflict of interest (Col) management framework. Noted and incorporated recommendations to align the updated framework with the Victorian public service guidelines.

## **Governance**

FARMC observed best practice corporate governance through:

- a standing invitation to internal and external auditors to attend for the duration of all meetings
- meeting 'in camera' at each meeting with internal and external auditors without Ahpra management
- declaration of conflicts of interest at start of meeting by all members and all others present.
- receiving regular advice on significant changes to legislation, including accounting standards
- annual review of FARMC Charter
- annual FARMC effectiveness review for reporting to Ahpra Board
- activities to ensure compliance
- meetings with the Chair of the Regulatory Performance Committee and the Chair of People and Remuneration Committee, to inform the FARMC strategic internal audit plan
- Chair updates on Ahpra Board decisions on recommendations from FARMC

FARMC has no delegated power from the Ahpra Board, however the Ahpra Board may authorise FARMC to agree or approve a specific matter on its behalf. There were no such matters referred to FARMC in 2024/25.

### **Annual financial statements and external audit**

VAGO provided a clear audit opinion and final management letter for FY2023/24, reporting on one partially completed medium risk action identified.

- VAGO representatives invited to attend all FARMC meetings
- FARMC endorsed the 2023/24 Financial statements to the Ahpra Board for adoption
- Noted the 2023/24 VAGO final management letter and 2023/24 external audit report
- Noted the 2023/24 VAGO Independent assurance of the controls, in relation to the notifications component of registration fees paid to the NSW Councils via Health Professional Councils Authority (HPCA)
- Noted the 2024/25 VAGO financial audit strategy
- Noted VAGO engagement by HPCA for 2024/25 of the controls, in relation to the notifications component of registration fees paid to the NSW Councils via HPCA
- Noted 2024/25 VAGO financial audit status updates, and 2024/25 interim management letter

### **Financial management reports**

FARMC noted

- financial year 2023/24 financial management report for Ahpra and National Boards
- quarterly 2024/25 financial reports of operations against budget for Ahpra and National Boards
- quarterly 2024/25 investment performance reports
- quarterly 2024/25 cash flow reports.

### **Operating and capital budgets 2025/26**

FARMC

- endorsed the Ahpra budget assumptions 2025/26 to Ahpra Board for approval
- endorsed the FY2025/26 Ahpra and National Boards operating budgets and registration fees to Ahpra Board for approval and inclusion in Health Profession Agreements
- endorsed the FY2025/26 Ahpra capital budget to Ahpra Board for approval
- provided feedback on the financial impacts of the EA negotiation parameters

### **2024/25 internal audit program**

#### **FARMC undertook the following activities with respect to the internal audit strategy**

- endorsed the FY2025 Strategic internal audit plan, three-year rolling internal audit plan and corporate assurance plan for approval by Ahpra Board
- noted the eight strategic risk themes, areas of focus and their associated key controls and treatments
- noted results of the internal audit effectiveness survey
- approved updates to the Materiality Policy

#### **FARMC agreed terms of reference for internal audits of**

- Internal Audit Charter
- Cyber security
- Corporate compliance framework
- Conflict of interest
- Procurement and contract management
- Respect@Ahpra
- Assurance mapping
- Enterprise resource planning (ERP) system
- Financial year 2024 Ahpra management actions follow up

## Internal audit reports presented to FARMC during 2024/25

### Financial year 2024 Ahpra management actions follow up

- The annual internal audit reported on outstanding internal audit recommendations, including one partially implemented medium-risk action.

### Cyber security

- Considered Ahpra's cyber security risk profile, organisational cyber security strategy and the maturity of currently enforced security policies, standards, and procedures.
- Recommendations were provided to strengthen the organisation's risk management framework.

### Compliance framework

- Considered Ahpra's proposed governance, processes and controls supporting the draft Corporate Compliance Framework.
- Noting the audit was conducted when the framework was still in draft-format, recommendations were provided to further support the design and implementation of processes supporting the assessment of corporate compliance obligations.

### Conflict of interest (statutory appointees)

- Considered the design and effectiveness of the conflict of interest (COI) management processes of statutory appointees within the National Scheme.
- Recommendations were provided to support the development of a more contemporary approach to ensure Ahpra and the National Boards can demonstrate integrity and uphold reputation in fulfilling their obligations.

### Procurement and contract management

- Considered the design and operating effectiveness of Ahpra's key procurement and contract management processes and controls.
- Recommendations were provided to support market competition and the achievement of procurement objectives, support a reduction in the need for procurement exemptions and further uplift and mature procurement and contract management practices.

