



UNIVERSITY OF MELBOURNE

Report of Federal Awards in Accordance with the OMB Uniform Guidance

Year ended 31 December 2022

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1. SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1.1 Independent Auditor's Report

To the Members of the Council of the University of Melbourne,

Report on the Schedule of Expenditures of Federal Awards

We have audited the accompanying schedule of expenditures of federal awards ("the Schedule") for the Research and Development Program Cluster ("the Federal Programs") funded by the United States of America Federal Awards to the University of Melbourne ("the University") for the year ended 31 December 2022.

Management's Responsibility for the Schedule of Expenditures of Federal Awards

Management is responsible for the preparation and fair presentation of the Schedule that presents fairly the expenditures under the Federal Programs funded by United States of America Federal Awards, by applying generally accepted accounting rules and principles of Australia. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion of this Schedule based on our audit. We conducted our audit in accordance with the auditing standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, except for continuing education program and peer review, as discussed in the paragraphs below, and in accordance with the program audit provisions contained in Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("OMB Uniform Guidance"). Those standards, and the program audit provisions of OMB Uniform Guidance, require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the Schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Personnel of RSM Australia Pty Ltd ("RSM") do not participate in a continuing education program that fully satisfies the requirements set forth in Chapter 3, paragraph 3.6 of *Government Auditing Standards*. However, RSM does participate in continuing education programs applicable in Australia.

Further, RSM did not have an external quality review by an unaffiliated audit organisation, as required by Chapter 3, paragraph 3.33 of *Government Auditing Standards*. However, RSM does participate in the RSM International internal control review program, which requires our offices to be periodically subjected to an extensive quality control review by partners and managers from other RSM International affiliated firms.

1. SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT.)

1.1 Independent Auditor's Report (cont.)

Opinion

In our opinion, the schedule of expenditures of federal awards presents fairly, in all material respects, the expenditures for the research and development program cluster funded by United States of America Federal Awards for the year ended 31 December 2022, by applying generally accepted accounting rules and principles of Australia.



RSM AUSTRALIA PTY LTD



WJA SPARGO

Director
Melbourne, VIC
31 July 2023

1. SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT.)

1.2 Schedule of Expenditures of Federal Awards for the year ended 31 December 2022

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures (U.S. Dollars)	Passed Through to Sub-recipients (U.S. Dollars)
Research and Development Cluster				
Office of Naval Research Global				
Wave-Ice-Ocean Interactions: Measurements, Modelling and Generated Acoustic Noise	12.300		\$135,764.34	
The Role of Extreme Unsteady Velocity Fluctuations in Helicopter Landings On Ships	12.300		\$98,323.47	
Using Machine-Learning to Develop Non-Traditional Unsteady Rans Capabilities for Accurate Flow and Noise Predictions Of Naval Applications	12.300		\$95,344.81	
Subtotal CFDA	12.300		\$329,432.61	-
U.S. Department of Defense				
A Phase II Trial of Combined Lutetium-PSMA Theranostics And Docetaxel in Newly Diagnosed Metastatic Hormononaïve Prostate Cancer	12.420		\$259,712.32	
Identifying Genetic, Transcriptional and Microenvironment Drivers of Lethal Prostate Cancer for Better Patient Stratification, Disease Tracking And Drug Target Discovery	12.420		\$241,948.29	
Testing Therapies for Mucinous Ovarian Carcinoma in Novel Patient-Derived Models	12.420		\$38,891.03	\$181,177.23
Going To Extremes: Learning from Exceptional Responders to Improve Outcomes for Women with High-Grade Serous Ovarian Cancer.	12.420		\$118,811.17	\$9,591.87
Imagine Imaging Toxin-Mediated Alpha-Synuclein in the Eye	12.420		\$126,426.75	
Novel Endovascular Micromagnetic Neuromodulation for The Treatment of Drug-Resistant Epilepsy	12.420		\$42,461.61	
Understanding And Harnessing Therapy-Induced Senescence To Treat Ovarian Cancer	12.420		\$41,731.96	

