Capital expenditure
The University has continued to invest in major infrastructure. The total amount capitalised on property, plant and equipment during 2018 was $324.3m (2017: $240.2m). Major capital projects commenced in 2018 include the construction of a solar farm in Warwick, a new chemical engineering building and new childcare centre at St Lucia, and a central chiller station at Gatton.

Investment Portfolio
UQ Investment Fund
The University has a total of $324.3m in a long-term investment portfolio that is managed by external specialist fund managers. Known as the UQ Investment Fund, it holds portfolio trust and bequest funds received in past years. The fund managers are required to operate within designated asset allocation benchmarks and each has responsibilities for investments in cash and fixed interest, listed property, Australian shares, overseas shares, tactical asset allocation, and private equity. The investment strategy of the UQ Investment Fund is to achieve a long-term return of the Consumer Price Index (CPI) plus an additional 6 per cent. The portfolio produced a negative return of 21 per cent for the year to 31 December 2018.

UQ Socially Responsible Investment (SRI) Green Fund
The University has a total of $3.4m in another long-term investment portfolio managed by external fund managers. Known as the UQ Socially Responsible Investment (SRI) Green Fund, this fund was established in 2016 and provides an alternative to those providing donations and bequests. The University contributed $3m towards the establishment of this fund. The fund managers are required to operate within designated asset allocation benchmarks and each has responsibilities for investments in cash and fixed interest and Australian shares. The fund will not invest in companies involved with tobacco, armaments, gaming or pornography as they are not deemed socially responsible investments. Further, the fund will not invest in companies excluded from the FTSE All-World ex Fossil Fuels Index.

The investment strategy of the UQ SRI Green Fund is to achieve a long-term return of the Consumer Price Index (CPI) plus an additional 6 per cent. The portfolio produced a negative return of 19 per cent for the year to 31 December 2018.

CFO Statement
In preparing the financial statements, the UQ Chief Financial Officer has fulfilled the reporting responsibilities as required by the Financial Accountability Act 2009. He has provided the accountable officer with a statement that the financial internal controls of the University were operating efficiently, effectively and economically in accordance with section 57 of the Financial and Performance Management Standards 2009.

2018 UQ Senate
Front row, from left: Professor Greg Hanger, Anna Cross, AM; Professor Peter Hay, AC (Vice-Chancellor and President); Peter H Varghese, AD (Chancellor); Taniaanee Dwyer (Deputy Chancellor); Professor Peter Adams, Julianne Alroe. Back row: Whip Penney, AD; Dr Sally Pitkin, Grant Murdock; Michelle Treloar; Adjunct Associate Professor Emily Doman, AD; Associate Professor Douglas Bayley, Thomas Mackay; Timothy Crommelin. Absent: Kathy Hoskyns, Dr Zelle Hodge, AM; Rebecca Hunt; Jamie Merrick; Associate Professor Tony Roberts; Cecile Wake.

University Governance
The governing body of the University is the Senate, as constituted by the University of Queensland Act 1998. Senate has 22 members, comprising official members, appointed members, elected members and additional members. Members serve a four-year term, except student members who serve for two years. A casual vacancy arose on 2 October 2019 following the resignation of the undergraduate elected member. The 34th Senate began its term on 1 January 2018 and will expire on 31 December 2021.

Senate met seven times during 2018. The University complies with the Voluntary Code of Best Practice for the Governance of Australian Universities, as amended at the Universities Australia and University Chancellors Council joint meeting on 15 May 2018.

Senate achievements
In 2018, UQ Senate:
- under the Seal of the University, conferred 13,902 awards to 12,692 students—including 576 PhD candidates
- approved the Reconciliation Action Plan 2019–2022
- participated in the University’s brand refresh
- adopted the revised version of the Voluntary Code of Best Practice for the Governance of Australian Universities
- approved the UQ Governance and Management Framework
- UQ Senate Charter, and updated UQ Standing Orders
- concluded the changes required as a consequence of the passing of the University Legislation Amendment Act 2017, in particular the updating of the Senate and Academic Board Elections Policy
- noted the Mental Health Strategy 2018–2020 and the Mental Health Implementation Plan 2018
- invited eight nominees to receive an honorary doctorate from UQ and one to receive a Gatton Gold Medal.