### Respect@Ahpra

- Considered Ahpra's key processes and controls that have been implemented as part of the Respect@Ahpra framework to support positive duty obligations as described in the Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Act 2022 (Cth).
- Recommendations were made to clarify the extent of coverage of the Respect@Ahpra Framework, enhance processes to report unlawful conduct and support awareness of the Framework.

### Assurance mapping

- Identified and documented the existing assurance activities that cover Ahpra's current eight (8) Strategic Risks
- Considered developing a strategic risk assurance map which is intended to be used as a mechanism for Ahpra to improve efficiency, effectiveness and transparency in governance, assurance and risk management.
- Recommendations were made to support Ahpra and its oversight and governance activities for its strategic risks.

### Enterprise resource planning (ERP) system

- Considered Ahpra's selected Information Technology (IT) controls supporting the use of Unit4, with a particular focus on user access management and the role-based matrix, and change identification, prioritisation and approval, as well as key operational IT controls.

- Recommendations were provided to enhance the user access management, ensure operational resilience, strengthen overall system reliability and ensure alignment with business objectives and strategic goals.

## **Corporate risk management**

FARMC

- reviewed and noted quarterly reports for on strategic and operational risks
- reviewed and endorsed the Integrated Assurance Implementation plan to embed integrated assurance and enhance risk management processes.

## **National Quality Assurance Team (NQAT)**

FARMC reviewed and noted

- the NQAT annual report 2023/24
- quarterly progress updates on the quality assurance work plan for 2024/25
- the FY2025/26 NQAT workplan in developing the internal audit plan 2025/26

## **Health safety and wellbeing (HSW)**

FARMC reviewed and noted

- quarterly HSW reports that include key metrics and emerging issues

## **Incident Management**

FARMC

- reviewed and noted quarterly reports on serious incidents

## **Insurance**

FARMC reviewed and noted

- insurance placement and policy coverage for FY2024/25
- quarterly insurance incidents and claims report
- cybersecurity insurance benchmarking

## **Delegations and administrative authorisations**

Conducted its annual review of register of financial administrative authorisations, noting changes to the financial administrative authorisations within the Delegation, Sub-delegation and Administrative Authorisation Manual (the manual) for the calendar year.

## Corporate policy recommendations to Ahpra Board

Policies and frameworks developed, reviewed, and noted or endorsed for approval by Ahpra Board.

Policies considered by FARMC	Outcome
Budget policy	Approved by Ahpra Board Dec 2024
Strategic initiatives funding policy	Approved by Ahpra Board Dec 2024
Fee setting policy	Approved by Ahpra Board Dec 2024
Service income policy	Approved by Ahpra Board Dec 2024
Financial authorisations	Approved by Ahpra Board Dec 2024
Modern slavery statement 2024-2025	Approved by Ahpra Board Dec 2024

## Reports and reviews

### Other periodic reports reviewed and noted by FARMC

#### Procurement

FARMC noted quarterly reports on procurement exemptions granted by the CEO and contracts entered with a commitment value over \$1m and CEO-authorised exemptions from the Procurement policy.

#### Gifts, benefits, and hospitality

Noted the Annual report of Gifts, benefits, and hospitality 2023/24 which had been prepared in accordance with the revised policy adopted in September 2022.

#### Delegations and administrative authorisations

FARMC reviewed and endorsed the changes made during the annual review of financial administrative authorisations to the Ahpra Board for approval.

#### Legislative & regulatory compliance

FARMC noted the annual Legislative and Regulatory compliance annual report, noting baseline organisational compliance and key compliance risks.

#### Fraud and corruption

FARMC noted the Fraud and corruption control annual report for 2023/24 and were provided an overview of the two fraud related incidents for review, monitoring and remediation.

#### Public interest disclosures

FARMC noted 21 referrals were received under the Public Interest Disclosure (PID) policy, and none met the criteria of being a PID.

#### Conflict of Interest

FARMC noted the Conflict of interest annual report for 2023/24 and were provided an overview of the actions underway to continue to strengthen corporate integrity practices.

## Strategic investments and project governance

### Strategic initiatives

FARMC noted

- quarterly Strategic initiatives portfolio reports
- quarterly Business Transformation Program reports
- income diversification strategy business case

### Transformation Program

In overseeing the Transformation Program, Ahpra's major program to improve the future state experience for practitioners, staff, community and regulatory partners, the Committee:

- reviewed and noted the quarterly status reports, including key risks and key achievements
- endorsed funding release within the total estimated budget for approval by the Ahpra Board
- noted the program's successful launch on 17 March 2025
- noted continued work on defects to ensure stabilisation of the program

### Income diversification strategy business case

The Committee

- continued its work to develop an income diversification strategy (IDS) framework

- noted legal advice from the Australian Government Solicitor (AGS)