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures (U.S. Dollars)	Passed Through to Sub-recipients (U.S. Dollars)
Department Of Defence (USA) Research Grant - Developing A Novel Neurotrophin-Based Strategyto Promote Myelin Repair In Multiple Sclerosis	12.420		\$40,496.11	
Exploiting Synthetic Lethal Interactions for Esophageal Cancer Therapies	12.420		\$27,198.60	
The Prevalence of Alzheimer's Disease Pathology After Traumatic Brain Injury In Veterans And Civilians: A Biomarker Study Of Beta-Amyloid And Tau	12.420		\$24,528.58	
Integrative Molecular Characterization and Biomarker Validation in Metastatic Hormone Sensitive Prostate Cancer (MHSPC)	12.420		\$19,206.95	
PMR-116, A Novel Inhibitor of Ribosome Biogenesis with Antitumor Activity In Preclinical Models Of Prostate	12.420		\$1,707.65	
Passed Through Austin Health				
The Prevalence of Alzheimer's Disease Pathology After Traumatic Brain Injury In Veterans And Civilians: A Biomarker Study Of Beta-Amyloid And Tau	12.420		-	\$231,702.06
Passed Through University of Queensland				
Enhancement Of Natural Killer Cell Function For Therapeutic Targeting And Elimination Of Metastatic Breast Cancer	12.420		\$158,548.08	
Subtotal CFDA	12.420		\$1,141,669.10	\$422,471.16
US Army Research Office				
Passed Through the Curators Of The University Of Missouri				
Covert Networks: How to Learn as Much as Possible About The Structure Of A Network from Sampled Subnetworks?	12.431	SZPJL5ZRCLF4	\$32,068.10	
Passed Through the University of New South Wales				
Donor-Based Silicon Quantum Computing	12.431	751020900	\$58,143.08	
Robust Multi-Qubit Operations For Donors In Silicon	12.431	751020900	\$120,486.83	
US Department of Defense				

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures (U.S. Dollars)	Passed Through to Sub-recipients (U.S. Dollars)
Passed Through the University of North Carolina at Chapel Hill				
Narrative: Novel Antimicrobial Hydrogel Dressing Targeting Wound Infections Caused By 'Superbugs' Resistant To All Current Antibiotics	12.431	D3LHU66KBLD5	\$219,664.56	
Subtotal CFDA	12.431		\$430,362.58	-
US Department of the Air Force				
Towards Sub-Picotesla Quantum Diamond Magnetometers for defense	12.800		\$2,686.36	
Advancing the Flow Physics behind the drag of Riblets	12.800		\$115,652.84	
Passed Through Claremont Graduate University				
Minimal Models of Sensory Perception	12.800	076183789	\$74,479.63	
Subtotal CFDA	12.800		\$192,818.83	-
Defence Advanced Research Projects				
Efficient Infrared-To-Visible Conversion with an Upconverting Nanoparticle Microlaser	12.901		\$83,081.08	\$132,063.42
Subtotal CFDA	12.901		\$83,081.08	\$132,063.42
Defense Advanced Research Projects				
Darpa Score (Replicats) Evaluating Experts' Ideas About Reproducibility and Replicability (Um Lead)	12.910		\$261,267.01	
Efficient Infrared-to-visible conversion with an Upconverting Nanoparticle Microlaser	12.910		\$64,205.24	\$108,051.89
Passed Through The State University Of New Jersey				
A Mosaic Oyster Habitat (MOH) for Coastal Defense	12.910	M1LVPE5GLSD9	\$194,539.81	
Subtotal CFDA	12.910		\$520,012.06	\$108,051.89
National Science Foundation				
Passed Through University of Iowa				

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures (U.S. Dollars)	Passed Through to Sub-recipients (U.S. Dollars)
Documentation Of the Language of The Baduy Dalam	47.075	Z1H9VJS8NG16	\$80,654.75	
Subtotal CFDA	47.075		\$80,654.75	-
National Science Foundation				
Passed Through Edmonds Community College				
A Workshop to Improve the Assessment of Professional Development in Technician Education – FAS4ATE2	47.076	LJVKA6H1AFF8	\$12,131.12	
Subtotal CFDA	47.076		\$12,131.12	-
National Institute of Health				
Passed Through University of Iowa				
Role of Macrophages on Tissue Remodeling following Cochlear Implantation	93.173	Z1H9VJS8NG16	\$8,052.44	
Subtotal CFDA	93.173		\$8,052.44	-
National Institute of Health				
Trajectories And Predictors In The Clinical High Risk For Psychosis Population (Chr-Aus): A Nationwide Network Of Clinics With International Partners	93.242		\$2,251,781.93	
A Global Alliance to Unlock Brain Mechanisms Influencing Suicidal Behaviours through the Enigma Consortium	93.242	G88KLJR3KYT5	\$136,255.79	
Passed Through Georgia State University				
Enigma-Coinstac: Advanced Worldwide Transdiagnostic Analysis Of Valence System Brain Circuits	93.242	MNS7B9CVKDN7	\$6,943.99	
Passed Through University of Southern California				
Enigma-Sd: Understanding Sex Differences in Global Mental Health	93.242	G88KLJR3KYT5	\$24,178.88	
Subtotal CFDA	93.242		\$2,419,160.59	-
National Institute of Health				
Passed Through New York State Psychiatric Institute (NYSPI)				

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures (U.S. Dollars)	Passed Through to Sub-recipients (U.S. Dollars)
Neurobehavioral Mechanisms Of Choices To Smoke Cannabis In Cannabis Use Disorder	93.279	TYVNMW8FNQQ3	\$12,544.56	
Subtotal CFDA	93.279		\$12,544.56	-
National Institute of Health				
Passed Through Case Western Reserve University				
Modeling Brainstem Inflammation's Role In Systemic Dysfunction During Sepsis	93.286	HJMKEF7EJW69	\$48,246.72	
Subtotal CFDA	93.286		\$48,246.72	-
National Institute of Health				
Understanding Functional Connectivity of Sensory and Motor Pathways to Specific Regions of the Lower Urinary Tract.	93.310		\$624,928.43	
Understanding Functional Connectivity of Sensory and Motor Pathways to Specific Regions of the Lower Urinary Tract.	93.310		\$345,114.86	
Democratizing Machine Learning for Researchers Working In Alzheimer's Space	93.310		\$62,198.94	\$55,699.31
Passed Through Purdue University				
Mapping Stomach Autonomic Circuitry and Function for Neuromodulation of Gastric Disorders	93.310	YRXVL4JYCEF5	\$206,431.67	
Passed Through University of Michigan				
The Virtual Stomach	93.310	GNJ7BBP73WE9	\$98,621.94	
Passed Through Stanford University				
Development of Aptamers for investigations of Gastric Function and eventual Therapeutic use	93.310	HJD6G4D6TJY5	\$115,159.49	
Subtotal CFDA	93.310		\$1,452,455.34	\$55,699.31
National Institute of Health				
Colon Cancer Family Registry Cohort	93.393		\$533,405.83	\$2,052,302.32
Colon Cancer Family Registry Cohort	93.393		\$52,644.53	

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures (U.S. Dollars)	Passed Through to Sub-recipients (U.S. Dollars)
Passed Through Columbia University				
Breast Cancer Family Registry Cohort	93.393	F4N1QNPB95M4	\$175,791.65	\$80,665.20
Passed Through Medical University of South Carolina				
Predicting And Understanding The Use Of Nicotine Products In A Rapidly Evolving Nicotine Marketplace: The International Nicotine Product, Policy, And Market (Inpam) Study	93.393	NHV3GTWSALA7	\$35,633.39	
Passed Through Fred Hutchinson Cancer Research Center				
Interdisciplinary Epidemiologic Consortium to investigate T Cell Response in Colorectal Cancer	93.393	TJFZLPP6NYL6	\$24,285.50	
Passed Through University of Vermont				
Genomic Expert Curation Panels (U24)	93.393	Z94KLERAG5V9	\$4,335.63	
Defense Advanced Research Projects				
DARPA Score (Replicats) Evaluating Experts' Ideas about Reproducibility and Replicability (UM Lead)	93.393		\$570,336.21	\$97,433.29
Subtotal CFDA	93.393		\$1,396,432.74	\$2,230,400.81
National Institute of Health				
Passed Through Beckman Research Institute of the City of Hope				
Combating Sub clonal Evolution of Resistant Cancer Phenotypes	93.397	DPMGH9MG1X67	\$108.17	
Passed Through Dana-Farber Cancer Institute				
Dana-Farber/Harvard Cancer Center Spore in Breast Cancer	93.397	042263040	\$152,937.76	
Subtotal CFDA	93.397		\$153,045.93	-
National Institute of Health				
Passed Through John Hopkins University				
Synthetic Non-Heme Iron Activation and S Oxygenation	93.589	FTMTDMBR29C7	\$9,687.10	

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures (U.S. Dollars)	Passed Through to Sub-recipients (U.S. Dollars)
Subtotal CFDA	93.589		\$9,687.10	-
National Institutes of Health				
Multiscale Mapping Of Extramural And Intramural Vasculature And Its Innervation In The Developing And Postnatal Mouse Lower Urinary Tract	93.847		\$176,812.47	
Subtotal CFDA	93.847		\$176,812.47	-
National Institute of Health				
Passed Through University of Southern California				
Effects of Global Brain health on Sensorimotor Recovery after Stroke	93.853	G88KLJR3KYT5	\$6,890.42	
Subtotal CFDA	93.853		\$6,890.42	-
National Institute of Health				
Does Repeated Influenza Vaccination Constrain Influenza Immune Responses and Protection? (COVID-19 Administrative Supplement)	93.855		\$175,021.12	\$211,875.74
Investigating the Basis of Mait Cell Antigen Potency (NIH R01 Resubmission)	93.855		\$113,459.90	\$252,667.96
Investigating the Basis of Mait Cell Antigen Potency (Nih R01 Resubmission)	93.855		\$119,202.25	
Passed Through Genome Institute of Singapore				
Host Pathogen Variation & Tb Pathogenesis (TBRU)	93.855		\$150,635.36	
Passed Through University of Newcastle				
Does Repeated Influenza Vaccination Constrain Influenza Immune Responses and Protection? (NIH RO1 Sullivan Resubmission)	93.855		\$255,902.75	\$532,803.48
Passed Through Icahn School of Medicine at Mount Sinai				
Delaney Aids Research Enterprise to Find a Cure (Dare 3.0) - (2021-2026) - Subaward 7	93.855	KMH5K9V7S518	\$321,224.41	
Passed Through New York Medical College				

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures (U.S. Dollars)	Passed Through to Sub-recipients (U.S. Dollars)
Pilin Genotyping for Group A Streptococci	93.855	WK630J11C2H7	\$15,349.64	
Passed Through University of Rochester				
Niaid Centers Of Excellence in Influenza Research And Surveillance (Urf Awdc528132)	93.855	F27KDXZMF9Y8	\$11,864.22	
Passed Through University of California, San Francisco				
Long Term Outcomes of Sars-Cov-2 Infection in Pregnancy-Analysis Of A Large Claims Database	93.855	EA2TGNNYQZ36	\$2,470.86	
Delaney Aids Research Enterprise To Find A Cure (Dare 3.0) - M&O - (2021-2026) - Subaward 10	93.855	KMH5K9V7S518	\$25,285.30	
Delaney Aids Research Enterprise To Cure Hiv (2016-2021) - Subaward 7 - Lewin	93.855	KMH5K9V7S518	\$74,394.39	
Passed Through University of California, Los Angeles				
Subaward: Leadership and Operations Center (LOC), AIDS Clinical Trials Group (ACTG) [UM1AI068636]	93.855	RN64EPNH8JC6	\$5,579.78	
Passed Through University of Massachusetts				
System Genetics of Tuberculosis	93.855	MQE2JHHJW9Q8	\$112,851.90	
Characterizing HIV-1 Env Conformations Susceptible to Attack by Non-Neutralizing Antibodies	93.855	MQE2JHHJW9Q8	\$119,801.72	
Passed Through Washington University				
Fosmidomycin Resistance in Plasmodium Falciparum	93.855	G7MQPLSUX1L4	\$29,234.61	
Characterization Of Assembly Factors for Type Iv Secretion Systems	93.855	L6NFUM28LQM5	\$25,953.95	
Passed Through University of North Carolina at Chapel Hill				
Pharmacology of Intrathecal/Intraventricular Polymyxins: A Systems-Based Approach	93.855	D3LHU66KBLD5	\$38,236.15	
Passed Through University of Michigan				
Research Program on Cognitive and Neuromodulation-based Interventions	93.855	GNJ7BBP73WE9	\$66,667.15	
Passed Through RMIT				

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures (U.S. Dollars)	Passed Through to Sub-recipients (U.S. Dollars)
Characterisation of the Intactand Defective HIV Reservoirs In Myeloid Cells in the Brain	93.855	YDCGW6PB2G78	\$6,852.28	
Passed Through University of Pittsburgh				
Effects of HIV SIV on Unconventional T Cells in Immunity to M. Tuberculosis in Pre-Adolescents	93.855	MKAGLD59JRL1	\$93,954.44	
Effects Of HIV Siv on Unconventional T Cells in Immunity to M. Tuberculosis in Pre-Adolescents	93.855	MKAGLD59JRL1	\$10,627.86	
Effects Of HIV Siv on Unconventional T Cells In Immunity To M. Tuberculosis In Pre Adolescents	93.855	MKAGLD59JRL1	\$2,155.33	
Passed Through St Jude Children’s Research Hospital				
Divinci: Dissection of Influenza Vaccination and Infection for Childhood Immunity	93.855	JL4JHE9SDRR3	\$62,738.48	
Passed Through University of Chicago				
Temporal Strain Structure and Response to Interventions in a High Endemicity Region of Plasmodium Falciparum	93.855	ZUE9HKT2CLC9	\$265,330.82	
Subtotal CFDA	93.855		\$2,104,794.69	\$997,347.18
National Institute of Health				
Alzheimers Dementia Onset and Progression in International Cohorts	93.866		\$414,367.85	\$2,020,297.21
Preclinical Ad Consortium	93.866	FTMTDMBR29C7	\$50,604.22	
A Phase II/III Randomized, Double-Blind, Placebo-Controlled,	93.866	L6NFUM28LQM5	\$12,726.08	
Passed Through Washington University				
A Phase II/III Randomized, Double-blind, Placebo-controlled, Cognitive Endpoint, Multicenter study of potential Disease Modifying Therapies in individuals at risk for and with Dominantly Inherited Alzheimer’s Disease (“PROTOCOL”)	93.866	L6NFUM28LQM5	(\$4,382.34)	
Passed Through Ohio State University				

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures (U.S. Dollars)	Passed Through to Sub-recipients (U.S. Dollars)
The Economic And Social Impact Of Covid-19 Mitigation Policies: A Cross-Country Analysis Of Macro Events	93.866	DLWBSLWAJWR1	\$141,432.99	
Subtotal CFDA	93.866		\$614,748.81	\$2,020,297.21
National Institute of Health				
Passed Through University of Central Florida				
Lysine Acetylation as Switch for Optic Atrophy 1 inactivation	93.867	RD7MXJV7DKT9	\$30,514.85	
Subtotal CFDA	93.867		\$30,514.85	-
National Institute of Health				
Passed Through Menzies School of Health Research				
CIVIC: Centre for Influenza Vaccine Research in High-Risk Populations (Subcontract)	N/A		\$45,649.91	-
Passed Through University of Georgia				
Center For Influenza Vaccine Research In High Risk Populations (Kedzierska/Uga Subcontract)	N/A	NMJHD63STRC5	\$58,687.76	\$98,800.60
CIVIC: Centre for Influenza Vaccine Research in High-Risk Populations (Subcontract)	N/A	NMJHD63STRC5	\$116,915.20	
Passed Through University of Rochester				
The Effect of Prior Natural Infection or Vaccination (Imprinting) on Subsequent Response to Influenza Vaccine in Children (Lex 34263)	N/A	F27KDXZMF9Y8	\$79,404.83	
Natural History of SARS-Cov-2 In Comparison to Influenza A Virus: A Multi-Site Study Focused in The Southern Hemisphere And Equatorial Regions	N/A	F27KDXZMF9Y8	\$132,511.69	
Niaid Centers Of Excellence In Influenza Research And Surveillance (Urf Awdc528132)	N/A	F27KDXZMF9Y8	\$403,339.67	
Subtotal CFDA	N/A		\$836,509.05	\$98,800.60
US Army Research Office				
Towards Designing Complex Networks Resilient to Stealthy Attack and Cascading Failure	N/A		\$28,920.20	

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures (U.S. Dollars)	Passed Through to Sub-recipients (U.S. Dollars)
Subtotal CFDA	N/A		\$28,920.20	
Grand Total			\$12,088,978.05	\$6,065,131.57

1. SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT.)

1.3 Notes to the Schedule of Expenditures of Federal Awards

1.3.1 Company Description

The University of Melbourne (the “University”) has been a centre of learning since 1853. It is a leading research University, widely renowned for its teaching, research achievements and social and economic contributions.

The University is ranked among the top 50 Universities in the world, and is rated number 1 nationally. The University earns the highest level of research grants and allocations in Australia. The University has active researchers across a number of research fields, and partner with a number of world class affiliated research institutes for major programs of work.

The University has established a long-term plan to strengthen its research capacity and reputation, as well as transform its provision of undergraduate and graduate education. The “Melbourne Curriculum” has created six broadly based undergraduate degrees, followed by a professional graduate degree, or a research higher degree. These undergraduate degrees are: Arts, Biomedicine, Commerce, Environments, Music and Science.

1.3.2 Basis of presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes federal grant activity for the Federal Program and has been prepared using the Australian accounting rules and principles; it is presented on the cash basis of accounting. The information in the Schedule is presented in accordance with the program audit provisions in Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of activities of the University, it is not intended to and does not present the financial position, results of operations and cash flows of the University in conformity with accounting principles generally accepted in Australia. Expenses in Australian dollars are translated into US dollars based on spot rates.

1.3.3 Summary of Significant Accounting Policies

Basis of accounting: The accompanying schedule has been prepared on the cash basis of accounting and as described below.

Expenses: Expenses for federal awards of the University are determined using the cost accounting principles and procedures set forth the cost principles contained in the Uniform Guidance. Under these cost principles, certain expenses are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are present where available.

Expenses also include indirect costs, relating primarily to facilities operation and maintenance, and general, divisional, departmental administration services, which are allocated to direct cost objectives (including federal awards) based on negotiated formulas referred to as indirect cost rates. Indirect costs allocated to awards are generally based on provisional rates negotiated with the cognizant federal agency. When funding for indirect costs is restricted based on specific agreement provisions or by total program funding requirements, a lower rate may be used, which is reflected in the Schedule. In such instances, the University is electing to not bill or collect the full provisional rate for these specific awards. The University did not elect to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs of Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

2. COMPLIANCE AND INTERNAL CONTROLS

2.1 Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with the OMB Uniform Guidance

To the Members of the Council of the University of Melbourne,

Report on Compliance for the Research and Development Cluster

We have audited University of Melbourne's (the "University") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its Research and Development Cluster ("the Federal Program") for the year ended 31 December 2022.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its Federal Program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the University's Federal Program based on the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("OMB Uniform Guidance"), except as noted in the paragraphs below. Those standards and OMB Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on the Federal Program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the University Federal Program. However, our audit does not provide a legal determination of the University's compliance.

Personnel of RSM Australia Pty Ltd ("RSM") do not participate in a continuing education program that fully satisfies the requirements set forth in Chapter 3, paragraph 3.6 of *Government Auditing Standards*. However, RSM does participate in continuing education programs applicable in Australia.

Further, RSM did not have an external quality review by an unaffiliated audit organisation as required by Chapter 3, paragraph 3.33 of *Government Auditing Standards*. However, RSM does participate in the RSM International internal control review program which requires our offices to be periodically subjected to an extensive quality control review by partners and managers from other RSM International affiliated firms.

Opinion on Compliance the Federal Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Federal Programs for the year ended 31 December 2022.

2. COMPLIANCE AND INTERNAL CONTROLS (CONT.)

2.1 Independent Auditor's Report (cont.)

Report on Internal Control over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on its Federal Program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its Federal Program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of University's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



RSM AUSTRALIA PTY LTD



WJA SPARGO

Director

Melbourne, VIC

31 July 2023

3. SCHEDULE OF FINDINGS

3.1 Section I: Summary of Auditors' Results

Federal Awards

Internal control over major programs

- Material weakness/es identified? No
- Significant deficiency/ies identified not considered to be material weaknesses? Yes
- Types of auditor's report issued on compliance for major programs. Unmodified
- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of major programs:

- Research and development cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee is a low-risk auditee. Yes

3. SCHEDULE OF FINDINGS (CONT.)

3.2 Section II: Current-Year Findings

There were no issues arising from the audit to be reported.

3. SCHEDULE OF FINDINGS (CONT.)

3.3 Section II: Prior-Year Findings

Accrued overhead expenses and salaries

Observation:

During our testing, we identified \$159,298 relating to salaries and \$65,316 relating to overhead expenses which were accrued at year end which is not in line with the cash basis of accounting elected by the University. This amount has been assessed and considered not material.

Implication:

There is a risk that the Schedule of Expenditures of Federal Awards is overstated due to accrued expenses being included at year end when a cash basis of accounting has been elected.

Recommendation:

We recommend that management implement procedures at year end to ensure all programs which receive federal award funding are captured in the Schedule of Expenditures of Federal Awards in the correct financial year in line with the cash basis of accounting and exclude all accrued expenses.

Management's Views and Corrective Action Plan:

The university is surprised at these findings as salary accruals have been applied once a year for the final fortnightly pay run only, at year end, every year without question in the past. Our accounting policies and treatment have not changed.

The impact of these transactions is clearly immaterial as the net impact of the salary transactions is \$64,609 being current years transactions less reversal of previous year transactions. Further the Overhead accruals have been deemed required by RSM in the 2019 Audit, not instigated by the university.

Audit Comment 2022

No instances noted in the samples tested for the 2022 audit. Issue resolved.

3. SCHEDULE OF FINDINGS (CONT.)

3.3 Section II: Prior-Year Findings (continued)

Fixed assets stocktake

Observation:

From discussion with management, we noted that the University has not performed any stocktake for its physical assets since the 2019 financial year due to Covid-19 government restrictions and health and safety issues. This resulted in a breach of the Compliance Supplement which requires physical stocktakes to be conducted at least once every 2 years.

Implication:

There is a risk that the existence and valuation of the assets are incorrectly captured and may lead to misstatements on the financial records. The non-performance of asset stocktakes at least once every 2 years resulted in a breach of section 200.313(d)(2) of the Compliance Supplement.

Recommendation:

We acknowledge the difficulty the University has had in complying with this requirement. As a result we recommend that management perform a fixed asset stocktake as soon as safe and practicable to ensure that the fixed assets exist and are complete.

Management's Views and Corrective Action Plan:

As indicated the lack of the Stocktake for the past 2 years was a direct result of directive from the Australian Governments restrictions as Melbourne and thus the university were in lockdown. This was an extraordinary situation and not reflective of the university's normal work practice. To have ignored these restrictions would have resulted in danger to the public our staff and incurred large fines.

As restrictions have been lifted the university will resume our normal work practices with stocktakes being completed every 2 years.

Audit Comment 2022

We noted that the University has implemented a 3-year rolling stocktake program across the whole University. This however is still in breach of the Compliance Supplement requirements of "*a physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.*"

Management Comment 2022

Due to the backlog after Covid restrictions the Schedule is being completed over a 3 year period, it is expected this will change in the next 12 -24 months.

3. SCHEDULE OF FINDINGS (CONT.)

3.3 Section II: Prior-Year Findings (continued)

Renewal of policies and procedures

Observation:

It has been identified that policies and procedures have not been reviewed in line with the set review date stated. Policies and procedures provide specific principle, bases, conventions, rules and practices applied by an entity. Failure to review the policies, lead to outdated rules and convention which may not be in line with the current practices of the University.

The following policies have been identified as not being reviewed, prior to the review deadline:

1. Relocation Procedure

Implication:

The lack of policy review can lead to employees following practices and guidelines which are no longer relevant. Employees are more susceptible to risks, as the outdated policies are not able to mitigate current risks to the University.

Recommendation:

It is recommended that each policy is reviewed every 2 years, to ensure that policies and procedures are relevant to the current practices and guidelines.

Management's Views and Corrective Action Plan:

Management noted that the policy was due to be updated as at 2014, however, commented that the policy may have been reviewed and deemed to be appropriate, hence, not requiring an update.

Audit Comment 2021

The Relocation Procedure policy is still yet to be reviewed. We noted that the University had the following policy which is due for review/renewal but was delayed due to Covid-19:

1. Records Management Policy (26/02/2021)

Audit Comment 2022

No change from prior year.

Management Comment 2022

Due to the backlog after Covid restrictions, the schedule utilised to review the university policies is being reviewed and every effort made to address these issues.

