



Dr Kilian Perrem  
Inquiry Secretary  
Joint Committee of Public Accounts and Audit  
PO Box 6021  
Parliament House Canberra ACT 2600

5 December 2025

Dear Dr Perrem,

I refer to your letter of 11 November 2025 to the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts requesting a submission from Bundanon Trust to the Inquiry into Commonwealth Financial Statements 2023-24.

### **General comments**

Bundanon Trust (Bundanon) is a National Collecting Institution and living arts centre that supports arts practice and understanding of the arts through its residency, education, exhibition and performance programs.

Bundanon was gifted to the Commonwealth by Yvonne and Arthur Boyd in March 1993 and is listed on the Commonwealth Heritage List. It has a nationally significant collection of almost 4,000 artworks and the estate includes a vast and diverse landscape of bush and farmland in the Shoalhaven region in New South Wales. The site includes the Boyd family Homestead and Arthur Boyd's Studio. The new Art Museum, launched in 2022, hosts a changing program of exhibitions, collection display, and permanent gallery and secure collection storage. The Bridge for Creative Learning has teaching spaces for arts and environmental programs and offers accommodation.

Bundanon notes that all the ANAO's findings/risks identified in the 2022-23 audit process have been addressed through the 2023-24 and 2024-25 audit processes. In the 2024-25 closing letter, the ANAO advised that the findings reported by ANAO to Bundanon at the conclusion of the 2023-24 audit have been resolved.

### **Moderate audit finding – governance risk**

The Australian National Audit Office's (ANAO) audit of Bundanon's 2022-23 financial statements found that Bundanon did not have an internal audit function. The audit also found that the Audit Committee had not undertaken legislated functions and activities outlined in the Audit Committee Charter and required by the PGPA Rules, and issues were identified around the management of enterprise strategic risks.

Bundanon has addressed the issues outlined in the ANAO 2022-23 audit report. The ANAO 2023-24 audit report acknowledged that Bundanon has:

- Renamed the Finance Committee as the Audit and Risk Committee (ARC), and the ANAO has confirmed that current ARC members are independent of management and compliant with PGPA Act requirements.
- Improved processes supporting the ARC in ensuring it meets its obligations under the ARC Charter. Bundanon is in the process of implementing recommendations relating to internal audit and the enterprise risk register. The finding remains open while these issues continue to be addressed.

The ANAO determined in 2023-24 audit that recommendations relating to Bundanon's internal audit and enterprise risk register had not yet been implemented. The finding remained open while these issues continue to be addressed by the Board.



### Corrective actions

As part of the 2024-25 audit, the following corrective actions were completed.

- A two-year internal audit program was endorsed at the ARC meeting in February 2025. A formal internal audit program and timeline were adopted and approved by the ARC in May 2025. Internal audit activities have been undertaken by both external providers and internal staff during 2024-25. Bundanon is aware that this arrangement presents a self-review risk as internal audit is intended to provide independent assurance to the Board over processes for which the Chief Finance Officer (CFO) and management are responsible. Bundanon will explore further outsourcing of audit activities to improve independent assurance.
- In 2024-25, the ARC continued to expand its review and oversight functions including the implementation of a two-year ARC forward program. This ensures the Committee is regularly reviewing and assessing key risk and internal controls as required by obligations under the *Public Governance, Performance and Accountability (PGPA) Rules* and as outlined in the ARC Charter.
- In 2024-25, Bundanon's Risk Register was improved with the allocation of responsibility for each risk control. A review of Bundanon's risk management framework is underway and will be completed in June 2026. The ANAO noted in its 2024-25 closing letter there were ongoing improvements in enterprise and strategic risk management. The ANAO also noted there remains an opportunity to enhance the design of the risk register by incorporating pre- and post-control risk assessments and ensuring that changes to the register are clearly documented and supported in meeting minutes.

Bundanon notes that this moderate finding was resolved during the ANAO audit testing as part of the 2024-25 Financial Statements process and is now closed.

### **Minor audit finding – financial statements preparation**

During the 2022-23 audit the ANAO identified deficiencies in the preparation of financial statements including: the lack of a financial statement preparation plan; failure to meet statutory reporting deadlines; and issues with the presentation of the Annual Report which did not include disclosures required under legislation.

### Corrective actions

Bundanon appointed an experienced CFO (Chief Finance Officer) at the beginning of 2024-25, and a detailed year-end reporting timetable was prepared and approved by the ARC at its May 2025 meeting.

Bundanon provided the ANAO with interim financial statements and associated disclosures prior to final audit commencement. Management provided a pro forma set of financial statements, including all intended disclosures. Additional information requested by the ANAO was provided promptly and this allowed for the first draft of the year-end financial statements to be submitted in line with agreed audit timelines.

These actions established a clear framework for the preparation and delivery of the 2024-25 financial statements allowing financial statements to be provided and completed in accordance with statutory reporting deadlines.

Bundanon notes that the minor finding on financial statements preparation was resolved during the ANAO audit testing as part of the 2024-25 Financial Statements process and is now closed.

### **Minor audit finding – heritage and cultural assets**

The 2023-24 audit examined the recognition, valuation, and preservation of heritage and cultural assets, in accordance AASB 1049 Whole of Government and General Government Sector Financial Reporting and AASB 116 Property, Plant and Equipment. These standards require Bundanon to reliably measure and, where applicable, revalue heritage and cultural assets. Additionally, conservation and preservation policies are essential for demonstrating that heritage and cultural assets have an indefinite useful life, thereby ensuring their proper care and management.

The ANAO identified that Bundanon's conservation and preservation policies were outdated and lacked sufficient detail to adequately support the preservation and management of its heritage and cultural



assets. The policies required updates to more clearly state the objective regarding the preservation of these assets and to demonstrate a structured plan for implementation, monitoring, or periodic review. Consequently, there was a risk that heritage and cultural assets might not meet the recognition and valuation criteria under AASB 1049 and AASB 116, as it could not demonstrated that these assets were subject to appropriate preservation measures.

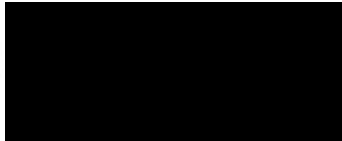
#### Corrective actions

During 2024–25, the Board approved the Heritage Management Strategy 2025–28, which outlines Bundanon’s commitment to the preservation and management of its heritage and cultural assets. The strategy is supported by the Collections Procedures Manual 2024 which documents the procedures for managing, conserving, and preserving Bundanon’s collection. Bundanon also prepared a position paper addressing the accounting treatment of heritage and cultural assets in accordance with AASB 116 and AASB 1049.

The ANAO reviewed the paper and noted that it addressed the key requirements of AASB 116. The Heritage Management Plan remains in development and is expected to be completed by December 2026. The ANAO has advised that the progress made to date is appropriate.

Bundanon notes that this minor finding was resolved during the ANAO audit testing as part of the 2024-25 Financial Statements process and is now closed.

Yours sincerely



Rachel Kent



CEO