Financial reporting
The financial statements are general purpose financial reports prepared in accordance with prescribed requirements. The University of Queensland is a statutory body and is audited by the Queensland Audit Office.

Remuneration
The option of remunerating members was introduced in 2018 by way of the University’s Policy on Senate Remuneration and due to the passing of the University Legislation Amendment Act 2017. See also uq.edu.au/about/year-ended-december-31-2018.

University catalogue
Norris Park, a new campus of the University of Queensland, at Gatton, during the year.
Executive Management

While the Chancellor and Deputy Chancellor lead the University, the Vice-Chancellor and President is the University’s Chief Executive Officer, responsible to Senate for overall strategic planning, finance, and external affairs. The Vice-Chancellor is supported by the Senior Management Group to whom the University’s organisational units report: Provost and Senior Vice-President* – Deputy Vice-Chancellor (Academic)** – Deputy Vice-Chancellor (External Engagement)** – Deputy Vice-Chancellor (Research)* – Chief Operating Officer* – Pro-Vice-Chancellor – Pro-Vice-Chancellor (Advancement) – Pro-Vice-Chancellor (Future Students) – Pro-Vice-Chancellor (Indigenous Engagement) – Pro-Vice-Chancellor (Research) – Pro-Vice-Chancellor (Research Partnerships) – Pro-Vice-Chancellor (Research Training) and Dean, Graduate School – Pro-Vice-Chancellor (Teaching and Learning) – Director, Australian Institute for Bioengineering and Nanotechnology – Director, Institute for Molecular Bioscience – Director, Brisbane Institute – Director, Sustainable Minerals Institute – Executive Dean, Faculty of Business, Economics and Law – Executive Dean, Faculty of Engineering, Architecture and Information Technology – Executive Dean, Faculty of Health and Behavioural Sciences – Executive Dean, Faculty of Humanities and Social Sciences – Executive Dean, Faculty of Medicine – Executive Dean, Faculty of Science – President of the Academic Board – Chief Financial Officer** – Chief Human Resources Officer** – Chief Information and Communication Officer** – Deputy Chief Operating Officer.

* Members of the Vice-Chancellor’s Committee. ** Members from 1 August 2018.

Senate membership

Official members – Chancellor Peter Vargossy, BA, (Hons), D.Hult (Qld) (heads the University’s governing body, the Senate) – Professor Greg Hainge, BA, (Hons), MA, PhD (Curtin, GCELead Ltd, FAHA, SFHEA – Member of the full-time or part-time academic staff of the University, Associate Professor Tony Roberts, BSc (Hons I), MComm (Qld), PhD, ANU, FIAA/MS – One member of the full-time or part-time general staff of the University, Rebecca Hurst, BA, (Hons) (Griffith) – One postgraduate student, Thomas Mackay, BSc, GCELead Ltd, MPH (Qld) – One undergraduate student, Zachary Thomas, (assigned on 2 October 2018)

Members appointed by the Governor-in-Council – Timothy B Connell, BCom (Qld) – Julieanna Alora, BSc (Qld), GAICD – Philip Hennings, AO, BBus,ACC, GUT – Dr Zulsa Hodja, AM, MBBS (Qld), FRACS, FAMA, FAICD – Jamie Maleck, BA, MSc – Grant Mordoch, BCom, MCom, Cane, FCA, FAICD – Dr Sally Pitkin, LLB, LLM, QUT, PhD, Qld – Cecile Wake, BSc, MBBS (Linc), Hons (Qld) (GUT) (Executive Prog Wharton)

Executive Committee

Elected members – One member of the Academic Board, Professor Greg Hainge, BA, (Hons), MA, PhD (Curtin, GCELead Ltd, FAHA, SFHEA – One member of the full-time or part-time academic staff of the University, Associate Professor Tony Roberts, BSc (Hons I), MComm (Qld), PhD, ANU, FIAA/MS – One member of the full-time or part-time general staff of the University, Rebecca Hurst, BA, (Hons) (Griffith) – One postgraduate student, Thomas Mackay, BSc, GCELead Ltd, MPH (Qld) – One undergraduate student, Zachary Thomas, (assigned on 2 October 2018)

Three (elected) graduates of the University – Associate Professor Douglas Caveney, MBBS (Qld), FRACS – Adjunct Associate Professor Dimitry Doman, AO, DipEd, PhD, Sts Pauls, HongKong, PhD FJSP, FTFSA, FTSE, CSip, LISLS, AVT – Kathy Hirschfeld, BIE (Chem) Qld, FTSE, FICuE, Hon FIE Aust, FAICD

Appointed by Senate – Anne Cross, AM, BSc, BScW, MSc, WQ, Qld, FAICD, FICD, PML – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chancellor Toniann Dwyer, BCom, MBIS (Qld), FRACS, FICD, FICM – Deputy Chairman (from 16 July 2018)

Professor Bronwyn Harch

Professor Bronwyn Harch

Professor Bronwyn Harch

Professor Bronwyn Harch

Professor Bronwyn Harch

Professor Bronwyn Harch
The University of Queensland’s obligations under the Public Sector Ethics Act 1994, the University has a Senate Risk and Audit Committee that assists Senate in discharging its risk management, and internal compliance and control oversight responsibilities.

The role of this committee is to exercise oversight of the University’s governance, risk and compliance frameworks, including policies, procedures, information systems, and systems of internal control surrounding key financial and operational processes. The Committee also provides oversight of the leadership and direction in terms of organisational culture and ethical behaviour.

The Committee receives advice and assurance from senior management across the following functions and activities:

- Enterprise Risk
- Occupational Health and Safety
- Governance
- Compliance
- Internal Audit
- Integrity and Investigations
- Research Integrity

To assist the Senate Risk and Audit Committee gain further insights into the operational risks of the University, senior managers attend committee meetings on a rotating basis to discuss specific risks faced within their areas of responsibility.

All members of the Senate Risk and Audit Committee are appointed by Senate. The Committee met on four occasions during the financial year and the members were:

- Grant Murdoch, BCom Cant, MCom Cant, PCA, FAICD (Chair)
- Professor Peter Adams, BSc(Hons), BCom, PhD Qld
- Anne Cross, AM, BSc(Chem), MSc(Chem) Qld, GAICD, FIML
- Philip Honeysee, AO, BBlusAcCant (as Chair of Finance Committee)
- Kathy Hirshfeld, BE (Chem) Qld, FTSE, FICMS, FIAA, GAICD
- Michelle Toderick, BSc, OIC, FAICD
- Peter N Varghese, OA, BA (Hons) Qld, MD HMC (Chancellor, ex officio)

No members were remunerated for their attendance apart from Grant Murdoch, who received $10,000 in his role as Chair.

The University has adopted a three lines of defence’ assurance model as part of its governance, risk and compliance frameworks.

During 2018, the committee provided direction and oversight of the following key initiatives:

- top risks: reporting continued on the University’s top academic and non-academic risks, including their risk status and follow-up of the timely implementation of proposed risk treatments
- key risks to the Strategic Plan: the top risks to achieving the objectives of the new Strategic Plan 2018-2027 were assessed and reported
- emerging risks: UQ’s key emerging risks were reported, including those risks that have not yet occurred but are at an early stage of becoming known and/or are expected to grow in significance
- faculty, institute and controlled entity risk profiles: all faculties, four research institutes and five controlled entities self-assessed and nominated their top risks, consistent with the new Enterprise Risk Management Framework
- specific risk exposures: reports were provided on specific risk exposures requested by management and/or the Senate Risk and Audit Committee. Of particular importance was the cybersecurity risk assessment undertaken during the year
- Key Risk Indicators (KRIs): these were provided on key performance indicators in the Risk Appetite Statement (RAS), including an assessment of the status of the current KRI level against the RAS as well as the KRI’s development trend over time. Relevant strategic KPI metrics and targets were also cross-referenced to the RAS
- Risk Appetite Statement (RAS): the Senate-approved RAS was reviewed and updated to ensure continued relevance, alignment with the Strategic Plan 2018-2027, and improvement through innovation
- Enterprise Risk Management Framework: the Senate-approved framework was reviewed and updated to improve practicality in implementation, re-alignment with updated RAS, and innovation via continuous improvement
- Incident Management Framework: a new enterprise incident management framework was developed to aid and guide management in its response to and recovery from disruptive incidents impacting the University
- Compliance Assurance Program: a new program was implemented and assurance provided on key compliance obligations
- safety: continued focus on safety risk management and culture. The Senate Risk and Audit Committee has operated effectively as per its charter and had due regard to Treasury’s Audit Committee Guidelines.

Integrity and Investigations Unit

The Integrity and Investigations Unit is responsible for threat management and conduct of investigations into breaches of policies, activities directed against the University and/or its people, misuse of public money and public interest disclosures. The unit also leads the delivery of misconduct prevention strategies, including training, information and advice. The Associate Director, Investigations and Integrity, reports administratively to the Chief Operating Officer and has direct access to the Vice-Chancellor and President, Chair – Senate Risk and Audit Committee, and Chancellor, as required.

Internal Audit

The Internal Audit function adds value by assisting Senate and University management with the effective discharge of their responsibilities by providing assurance on the effectiveness of governance, risk management and internal controls. Internal Audit also assesses and provides assurance on the quality of financial, managerial and operating information, and whether resources are acquired economically, used efficiently and managed effectively.

Internal Audit operates under an Internal Audit Charter last reviewed and approved by the Senate Risk and Audit Committee in June 2017. As per this Charter, the Internal Audit function is independent of management and, as such, has no direct responsibilities for, or authority over, any of the activities it audits.

Internal Audit functionally reports to the Senate Risk and Audit Committee and has direct access to the Vice-Chancellor and President, Chair – Senate Risk and Audit Committee, Chair – Vice-Chancellor’s Risk and Compliance Committee, and Chancellor. Internal Audit activities take into account applicable legislative requirements, such as the University of Queensland Act 1996, the Financial Accountability Act 2009, Financial and Performance Management Standard 2009 and Tertiary Education Quality and Standards Agency Act 2011 (TEQSA Act). Internal Audit activities also consider the Queensland Treasury Audit Committee Guidelines 2007.

An annual risk-based planning process is undertaken in consultation with management and the Annual Audit Plan is approved by the Senate Risk and Audit Committee.

During 2018, Internal Audit completed 18 engagements across the University, including finance services, grant certifications, advisory services and ongoing input into several projects.

The University continues to promote compliance with the Public Records Act 2002, Information Standard 18 (2018) and the ISO27001 information security management system.

In 2018, UQ made the following improvements to recordkeeping and information systems:

- developed and communicated an Information Management Policy and Procedure to support effective accountability and governance of UQ information
- developed a new Cyber Security Policy and Information Security Classification Procedure to support the confidentiality, integrity and availability requirements of UQ information
- developed a procedure to support the destruction of physical source records following their conversion to an appropriate digital format
- completed a significant review of the electronic Document Management and Records Management System configuration to improve performance of the system
- applied records disposal freeze on any records, or may be relevant to, allegations of child sexual abuse, following recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse