



FINANCIAL AUDIT REPORT

21 March 2024

State entities 2023

Report 11: 2023–24

As the independent auditor of the Queensland public sector, including local governments, the Queensland Audit Office:

- provides professional audit services, which include our audit opinions on the accuracy and reliability of the financial statements of public sector entities
- provides entities with insights on their financial performance, risk, and internal controls; and on the efficiency, effectiveness, and economy of public service delivery
- produces reports to parliament on the results of our audit work, our insights and advice, and recommendations for improvement
- supports our reports with graphics, tables, and other visualisations, which connect our insights to regions and communities
- conducts investigations into claims of financial waste and mismanagement raised by elected members, state and local government employees, and the public
- shares wider learnings and best practice from our work with state and local government entities, our professional networks, industry, and peers.

We conduct all our audits and reports to parliament under the *Auditor-General Act 2009* (the Act). Our work complies with the *Auditor-General Auditing Standards* and the Australian standards relevant to assurance engagements.

- Financial audit reports summarise the results of our audits of over 400 state and local government entities.
- Performance audit reports cover our evaluation of some, or all, of the entities' efficiency, effectiveness, and economy in providing public services.

Learn more about our publications on our website at www.qao.qld.gov.au/reports-resources/fact-sheets.

The Honourable C Pitt MP
Speaker of the Legislative Assembly
Parliament House
BRISBANE QLD 4000

21 March 2024

This report is prepared under Part 3 Division 3 of the *Auditor-General Act 2009*.



Brendan Worrall
Auditor-General



© The State of Queensland (Queensland Audit Office) 2024.

The Queensland Government supports and encourages the dissemination of its information. The copyright in this publication is licensed under a Creative Commons Attribution-Non-Commercial-No Derivatives (CC BY-NC-ND) 4.0 International licence.



To view this licence visit <https://creativecommons.org/licenses/by-nc-nd/4.0/>

Under this licence you are free, without having to seek permission from QAO, to use this publication in accordance with the licence terms. For permissions beyond the scope of this licence contact copyright@qao.qld.gov.au

Content from this work should be attributed as: The State of Queensland (Queensland Audit Office) *State entities 2023* (Report 11: 2023–24), available under CC BY-NC-ND 4.0 International.

Cover image is a stock image purchased by QAO.

ISSN 1834-1128

Contents

Report on a page	1
1. Recommendations for entities	2
2. Entities in this report	4
3. Financial performance of the Queensland Government	11
4. Results of our audits	16
5. Internal controls at state entities	22
Appendices	34
A. Full responses from entities	35
B. How we prepared this report	46
C. Legislative context	48
D. Status of recommendations made in prior reports	50
E. Audit opinions for entities preparing financial reports	55
F. Other audit and assurance opinions	71
G. Entities exempted from audit by the Auditor-General	77
H. Entities not preparing financial reports	78
I. Audit opinions not yet issued	84
J. Audit opinions issued for prior financial years	85

Acknowledgement

The Queensland Audit Office acknowledges the Traditional and Cultural Custodians of the lands, waters, and seas across Queensland. We pay our respects to Elders past, present, and emerging.

Report on a page

This report summarises the audit results of 240 Queensland state government entities, including the 20 core government departments. It also analyses the consolidated financial performance of the Queensland Government (referred to as the ‘total state sector’) for 2022–23. Given the significance of the Olympic and Paralympic Games to the state, this report also provides an overview of the entities involved.

In May and December 2023, the state government announced machinery of government changes. The most recent changes took effect on 1 January 2024. As this report summarises the audit results of the 2022–23 financial year, we use the department names as at 30 June 2023.

Financial statements are reliable

In 2022–23, the financial statements of all departments, government owned corporations, most statutory bodies, and the entities they control were reliable and complied with relevant laws and standards. While some ministers tabled their financial statements earlier than in the past, the majority did not. This reduces the relevance of the financial information contained in their statements before it is released to the public.

Royalty revenue improves state’s finances

In 2022–23, the total state sector reported a net operating surplus of \$11.1 billion (2021–22: a surplus of \$1.3 billion). The significant increase in royalty revenue (money paid by mining companies to Queensland in exchange for the right to mine) for coal and oil was the main contributing factor.

Entities are not managing security risks posed by third-party provider arrangements

We found entities are still not taking appropriate measures to ensure they fully understand and manage security risks posed by third parties providing services for their information systems.

We also found issues with entities’ internal controls (systems and processes) similar to those we have raised in previous years. These relate to information systems, payroll, and procurement. Entities need to focus on clearing outstanding issues from previous years.

Findings reflect Coaldrake observations on culture

Professor Coaldrake’s report, *Let the sunshine in*, published in June 2022, commented on the culture of the Queensland public sector. Of direct relevance to his comments on culture, we found some departments have had at least 3 changes in director-general in the last 5 years, and contractor and consultancy costs have increased dramatically. More work is also needed to ensure special payments (not required by contract or legislation) are defensible and appropriate.

The second round of machinery of government changes for 2023 impacted 12 departments and 14 functions of government. This included re-establishing a Department of Youth Justice, last abolished in 2020. Youth Justice has now moved 5 times in 6 years. It also saw the new Brisbane 2032 Coordination Office move from the Department of the Premier and Cabinet to the Department of State Development and Infrastructure. The report recommending its creation said locating the office within a central agency was critical to mitigate the risk it would not receive the full attention and resources it needed. The new department will need to ensure that it does.



1. Recommendations for entities

We have identified the following recommendations.

Manage the cyber security risks associated with services provided by third parties (Chapter 5)
<p>We recommend that all entities:</p> <ol style="list-style-type: none"> 1. implement a process to manage the security risks relating to third-party services for information systems and technologies, and introduce procedures that will <ul style="list-style-type: none"> • identify how they use third-party services, the extent to which they use them, and the associated security risks • establish due diligence (vetting and continuous monitoring) processes when engaging new third parties or continuing with third-party services • define security standards and the appropriate contractual agreements to manage security risks • establish a process to continually assess how well each third party manages its security risks and responds to and recovers from security incidents.
Implement robust policies and procedures to ensure special payments are appropriate, defensible, and transparent (Chapter 5)
<p>We recommend that all entities:</p> <ol style="list-style-type: none"> 2. implement robust policies and procedures that specify when a special payment is appropriate and how it should be made. Guidance should outline who is authorised to approve special payments and what constitutes appropriate documentation to support <ul style="list-style-type: none"> • the reason and nature of the payment • the approving officer • the amount, including supporting calculations.
Improve awareness and understanding of guidance material available for special payments, including ex gratia payments (Chapter 5)
<p>We recommend that Queensland Treasury:</p> <ol style="list-style-type: none"> 3. improves the awareness and understanding that all state entities have of guidance material available for special payments, including ex gratia payments. This should include <ul style="list-style-type: none"> • expectations for internal governance • required documentation, including supporting calculations, to support special payments • reporting requirements.

Status of recommendations made in *State entities 2022*

In *State entities 2022* (Report 11: 2022–23), we recommended that audit committees actively monitor the implementation of audit recommendations and encourage the timely resolution of outstanding internal control weaknesses. While we have seen an improvement each year in the number of deficiencies we reported and their timely resolution, 20 per cent of the issues we raised with core departments in 2021–22 have not been resolved this year, and some issues are still outstanding from 2020–21.

The timeliness of annual report tabling has only marginally improved, with only a slight reduction in the number of days between when financial reports are signed by management and audit and when they are tabled in parliament. We recommend entities and their respective ministers take action to improve timeliness of annual report tabling.



We have included a full list of prior year recommendations and their status in [Appendix D](#).

Reference to comments

In accordance with s.64 of the *Auditor-General Act 2009*, we provided a copy of this report to relevant entities. In reaching our conclusions, we considered their views and represented them to the extent we deemed relevant and warranted. Any formal responses from the entities are at [Appendix A](#).



2. Entities in this report

This report analyses the financial performance of the Queensland Government and includes the results of financial audits for all Queensland state government entities.

These entities are listed in Appendices E and J, where we group them by the new ministerial portfolios, following the December 2023 machinery of government changes. However, we continue to use the names of the former departments throughout the report as they were the entities we audited for 2022–23.



Notes: *These do not include entities exempted from audit by the Auditor-General (see [Appendix G](#)), entities not preparing financial reports (see [Appendix H](#)), or entities audited by arrangement. **These are entities controlled by one or more public sector entity.

Source: Queensland Audit Office.

Core departments

This report also includes our assessment of the controls over financial systems and processes for the 20 core departments existing in 2022–23, and identifies learnings for all state government entities. ‘Core’ departments are those gazetted as departments under the *Public Sector Act 2022* and are responsible for most public services provided by departments. As our report focuses on the audit results for 2022–23, we refer to the 20 core departments that existed during this period. However, following machinery of government changes announced on 18 December 2023, the Department of Youth Justice was created, bringing the total core departments to 21 from 1 January 2024.

The other 7 departments were established under the *Financial Accountability Act 2009*. Examples include the Electoral Commission of Queensland, Legislative Assembly and parliamentary service, Office of the Governor, and the Public Sector Commission.

Figure 2B
Core Queensland government departments as at 30 June 2023



Note: *Renamed in May 2023. **Renamed in December 2023. ***Renamed in May 2023 and then again in December 2023.

Source: Queensland Audit Office.

Our assessment of the financial reporting and internal controls of other Queensland state government entities, including energy and health, is included in the relevant sector reports on our website at www.qao.qld.gov.au/reports-resources/reports-parliament.

How we present information

The departments in Figure 2B provide services across the state. The Queensland Audit Office’s dashboard, *QAO Queensland*, brings together important information about the finances and services of Queensland state and local government entities. In doing so, it uses 3 common ways to divide the state into regions:

- local government areas
- statistical areas (used by the Australian Bureau of Statistics and by state entities to collect and report on information, including the state budget)
- hospital and health service areas.

This allows users to search by an address and identify the services and the financial results for their local area, including for councils, education, health, water, and electricity. The dashboard is available on our website at www.qao.qld.gov.au.

The following 2 data dashboards are also available on our website:

- water data visualisation – which includes drought status, primary industries, and water storage facilities (total capacity and storage level at 30 June, where publicly available)
- understanding grants dashboard – which explores information on grants paid by the Queensland Government and compares local government areas or explores the information by funding agency. This interactive tool uses public information available on the Queensland Government Open Data Portal to summarise the number and value of grants paid. It also categorises grants into funding uses, recipient types, and funding agencies.

Brisbane 2032 Olympics and Paralympics

On 21 July 2021, the Queensland Government, with the Brisbane City Council and the Australian Olympic Committee, signed the Olympic Host Contract with the International Olympic Committee, committing to host the Brisbane 2032 Olympic and Paralympic Games (the Games).

New statutory body – responsible for games delivery

The Brisbane Organising Committee for the 2032 Olympic and Paralympic Games (the Brisbane 2032 Organising Committee) was established on 20 December 2021. It is responsible for organising and staging the Brisbane 2032 event under the Olympic Host Contract.

As its work will have a major impact on the state for most of the next decade, we have briefly explained its role and that of other, linked organisations in the following pages.

The Auditor-General issued an unmodified audit opinion on 31 August 2023. This means its financial statements can be relied upon. The statements covered the period 20 December 2021 to 30 June 2023 (as the organisation was exempt from preparing financial statements in its first year).

In June 2023, the organising committee received \$15 million in funding from the International Olympic Committee, representing an advance of the broadcast rights contribution due under the Olympic Host Contract. Total expenditure for the period was \$6.7 million, which was mainly employee costs, establishment costs, and board fees. There were 13.5 full-time equivalent employees as at 30 June 2023.

Figure 2C outlines the organising committee's progress up until June 2023.

Figure 2C
Progress towards the Games

December 2021	The <i>Brisbane Olympic and Paralympic Games Arrangements Act 2021</i> (Qld) was passed to establish the organising committee as a statutory body. After its establishment, the organising committee signed a joint agreement to be a party under the existing Olympic Host Contract with Brisbane City Council, the state government, and the International Olympic Committee.
April 2022	The organising committee established a 22-person board with representatives from politics, finance, law, and entrepreneurship, and with voices championing accessibility, regional Queensland, First Nations, and representatives of sport.
December 2022	The chief executive officer of the organising committee was appointed.
June 2023	The organising committee held its first meeting with the International Olympic Committee's Coordination Commission for Brisbane 2032.
	The organising committee received an advance payment of \$15 million from the International Olympic Committee for broadcast rights.

Source: Queensland Audit Office.

Consultant appointed to advise on governance arrangements

Delivery partners for the Games include the Queensland Government, Australian Government, Council of Mayors (South East Queensland), Brisbane City Council, Council of the City of Gold Coast (City of Gold Coast), Sunshine Coast Council, Australian Olympic Committee, Paralympics Australia, and the Brisbane 2032 Organising Committee.

In early 2022, the delivery partners decided it was necessary to define roles, responsibilities, and governance arrangements. This was to ensure coordination and oversight for the planning and delivery responsibilities for the 3 levels of government.

In response, the Queensland Government, through the Department of the Premier and Cabinet, facilitated a tender process to procure strategic planning and development services. In May 2022, Deloitte was awarded the contract, valued at \$717,000 (excluding goods and services tax). Under this contract, Deloitte produced a 16-page report following 25 consultation meetings (7 with Queensland Government lead agencies and 18 across the Games delivery partners) and one workshop.

The final *Brisbane 2032 Governance Arrangements* report was delivered in February 2023, with the key recommendation being to establish a coordination office to provide central oversight on the progress and outputs of the programs being delivered (see Figure 2D below). We reviewed the tender process for this engagement as part of the 2023 financial audit and did not note any issues.

Following the state government's announcement of machinery of government changes on 18 December 2023, the newly established Brisbane Coordination Office was moved from the Department of the Premier and Cabinet to the Department of State Development and Infrastructure. While the office will still exist in the new department, the report recommended that the office sit within the Department of the Premier and Cabinet as it was – *'the critical agency in which it can receive both the attention of the Premier and Minister for the Olympic and Paralympic Games and the full resources, status and attention of the key central agency'*. The report's wording suggests that if the office sits outside of a central agency, then there is a risk that it may not receive the attention or resources it needs. The Department of State Development and Infrastructure will need to ensure it can mitigate this risk and consider if the report's other recommendations are still relevant.

The value received from \$717,000 of public money spent on this report is questionable, including following recent machinery of government changes. This will be explored further in a future performance audit on managing consultants and contractors as outlined in our *Forward work plan 2023–26*.

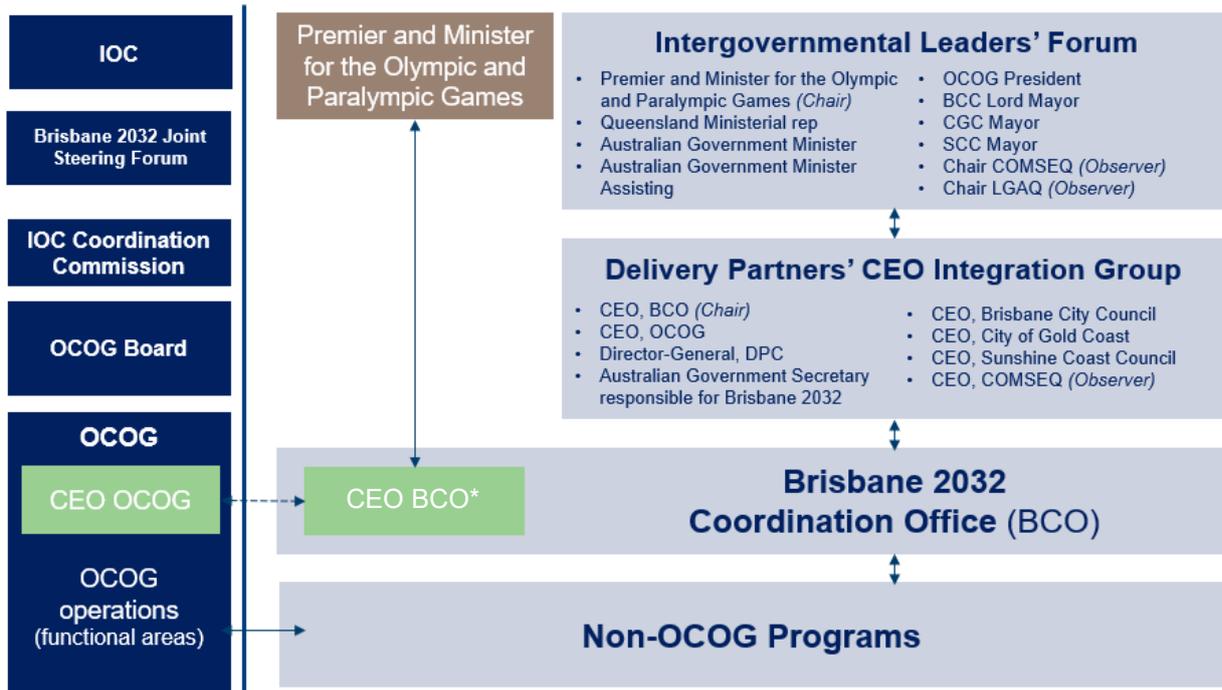
In *Implementing machinery of government changes* (Report 17: 2022–23), we reported that a challenge faced when transferring a function to another department is the risk a business unit will not fit the established culture, strategic priorities, and governance structure of the receiving department. Also, in *2023 status of Auditor-General's recommendations* (Report 3: 2023–24), we highlighted that recommendations to strengthen governance have been a theme in recent years.

The effectiveness of the Games governance arrangements will still be a focus of our future performance audit.

Creation of the governance model

The governance model Deloitte proposed in the report, which was accepted by the state government, is shown in Figure 2D. It included governance arrangements for non-OCOG programs (programs that the organising committee does not have primary delivery responsibility for (see Figure 2E)). It also recommended establishing the Brisbane 2032 Coordination Office within the Department of the Premier and Cabinet (DPC), which the government did in March 2023. However, the machinery of government changes in December 2023 transferred the office and non-OCOG programs to the Department of State Development and Infrastructure.

Figure 2D
Implemented governance model as at 30 June 2023



Notes:

* The 2022–23 annual report for the Department of the Premier and Cabinet shows that the Chief Executive Officer of Brisbane Coordination Office reports to the Premier and Minister for the Olympic and Paralympic Games via the Director-General of the department.

IOC – International Olympic Committee; BCO – Brisbane Coordination Office; OCOG – Organising Committee for the Olympic and Paralympic Games; CEO – chief executive officer; BCC – Brisbane City Council; CGC – City of Gold Coast; SCC – Sunshine Coast Council; COMSEQ – Council of Mayors for South East Queensland; LGAQ – Local Government Association Queensland; DPC – Department of the Premier and Cabinet; rep – representative.

OCOG means the Organising Committee of the Games, which was required to be created by the host city under the Olympic Host Contract. For Brisbane 2032 this is the new statutory body: the Brisbane Organising Committee for the 2032 Olympic and Paralympic Games.

On 3 December 2023, Brisbane City Council's Lord Mayor resigned from the Brisbane 2032 Olympic and Paralympic Games Intergovernmental Leaders' Forum.

On 18 December 2023, the state government announced machinery of government changes that resulted in the Brisbane Coordination Office and non-OCOG programs transferring from the Department of the Premier and Cabinet to the Department of State Development and Infrastructure.

Source: Brisbane 2032 Governance Arrangements: Brisbane 2032 Governance Arrangements Games Delivery Partner Report.

Intergovernmental Leaders' Forum and Delivery Partners' CEO Integration Group

These 2 groups link the work being undertaken by the Queensland Government, local governments, the Australian Government, and the organising committee. The role of these groups includes:

- informing the direction, planning, and delivery activities of the 3 levels of government for the Games
- ensuring Games delivery partners remain up to date on progress
- resolving complex, cross-partner issues.



Brisbane 2032 Coordination Office

The Brisbane 2032 Coordination Office (the Coordination Office) was established in March 2023, with a chief executive officer, who was accountable to the Director-General of the Department of the Premier and Cabinet, and (as shown in Figure 2D above) the former Premier and Minister for the Olympic and Paralympic Games. The Coordination Office is responsible for coordinating the non-OCOG programs and ensuring that key stakeholders are informed of progress.

Following the December 2023 machinery of government changes, the Coordination Office’s roles and responsibilities, structure, and strategic priorities will need to be integrated into the new department (the Department of State Development and Infrastructure). The former Coordination Office’s Chief Executive Officer is now the Director-General of the new department.

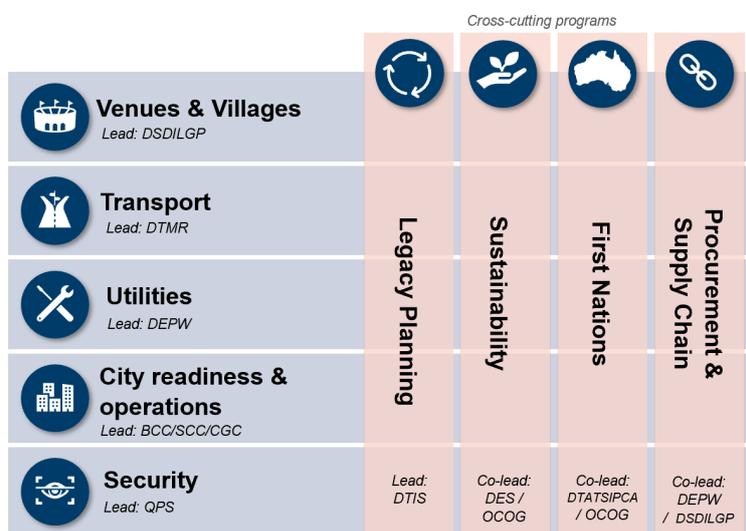
DPC was expected to spend an additional \$46 million to support the Coordination Office in 2023–24. As at 30 June 2023, there were 14 full-time equivalent employees in the Coordination Office (including an allocation of corporate staff), and it was budgeted to increase to 63 in 2023–24. The Department of State Development and Infrastructure will need to reassess if the proposed budget remains appropriate.

Non-OCOG programs

There are 9 programs that are primarily led by government partners, with the Sustainability and First Nations programs co-led by the organising committee. They are known as non-OCOG programs. Each covers a major component of the Games, as shown in Figure 2E. (Note this figure includes departmental acronyms that have changed since the recent machinery of government changes.)

The Coordination Office is responsible for overseeing all the planning and delivery of the 9 programs, in close collaboration with the Australian Olympic Committee, Paralympics Australia, and the organising committee.

Figure 2E
Non-Olympic Committee for the Olympic and Paralympic Games Programs



Notes: DSDILGP – Department of State Development, Infrastructure, Local Government and Planning*; DTMR – Department of Transport and Main Roads; DEPW – Department of Energy and Public Works*; BCC – Brisbane City Council; SCC – Sunshine Coast Council; CGC – City of Gold Coast; QPS – Queensland Police Service; DTIS – Department of Tourism, Innovation and Sport*; DES – Department of Environment and Science*; OCOG – Organising Committee for the Olympic and Paralympic Games; DTATSIPCA – Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts.

* Renamed since latest machinery of government changes became effective on 1 January 2024.

Following recent machinery of government changes, some of these programs now sit within the renamed Department of State Development and Infrastructure.

Source: Department of the Premier and Cabinet.

Our continued focus on the Games

In the years leading up to the Games, we will continue to focus on the preparations. We will do so across several of our reports, including this, the annual state entities report.

We recently tabled our report *Major projects 2023* (Report 7: 2023–24), which provided insights into the status of major infrastructure projects for the state and local governments, including projects relating to the delivery of the Games.

In 2024, we will table a performance audit specifically on preparing for the Games. It will provide insights into the initial preparation for Games delivery, with a deeper dive into the governance structure.



3. Financial performance of the Queensland Government

This chapter analyses the consolidated financial performance of the Queensland Government (the ‘total state sector’) for 2022–23.

The *Financial Accountability Act 2009* requires the Treasurer to prepare annual consolidated financial statements for the Queensland Government. The Auditor-General issued an unmodified audit opinion on the Queensland Government’s 2022–23 consolidated financial statements on 17 October 2023, which means the financial statements can be relied upon.

Royalty revenue is a major contributor to the significant improvement in the state’s financial performance

In 2022–23, the total state sector reported a net operating surplus of \$11.1 billion (2021–22: \$1.3 billion surplus). The improved financial performance of the state was mainly due to significant increases in royalty revenue through:

- an increase in global coal and oil prices
- the introduction by the Queensland Government of 3 new tiers to the coal royalty structure, announced as part of the 2022–23 state budget.

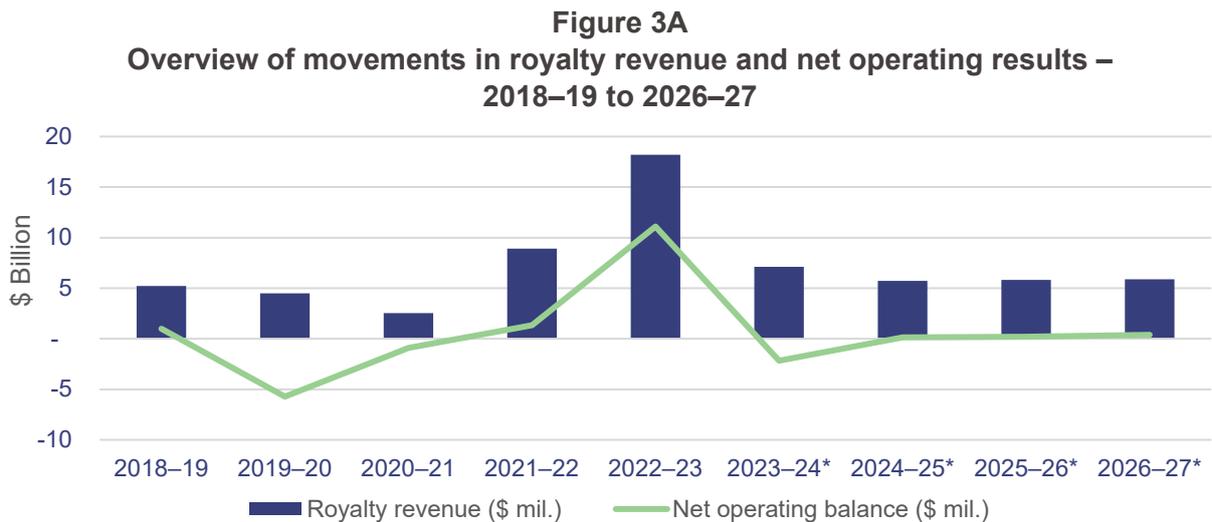
DEFINITION

The Queensland Government receives **royalty revenue** from mining companies who extract coal, metals, petroleum and gas, and other minerals.

While Queensland’s previous royalty regime stopped at 15 per cent for prices above \$150 a tonne, the new system includes royalty rates of 20 per cent for prices above \$175 a tonne, 30 per cent for prices above \$225 a tonne, and 40 per cent for prices above \$300 a tonne.

Figure 3A shows the movement in royalty revenue over the past 5 years, and its impact on the net operating balance for the general government sector (government departments and other non-trading government entities such as hospital and health services). The ‘net operating balance’ is a key measure of financial performance. It compares the revenue earned by the Queensland Government to the expenses it incurs on day-to-day operations. The graph also shows the forecast to 2026–27.





Note: *Denotes budgeted amounts per the *Queensland Budget 2023–24*.

Source: *Queensland Audit Office from reports on the Queensland Budget 2023–24 and the state finances of the Queensland Government since 2018–19.*

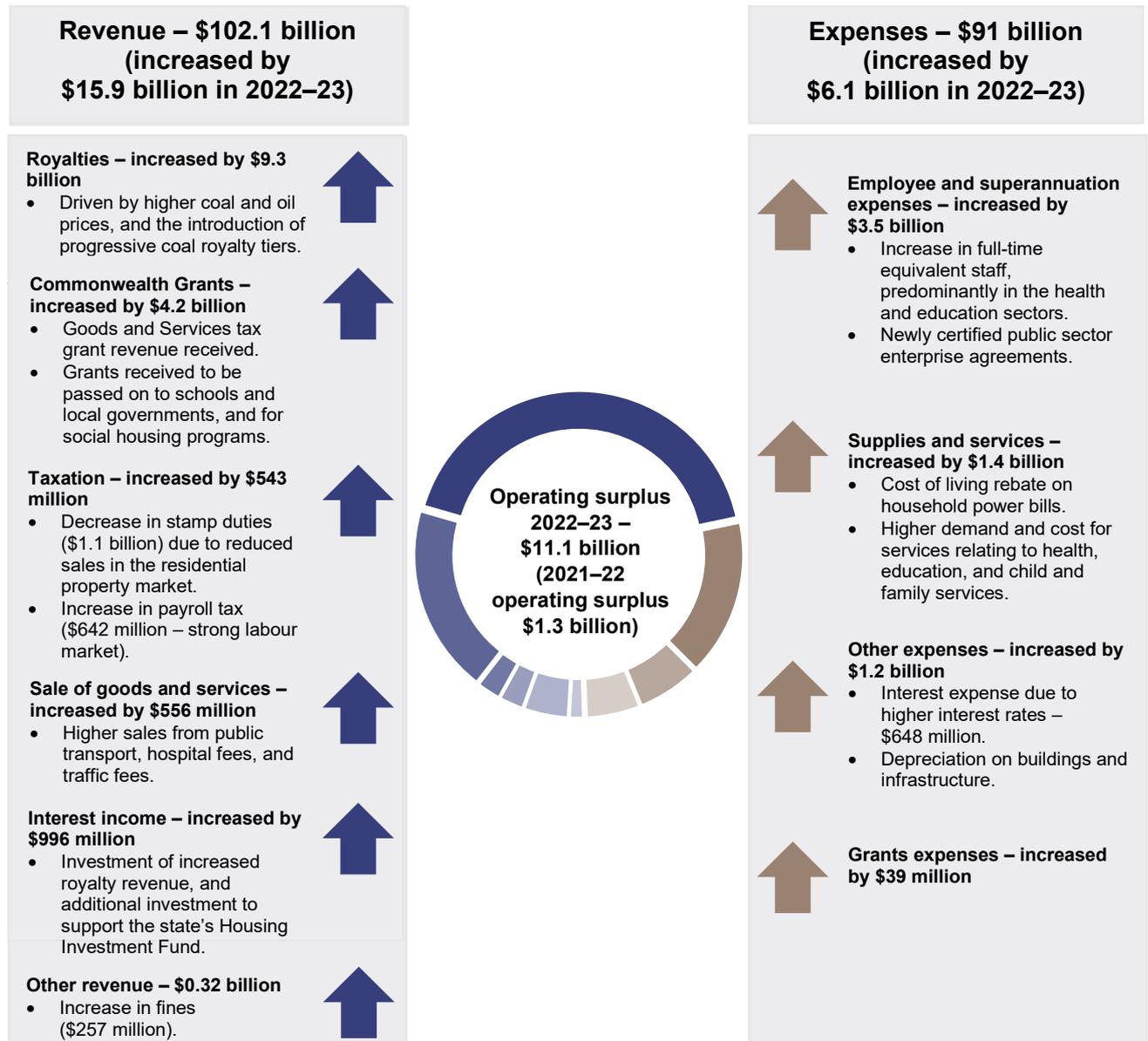
Queensland's revenue is sensitive to market conditions that the government cannot control. While positive market conditions continue, it is important that the government continues to invest wisely and plan for future uncertainty in revenue.

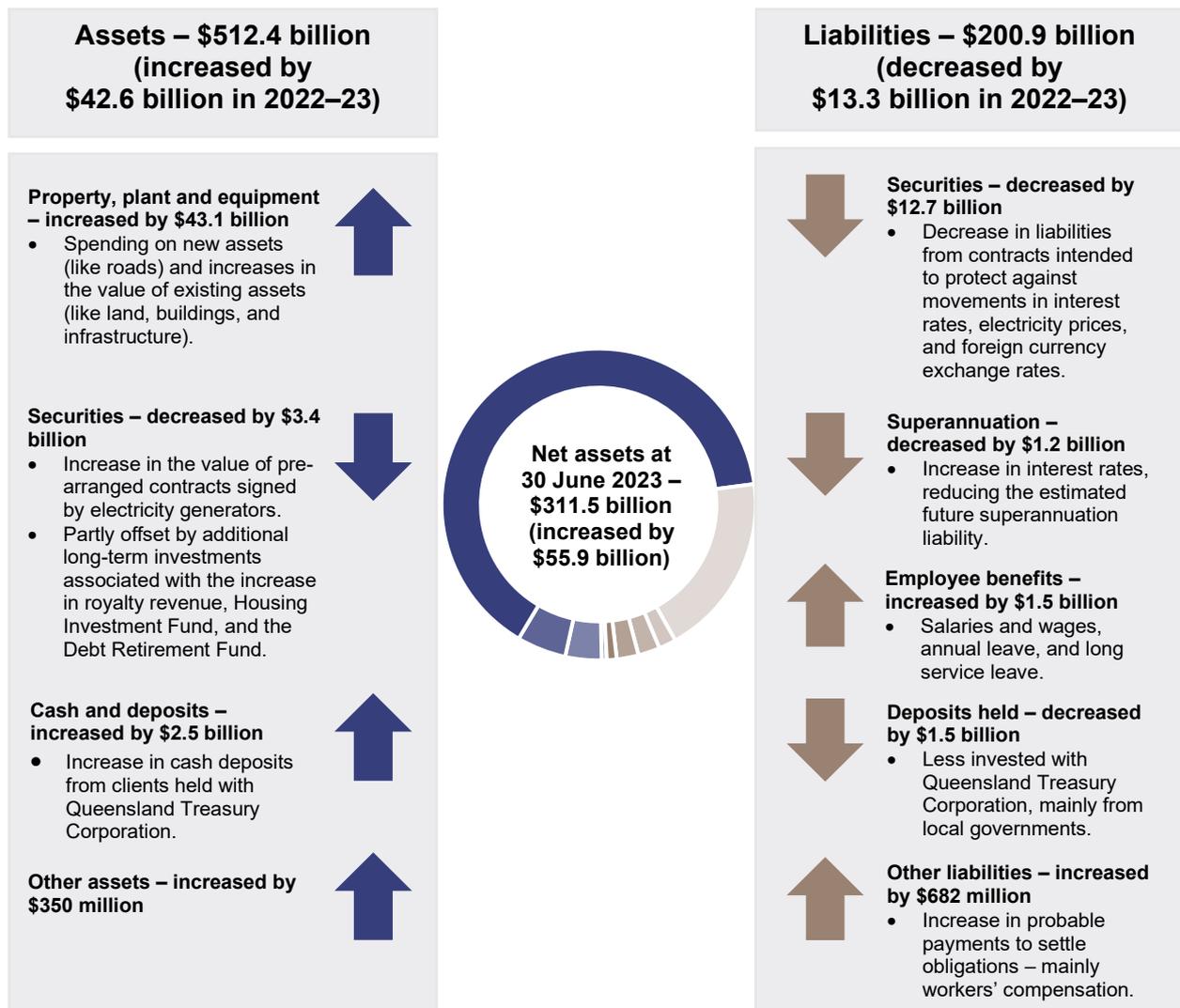
As at 30 June 2023, the total state sector reported a net worth of \$311.5 billion (an increase of \$55.9 billion on last year). This was mainly due to increased spending on new assets and increases in the value of existing physical assets – including land, roads, school buildings, and land under roads.



Figure 3B provides an overview of movements in the state’s financial results.

Figure 3B
Overview of movements in the Queensland Government’s financial results for 2022–23





Source: Queensland Audit Office from the 2022–23 Report on State Finances of the Queensland Government.

Climate and sustainability reporting

There has been an increased focus on climate and sustainability reporting both in Australia and overseas as entities and governments work to better understand the requirements and other considerations for climate and sustainability reporting entities.

The Queensland Government's 2022–23 consolidated financial statements include a high-level summary of, and reference to, the *Queensland Sustainability Report*, which outlines the Queensland Government's approach to managing climate-related risks.

Queensland Treasury's approach for Queensland public sector entities under its regulation is not to mandate disclosures at the individual agency. Instead, its focus has been on whole-of-government reporting, as governance, strategy, and risk management of climate-related risks is largely set at a whole-of-government level.

At the date of this report, Queensland Treasury has not decided whether to have the *Queensland Sustainability Report* assured.



In addition to the *Queensland Sustainability Report*, the state's approach to addressing sustainability-related risks is supported by the:

- *Queensland Climate Action Plan 2020–2030* – which details targets that the Queensland Government has set to reduce emissions
- *Queensland Energy and Jobs Plan* – which outlines how Queensland's energy system will transform to deliver clean, reliable, and affordable energy to provide power
- *Queensland Climate Adaptation Strategy* – which is a central component of Queensland's climate change response. It guides the state's transition towards a zero net emissions economy, including consideration of climate risks and opportunities.

The International Sustainability Standards Board (ISSB) was established in November 2021 to develop global standards for entities in disclosing climate-related financial information for the users of financial statements.

In June 2023, the ISSB issued its first 2 standards – IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.

The Australian Accounting Standards Board (AASB) will be responsible for issuing the Australian equivalents of the ISSB standards. The AASB will need to adapt the standards for not-for-profit and public sector entities, as the ISSB standards were developed for private sector entities. It will be up to individual jurisdictions to mandate the application of Australian sustainability standards.

In October 2023, the AASB released Exposure Draft SR1 *Australian Sustainability Reporting Standards (ASRS) 1 General requirements for Disclosure of Climate-related Financial Information* for public feedback. The AASB's approach is to take a 'climate first' approach and is proposing that references to sustainability in the ISSB standards be replaced with 'climate-related' in the Australian equivalents.

The AASB is currently working with the International Auditing and Assurance Standards Board in developing an International Standard on Sustainability Assurance 5000 *General Requirements for Sustainability Assurance Engagements* and the Australian equivalent.

In January 2024, the Commonwealth Treasury issued proposed legislation to mandate application of climate-related financial disclosures (and applicable assurance requirements) to entities reporting under the Corporations Act 2001 (Cth). These proposals are expected to affect many Queensland government owned corporations (GOCs).

Queensland Treasury is currently evaluating how the content of the proposed ASRS and ISSB standards will apply to Queensland Government agencies. It will be up to Queensland Treasury to determine application to entities under its jurisdiction, such as departments and statutory bodies.



4. Results of our audits

This chapter provides an overview of the audit opinions we issued for Queensland state government entities. It also provides an update on their timeliness in tabling annual reports and making financial statements available to the Queensland community.

Chapter snapshot



Audit opinion results

We issued unmodified opinions for 97.6 per cent of the 2022–23 financial statements we audited (2021–22: 97.9 per cent) as at 18 March 2024. All the departments, government owned corporations, and most of the statutory bodies received unmodified audit opinions, which indicates the results reported in their financial statements can be relied upon.

DEFINITION

We express an **unmodified opinion** when financial statements are prepared in accordance with the relevant legislative requirements and Australian accounting standards.

Most entities (91 per cent) had their audit opinions signed within their legislative deadlines (2021–22: 82.6 per cent).

Figure 4A summarises the audit opinions we issued for 247 entities for their 2022–23 financial statements, while [Appendix E](#) provides the details. [Appendix I](#) provides the list of entities for whom audit opinions have not yet been issued.

Figure 4A
Audit opinions issued for Queensland state public sector entities for 2022–23

Entity type	Unmodified opinions	Modified opinions	Opinions not yet issued
Departments and entities they control (controlled entities)	39	–	–
Government owned corporations and controlled entities	26	–	–
Statutory bodies and controlled entities	122	6	5
Jointly controlled entities	40	–	2
Entities audited by arrangement	14	–	–
Total	241	6	7

Source: Queensland Audit Office.

We included an emphasis of matter in our audit reports on 43 financial statements (2021–22: 46).

DEFINITION

We include an **emphasis of matter** to highlight an issue of which we believe the users of financial statements need to be aware. The inclusion of an emphasis of matter paragraph does not change the audit opinion.

We did this to highlight:

- 38 entities where only certain accounting standards were used in the preparation of financial reports, and where these financial reports were only of interest to a small group of users
- 4 small entities that faced uncertainty regarding their ability to pay their debts as and when they fell due
- 7 entities that had either ceased operations or were likely to be dissolved in the coming year.

At times, we issue more than one emphasis of matter for an entity.

Modified audit opinions

We issued 6 modified opinions in 2022–23 (2021–22: 5).

DEFINITION

We express a **modified opinion** when financial statements do not comply with the relevant legislative requirements and Australian accounting standards and as a result, are not accurate and reliable.

There are 3 types of modified opinions: qualified, adverse, and disclaimer.

[Appendix E](#) lists the 6 entities for which we issued modified opinions. These are small entities – category 2 water boards, water authorities, or drainage boards.



We issued 4 qualified opinions, which we do when the financial statements comply with relevant accounting standards and legislative requirements, except for a specified area. These qualifications related to:

- entities' valuation of property, plant and equipment and intangible assets
- entities' ability to prove the existence of property, plant and equipment and intangible assets (for example, internally generated software)
- uncertainty as to whether debtors will pay all amounts that they owe, and as a result, whether the value of receivables in the financial statements are accurate.

We disclaimed 2 opinions, which means we were unable to express an opinion as to whether the financial statements complied with the requirements of the Financial and Performance Management Standard 2019 or the minimum reporting requirements published by Queensland Treasury.

Opinions not yet issued

[Appendix I](#) lists those entities whose audits are not yet complete. These are small entities, and most are category 2 water boards, water authorities, or river improvement trusts that did not meet the legislative deadline of 31 August.

Finalisation of overdue financial statements

We also issued 10 of the 28 audit opinions for financial statements from prior years that were outstanding as at 28 February 2023. The remaining 18 continued to be outstanding as at 18 March 2024. Of these, the audit opinion for one water authority has been outstanding since 2015–16, and for a river improvement trust since 2017–18.

The 10 audit opinions we issued included 4 qualified opinions on small water boards, relating to the completeness, existence, and valuation of property, plant and equipment. One of these qualified opinions also highlighted an entity's failure to comply with the requirements of the Financial and Performance Management Standard 2019 and minimum reporting requirements published by Queensland Treasury.

[Appendix J](#) provides details about these audit opinions.

Other audit certifications

[Appendix F](#) lists the other audit and assurance opinions we issued, including:

- those requested by entities – to provide assurance over internal controls (systems and processes) at shared service providers, which deliver payroll, accounts payable, and information technology services to entities
- to meet reporting requirements for grant agreements (funding from state and federal governments) and regulatory information notices (which are used to collect information from energy distribution entities to assist the Australian Energy Regulator in deciding how much these entities can earn)
- to meet compliance requirements under legislation, including those for Australian financial services licences. (Certain entities must hold a financial services licence to issue or manage financial products or deal in certain investments.)

Entities exempted from audit by the Auditor-General

This year, 6 Queensland state government entities were exempted from audit by the Auditor-General (2021–22: 6). This occurs for foreign-based controlled entities where the Auditor-General has no jurisdiction or when the Auditor-General deems an entity to be small and of low risk to the financial position of the Queensland Government as a whole.

Exempt entities are still required to engage an appropriately qualified person to audit their financial statements. [Appendix G](#) lists the entities, and the reasons for their exemptions.

Entities not preparing financial statements

Not all Queensland public sector entities produce financial statements. This year, 173 entities were not required, either by legislation or the accounting standards, to prepare financial statements (2021–22: 142). We have identified them in [Appendix H](#).

Machinery of government changes can affect the preparation of financial statements

Restructures of government functions (and the associated re-allocation of resources and people between departments) are referred to as ‘machinery of government’ changes.

On 18 May 2023, as a result of machinery of government changes, 11 functions were transferred between 10 departments. The remaining 10 departments were not impacted.

All affected departments had their financial statements certified by the legislative date of 31 August 2023, but 2 of the 10 were unable to provide draft financial statements to us by the agreed dates.

These departments have a history of providing financial statements and working papers on time. The impact of the machinery of government changes, effective from 1 June 2023, shifted their attention to the implementation of necessary changes. This had a significant impact on their timely preparation of quality draft financial statements and put more pressure on these finance teams to deliver their financial statements in time to meet the statutory deadline.

Further changes

On 15 December 2023, the Honourable Stephen Miles was appointed as Queensland’s 40th Premier. Following his appointment, the state government announced machinery of government changes on 18 December 2023 to come into effect on 1 January 2024. These changes transferred 13 functions between 12 departments. The remaining 9 departments were not impacted.

Changes included creating another Department of Youth Justice, which was last abolished back in 2020. This function has moved 5 times in 6 years. Figure 4B shows the most recent machinery of government changes.



Ministers should continue to table their annual reports earlier

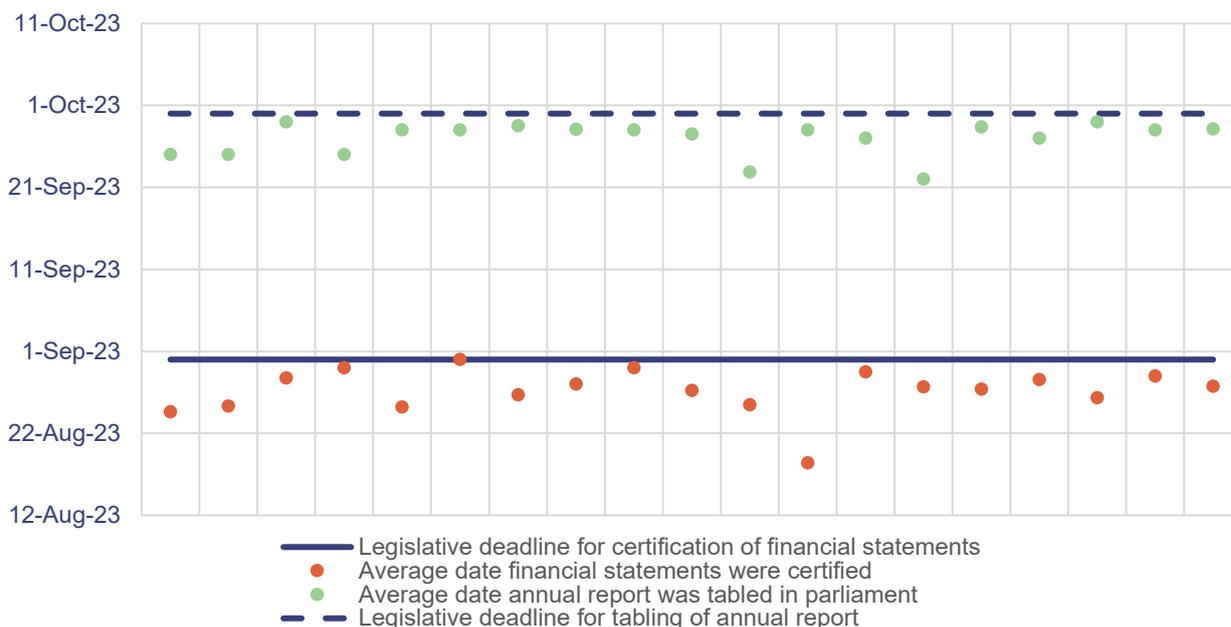
Accurate and timely reporting, including publishing financial statements as soon as they are available, is integral to good governance. This will be even more important in 2024, in the lead up to the Queensland state election.

Since 2021, we have seen gradual improvements in the time taken to table annual reports (which included financial statements), and this trend continued in 2023.

Figure 4C shows the timing of 2022–23 financial statement certification and annual report tabling for state entities by ministerial portfolio (each column in the graph represents one ministerial portfolio). The annual reports of all state entities (departments, government owned corporations, and statutory bodies, excluding category 2 water boards, river improvement trusts, and drainage boards, due to their small size) were tabled before the legislative deadline of 30 September 2023. However, there was an average of 31.8 days (32.8 days in 2021–22) between the date financial statements were certified and when entities tabled their annual reports across all portfolios.

The delay is because ministers are required by legislation to table the annual reports of these entities – including their financial statements – in parliament within 3 months of the end of the financial year. Until they do this, the departments, statutory bodies, and government owned corporations are not able to publish their financial information. However, entities should work with their respective ministers to improve the timeliness of annual report tabling.

Figure 4C
Dates for certification and publication of financial statements by ministerial portfolio



Note: Each column represents one ministerial portfolio.

Source: Queensland Audit Office.

Delays in publishing financial statements reduce their usefulness to parliament and the public. Events may also occur between the date of signing and the date of tabling that require the financial statements to be reassessed and possibly re-signed.

This will become critical as we approach the next election, when key decision-makers, stakeholders, and the public will demand timely reports so they can accurately assess and measure the performance of government.

We have made recommendations on this issue before. [Appendix D](#) provides a status update on this, and on other recommendations we have made in previous years.

5. Internal controls at state entities

Internal controls are the people, systems, and processes that ensure an entity can achieve its objectives, prepare reliable financial reports, and comply with applicable laws. Features of an effective internal control environment include:

- a strong governance framework that promotes accountability and supports strategic and operational objectives
- secure information systems that maintain data integrity
- robust policies and procedures, including appropriate financial delegations
- regular management monitoring and internal audit reviews.

This chapter reports on the effectiveness of Queensland state entities' internal controls and provides areas of focus for them to improve on. While we concentrate mainly on large departments, we have identified common issues that all entities should consider.

When we identify weaknesses in the controls, we categorise them as either deficiencies or significant deficiencies.

DEFINITION

A **deficiency** arises when internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.

A **significant deficiency** is a deficiency, or a combination of deficiencies, in internal controls that requires immediate remedial action.

In this chapter, we also draw parallels between some of our findings and the observations made by Professor Coaldrake in his 2022 report *Let the sunshine in – Review of culture and accountability in the Queensland public sector*.

Chapter snapshot

4 significant deficiencies raised with core departments during the year, relating to information systems, asset management, and governance
(5 in 2021–22)

44 deficiencies raised with core departments during the year, mostly relating to information systems and payroll issues
(61 in 2021–22)



17 significant deficiencies raised with other state entities during the year, mostly relating to payroll, information systems, and procure-to-pay (the full process for requesting, purchasing, receiving, paying, and accounting for goods and services)
(13 in 2021–22)

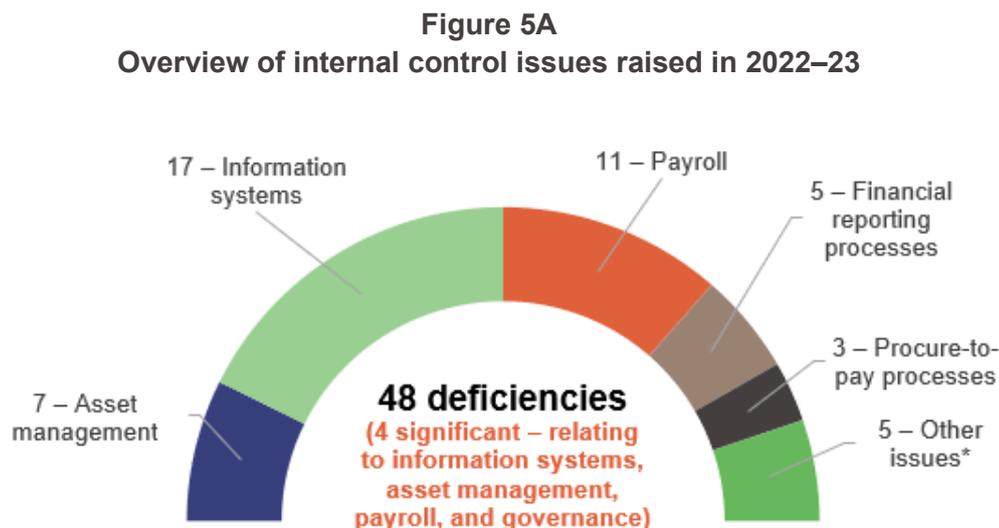
20 per cent of issues raised with departments in 2021–22 not resolved in 2022–23
(over 25 per cent in 2021–22)

Internal controls are generally effective, but entities still have common weaknesses

Each year, we assess whether the internal controls used by entities to prepare financial statements are reliable, and we report any deficiencies in their design or operation to management for action.

Overall, we found that the internal controls state entities have in place are generally effective, but they can be improved. We reported fewer deficiencies to departments this year than we did last year, but some common weaknesses continued. Of the deficiencies we identified, we assessed 4 as significant.

Figure 5A shows the types of deficiencies we identified in core departments.



Note: *Other issues relate to grants management, monitoring of controls, and governance.

Source: Queensland Audit Office.

Each entity notified us of the corrective action it planned to take to address the internal control issues we raised. We are satisfied with these and with the entities' proposed implementation time frames. Of the 48 deficiencies we raised with core departments, 16 have been resolved, and work is underway to address the remaining 32.

While we have seen an improvement in the number of deficiencies we report annually and their timely resolution, 20 per cent of the issues we raised with core departments in 2021–22 have not been resolved this year, and some issues are still outstanding from 2020–21.

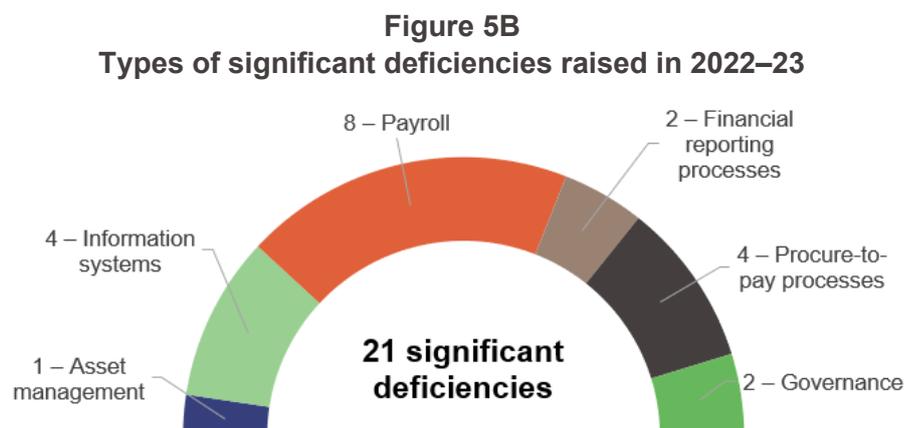
Of the 45 issues from the prior year that were outstanding at the beginning of the year, departments revised the action date for resolution of 27 during the year. Also, we raised 4 issues in 2021–22 that we re-raised and reported to management again in 2022–23. These are yet to be resolved.

Proactive and timely resolution of deficiencies indicates a strong foundation for the effective operation of internal controls. Consistent with last year, we continue to recommend that audit committees actively monitor the implementation of audit recommendations and encourage the timely resolution of outstanding internal control weaknesses. [Appendix D](#) provides a full list of prior year recommendations and their status as at 30 June 2023.

Issues identified across state entities that need immediate attention

We reported 21 new significant deficiencies across all state entities (including departments, statutory bodies, and government owned corporations) this year. Of the 21 significant deficiencies we raised, only one has been resolved, with work underway to act on the remainder.

Figure 5B shows the types of significant deficiencies we reported to state entities. We observed an increase in the number of significant deficiencies. We also observed several common issues that require immediate action across the sector.



Source: Queensland Audit Office.

Common issues across the state sector

In the following paragraphs, we report on the deficiencies we identified in core departments, then expand on these in relation to information systems, the use of shared service providers, payroll, procurement, and governance. We also report specifically on those issues that require immediate action by entities across the total state sector.

Departments need to effectively protect their information systems from external attacks and be able to respond and recover

The *Annual Cyber Threat Report 2022* from the Australian Cyber Security Centre identified the government sector as being one of the main targets for cyber security incidents. This is due to the large volumes of data it holds and its operation of critical infrastructure assets. If government systems were successfully infiltrated, the sector could be exposed to operational disruption and reputational damage.

Since October 2018, the Queensland Government's Chief Digital Officer has required departments to:

- implement an information security management system (ISMS)
- report on their progress in doing so.

An ISMS is a systematic approach to identifying and managing information security risks, in accordance with the ISO27001 information security standard.

Over the past 5 years, the ISMS maturity of the Queensland Government has improved. In 2022–23, 86 per cent of departments reported an operating level ISMS (where risks are identified, managed, and continuously improved) against the target of 100 per cent set by the Queensland Government Chief Digital Officer. This was an improvement from the 2021–22 result, where 73 per cent of departments reported an operating level ISMS.

The improvement in ISMS maturity indicates that departments have established governance, processes, and technical controls for information security. They need to remain vigilant when managing their information security, as the global security landscape is constantly evolving.

Departments need to improve how they monitor the security of third-party systems

Departments rely on other organisations (third parties) for information system services and technologies when delivering their services to the public. These organisations are now part of the departments' frameworks for protecting, responding, and recovering from external attacks.

There have been some high-profile attacks on the third-party systems with impacts on Queensland public sector entities in recent years. This is one of the emerging and significant risks in managing cyber security.

This year, we reported a significant deficiency relating to a failure to manage security risks stemming from the use of 2 external third-party systems. Departments need to have robust processes to assess how well their third-party service providers are managing the security of their systems and their ability to respond to security incidents.

We are finalising a performance audit on insights into and lessons learnt from entities' preparedness for responding to and recovering from cyber attacks. We encourage entities to review this report when it is tabled and implement any recommendations relevant to them.

In our *Forward work plan 2023–26*, we have stated we will undertake an audit on managing third-party cyber security risks. It will examine how effectively the Queensland Government identifies third parties with access to its data and networks, assesses related security vulnerabilities, establishes relevant controls, and minimises the impact of third-party security breaches.

Recommendation 1 (all entities)

Manage the cyber security risks associated with services provided by third parties.

We recommend that all entities implement a process to manage the security risks relating to third-party services for information systems and technologies, and introduce procedures that will:

- identify how they use third-party services, the extent to which they use them, and the associated security risks
- establish due diligence (vetting and continuous monitoring) processes when engaging new third parties or continuing with third-party services
- define security standards and the appropriate contractual agreements to manage security risks
- establish a process to continually assess how well each third party manages its security risks and responds to and recovers from security incidents.

Common information system control weaknesses continue

We continue to identify some common weaknesses in our reviews of information system security. We frequently find that some users are provided with full access to information systems when their job responsibilities do not require it. This may allow users to make significant changes to the system, bypass security settings, or access sensitive information.

Third-party service providers are also usually provided with access to system administration functions. As we identified in prior years, departments are putting their information systems at risk by not implementing:

- appropriate security controls for managing access to system administration
- processes that drive continuous improvement.

This year, we also identified a significant deficiency relating to a new system that was implemented before it was adequately tested. A post-implementation review of the system highlighted high-risk issues.

Consistent with previous years, we recommend that departments continue to act on our recommendation to strengthen the security of their information systems.



Entities need to better manage and check their arrangements with shared service providers

Most of the departments use a shared service provider to provide a range of payroll, accounts payable, and information technology infrastructure services. The shared service providers process transactions on behalf of departments, but the departments are responsible for ensuring they have complementary controls in place and that these are operating effectively.

Each department has a service level agreement with its shared service provider. The shared service provider has a service catalogue that sets out its responsibility, the department's responsibility, and the performance standards to be met. Several of the performance standards are linked back to an agreed schedule, which is attached to the individual service level agreements.

This year, we identified deficiencies relating to key general ledger reconciliations (such as payroll) not being prepared or reviewed in a timely manner. Most of these issues involved reconciliations that are prepared by a shared service provider.

The shared service provider is responsible for reconciling (re-checking) key general ledger accounts and providing the reconciliations to the departments for their review. We identified instances where reconciliations for some months had not been prepared and provided to departments in a timely manner after month end, with some including significant unreconciled items. While departments and the service provider had agreed on time frames, the provider had insufficient staffing to meet the agreed milestones.

The departments worked with the shared service provider to follow up on the delays, and some departments performed alternative procedures to identify any abnormalities during these months. This highlights the importance of departments monitoring performance time frames and holding the service provider accountable where the agreed standards are not met. Departments need to have back-up plans and compensating controls (that provide equivalent or comparable protection) in place when the service provider cannot provide the agreed services.

Entities need to strengthen their payroll controls

This year, we again identified weaknesses in payroll controls, including 8 significant deficiencies we reported to state entities. The significant deficiencies related to:

- performance payments that were paid to employees before a performance review process was completed and documented, which was not compliant with the entity's performance incentive policy
- a remuneration increase for a chief executive without evidence to support how the amount was calculated, the decision to make the payment, or its approval
- employee rosters that were not approved by the correct delegate, or were incomplete, but still processed. In these cases, other key controls to detect roster variations or errors, such as forms used to approve overtime, were also ineffective. We identified a range of irregularities and deviations compared to internal policy requirements
- errors in payroll processing that resulted in instances of over- and underpayment of employee payments, including the use of incorrect allowance rates in the payroll system
- leave requests and extensions of employee appointments that were processed before appropriate approvals were obtained
- termination payments made to senior management that were not in accordance with internal policies or entitlements outlined in employee contracts.

Other common deficiencies we identified across core departments included:

- no review of payroll monitoring reports. In one case, we identified overpayments to an employee that would have been identified earlier if the department had been performing regular reviews of payroll monitoring reports
- a lack of or untimely review and approval of key employee transactions, such as higher duties, hours worked, and overtime claims.



For some departments, we have re-raised the same deficiencies multiple times, with the departments yet to resolve these issues.

Without the timely and appropriate review of key payroll reports, and consistent completion of key payroll processes and documents, there is an increased risk that errors or invalid payments may not be detected.

Consistent with previous years, we continue to recommend that entities ensure payroll reports are regularly reviewed, and that employees consistently comply with internal policies and manuals that outline payroll processes. [Appendix D](#) provides a full list of prior year recommendations and their status as at 30 June 2023.

Entities need to improve their procure-to-pay processes

This year, we again identified weaknesses in procure-to-pay practices (processes for requesting, purchasing, receiving, paying, and accounting for goods and services) across state entities. Among them were 5 significant deficiencies, including:

- non-compliance with the *Queensland Procurement Policy*, when an entity's procurement policy did not require procurement arrangements to be put to tender
- unclear policies and procedures for outlining what constitutes appropriate business expenditure and when it is appropriate to incur entertainment or catering expenditure for business purposes
- weaknesses in managing conflicts of interest in procurement processes, and non-compliance with internal procurement policies, including undeclared conflicts of interest on declaration forms and a failure to assess completed declarations prior to executing a contract
- a statutory body hiring an employee to work for them who also worked for a private company that was led by a member of the statutory body's key management personnel. This work was paid for by the statutory body and eventually reimbursed by the private company towards the completion of our audit. The member of key management personnel excused themselves from the recruitment process, but as the only delegated authority, they authorised the employment contract, without declaring this relationship in the conflicts register. While they later updated the register for the relationship, this failure to declare increased the risk of a perceived conflict of interest.

Under the *Statutory Bodies Financial Arrangements Act 1982*, funding the salary of an employee (lending an amount) to work for a private company led by a member of its key management personnel constitutes a loan. The statutory body did not seek the required Treasurer's approval for this arrangement

- invoices paid twice due to insufficient checks performed over previous payments prior to releasing funds.

To achieve value for money from their purchasing activities and to ensure compliance with the *Queensland Procurement Policy 2021*, entities need effective procurement and contract management practices, supported by current policies and manuals.

Consistent with last year, we continue to recommend all entities ensure they have appropriate policies and manuals to support their procurement and contract management practices. This should include giving clear guidance for staff to follow when making procurement decisions. [Appendix D](#) provides a full list of prior year recommendations and their status as at 30 June 2023.



Review of culture and accountability in the Queensland public sector

In February 2022, the Queensland Premier appointed Professor Peter Coaldrake OAM to conduct a review into the culture and accountability of the state public sector. In June 2022, Professor Coaldrake issued his final report – *Let the sunshine in – Review of culture and accountability in the Queensland public sector*. The report raised concerns over the accountability, transparency, and integrity of the state sector, and its failure to meet the public’s expectations.

The Coaldrake report identified a number of areas that he suggested be subject to regular monitoring by the Auditor-General. This included the engagement of consultants and contractors by departments, and the outcome of lobbyist communications.

In our *Forward work plan 2023–26*, we have highlighted 3 proposed audits in which we will delve deeper into topics that relate to recommendations raised in Professor Coaldrake’s report. These include:

- improving public sector culture
- managing consultants and contractors
- lobbying in the Queensland Government.

In the rest of this chapter, we focus on 3 areas we identified in our 2022–23 audit work with state entities that tie in with some of the observations made by Professor Coaldrake in his report.

Leadership changes

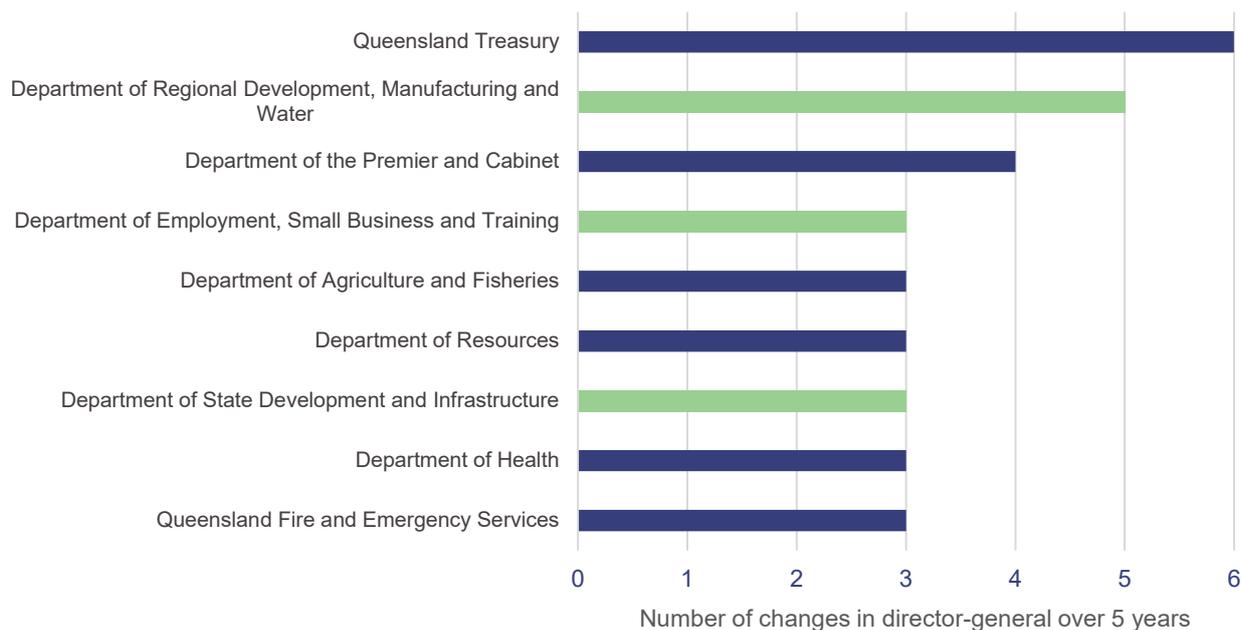
Effective leadership is instrumental in setting the strategic direction, tone, and culture of an entity and influencing an entity’s governance practices. When governance structures are re-organised, this can lead to changes in leadership. In our report, *State entities 2021* (Report 14: 2021–22), we highlighted that when leaders change, it can have an impact on culture, re-aligning an entity’s values, behaviours, and internal controls.

Professor Coaldrake’s report states that frequent changes in leadership lead to uncertainty and confusion over an entity’s purpose and roles.

From 1 July 2018 to 31 January 2024, 8 departments had 3 or more changes in their directors-general (excluding times when acting while on holiday or short-term leave) as shown in Figure 5C. As our analysis extends beyond the announcement of the latest machinery of government changes, we have used the departmental names current from that date.



Figure 5C
Departments with 3 or more changes in directors-general since 1 July 2018



- Departments that were significantly impacted by machinery of government changes over this period
- Departments not significantly impacted by machinery of government changes over this period

Notes:

- The department names used in this figure are those that came into effect following the machinery of government changes in December 2023, noting that many departments subject to machinery of government changes since July 2018 were renamed during that process.
- We deemed that a department was significantly impacted if major functions were transferred into that department. If a department only transferred functions out, or minor functions were transferred in (assessed by the number of employees or the value and nature of assets), we did not assess it as being significantly affected.
- The count of leadership changes is taken from the 'Key management personnel' note of the financial statements for each department or from information publicly available on the department's website.

Source: Queensland Audit Office.

While we recognise that changes to directors-general can be a by-product of machinery of government changes, of the 8 departments that had 3 or more changes, only 3 had been significantly affected by a machinery of government change.

The 5 remaining entities each play a key role in setting strategic direction, policy, and decision-making at a whole-of-government level. Two are central agencies.

The Coaldrake report specifically recommended fixed-term contracts of 5 years for directors-general, to ensure the success and stability of the leadership that governs the entity.

Frequent changes in leadership, particularly for those responsible for whole-of-government initiatives, make it hard for these departments to achieve and maintain momentum to plan and set the direction for the sector for the long term. It also makes it difficult for other entities to act on the plans and directions before another change in leadership delivers new and different initiatives.

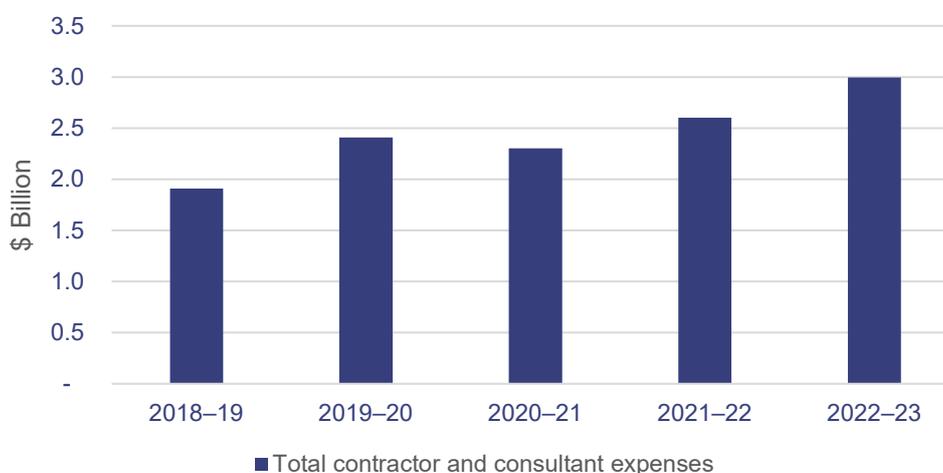
Use of contractors and consultants

The Coaldrake report recommended that departments more robustly account for the benefits derived from engaging consultants and contractors, with regular monitoring by the Auditor-General. Implementing effective internal controls for procurement arrangements helps entities comply with relevant frameworks and achieve value for money. As noted earlier in this chapter, we often report issues in the procurement and management of these contracts.



Figure 5D shows that the total expenditure on contractors and consultants in departments has increased in recent years, from \$1.9 billion in 2018–19 to \$3 billion in 2022–23.

Figure 5D
Total contractor and consultant expenses (all departments) – 2018–19 to 2022–23



Source: Queensland Audit Office.

Chief executives of departments are responsible for ensuring the procurement practices for their entity are cost-effective and achieve value-for-money outcomes. It is important for the state government to have confidence that this is achieved across all state entities, but to assess this across the sector can be complicated by entities classifying expenses differently. To allow for a more accurate and targeted analysis of contractor and consultancy spend at a whole-of-government level, a universal and consistent system for classifying expenditure would be beneficial, as recommended in our reports on *Strategic procurement* (Report 1: 2016–17) and more recently, *Enhancing government procurement* (Report 18: 2021–22). The former Department of Energy and Public Works and Queensland Treasury were working on this latest recommendation with consideration for existing and newly proposed financial systems.

Introducing a consistent approach could also help better inform state entities of their use of contractors and consultants, and be considered when assessing their in-house capability and capacity. This could also see a more coordinated approach when using contractors and consultants across the state sector, which could allow for state entities to negotiate better rates and lead to greater economies of scale.

Consultancy expenditure disclosures and discrepancies

Under the *Annual report requirements for Queensland Government agencies*, core departments and most statutory bodies (including universities) must disclose their expenditure on consultancies in their annual reports and on the Queensland Government Open Data Portal. The consultancy expenditure is broken down into categories relevant to each entity and should align with the entity's financial statements.

During our 2022–23 audits, we identified differences in the amounts reported in financial statements to what was disclosed on Open Data – in several agencies.

The Office of the Chief Advisor guidelines for *Engaging and managing contractors and consultants* provides criteria around the definition of a service provider as a consultant. However, there is judgement involved in determining if the service provider work meets the definition of a 'consultant', based on the nature of the work they perform.

Special payments – including ex gratia payments

‘Special payments’ refer to payments that an entity is not contractually or legally obligated to make to other parties. For core departments, special payments include ex gratia payments, court awarded and out-of-court settlements, compensation, and general rates (paid to local government councils for social housing).

Ex gratia payments are often made using deeds of release (also called non-disclosure agreements). Professor Coaldrake highlighted the risks associated with these in his report, saying that those who raised concerns with non-disclosure agreements said that their effect was ‘deleterious’ (caused damage) to the workplace. Professor Coaldrake went on to say that it was an area that the Auditor-General might consider for periodic monitoring.

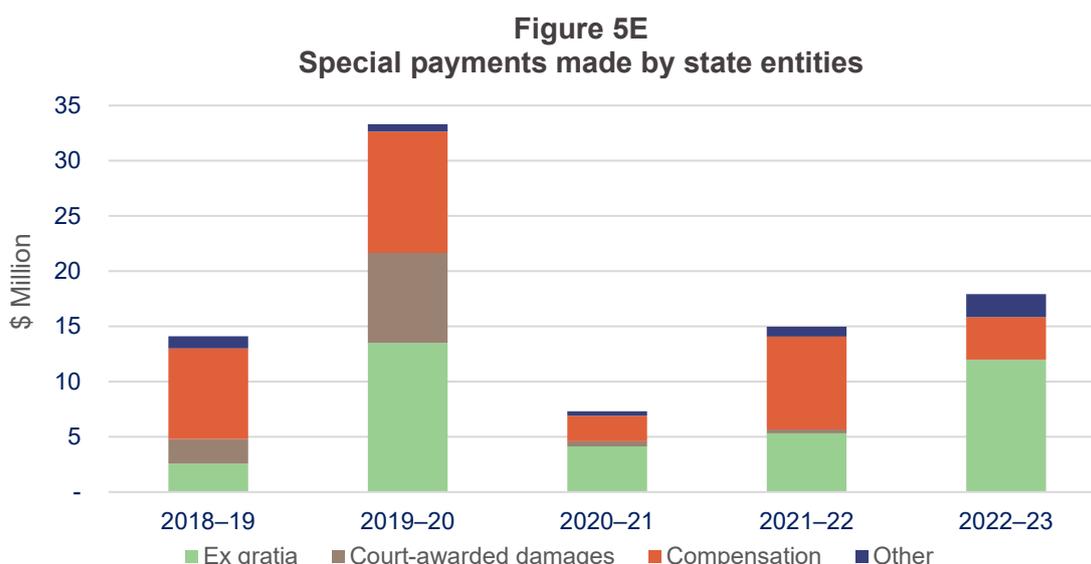
Under the *Financial Reporting Requirements for Queensland Government Agencies* published by Queensland Treasury, state entities are required to disclose the total amount for each class of special payments in their financial statements, and must include a description of the nature of special payments that are above \$5,000.

DEFINITION

Under the *Financial Accountability Act 2009*, **special payments** include ex gratia expenditure and other expenditure that is not under a contract.

Ex gratia expenditure is a payment that an entity is not legally required to make under a contract or otherwise.

Figure 5E shows the types of special payments made by large state entities over the last 5 years. On average, the former Department of Housing paid local governments \$56 million each year in general rates so as not to disadvantage the councils by having social housing in their local government area. The department is not required to pay these types of rates under the *Housing Act 2003*, so the payments are classified as special payments. For the purposes of this analysis, we have excluded these from Figure 5E.



Note: For the purposes of this graph, state entities includes all departments, government owned corporations, hospital and health services, and large statutory bodies.

Source: Queensland Audit Office from published entity financial statements.

There has been a 20 per cent increase in total special payments made by state entities in 2022–23 compared to the prior year.

Making ex gratia payments to executives

In 2022–23, we reported 3 significant deficiencies for one large statutory body and 2 government owned corporations relating to special payments made to their executives. This totalled around \$792,000 in special payments made to 8 executives, including chief executives. We observed that each of these executives received payments that were made outside of the contractual obligations in their employment contracts and were agreed under non-disclosure agreements.

Making payments that sit outside the contractual obligations of an employment contract using non-disclosure agreements can result in misuse and may expose state entities to reputational risks. Both Professor Coaldrake’s report and the Crime and Corruption Commission’s document entitled *Use of non-disclosure agreements – what are the corruption risks?* raise concerns over the use of non-disclosure agreements, particularly in employee separation settlements. Non-disclosure agreements may be used to conceal suspected wrongdoing or make payments that are unjustified or excessive.

The issues we observed this year are consistent with those we reported in *Transport 2021* (Report 10: 2021–22), where we identified 6 termination payments (with legal fees) at one entity totalling \$1.5 million. We reported that there was no policy, guidelines, or board oversight to support these special payments, raising concerns for the propriety of decision-making.

Entities lack clear guidance for special payments

When reviewing these payments, we found no clear policies or guidance in place to outline:

- when these types of ex gratia payments are appropriate
- the basis for determining the appropriate amount paid
- who can approve them.

We also found instances where there was no written evidence to support the decision to make the ex gratia payments or approve them.

Without clear policies in place, and appropriate supporting documentation maintained, it may be difficult to justify payments made of this nature. Entities should also ensure that non-disclosure agreements are only used for legitimate purposes, and that sufficient supporting documentation is maintained to support the payment.

Queensland Treasury has specifically outlined in its *Chief and Senior Executive Employment Arrangements* policy, which applies to all government owned corporations, what payments executives are entitled to on termination. This policy does not explicitly allow for ex gratia payments to executives.

Recommendation 2 (all entities)

Implement robust policies and procedures to ensure special payments are appropriate, defensible, and transparent.

We recommend that all entities implement robust policies and procedures that specify when a special payment is appropriate and how it should be made. Guidance should outline who is authorised to approve special payments and what constitutes appropriate documentation to support:

- the reason and nature of the payment
- the approving officer
- the amount, including supporting calculations.



Recommendation 3 (Queensland Treasury)

Improve awareness and understanding of guidance material available for special payments, including ex gratia payments.

We recommend that Queensland Treasury improves the awareness and understanding that all state entities have of guidance material available for special payments, including ex gratia payments. This should include:

- expectations for internal governance
- required documentation, including supporting calculations, to support special payments
- reporting requirements



Appendices

A.	Full responses from entities	35
B.	How we prepared this report	46
C.	Legislative context	48
D.	Status of recommendations made in prior reports	50
E.	Audit opinions for entities preparing financial reports	55
F.	Other audit and assurance opinions	71
G.	Entities exempted from audit by the Auditor-General	77
H.	Entities not preparing financial reports	78
I.	Audit opinions not yet issued	84
J.	Audit opinions issued for prior financial years	85



A. Full responses from entities

As mandated in Section 64 of the *Auditor-General Act 2009*, the Queensland Audit Office gave a copy of this report with a request for comments to:

- Director-General, Department of the Premier and Cabinet
- Under Treasurer, Queensland Treasury
- Director-General, Department of Transport and Main Roads.

We also provided a copy of the report to the Premier, all ministers, accountable officers of core departments, and the Chief Executive Officer, Brisbane 2032 Organising Committee for the Olympic and Paralympic Games, giving them the option to provide a response.

This appendix contains the detailed responses we received.

The heads of these entities are responsible for the accuracy, fairness, and balance of their comments.



Comments received from Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities



The Hon Mark Furner MP
Minister for Agricultural Industry Development and Fisheries
and Minister for Rural Communities

Our ref: CTS 03484/24
Your ref: PRJ03874

4/03/2024

1 William Street Brisbane 4000
GPO Box 46 Brisbane
Queensland 4001 Australia
Telephone +61 7 3719 7420
Email agniculture@ministerial.qld.gov.au

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
qao@qao.qld.gov.au

Dear Mr Worrall

Thank you for your email of 22 February 2024 regarding your proposed report 'State entities 2023'.

Your report provides valuable insights and recommendations on effectively managing security risks posed by third parties and enhancing transparency and culture across Queensland Government agencies. The Department of Agriculture and Fisheries is supportive of the recommendations in your proposed report. I also note the status of recommendations made in the 'State entities 2022' report.

I appreciate the important role of the Queensland Audit Office in improving the performance and delivery of public services in Queensland. I have no further comments on the proposed report.

If you require further information, please contact [redacted] in my office on [redacted]

Yours sincerely

MARK FURNER MP
Minister for Agricultural Industry Development and Fisheries and
Minister for Rural Communities

Comments received from Director-General, Department of the Premier and Cabinet



For reply please quote: IA&R/PH – TF/24/3669 – DOC/24/49317
Your reference: PRJ03874

Department of the
Premier and Cabinet

Mr Brendan Worrall
Auditor-General of Queensland
Queensland Audit Office
qao@qao.qld.gov.au

Dear Mr Worrall

I refer to the letter of 22 February 2024 regarding the Queensland Audit Office's proposed State Entities 2023 report (the Report).

I am pleased to note from the Report that you consider our financial statements are reliable and that all departments, including the Department of the Premier and Cabinet (DPC) and related portfolio entities, received unmodified audit opinions.

Your commentary on the consultancy arrangement DPC procured for strategic planning and development services for the Brisbane 2032 Olympic and Paralympic Games is noted. The benefits derived from this expenditure, together with integration of the Brisbane 2032 Coordination Office and associated risks, will be realised over time, and is a matter for the Department of State Development and Infrastructure. This will be further elucidated through your impending audit.

In relation to Figure 4C on page 28 of the Report, DPC is represented as having had four appointed Directors-General. DPC has only had three appointed Directors-General since 1 July 2018.

DPC has a strong focus on cyber and information security, particularly where it is necessary to engage a third party for information systems to support business operations. In this regard, DPC agrees with the Report Recommendation 1 and will review its procurement and information services programs of work to address this risk.

DPC complies with the *Financial and Performance Management Standard 2019* requirements relating to 'Special Payments' outlined in Recommendation 2 of the Report. DPC will consider further guidance from Queensland Treasury on processes for managing 'Special Payments'.

1 William Street Brisbane
PO Box 15185 City East
Queensland 4002 Australia
Telephone 13 QGOV (13 74 68)
Website www.premiers.qld.gov.au
ABN 65 959 415 158

DPC acknowledges the recommendations raised from prior Queensland Audit Office State entities reports (Appendix D of the Report) and continues monitoring processes for previously agreed and implemented actions.

Again, thank you for providing the Report and the opportunity to comment.

Yours sincerely



Mike Kaiser
Director-General
14/3/24

Auditor-General's response

We note the Director-General's response.

We clarified with the Department of the Premier and Cabinet (DPC), prior to tabling, that we counted the number of changes and not the number of people in the position, as stated in our report.

We counted 4 leadership changes since 1 July 2018 for DPC:

- David Stewart (July 2018 to February 2019)
- Rachel Hunter – Acting (February 2019 to August 2019)
- David Stewart (August 2019 to May 2021)
- Rachel Hunter (May 2021 to December 2023)
- Mike Kaiser (December 2023 to present).

This equates to 4 changes.

As reported, our count of leadership changes for each department was taken from:

- the key management personnel note in departmental financial statements
- information publicly available on the department's website.

Our count includes officers who were acting in the role of director-general for a significant period, excluding times an officer acted for a director-general on short-term leave. Our analysis extends beyond the announcement of the latest machinery of government changes.

Comments received from Under Treasurer, Queensland Treasury



Queensland Treasury

Our Ref: 00833-2024
Your Ref: PRJ03874

Mr Brendan Worrall
Auditor-General of Queensland
Queensland Audit Office
PO Box 15396
CITY EAST QLD 4002

Email: QAO.Mail@qao.qld.gov.au

Dear Mr Worrall

Thank you for your email of 22 February 2024 enclosing the draft report to Parliament *State entities 2023*. I appreciate the opportunity to comment on your report before its tabling.

New State entity recommendations

In relation to Recommendation 1 of this year's report for all entities to *implement a process to manage the security risks relating to third-party services for information systems and technologies*, I recognise the importance of ensuring Queensland Treasury maintains appropriate processes to address potential third-party security risks, including an Information Security Management System (ISMS). Noting, Treasury is ISO27001 certified.

With regards to Recommendation 2 of this year's report for all entities to *implement robust policies and procedures to ensure special payments are appropriate, defensible and transparent*, I acknowledge the need to ensure all entities have in place clear policies and procedures outlining when a special payment is appropriate. I consider Queensland Treasury's own internal policies and procedures regarding special payments are both adequate and well understood.

For Recommendation 3 of this year's report for Queensland Treasury to *improve awareness and understanding of guidance material available for special payments, including ex gratia payments*, I am supportive of additional efforts from Queensland Treasury to engage with State entities to ensure the obligations relating to special payments are understood and are being adopted into internal policies and processes.

1 William Street
GPO Box 611 Brisbane
Queensland 4001 Australia
Telephone +61 7 3035 1933
Website www.treasury.qld.gov.au
ABN 90 856 020 239

Previous State entity recommendations

In relation to Recommendation 2 contained in the *State entities 2021* report for departments and relevant Ministers to *improve timeliness of financial statements being made publicly available*, Treasury will continue to engage with Directors-General to encourage annual report tabling at the earliest opportunity ahead of the legislative deadline of 30 September. As noted in your report, there has been improvement in the timeliness of annual report tabling, and Treasury will continue to support improvements to in this process.

If you require any further information, please contact Mr Samuel Dermoudy, Director, [redacted] who will be pleased to assist.

Yours sincerely



Michael Carey
Under Treasurer

14 / 3 / 2024



Comments received from Director-General, Department of Transport and Main Roads



Queensland
Government

Office of the
Director-General

Department of
Transport and Main Roads

Our ref: DG45983

Your ref: PRJ03874

8 March 2024

Mr Brendan Worrall
Auditor-General
Queensland Audit Office

Dear Mr Worrall

Thank you for your email of 22 February 2024 advising of the proposed report to parliament State entities 2023.

The Department of Transport and Main Roads (TMR) acknowledges the recommendations raised in the report in relation to managing the cybersecurity risks associated with services provided by third parties and implementing robust policies and procedures to ensure special payments are appropriate, defensible, and transparent.

TMR continues to mature the management of risks associated with third-party information systems and technologies, has processes in place to assess third-party supplier risk and identify the suitability of controls and treatments to mitigate risk. TMR also has robust controls and delegations over special and ex-gratia payments, with strong oversight by the Chief Finance Officer.

TMR appreciates the opportunity to provide comments on this proposed report. If you require any further information, please contact [redacted]

I trust this information is of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'SStannard'.

Sally Stannard
Director-General
Department of Transport and Main Roads

1 William Street Brisbane
GPO Box 1549 Brisbane
Queensland 4001 Australia

Telephone +61 7 3066 7316
Website www.tmr.qld.gov.au
ABN 39 407 690 291



Response to recommendations

Department of Transport and Main Roads

State entities 2023

Response to recommendations provided by Department of Transport and Main Roads
Queensland Government Cyber Security Unit on 27 February 2024

Recommendation	Agree/ Disagree	Timeframe for implementation (Quarter and financial year)	Additional comments
<p>We recommend that all entities:</p> <p>1. Implement a process to manage the security risks relating to third-party services for information systems and technologies, and introduce procedures that will:</p> <ul style="list-style-type: none"> identify how they use third-party services, the extent to which they use them, and the associated security risks establish due diligence (vetting and continuous monitoring) processes when engaging new third-parties or continuing with third-party services define security standards and the appropriate contractual agreements to manage security risks establish a process to continually assess how well each third party manages its security risks and responds to and recovers from security incidents. 	Agree	Complete	<ul style="list-style-type: none"> From a whole of government perspective, the Queensland Government Cyber Security Unit (QGCSU), which is within TMR, fully endorses the need to manage security risks associated with third party information systems and technologies. The QGCSU agrees that all state entities should implement the Information Security Policy (IS18:2018) and ensure that third party systems are in scope as they continue to mature their adoption of ISO 27001. TMR, as a department, actively maintains an Information Security Management System (ISMS) in accordance with the Queensland Government Information Security Policy (IS18:2018) to manage and protect its information, application, technology and critical infrastructure assets. The ISMS includes relevant dependencies on external service providers and third-party suppliers. TMR continues to mature the management of risks associated with third party information systems and technologies. Ongoing continuous improvement remains a priority and improvements have already been made to third party arrangements, including risk assessments when engaging new third parties and subsequent mandatory and/or desirable security conditions. TMR has processes in place to assess third party supplier risk and identify the suitability of controls and treatments to mitigate risk. For example, TMR has an Identity and Access Management standard (the Standard) which supports TMR's Information Security Policy by establishing the controls that must be maintained to limit internal user and partner / supplier access to TMR's business systems and information assets. The Standard includes requirements around Identity Proofing, Identity Management, Privileged Access, and so on.

Recommendation	Agree/ Disagree	Timeframe for implementation (Quarter and financial year)	Additional comments
<p>We recommend that all entities:</p> <p>2. Implement robust policies and procedures that specify when a special payment is appropriate and how it should be made. Guidance should outline who is authorised to approve special payments and what constitutes appropriate documentation to support:</p> <ul style="list-style-type: none"> • the reason and nature of the payment • the approving officer • the amount, including supporting calculations. 	<p>Agree</p>	<p>Complete</p>	<p>TMR has robust controls and delegations over special and ex-gratia payments, with strong oversight by the Chief Finance Officer.</p>



Comments received from Director-General, Department of Education



Office of the
Director-General
Department of
Education

04 MAR 2024

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
Email: gao@gao.qld.gov.au

Dear Mr Worrall

Thank you for your email dated 22 February 2024 enclosing a draft copy of your proposed report titled *State entities 2023* (the report) for review prior to tabling in Parliament planned for March 2024.

I appreciate the opportunity to make comments and provide feedback. I note the content of the report and your recommendations which the Department of Education will assess and implement those recommendations specifically relevant to this agency.

I support the report's key recommendations around managing the cyber security risks associated with services provided by third parties, as well as implementing robust policies and procedures to ensure special payments are appropriate, defensible and transparent. I also acknowledge the actions still to be implemented from the *State entities 2022* report as noted in this report.

The Department's Audit and Risk Management Committee will monitor any required actions to address the relevant recommendations.

If you or your team require further information, please contact [REDACTED]

Yours sincerely

A blue ink signature of Michael De'ath.

MICHAEL DE'ATH
Director-General

Ref: 24/182064
Your ref: PRJ03874

1 William Street Brisbane
Queensland 4000 Australia
PO Box 15033 City East
Queensland 4002 Australia
Telephone +61 7 3034 4754
Website www.qed.qld.gov.au
ABN 76 337 613 647

Comments received from Acting Director-General, Department of Employment, Small Business and Training



Department of
Employment,
Small Business
and Training

Our Ref: 00824/24

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
Email: qao.mail@qao.qld.gov.au

Dear Mr Worrall

Thank you for your email dated 22 February 2024 regarding the State Entities 2023 proposed report to Parliament.

I have noted the report's findings and recommendations and thank you for the opportunity to provide comment. I note in particular the new recommendations in relation to information systems and technology security risks associated with third-party service providers, and robust policies and procedures for special payments.

The Department of Employment, Small Business and Training is committed to the continual improvement of these important matters, with all Queensland Audit Office recommendations reported and monitored through the department's Audit and Risk Committee.

Should you require any further information, please contact [REDACTED]

Yours sincerely

A handwritten signature in blue ink that reads 'S Koch'.

Steven Koch
Acting Director-General

14 3 /2024

1 William Street Brisbane
Queensland 4000 Australia
PO Box 15483 City East
Queensland 4002 Australia

ABN 84 375 484 963

B. How we prepared this report

About this report

This report summarises the results of financial audits for all Queensland state government entities.

Through our financial audit program, we form opinions about the reliability of public sector entity financial statements. The information and insights highlighted in this report to parliament are the result of our annual financial audits of the state government entities subject to our audits.

On 15 December 2023, the state government announced machinery of government changes effective 1 January 2024. This impacted 12 departments and 14 functions. As this report summarises the audit results of the 2022–23 financial year, our report refers to departmental names as at 30 June 2023. We only refer to updated names following machinery of government changes in the section on leadership changes, where our analysis extends beyond 1 January 2024, when the changes were effective.

We grouped entities listed in Appendices [E](#) and [G](#) under their ministerial portfolio at the time of preparing this report, which was after machinery of government changes effective 1 January 2024. Where departmental functions were split across multiple ministers, we listed the related entity in each of the relevant portfolios, meaning some entities are listed more than once.

Entities included in this report

- 27 departments
- 118 statutory bodies
- 11 government owned corporations
- 84 controlled entities (entities controlled by one or more public sector entity).

These entities are listed in Appendices [E](#) and [I](#).

Note: These do not include entities exempted from audit by the Auditor-General (see [Appendix G](#)), entities not preparing financial reports (see [Appendix H](#)), or entities audited by arrangement. We have also not included the new department that was created following the machinery of government changes effective 1 January 2024, as our report covers the 2022–23 financial year and the department did not exist during that period.



Our approach

This report has been prepared in accordance with the *Auditor-General Auditing Standards*.

We used the following data sets in preparing our report:

- Overview of movements in royalty revenue and net operating results (Figure 3A) – we compare the current year to
 - the previous 4 financial years (based on audited financial statements)
 - the forecast for the next 4 financial years (based on the Queensland Budget 2023–24).

We have not audited the budget. We have used 4 years either side of the current year to show movements over time.

- Leadership changes (Figure 5C) – we sourced this data from audited financial statements for each department. We initially chose a 5-year period from 1 July 2018 to compare movements over time. However, we extended our analysis beyond 30 June 2023 to include changes that resulted from machinery of government changes effective 1 January 2024, immediately prior to finalising this report.
- Use of contractors and consultants (Figure 5D) and special payments (Figure 5F) – we sourced this data from each entity’s financial statements over the last 5 years, dating back to 2018–19. We presented both of these graphs over 5 years to show relevant movements over time.

For the dashboards we are publishing alongside this report, we used the following data:

- Water data visualisation – audited financial statements, and drought status, primary industries, and water storage facilities (total capacity and storage level at 30 June) sourced from emergency action plans provided by the Department of Regional Development, Manufacturing and Water.
- Understanding grants dashboard – we sourced the Queensland Government Investment Portal – Expenditure Data from the Queensland Government’s Open Data website. We have undertaken data cleansing to classify each grant into a sector and recipient type using the information provided by funding agencies. We have also performed limited data cleansing over recipient names to ensure these are spelt consistently, and we can accurately count the number of grant recipients.



C. Legislative context

Frameworks

State sector entities prepare their financial statements in accordance with the following legislative frameworks and reporting deadlines.

Figure C1
Legislative frameworks for the Queensland state public sector

Entity type	Legislative framework	Legislated deadline
Departments	<ul style="list-style-type: none"> • <i>Financial Accountability Act 2009</i> • Financial and Performance Management Standard 2019 	31 August 2023
Statutory bodies	<ul style="list-style-type: none"> • <i>Financial Accountability Act 2009</i> • Financial and Performance Management Standard 2019 • <i>Statutory Bodies Financial Arrangements Act 1982</i> <p>Each statutory body also has its own enabling legislation</p>	31 August 2023
Government owned corporations	<ul style="list-style-type: none"> • <i>Government Owned Corporations Act 1993</i> • Government Owned Corporations Regulations 2014 • <i>Corporations Act 2001</i> • Corporations Regulations 2001 	31 August 2023
Controlled entities that are companies	<ul style="list-style-type: none"> • <i>Corporations Act 2001</i> • Corporations Regulations 2001 	31 October 2023
Controlled entities that are charities and not-for-profits	<ul style="list-style-type: none"> • <i>Australian Charities and Not-for-profits Commission Act 2012</i> • Australian Charities and Not-for-profits Commission Regulation 2013 	31 December 2023
Controlled entities that are trusts	<ul style="list-style-type: none"> • Trust deed 	As stipulated in the trust deed

Notes:

- Departments – those gazetted as departments under the *Public Sector Act 2022* and those deemed to be departments under the *Financial Accountability Act 2009*.
- Controlled entity – an entity owned by one or more public sector entities.

Source: Queensland Audit Office.

Accountability requirements

The *Financial Accountability Act 2009* applicable to state sector entities requires these entities to:

- achieve reasonable value for money by ensuring the operations of the entity are carried out efficiently, effectively, and economically
- establish and maintain appropriate systems of internal control and risk management
- establish and keep funds and accounts that comply with the relevant legislation, including Australian accounting standards.



Queensland state government financial statements

Each year, Queensland state public sector entities must table their audited financial statements in parliament.

These financial statements are used by a broad range of parties including parliamentarians, taxpayers, employees, and users of government services. For these statements to be useful, the information reported must be relevant and accurate.

The Auditor-General's audit opinion on these entities' financial statements assures users that the statements are accurate and in accordance with relevant legislative requirements.

We express an *unmodified opinion* when the financial statements are prepared in accordance with the relevant legislative requirements and Australian accounting standards. We *modify* our audit opinion when financial statements do not comply with the relevant legislative requirements and Australian accounting standards and are not accurate and reliable.

There are 3 types of modified opinions:

- qualified opinion – the financial statements as a whole comply with relevant accounting standards and legislative requirements, with the exceptions noted in the opinion
- adverse opinion – the financial statements as a whole do not comply with relevant accounting standards and legislative requirements
- disclaimer of opinion – the auditor is unable to express an opinion as to whether the financial statements comply with relevant accounting standards and legislative requirements.

Sometimes we include an *emphasis of matter* in our audit reports to highlight an issue that will help users better understand the financial statements. It does not change the audit opinion.



D. Status of recommendations made in prior reports

The following tables provide the current status of the issues raised in our prior reports.

Figure D1
Status of recommendations from *State entities 2022* (Report 11: 2022–23)

Audit committees to actively monitor the implementation of audit recommendations (including internal audit recommendations) and encourage the timely resolution of outstanding internal control weaknesses. (Audit committees of all entities)		Further action needs to be taken
REC 1	<p>We recommend that audit committees of public sector entities actively monitor the implementation of audit recommendations and encourage the timely resolution of outstanding internal control weaknesses. This should ensure the agreed recommendations address the underlying cause of the issue and issues are resolved in accordance with agreed timelines.</p> <p>Audit committees play an integral role in ensuring effective internal controls, including holding management to account so that identified weaknesses are resolved appropriately and in a timely manner.</p>	<p>While we have seen an improvement each year in the number of deficiencies we report and their timely resolution, we continue to see issues that remain outstanding beyond agreed timelines.</p> <p>20 per cent of the issues we raised with core departments in 2021–22 have not been resolved this year, and some issues are still outstanding from 2020–21.</p>

Source: Queensland Audit Office.

Figure D2
Status of recommendations from *State entities 2021* (Report 14: 2021–22)

Advise on machinery of government changes, set performance measures, and monitor costs. (Central agencies)		Partially implemented
REC 1	<p>We recommend the Department of the Premier and Cabinet and Queensland Treasury take the following actions for future government restructures:</p> <ul style="list-style-type: none"> • Provide advice to the incoming or returning government on potential impacts of restructures, including the key risks to be managed and estimated costs to implement, drawing on lessons learnt from past machinery of government changes. • Require departments to articulate, measure, and report on the benefits to be achieved from the machinery of government change and the cost to implement the restructure. This should include guidance on how to measure and report benefits and costs. 	<p>In its response to this recommendation, the Department of the Premier and Cabinet indicated its agreement in principle to the recommendations made. The time frame for implementation was to be in the 2024–25 financial year, immediately following the 2024 state election.</p> <p>However, since we issued this report the state government has made machinery of government changes in May 2023 and December 2023.</p>



Improve timeliness of financial statements being made publicly available. (Departments and relevant ministers)		Further action needs to be taken
REC 2	<p>Departments and their ministers should explore opportunities for releasing the audited financial statements of public sector entities in a more timely way. This could involve departments progressively providing annual reports to the minister, instead of waiting to provide all annual reports in the portfolio at the same time.</p> <p>Queensland Treasury should consider legislative change to specify the maximum number of days between financial statement certification and tabling. This is the case for Queensland local governments, which must table their annual reports in council within one month of certifying their financial statements.</p> <p>Alternatively, the annual reports for abolished state government entities must be tabled within 14 days of being provided to the minister.</p>	<p>In its response to this recommendation, Queensland Treasury undertook to encourage tabling at the earliest opportunity but did not accept the recommendation to consider legislative change.</p> <p>We observed some improvement in the timeliness of annual report tabling, with a slight reduction in the number of days between when financial reports are signed by management and audit and when they are tabled in parliament. We recommend entities take action to improve timeliness of annual report tabling.</p>
Ensure consistent payroll processes are implemented. (All entities)		Further action needs to be taken
REC 5	<p>In addition to our recommendation from 2020–21 to promptly review payroll reports, we also recommend entities:</p> <ul style="list-style-type: none"> • provide staff with internal policies and manuals that outline payroll processes • ensure staff consistently comply with these, particularly for processes such as employee terminations and approval of employee overtime. 	<p>We continue to identify departments that have not reviewed payroll reports in a timely manner or at all, and have inconsistencies in the completion of payroll processes.</p> <p>In 2023, we identified one significant deficiency and 7 deficiencies related to payroll in government departments. We identified 7 payroll-related significant deficiencies in other public sector entities.</p>
Review procurement policies and manuals. (All entities)		Further action needs to be taken
REC 7	<p>Entities should review their procurement policies and manuals to ensure they give clear guidance for staff to follow when making procurement decisions. The policies and manuals should also specify what documentation staff should maintain to record the process and decisions.</p>	<p>We continued to identify deficiencies relating to procurement and contract management processes at departments this year. This means that further action needs to be taken by departments to enhance their procurement practices.</p>

Source: Queensland Audit Office.



Figure D3
Status of recommendations from *State entities 2020* (Report 13: 2020–21)

Use recent financial statement preparation experiences, including responses to the COVID-19 pandemic, to identify improvements and plan for the year ahead. (All entities)		Further action needs to be taken
REC 1	<p>We recommend all entities use their recent financial statement preparation experiences to update their initial self-assessment against the maturity model – available on our website at www.qao.qld.gov.au/reports-resources/better-practice. This should include reflection on the process changes made in response to the COVID-19 pandemic, and planning early for the 2020–21 financial statements, given the uncertainty about what challenges the year ahead might bring.</p> <p>Where areas for improvement are identified, each entity should establish an implementation plan, with oversight by its audit committee.</p> <p>Where a machinery of government change has resulted in functions moving between departments, departments should conduct a review to align their financial statement preparation processes within the new department and reassess the maturity of those processes.</p>	<p>Not all departments revisited their financial statement maturity self-assessments in 2022–23.</p> <p>Departments should ensure assessments are current and action plans are put in place to address areas requiring improvement.</p>
Strengthen the security of information systems. (All entities)		Further action needs to be taken
REC 3	<p>We recommend all entities strengthen the security of their information systems. They rely heavily on technology, and increasingly, they must be prepared for cyber attacks. Any unauthorised access could result in fraud or error, and significant reputational damage.</p> <p>Their workplace culture, through their people and processes, must emphasise strong security practices to provide a foundation for the security of information systems.</p> <p>Entities should:</p> <ul style="list-style-type: none"> • provide security training for employees so they understand the importance of maintaining strong information systems, and their roles in keeping them secure • assign employees only the minimum access required to perform their job, and ensure important stages of each process are not performed by the same person • regularly review user access to ensure it remains appropriate • monitor activities performed by employees with privileged access (allowing them to access sensitive data and create and configure within the system) to ensure they are appropriately approved • implement strong password practices and multifactor authentication (for example, a username and password, plus a code sent to a mobile), particularly for systems that record sensitive information • encrypt sensitive information to protect it • patch vulnerabilities in systems in a timely manner, as upgrades and solutions are made available by software providers to address known security weaknesses that could be exploited by external parties. <p>Entities should also self-assess against all of the recommendations in <i>Managing cyber security risks</i> (Report 3: 2019–20) to ensure their systems are appropriately secured.</p>	<p>While entities continued to resolve the specific issues we reported to them, we still continue to identify new control weaknesses with the security of their information systems. Entities need to be vigilant to maintain effective internal controls and protect systems from attack.</p>

Verify changes to supplier and employee information to prevent fraud. (All entities)		Further action needs to be taken
REC 4	We recommend all entities ensure requests to change employee and supplier bank account details are verified using independently sourced information and reviewed by a person who is not involved in processing the change.	While not as common an issue as what it was in prior years, some entities are still working to address previously identified issues.
Promptly review employee payments. (All entities)		Further action needs to be taken
REC 5	All entities need to ensure managers have ready access to payroll reports that are easy to use and contain all required information; understand the importance of reviewing these reports in a timely manner each fortnight; and have a consistent and efficient process for documenting their review.	We continue to identify departments that have not reviewed payroll reports (in a timely manner or at all) and have inconsistencies in the completion of payroll processes.
Automate financial approvals and monitoring of internal controls. (All entities)		Further action needs to be taken
REC 6	All entities need to ensure their systems and processes (internal controls) are set up so financial approval occurs correctly in the financial system. They also need to invest in tools that will promptly detect breakdowns in internal controls.	No new issues. Entities are continuing to implement processes to ensure staff understand the assigned financial delegations and that sufficient monitoring controls are in place to prevent expenditure being approved by staff outside delegation limits.

Source: Queensland Audit Office.

Recommendation status definitions

Where a recommendation is specific to an entity, we have reported on the action that entity has taken and whether the issue is considered to be *fully implemented*, *partially implemented*, *not implemented*, or *no longer applicable*.

Status	Definition	
Fully implemented	Recommendation has been implemented, or alternative action has been taken that addresses the underlying issues and no further action is required. Any further actions are business as usual.	
Partially implemented	Significant progress has been made in implementing the recommendation or taking alternative action, but further work is required before it can be considered business as usual. This also includes where the action taken was less extensive than recommended, as it only addressed some of the underlying issues that led to the recommendation.	
Not implemented	Recommendation accepted	No or minimal actions have been taken to implement the recommendation, or the action taken does not address the underlying issues that led to the recommendation.
	Recommendation not accepted	The entity (or entities) did not accept the recommendation.
No longer applicable	Circumstances have fundamentally changed, making the recommendation no longer applicable. For example, a change in government policy or program has meant the recommendation is no longer relevant.	



Where a general recommendation has been made for all entities to consider, we have assessed action on issues reported to specific entities in the prior year, as well as any further issues identified in the current year. On this basis, we have concluded whether *appropriate action has been taken* across the sector, or if *further action needs to be taken* to address the risk identified.

Status	Definition
Appropriate action has been taken	Recommendations made to individual entities have been implemented, or alternative action has been taken that addresses the underlying issues, and no further action is required. No new issues have been identified across the sector that indicate an ongoing underlying risk to the sector that requires reporting to parliament.
Further action needs to be taken	Recommendations made to individual entities have not been fully implemented, and/or new recommendations have been made to individual entities, indicating further action is required by entities in the sector to address the underlying risk.



E. Audit opinions for entities preparing financial reports

The following tables detail the types of audit opinions we issued, in accordance with Australian auditing standards, for the 2022–23 financial year. We have grouped these by the new ministerial portfolios established following the machinery of government changes announced by the state government in December 2023. Where significant functions were transferred between departments, the 2022–23 audit result for the former department has been reported under all relevant ministerial portfolios.

Unless otherwise stated, the financial year end of these entities is 30 June 2023. The legislative deadline refers to the date by which the financial statements are required to be audited. Where there is a dash (–) in the legislative deadline column, no deadline applies for that specific entity.

The table also identifies the entities that had a key audit matter included in their independent auditor's report. Key audit matters are those that, in our professional judgement, are of most significance in the audit of the financial statements. These matters mostly relate to major events and transactions that occur during the period and to those areas requiring significant accounting judgement and estimation, for example, the valuation of property, plant and equipment. We address these matters in the context of the audit of the financial report as a whole and in forming our opinion. We do not provide a separate opinion on these matters.

Controlled entities (those owned by one or more public sector entities) have been grouped in the following tables in bullet points under the entity they are controlled by.

The Speaker of the Legislative Assembly of Queensland

As the chief presiding officer of the Queensland Parliament, the speaker chairs the debates and enforces the rules to ensure orderly conduct in the chamber. Administratively, the speaker has control of the parliamentary service, and is responsible for the parliament's policies, budget, services, and administration.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Legislative Assembly and parliamentary service	31.08.2023	29.08.2023	No	Unmodified

Source: Queensland Audit Office.

Premier

Responsibilities include the overall management of Queensland, Cabinet and its committees, coordinating government communication, policy development, governance, legislative drafting and publishing, protocol, intergovernmental relations, and overall public service management.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Anzac Day Trust	31.08.2023	24.08.2023	No	Unmodified – EOM*
Department of the Premier and Cabinet	31.08.2023	29.08.2023	No	Unmodified

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Office of the Governor	31.08.2023	15.08.2023	No	Unmodified
Premier's Disaster Relief Appeal Fund (managed by the Department of the Premier and Cabinet)	31.12.2023	15.12.2023	No	Unmodified
Public Sector Commission	31.08.2023	28.08.2023	No	Unmodified

Notes: EOM* – emphasis of matter, to highlight that the entity ceased operations on 14 April 2023.

Source: Queensland Audit Office.

Deputy Premier, Treasurer and Minister for Trade and Investment

Responsibilities include the state budget, taxation, economic policy, government owned enterprises, insurance, mineral and petroleum royalties, investment facilitation, and trade development.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Backing Queensland Investment Fund*	–	08.09.2023	No	Unmodified – EOM
Debt Retirement Trust*	–	29.09.2023	No	Unmodified – EOM
Government Holdings Trust*	–	29.09.2023	No	Unmodified – EOM
Motor Accident Insurance Commission	31.08.2023	29.08.2023	No	Unmodified
National Injury Insurance Scheme, Queensland Trust*	–	29.09.2023	No	Unmodified – EOM
Nominal Defendant	31.08.2023	29.08.2023	No	Unmodified
QIC Absolute Return Bond Fund*	–	31.08.2023	No	Unmodified – EOM & EOM**
QIC Alternative Beta Fund*	–	31.08.2023	No	Unmodified – EOM
QIC Alternative Investment Trust*	–	05.09.2023	No	Unmodified – EOM
QIC Australian Fixed Interest Fund*	–	30.08.2023	No	Unmodified – EOM
QIC Cash Enhanced Fund*	–	30.08.2023	No	Unmodified – EOM
QIC Cash Fund*	–	30.08.2023	No	Unmodified – EOM
QIC Direct Opportunities Fund*	–	29.09.2023	No	Unmodified – EOM
QIC Diversified Australian Equities Fund*	–	29.09.2023	No	Unmodified – EOM

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
QIC Diversified Fixed Interest Fund*	–	29.09.2023	No	Unmodified – EOM
QIC Diversified Infrastructure Fund No. 2*	–	29.09.2023	No	Unmodified – EOM
QIC Global Credit Income Fund*	–	31.08.2023	No	Unmodified – EOM & EOM**
QIC Global Strategy Trust No. 2A*	–	31.08.2023	No	Unmodified – EOM
QIC Infrastructure Mandate No. 1 Trust*	–	29.09.2023	No	Unmodified – EOM
QIC Infrastructure Portfolio No. 1 Trust*	–	31.08.2023	No	Unmodified – EOM & EOM*
QIC Infrastructure Portfolio No. 2 Trust*	–	31.08.2023	No	Unmodified – EOM & EOM*
QIC International Equities Fund*	–	29.09.2023	No	Unmodified – EOM
QIC Limited	31.08.2023	30.08.2023	Yes	Unmodified
• QIC Active Retail Property Fund TT Company Pty Ltd	31.10.2023	28.08.2023	No	Unmodified
• QIC Australia Core Plus Fund TT Company Pty Ltd	31.10.2023	28.08.2023	No	Unmodified
• QIC Infrastructure Management No.2 Pty Ltd	31.10.2023	11.09.2023	No	Unmodified
• QIC Infrastructure Management Pty Ltd	31.10.2023	08.09.2023	No	Unmodified
• QIC Investments No.1 Pty Ltd	31.10.2023	11.09.2023	No	Unmodified
• QIC Investments No.2 Pty Ltd	31.10.2023	08.09.2023	No	Unmodified
• QIC Investments No.3 Pty Ltd	31.10.2023	08.09.2023	No	Unmodified
• QIC Office Fund TT Company Pty Ltd	31.10.2023	29.08.2023	No	Unmodified
• QIC Private Capital Pty Ltd	31.10.2023	30.08.2023	No	Unmodified
• QIC Property Fund TT Company Pty Ltd	31.10.2023	29.08.2023	No	Unmodified
• QIC Retail Pty Ltd	31.10.2023	08.09.2023	No	Unmodified
• QIC Town Centre Fund TT Company Pty Ltd	31.10.2023	29.08.2023	No	Unmodified
• QICP Pty Ltd	31.10.2023	05.09.2023	No	Unmodified
QIC Long Term Diversified Fund*	–	29.09.2023	No	Unmodified – EOM
QIC Office Fund Group*	–	27.09.2023	No	Unmodified
QIC Private Debt Fund – Government Clients*	–	29.09.2023	No	Unmodified – EOM



Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
QIC Private Equity Fund No. 1*	–	29.09.2023	No	Unmodified – EOM
QIC Private Equity Fund No. 2*	–	29.09.2023	No	Unmodified – EOM
QIC Private Equity Fund No. 3*	–	29.09.2023	No	Unmodified – EOM
QIC Private Equity Fund No. 5*	–	29.09.2023	No	Unmodified – EOM
QIC Registry Trust*	–	07.09.2023	No	Unmodified – EOM
QIC Short Term Income Fund*	–	29.09.2023	No	Unmodified – EOM
QIC Short Term Income Fund – Advisors Class*	–	29.09.2023	No	Unmodified – EOM & EOM*
QIC Sovereign Bond Fund*	–	31.08.2023	No	Unmodified – EOM & EOM**
QIC Strategy Fund No. 2*	–	31.08.2023	No	Unmodified – EOM
QIC Strategy Fund No.3 – External Managers Trust No.2*	–	31.08.2023	No	Unmodified – EOM
Queensland Competition Authority	31.08.2023	31.08.2023	No	Unmodified
Queensland Hydro Pty Ltd	31.10.2023	30.08.2023	No	Unmodified
Queensland Investment Trust No. 2*	–	29.09.2023	No	Unmodified – EOM
Queensland Titles Registry Pty Ltd*	31.10.2023	31.10.2023	No	Unmodified
Queensland Treasury	31.08.2023	25.08.2023	Yes	Unmodified
• Brisbane Port Holdings Pty Ltd	31.10.2023	15.08.2023	No	Unmodified
• DBCT Holdings Pty Ltd	31.10.2023	15.08.2023	No	Unmodified
• Queensland Lottery Corporation Pty Ltd	31.10.2023	15.08.2023	No	Unmodified
• Queensland Treasury Holdings Pty Ltd	31.10.2023	15.08.2023	No	Unmodified
Queensland Treasury Corporation	31.08.2023	18.08.2023	Yes	Unmodified
Registry Finance Pty Ltd*	31.10.2023	31.10.2023	No	Unmodified
Registry Hold Trust*	–	31.10.2023	No	Unmodified – EOM
State Initiatives Trust*	–	29.09.2023	No	Unmodified – EOM
The National Injury Insurance Agency Queensland	31.08.2023	29.08.2023	No	Unmodified

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Trade and Investment Queensland	31.08.2023	31.08.2023	No	Unmodified

Notes: *Entities and trusts that are managed but not controlled by QIC Limited or its controlled entities. EOM – emphasis of matter, to highlight that only certain accounting standards were used in the preparation of the report, and the report was not intended for other users. EOM* – emphasis of matter, relating to material uncertainty as to whether the entity will be able to pay its debts as and when they fall due. EOM** – emphasis of matter, to highlight that the entity ceased operations or is likely to be dissolved.

Source: Queensland Audit Office.

Attorney-General and Minister for Justice, and Minister for the Prevention of Domestic and Family Violence

Responsibilities include justice administration; courts; registration of births, deaths, and marriages; Legal Aid; fair trading and consumer protection; incorporation of associations; lotteries, keno, and wagering; occupational licensing; registration of charitable and community purpose organisations; the Public Trustee; and prevention of domestic and family violence.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Crime and Corruption Commission	31.08.2023	28.08.2023	No	Unmodified
Department of Justice and Attorney-General	31.08.2023	31.08.2023	Yes	Unmodified
Electoral Commission of Queensland	31.08.2023	31.08.2023	No	Unmodified
Legal Aid Queensland	31.08.2023	29.08.2023	No	Unmodified
Legal Practitioners Admissions Board	31.08.2023	31.08.2023	No	Unmodified
Legal Practitioners' Fidelity Guarantee Fund**	–	31.08.2023	No	Unmodified
Office of the Information Commissioner	31.08.2023	28.08.2023	No	Unmodified
Office of the Ombudsman	31.08.2023	10.08.2023	No	Unmodified
Professional Standards Council	31.08.2023	31.08.2023	No	Unmodified
Prostitution Licensing Authority	31.08.2023	14.08.2023	No	Unmodified
Public Trustee of Queensland Growth Trust*	–	30.08.2023	No	Unmodified
QCF Management Co. Ltd*	31.10.2023	31.10.2023	No	Unmodified
Queensland Community Foundation*	31.12.2023	04.10.2023	No	Unmodified
Queensland Family and Child Commission	31.08.2023	17.08.2023	No	Unmodified
Queensland Human Rights Commission	31.08.2023	21.08.2023	No	Unmodified
Queensland Law Society Incorporated	31.08.2023	01.09.2023	No	Unmodified
• Law Claims Levy Fund	–	31.08.2023	No	Unmodified
• QLS Solicitor Support Pty Ltd	31.10.2023	31.08.2023	No	Unmodified
Supreme Court Library Committee	31.08.2023	11.08.2023	No	Unmodified
The Forde Foundation*	31.12.2023	04.10.2023	No	Unmodified
The Gladstone Foundation*	31.12.2023	27.10.2023	No	Unmodified

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
The Lady Bowen Trust*	31.12.2023	04.10.2023	No	Unmodified
The Public Trustee of Queensland	31.08.2023	30.08.2023	No	Unmodified
The Queensland Aboriginal and Torres Strait Islander Foundation*	31.12.2023	04.10.2023	No	Unmodified

Note: *Entities and trusts that are managed but not controlled by The Public Trustee of Queensland. **Fund is maintained but not controlled by the Queensland Law Society Incorporated.

Source: Queensland Audit Office.

Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities

Responsibilities include biosecurity, agriculture, animal welfare, food and fibre industry development, and rural economic development.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Darling Downs–Moreton Rabbit Board	31.08.2023	31.08.2023	No	Unmodified
Department of Agriculture and Fisheries	31.08.2023	29.08.2023	Yes	Unmodified
Queensland Rural and Industry Development Authority (QRIDA)	31.08.2023	24.08.2023	No	Unmodified
Safe Food Production Queensland	31.08.2023	31.08.2023	No	Unmodified

Source: Queensland Audit Office.

Minister for Child Safety, Minister for Seniors and Disability Services, and Minister for Multicultural Affairs

Responsibilities include adoption, child protection services, the redress scheme for Queensland survivors of institutional child sexual abuse, carers, disability services, seniors, and multicultural affairs.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Department of Child Safety, Seniors and Disability Services*	31.08.2023	30.08.2023	Yes	Unmodified
Department of Environment and Science**	31.08.2023	28.08.2023	Yes	Unmodified

Note: *As a result of machinery of government changes that came into effect on 1 January 2024, responsibility for Multicultural Affairs was transferred into the department. **This department is also included under the Minister for Energy and Clean Economy Jobs and the Minister for the Environment and the Great Barrier Reef and Minister for Science and Minister for Innovation.

Source: Queensland Audit Office.

Minister for Education and Minister for Youth Justice

Responsibilities include state schooling, early childhood education and care, higher education, non-state school funding, and youth justice.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Department of Education	31.08.2023	25.08.2023	Yes	Unmodified
<ul style="list-style-type: none"> Queensland Education Leadership Institute Limited 	31.10.2023	09.10.2023	No	Unmodified – EOM
Department of Youth Justice, Employment, Small Business and Training*	31.08.2023	31.08.2023	Yes	Unmodified
<ul style="list-style-type: none"> BCITF (Qld) Limited 	31.12.2023	29.08.2023	No	Unmodified
Non-State Schools Accreditation Board	31.08.2023	25.08.2023	No	Unmodified
Queensland Curriculum and Assessment Authority	31.08.2023	17.08.2023	No	Unmodified

Note: EOM – emphasis of matter, to highlight that the entity ceased operations or is likely to be dissolved. *This department is also included under the Minister for Employment and Small Business, and Minister for Training and Skills Development. The machinery of government changes that came into effect on 1 January 2024 established the new Department of Youth Justice in this portfolio.

Source: Queensland Audit Office.

Minister for Employment and Small Business, and Minister for Training and Skills Development

Responsibilities include employment, vocational education and training, skills and workforce development, small business advocacy, and small business capability and resilience.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Building and Construction Industry Training Fund (Qld)*	31.12.2023	29.08.2023	No	Unmodified
Department of Youth Justice, Employment, Small Business and Training**	31.08.2023	31.08.2023	Yes	Unmodified
<ul style="list-style-type: none"> BCITF (Qld) Limited 	31.12.2023	29.08.2023	No	Unmodified
Manufacturing Skills Queensland Limited***	31.10.2023	04.10.2023	No	Unmodified
TAFE Queensland	31.08.2023	31.08.2023	No	Unmodified
<ul style="list-style-type: none"> Aviation Australia Pty Ltd 	31.10.2023	31.08.2023	No	Unmodified
<ul style="list-style-type: none"> TAFE Queensland Scholarship Foundation 	31.12.2023	13.03.2024	No	Unmodified

Notes: *BCITF (Qld) Limited is the trustee for the fund but does not control it. **This department is also included under the Minister for Education and Minister for Youth Justice. As a result of machinery of government changes that came into effect on 1 January 2024, this was renamed the Department of Employment, Small Business and Training. ***Manufacturing Skills Queensland Limited was incorporated on 31 October 2022. Its financial statements cover the period 31 October 2022 to 30 June 2023.

Source: Queensland Audit Office.

Minister for Energy and Clean Economy Jobs

Responsibilities include energy regulation of electricity and gas sectors, biofuels, clean energy, energy industry development, hydrogen, renewable energy, clean economic policy, and government purchasing.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
CleanCo Queensland Limited	31.08.2023	25.08.2023	Yes	Unmodified
CS Energy Limited	31.08.2023	25.08.2023	Yes	Unmodified
Department of Energy and Public Works*	31.08.2023	31.08.2023	Yes	Unmodified
Department of Environment and Science**	31.08.2023	28.08.2023	Yes	Unmodified
Energy Queensland Limited	31.08.2023	25.08.2023	Yes	Unmodified
• Ergon Energy Queensland Pty Ltd	31.10.2023	15.08.2023	Yes	Unmodified
• Yurika Pty Ltd	31.10.2023	23.10.2023	No	Unmodified
Office of the Energy and Water Ombudsman	31.08.2023	15.08.2023	No	Unmodified
Queensland Electricity Transmission Corporation Limited (trading as Powerlink Queensland)	31.08.2023	30.08.2023	Yes	Unmodified
Stanwell Corporation Limited	31.08.2023	25.08.2023	Yes	Unmodified

Note: *This department is also included under the Minister for Housing, Local Government and Planning, and Minister for Public Works. As a result of machinery of government changes that came into effect on 1 January 2024, this entity was renamed the Department of Energy and Climate. **This department is also included under the Minister for the Environment and the Great Barrier Reef and Minister for Science and Innovation, and the Minister for Child Safety, Minister for Seniors and Disability Services, and Minister for Multicultural Affairs.

Source: Queensland Audit Office.

Minister for the Environment and the Great Barrier Reef and Minister for Science and Innovation

Responsibilities include climate change policy, environmental planning and protection policy, the Great Barrier Reef, pollution and waste management, marine and national parks management, science strategy, and innovation policy.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Department of Environment and Science*	31.08.2023	28.08.2023	Yes	Unmodified
Queensland Trust for Nature	31.12.2023	13.10.2023	No	Unmodified

Note: *This department is also included under the Minister for Energy and Clean Economy Jobs and the Minister for Child Safety, Minister for Seniors and Disability Services, and Minister for Multicultural Affairs. As a result of machinery of government changes that came into effect on 1 January 2024, this was renamed the Department of Environment, Science and Innovation.

Source: Queensland Audit Office.

Minister for Fire and Disaster Recovery Services and Minister for Corrective Services

Responsibilities include adult corrective services, state emergency service, fire and rescue services, rural fire services, and disaster recovery and recovery and reconstruction of Queensland following natural disaster events.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Queensland Corrective Services	31.08.2023	29.08.2023	Yes	Unmodified
Queensland Fire and Emergency Services	31.08.2023	24.08.2023	Yes	Unmodified
Queensland Reconstruction Authority	31.08.2023	17.08.2023	No	Unmodified

Source: Queensland Audit Office.

Minister for Health, Mental Health and Ambulance Services and Minister for Women

Responsibilities include hospitals, public health, mental health, oral health, nursing homes and hostels, Aboriginal and Torres Strait Islander health, community health services, alcohol and drug services, disease surveillance, health rights and promotion, registration of health professionals, the ambulance service, and women's policy.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Bundaberg Health Services Foundation	31.08.2023	31.08.2023	No	Unmodified
Cairns and Hinterland Hospital and Health Service	31.08.2023	29.08.2023	Yes	Unmodified
Central Queensland Hospital and Health Service	31.08.2023	30.08.2023	Yes	Unmodified
Central Queensland Hospital Foundation	31.08.2023	28.08.2023	No	Unmodified
Central West Hospital and Health Service	31.08.2023	28.08.2023	Yes	Unmodified
Children's Health Queensland Hospital and Health Service	31.08.2023	30.08.2023	Yes	Unmodified
Children's Hospital Foundation Queensland	31.08.2023	28.08.2023	No	Unmodified
Darling Downs Hospital and Health Service	31.08.2023	30.08.2023	Yes	Unmodified
Department of Health	31.08.2023	28.08.2023	No	Unmodified
Far North Queensland Hospital Foundation	31.08.2023	31.08.2023	No	Unmodified
Gold Coast Hospital and Health Service	31.08.2023	18.08.2023	Yes	Unmodified
Gold Coast Hospital Foundation	31.08.2023	28.08.2023	No	Unmodified
Health and Wellbeing Queensland	31.08.2023	17.08.2023	No	Unmodified

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Ipswich Hospital Foundation	31.08.2023	31.08.2023	No	Unmodified
Mackay Hospital and Health Service	31.08.2023	18.08.2023	Yes	Unmodified
Mackay Hospital Foundation	31.08.2023	28.08.2023	No	Unmodified
Metro North Hospital and Health Service	31.08.2023	31.08.2023	Yes	Unmodified
Metro South Hospital and Health Service	31.08.2023	30.08.2023	Yes	Unmodified
North West Hospital and Health Service	31.08.2023	31.08.2023	Yes	Unmodified
Office of the Health Ombudsman	31.08.2023	17.08.2023	No	Unmodified
PA Research Foundation	31.08.2023	31.08.2023	No	Unmodified
Queensland Mental Health Commission	31.08.2023	22.08.2023	No	Unmodified
Royal Brisbane and Women's Hospital Foundation	31.08.2023	25.08.2023	No	Unmodified
South West Hospital and Health Service	31.08.2023	30.08.2023	Yes	Unmodified
Sunshine Coast Health Foundation	31.08.2023	14.09.2023	No	Unmodified
Sunshine Coast Hospital and Health Service	31.08.2023	30.08.2023	Yes	Unmodified
The Council of the Queensland Institute of Medical Research	31.08.2023	31.08.2023	No	Unmodified
• Endpoint IQ Pty Ltd	31.10.2023	18.12.2023	No	Unmodified – EOM & EOM**
The Prince Charles Hospital Foundation	31.08.2023	30.08.2023	No	Unmodified
Toowoomba Hospital Foundation	31.08.2023	28.08.2023	No	Unmodified
Torres and Cape Hospital and Health Service	31.08.2023	29.08.2023	Yes	Unmodified
Townsville Hospital and Health Service	31.08.2023	24.08.2023	Yes	Unmodified
Townsville Hospital Foundation	31.08.2023	31.08.2023	No	Unmodified
Tropical Australian Academic Health Centre Limited*	31.12.2023	10.11.2023	No	Unmodified
West Moreton Hospital and Health Service	31.08.2023	30.08.2023	Yes	Unmodified
Wide Bay Hospital and Health Service	31.08.2023	25.08.2023	Yes	Unmodified

Notes: *Tropical Australian Academic Health Centre Limited is a company limited by guarantee with the following entities having significant influence over the company: the 5 hospital and health services in northern Queensland – Cairns and Hinterland, Mackay, North West, Torres and Cape, and Townsville – the Northern Queensland Primary Health Network; and James Cook University.

EOM – emphasis of matter, to highlight that only certain accounting standards were used in the preparation of the report, and the report was not intended for other users. EOM** – emphasis of matter, relating to material uncertainty as to whether the entity will be able to pay its debts as and when they fall due.

Source: Queensland Audit Office.

Minister for Housing, Local Government and Planning, and Minister for Public Works

Responsibilities include homelessness, housing supply and delivery, building and plumbing standards, government buildings, land use planning, local government, licencing and regulation of the Queensland building industry, property facilities management for government and major projects, and urban design and architecture.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Board of Architects of Queensland	31.08.2023	31.08.2023	No	Unmodified
Board of Professional Engineers of Queensland	31.08.2023	31.08.2023	No	Unmodified
Department of Energy and Public Works*	31.08.2023	31.08.2023	Yes	Unmodified
Department of Housing**	31.08.2023	31.08.2023	Yes	Unmodified
Department of State Development, Infrastructure, Local Government and Planning***	31.08.2023	28.08.2023	Yes	Unmodified
Queensland Building and Construction Commission	31.08.2023	29.08.2023	No	Unmodified
<ul style="list-style-type: none"> Queensland Building and Construction Employing Office 	31.08.2023	25.08.2023	No	Unmodified
Residential Tenancies Authority	31.08.2023	29.08.2023	No	Unmodified
<ul style="list-style-type: none"> Residential Tenancies Employing Office 	31.08.2023	29.08.2023	No	Unmodified

Note: *This department is also included under the Minister for Energy and Clean Economy Jobs, and following the machinery of government changes effective 1 January 2024 it was renamed the Department of Energy and Climate. **As a result of machinery of government changes that came into effect on 1 January 2024, this entity was renamed the Department of Housing, Local Government, Planning and Public Works. ***This department is also included under the Minister for State Development and Infrastructure, Minister for Industrial Relations, and Minister for Racing. As a result of machinery of government changes that came into effect on 1 January 2024, this department was renamed the Department of State Development and Infrastructure.

Source: Queensland Audit Office.

Minister for Police and Community Safety

Responsibilities include the police service; crime prevention including youth crime, community safety, and protection; Queensland Government Air Services; and disaster management.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Office of the Inspector-General of Emergency Management	31.08.2023	28.08.2023	No	Unmodified
Queensland Police Service	31.08.2023	28.08.2023	Yes	Unmodified

Source: Queensland Audit Office.

Minister for Regional Development and Manufacturing and Minister for Water

Responsibilities include regional economic development; cross-sector coordination to enhance economic growth; manufacturing industry development; bulk water supply; regulation of water quality and supply continuity; management of water supply emergencies; catchment and water resource management; and water resource allocation, planning, and management.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Avondale Water Board	31.08.2023	06.10.2023	No	Unmodified
Babinda Swamp Drainage Board	31.08.2023	05.09.2023	No	Unmodified
Bollon West Water Authority	31.08.2023	28.08.2023	No	Disclaimer
Bones Knob Water Board	31.08.2023	06.10.2023	No	Qualified
Cairns River Improvement Trust	31.08.2023	23.10.2023	No	Unmodified
Central SEQ Distributor-Retailer Authority (trading as Urban Utilities)	31.08.2023	31.08.2023	No	Unmodified
Department of Regional Development, Manufacturing and Water**	31.08.2023	31.08.2023	Yes	Unmodified
Don River Improvement Trust	31.08.2023	26.10.2023	No	Unmodified
Dumaresq-Barwon Border Rivers Commission	31.08.2023	31.08.2023	No	Unmodified
Fernlee Water Authority	31.08.2023	28.08.2023	No	Qualified
Gladstone Area Water Board	31.08.2023	28.08.2023	No	Unmodified
Glamorgan Vale Water Board	31.08.2023	28.09.2023	No	Unmodified
Ingie Water Authority	31.08.2023	09.08.2023	No	Qualified and EOM*
Ipswich Rivers Improvement Trust	31.08.2023	17.10.2023	No	Unmodified
Kaywana Bore Water Board	31.08.2023	06.10.2023	No	Qualified
Lower Burdekin Water	31.08.2023	30.08.2023	No	Unmodified
Lower Herbert Water Management Authority	31.08.2023	27.09.2023	No	Unmodified
Mount Isa Water Board	31.08.2023	30.08.2023	No	Unmodified
Northern SEQ Distributor-Retailer Authority (trading as Unitywater)	31.08.2023	18.08.2023	No	Unmodified
Orchard Creek and East Euramo Drainage Board	31.08.2023	12.09.2023	No	Unmodified
Queensland Bulk Water Supply Authority (trading as Seqwater)	31.08.2023	18.08.2023	Yes	Unmodified
Roadvale Water Board	31.08.2023	06.03.2024	No	Unmodified
Scenic Rim River Improvement Trust	31.08.2023	15.08.2023	No	Unmodified

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Silkwood Drainage Board	31.08.2023	09.08.2023	No	Unmodified – EOM*
South Maroochy Drainage Board	31.08.2023	12.10.2023	No	Disclaimer
Stanthorpe Shire River Improvement Trust	31.08.2023	08.02.2024	No	Unmodified
State Council of River Trusts, Queensland Inc.	31.12.2023	24.10.2023	No	Unmodified – EOM
Sunwater Limited	31.08.2023	18.08.2023	Yes	Unmodified
Wambo Shire River Improvement Trust	31.08.2023	15.08.2023	No	Unmodified
Warwick Shire River Improvement Trust	31.08.2023	17.10.2023	No	Unmodified
Whitsunday Rivers Improvement Trust	31.08.2023	20.11.2023	No	Unmodified

Notes: EOM – emphasis of matter, to highlight that only certain accounting standards were used in the preparation of the report, and the report was not intended for other users. EOM* – emphasis of matter, to highlight that the entity is likely to be dissolved.

**As a result of machinery of government changes that came into effect on 1 January 2024, the Office for Rural and Regional Queensland was transferred into the Department of Regional Development, Manufacturing and Water.

Source: Queensland Audit Office.

Minister for Resources and Critical Minerals

Responsibilities include mining and petroleum, mine safety and health, Aboriginal and Torres Strait Islander land interests and titles, land management, and critical minerals.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Department of Resources	31.08.2023	15.08.2023	Yes	Unmodified
GasFields Commission Queensland	31.08.2023	29.08.2023	No	Unmodified
Resources Safety and Health Queensland	31.08.2023	29.08.2023	No	Unmodified
• Resources Safety and Health Queensland Employing Office	31.08.2023	29.08.2023	No	Unmodified
Valuers Registration Board of Queensland	31.08.2023	15.08.2023	No	Unmodified

Source: Queensland Audit Office.



Minister for State Development and Infrastructure, Minister for Industrial Relations, and Minister for Racing

Responsibilities include state development, economic development, major project impact assessment, strategic planning for priority industry sectors, capital works and program monitoring, integrated resort developments and global tourism hubs, urban growth, industrial relations, racing, and Olympic and Paralympic Games.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Brisbane Organising Committee for the 2032 Olympic and Paralympic Games*	31.08.2023	31.08.2023	No	Unmodified
Building and Construction Industry (Portable Long Service Leave) Authority (trading as QLEAVE)	31.08.2023	24.08.2023	No	Unmodified
Community Services Industry (Portable Long Service Leave) Authority	31.08.2023	24.08.2023	No	Unmodified
Contract Cleaning Industry (Portable Long Service Leave) Authority	31.08.2023	29.08.2023	No	Unmodified
Department of State Development, Infrastructure, Local Government and Planning**	31.08.2023	28.08.2023	Yes	Unmodified
Queensland Racing Integrity Commission	31.08.2023	29.08.2023	No	Unmodified
Racing Queensland Board	31.08.2023	31.08.2023	No	Unmodified
South Bank Corporation	31.08.2023	31.08.2023	No	Unmodified
• South Bank Employing Office	31.08.2023	31.08.2023	No	Unmodified
WorkCover Queensland	31.08.2023	23.08.2023	Yes	Unmodified
• WorkCover Employing Office	31.08.2023	23.08.2023	No	Unmodified

Note: *The financial statements of the Brisbane Organising Committee for the 2032 Olympic and Paralympic Games cover the period from the date of establishment, 20 December 2021, to 30 June 2023.

**This department is also included under the Minister for Housing, Local Government and Planning, and Minister for Public Works. As a result of machinery of government changes that came into effect on 1 January 2024, this department was renamed the Department of State Development and Infrastructure. The following functions were transferred into the department – Brisbane 2032 Coordination Office, Office of Industrial Relations, and the Office of Racing.

Source: *Queensland Audit Office*.

Minister for Tourism and Sport

Responsibilities include tourism development and promotion, tourism investment attraction, marketing and promotion of international education and training, major events, sport, and recreation.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Department of Tourism, Innovation and Sport*	31.08.2023	30.08.2023	Yes	Unmodified
Stadiums Queensland	31.08.2023	22.08.2023	No	Unmodified

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Tourism and Events Queensland	31.08.2023	31.08.2023	No	Unmodified
• Gold Coast Events Management Ltd (trading as Events Management Queensland)	31.10.2023	24.08.2023	No	Unmodified
• Tourism and Events Queensland Employing Office	31.08.2023	31.08.2023	No	Unmodified

Note: *As a result of machinery of government changes that came into effect on 1 January 2024, this was renamed the Department of Tourism and Sport.

Source: Queensland Audit Office.

Minister for Transport and Main Roads and Minister for Digital Services

Responsibilities include land transport and safety, main roads, marine infrastructure, passenger and personalised transport, ports, railways, transport infrastructure, the Cross River Rail project, cyber security operations and management, digital economy, open data, government information and communication technology policy and planning, and shared services systems.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Cross River Rail Delivery Authority	31.08.2023	22.08.2023	No	Unmodified
Department of Transport and Main Roads	31.08.2023	31.08.2023	Yes	Unmodified
• Transmax Pty Ltd	31.10.2023	21.09.2023	No	Unmodified
Far North Queensland Ports Corporation Limited (trading as Ports North)	31.08.2023	28.08.2023	Yes	Unmodified
Gladstone Ports Corporation Limited	31.08.2023	30.08.2023	Yes	Unmodified
Gold Coast Waterways Authority	31.08.2023	24.08.2023	No	Unmodified
North Queensland Bulk Ports Corporation Limited	31.08.2023	24.08.2023	Yes	Unmodified
Port of Townsville Limited	31.08.2023	29.08.2023	Yes	Unmodified
Queensland Rail	31.08.2023	31.08.2023	Yes	Unmodified
• Queensland Rail Limited	31.10.2023	31.08.2023	Yes	Unmodified

Source: Queensland Audit Office.



Minister for Treaty, Minister for Aboriginal and Torres Strait Islander Partnerships, Minister for Communities and Minister for the Arts

Responsibilities include path to treaty; Aboriginal and Torres Strait Islander cultural heritage, policy, rights, and culture; community care; community recovery; community services; social inclusion; youth affairs; archives; and the arts.

Entity	Legislative deadline	Date audit opinion issued	Key audit matter	Type of audit opinion issued
Board of the Queensland Museum	31.08.2023	28.08.2023	No	Unmodified
• Queensland Museum Foundation Trust	31.12.2023	28.08.2023	No	Unmodified
Community Enterprise Queensland	31.08.2023	24.08.2023	No	Unmodified
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts	31.08.2023	31.08.2023	Yes	Unmodified
• Aboriginal Centre for the Performing Arts Pty Ltd	31.12.2023	08.11.2023	No	Unmodified
• The Queensland Music Festival Pty Ltd	30.04.2023	03.04.2023	No	Unmodified
• Screen Queensland Pty Ltd	31.10.2023	04.08.2023	No	Unmodified
Family Responsibilities Commission	31.08.2023	28.08.2023	No	Unmodified
Library Board of Queensland	31.08.2023	31.08.2023	No	Unmodified
• Queensland Library Foundation	31.10.2023	31.08.2023	No	Unmodified
Queensland Art Gallery Board of Trustees	31.08.2023	29.08.2023	No	Unmodified
Queensland Performing Arts Trust	31.08.2023	29.08.2023	No	Unmodified
Queensland Theatre Company	28.02.2023	24.02.2023	No	Unmodified
Queensland Veterans' Council	31.08.2023	31.08.2023	No	Unmodified

Source: Queensland Audit Office.



F. Other audit and assurance opinions

We issued the following opinions for other large audit and assurance engagements performed for Queensland state government entities. To provide assurance, an auditor must confirm whether specific information is correct, so users of the information can confidently make decisions based on it.

Figure F1
Assurance audit opinions issued

Entity	Title	Date opinion issued	Type of audit opinion issued
CITEC	ASAE 3402 Type 1 Assurance Report as at 31 March 2023	28.04.2023	Unmodified
Corporate Administration Agency	ASAE 3402 Assurance Report Payroll and Information & Communication Technology Services for the period 1 July 2022 to 31 March 2023	22.05.2023	Unmodified
Corporate Administration Agency	ASAE 3402 Assurance Report Accounts Payable and Information & Communication Technology Services for the period 1 July 2022 to 31 March 2023	22.05.2023	Unmodified
Department of Transport and Main Roads	ASAE 3000 engagement on the Project Summary for Gold Coast Light Rail Stage 3	09.11.2023	Unmodified
Queensland Health	ASAE 3402 Assurance Report for the period 1 July 2022 to 31 March 2023 (Type 2) – covering the design, implementation, and effectiveness of key financial controls	06.06.2023	Unmodified
Queensland Health	ASAE 3402 Assurance Report as at 30 June 2023 (Type 1) – covering the design and implementation of key financial controls	27.07.2023	Unmodified
QIC Limited	2022–2023 QIC GS007 Report for the period 1 July 2022 to 30 June 2023	28.07.2023	Unmodified
Queensland Shared Services	ASAE 3402 Type 2 Assurance Report for the period 1 July 2022 to 31 March 2023	12.05.2023	Unmodified
Queensland Shared Services	ASAE 3402 Type 1 Assurance Report as at 30 June 2023	20.07.2023	Unmodified

Source: Queensland Audit Office.

Figure F2
Compliance audit opinions issued

Entity	Title	Date opinion issued	Type of audit opinion issued
Queensland Health	Annual Prudential Compliance Statement for Queensland Health's aged care facilities that collect refundable deposits and accommodation bonds	31.10.2023	Qualified

Source: Queensland Audit Office.

Figure F3
Reasonable assurance financial report opinions issued

Entity	Title	Date opinion issued	Type of audit opinion issued
Queensland Reconstruction Authority	ASAE 3150 Assurance Practitioner's Report on the design of controls within the Queensland Reconstruction Authority's (QRA) Disaster Recovery Funding Arrangements Management System (the system) for estimated reconstruction costs (the controls), throughout the period 1 January 2022 to 31 December 2022 relevant to: <ul style="list-style-type: none"> the control objectives identified within the Disaster Recovery Funding Arrangements 2018 the QRA's description of its system the operating effectiveness of those controls. 	24.03.2023	Unmodified

Source: Queensland Audit Office.

Figure F4
Special purpose financial report opinions issued

Entity	Title	Date opinion issued	Type of audit opinion issued
Cairns Convention Centre	Special purpose financial report for consolidation into the Department of Energy and Public Works	29.08.2023	Unmodified – EOM
Department of State Development, Infrastructure, Local Government and Planning	Independent auditor's report for the purposes of fulfilling the reporting requirements under the <i>Commonwealth Local Government (Financial Assistance) Act 1995</i>	17.11.2023	Unmodified – EOM
Gold Coast Convention and Exhibition Centre	Special purpose financial report for consolidation into the Department of Energy and Public Works	28.09.2023	Unmodified
Queensland Health	National Health Funding Pool Queensland State Pool Account – the cash receipts from the Australian and Queensland governments to fund Queensland public health services	14.09.2023	Unmodified – EOM

Entity	Title	Date opinion issued	Type of audit opinion issued
Queensland Reconstruction Authority	Independent auditor's report for the purposes of fulfilling the reporting requirements of the National Disaster Relief and Recovery Arrangements Determination 2012 Version 2 and the Disaster Recovery Funding Arrangements 2018	24.03.2023	Unmodified – EOM
Queensland Tertiary Admissions Centre Limited	Independent auditor's report for the purposes of fulfilling the reporting requirements of the Provider Agreement in relation to the Administration of the Rural and Regional Enterprise Scholarships dated 17 November 2017	22.09.2023	Unmodified – EOM

Note: EOM – emphasis of matter. Report was not intended for other users.

Source: Queensland Audit Office.

Figure F5
Review report issued

Entity	Title	Date opinion issued	Type of audit opinion issued
Queensland Health	National Partnership on COVID-19 Response Private Hospital Data Report for the quarter ended 31 March 2021 – review engagement under ASRE 2405 Review of Historical Financial Information Other than a Financial Report*	26.09.2023	Unmodified
Queensland Health	National Partnership on COVID-19 Response Private Hospital Data Report for the quarter ended 30 June 2021 – review engagement under ASRE 2405 Review of Historical Financial Information Other than a Financial Report**	26.09.2023	Unmodified
Queensland Health	National Partnership on COVID-19 Response Private Hospital Data Report for the quarter ended 30 September 2021 – review engagement under ASRE 2405 Review of Historical Financial Information Other than a Financial Report**	28.09.2023	Unmodified
Queensland Health	National Partnership on COVID-19 Response Private Hospital Data Report for the quarter ended 31 December 2021 – review engagement under ASRE 2405 Review of Historical Financial Information Other than a Financial Report***	05.10.2023	Unmodified

Notes: Queensland Health is required to submit quarterly reports relating to private hospital financial viability payments to the administrator of the National Health Funding Pool. This scheme ended in September 2022. *Review report covers South East Queensland Hyperbaric Pty Ltd (Wesley Hyperbaric), St Andrew's Toowoomba Hospital, and The Uniting Church in Australia Property Trust (Queensland) represented by UnitingCare Health (4 facilities). **Review report covers South East Queensland Hyperbaric Pty Ltd (Wesley Hyperbaric) and The Uniting Church in Australia Property Trust (Queensland) represented by UnitingCare Health (4 facilities). ***Review report covers Friendly Society Private Hospital, South East Queensland Hyperbaric Pty Ltd (Wesley Hyperbaric), and The Uniting Church in Australia Property Trust (Queensland) represented by UnitingCare Health (4 facilities).

Source: Queensland Audit Office.

Regulatory information notices

The Australian Energy Regulator (AER) regulates the amount of income that distribution entities can earn. To monitor outcomes and prepare for future determinations, it uses regulatory information notices.

The AER issued new revenue determinations for Energex and Ergon (the distribution businesses of Energy Queensland) covering the 5-year regulatory control period from 2020–2025. These determinations have reset Energy Queensland's revenue allowance to the lowest level ever since the businesses became regulated.

For the year ended 30 June 2023, Energex and Ergon have completed a set of templates, along with a 'basis of preparation' that describes how each template has been prepared for submission. These notices are subject to an audit (if the information is based on *actual* data) or a review (if the information is based on *estimated* data).

Figure F6
Results of 2022–23 audits and reviews of Energex and Ergon annual regulatory notices

Type of information provided	Certification date	Type of report issued
Financial	31.10.2023 (Energex)	3 unmodified audit opinions 3 unmodified review conclusions
	31.10.2023 (Ergon)	3 unmodified audit opinions 3 unmodified review conclusions
Non-financial	31.10.2023 (Energex)	3 unmodified review conclusions
	31.10.2023 (Ergon)	3 unmodified review conclusions

Source: Queensland Audit Office.

Australian financial services licences

Energy sector entities are required to hold an Australian financial services licence if they enter into fixed-price contracts designed to manage the risk of fluctuating electricity prices. Queensland Investment Corporation (QIC) entities must hold a financial services licence to issue or manage financial products or deal in certain investments. These entities must meet the requirements set out in their licences. To confirm their compliance, these entities lodge forms annually with the Australian Securities and Investments Commission.

Figure F7
Results of 2022–23 audits of Australian financial services licences

Entity	Date opinion issued	Type of audit opinion issued
CleanCo Queensland Limited	29.08.2023	Unmodified
CS Energy Limited	10.10.2023	Unmodified
Ergon Energy Queensland Pty Ltd	02.10.2023	Unmodified
QIC Private Capital Pty Ltd	31.10.2023	Unmodified
QIC Active Retail Property Fund TT Company Pty Ltd	31.10.2023	Unmodified
QIC Australia Core Plus Fund TT Company Pty Ltd	31.10.2023	Unmodified
QIC Infrastructure Management No.2 Pty Ltd	31.10.2023	Unmodified

Entity	Date opinion issued	Type of audit opinion issued
QIC Infrastructure Management Pty Ltd	31.10.2023	Unmodified
QIC Investments No.1 Pty Ltd	31.10.2023	Unmodified
QIC Investments No.2 Pty Ltd	31.10.2023	Unmodified
QIC Investments No.3 Pty Ltd	31.10.2023	Unmodified
QIC Office Fund TT Company Pty Ltd	31.10.2023	Unmodified
QIC Property Fund TT Company Pty Ltd	31.10.2023	Unmodified
QIC Town Centre Fund TT Company Pty Ltd	31.10.2023	Unmodified
QIC Retail Pty Ltd	31.10.2023	Unmodified
Stanwell Corporation Limited	25.08.2023	Unmodified

Source: Queensland Audit Office.

Queensland whole-of-government audits

The *Financial Accountability Act 2009* requires the Treasurer to prepare annual consolidated financial statements for the Queensland Government reflecting the combined financial results for all state entities. The Act also requires the Treasurer to keep a ledger recording the amounts received into and paid out of the consolidated fund, which is the Queensland Government’s central bank account.

The Consolidated Fund Financial Report acquits these amounts each year. It also compares amounts provided to departments against the amounts approved by parliament.

Figure F8
Results of 2022–23 Queensland whole-of-government audits

Entity	Date opinion issued	Type of audit opinion issued
Queensland Government’s 2022–23 consolidated financial statements	17.10.2023	Unmodified
Consolidated Fund Financial Report	01.09.2023	Unmodified – EOM

Note: EOM – emphasis of matter, to highlight that the report was prepared on a cash basis.

Source: Queensland Audit Office.

Public reports of ministerial expenses

Ministers and assistant ministers have staff and resources to assist them in their duties. The Department of the Premier and Cabinet administers expenditure for ministerial offices and for the Office of the Leader of the Opposition.

The *Financial Accountability Act 2009* requires the Department of the Premier and Cabinet to prepare an annual public report of ministerial expenses. The Opposition Handbook also requires the Leader of the Opposition to prepare, and have audited, an annual report of expenses.



Figure F9
Results of 2022–23 audits of public reports of ministerial expenses

Entity	Date opinion issued	Type of audit opinion issued
Public Report of Ministerial Expenses	24.08.2023	Unmodified – EOM
Public Report of Office Expenses for the Office of the Leader of the Opposition	24.08.2023	Unmodified – EOM

Note: EOM – emphasis of matter, to highlight that reports are prepared for specific purposes, which are to fulfil responsibilities under the *Financial Accountability Act 2009* and the Opposition Handbook.

Source: Queensland Audit Office.



G. Entities exempted from audit by the Auditor-General

The Auditor-General approved exemptions from audit for the following entities.

Figure G1
Entities exempt from audit by the Auditor-General

Entity	Audit firm	Date audit opinion issued	Type of audit opinion issued
Small in size and low-risk entities exempt under section 30A of the Auditor-General Act 2009			
Mt Gravatt Showgrounds Trust ^{*1}	Vincent's Assurance and Risk Advisory	06.06.2023	Unmodified
Surveyors Board of Queensland ²	PKF Brisbane Audit	04.08.2023	Unmodified
The Board of Trustees of Newstead House ³	William Buck	31.08.2023	Unmodified
Foreign-based controlled entities exempt under section 32 of the Auditor-General Act 2009 – Controlled by Queensland Law Society Incorporated			
Lexon Insurance Pte Ltd ⁴	PWC Singapore	22.08.2023	Unmodified
Foreign-based controlled entities exempt under section 32 of the Auditor-General Act 2009 – Controlled by QIC Limited			
QIC European Investment Services Limited ⁵	KPMG	13.09.2023	Unmodified
QIC US Management Incorporated ⁵	KPMG	07.09.2023	Unmodified – EOM

Notes:

* Year-end date 30 April. EOM – emphasis of matter, to highlight that only certain accounting standards were used in the preparation of the report, and the report was not intended for other users.

¹ This entity is in the portfolio of the Minister for Tourism and Sport.

² This entity is in the portfolio of the Minister for Resources and Critical Minerals.

³ This entity is in the portfolio of the Minister for the Environment and the Great Barrier Reef and Minister for Science and Innovation.

⁴ This entity is in the portfolio of the Attorney-General and Minister for Justice and Minister for the Prevention of Domestic and Family Violence.

⁵ This entity is in the portfolio of the Deputy Premier, Treasurer and Minister for Trade and Investment.

Source: Queensland Audit Office.



H. Entities not preparing financial reports

For each state public sector company, other than government owned corporations, the board of directors considers the requirements of the *Corporations Act 2001* and the company's constitution to determine whether financial statements need to be prepared. The board must revisit the assessment every 3 years or whenever a significant change occurs.

When entities are part of a larger group and are secured by a deed of cross guarantee with other entities in that group (that they will cover their debts), the Australian Securities and Investments Commission allows them to not prepare a financial report. They appear in Figure H1 as 'deed of cross guarantee ASIC order'.

In addition, dormant or small companies that meet specific criteria under the *Corporations Act 2001* are not required to prepare financial statements. They appear in Figure H1 as 'dormant' or 'non-reporting'.

Accordingly, the Auditor-General will not issue audit opinions for the following controlled public sector entities for 2023, as they were not required to produce financial statements.

Figure H1
Entities not producing financial statements

Public sector entity	Reason for not preparing financial statements
Energy	
Controlled entities of CS Energy Limited	
Aberdare Collieries Pty Ltd	Deed of cross guarantee ASIC order
Callide Energy Pty Ltd	Deed of cross guarantee ASIC order
CS Energy Financial Services Pty Ltd (formerly CS Energy Group Operations Holdings Pty Ltd)	Deed of cross guarantee ASIC order
CS Energy Group Holdings Pty Ltd	Deed of cross guarantee ASIC order
CS Energy Kogan Creek Pty Ltd	Deed of cross guarantee ASIC order
CS Kogan (Australia) Pty Ltd	Deed of cross guarantee ASIC order
CSE BESS Pty Ltd	Deed of cross guarantee ASIC order
CSE H2 Operations Pty Ltd (formerly CS Energy Oxyfuel Pty Ltd)	Deed of cross guarantee ASIC order
CSE H2 Pty Ltd	Deed of cross guarantee ASIC order
Kogan Creek Power Pty Ltd	Deed of cross guarantee ASIC order
Kogan Creek Power Station Pty Ltd	Deed of cross guarantee ASIC order
T75 CS Energy Segregated Cell of White Rock Insurance (SAC) Ltd	Non-reporting

Public sector entity	Reason for not preparing financial statements
Controlled entities of Energy Queensland Limited	
Energex Limited	Deed of cross guarantee ASIC order
Ergon Energy Corporation Limited	Deed of cross guarantee ASIC order
Ergon Energy Telecommunications Pty Ltd	Non-reporting
Metering Dynamics Pty Ltd	Deed of cross guarantee ASIC order
SPARQ Solutions Pty Ltd	Deed of cross guarantee ASIC order
Varnsdorf Pty Ltd	Dormant
VH Operations Pty Ltd	Dormant
Controlled entities of Powerlink	
Copperstring 2.0 Electricity Transmission Corporation Pty Ltd	Non-reporting
Harold Street Holdings Pty Ltd	Non-reporting
Powerlink Transmission Services Pty Ltd	Non-reporting
Queensland Capacity Network Pty Ltd	Non-reporting
Controlled entities of Stanwell	
Glen Wilga Coal Pty Ltd	Dormant
Goondi Energy Pty Ltd	Dormant
Mica Creek Pty Ltd	Deed of cross guarantee ASIC order
SCL North West Pty Ltd	Deed of cross guarantee ASIC order
Stanwell Asset Maintenance Company Pty Ltd (formerly Energy Portfolio 1 Pty Ltd)	Deed of cross guarantee ASIC order
Stanwell Renewable Energy Pty Ltd	Deed of cross guarantee ASIC order
Tarong Energy Corporation Pty Ltd	Dormant
Tarong Fuel Pty Ltd	Deed of cross guarantee ASIC order
Tarong North Pty Ltd	Non-reporting
TEC Coal Pty Ltd	Deed of cross guarantee ASIC order
TN Power Pty Ltd	Deed of cross guarantee ASIC order
Wambo 2 Hold Co Pty Ltd	Deed of cross guarantee ASIC order
Wambo 2 Project Co Pty Ltd (trustee for Wambo 2 Project Trust)	Deed of cross guarantee ASIC order
Wambo 2 Project Trust	Non-reporting



Public sector entity	Reason for not preparing financial statements
Finance	
Entities managed by QIC Limited	
Capital Parking Pty Ltd	Non-reporting
CRR Albert Street Head Company Pty Ltd	Non-reporting
CRR Albert Street Pty Ltd	Non-reporting
CRR Boggo Road Head Company Pty Ltd	Non-reporting
CRR Boggo Road Pty Ltd	Non-reporting
Debt Retirement Trust – External Managers Trust	Non-reporting
Debt Retirement Trust – External Managers Trust No.2	Non-reporting
Enterprise Acceleration Fund	Non-reporting
National Injury Insurance Scheme, Queensland – External Managers Trust	Non-reporting
National Injury Insurance Scheme, Queensland – External Managers Trust No.2	Non-reporting
QBDF Pty Ltd	Dormant
QBF No. 1 Pty Ltd	Dormant
QBF No. 2 Pty Ltd	Dormant
QFF CRR Pty Ltd	Dormant
QFF QGRE Pty Ltd	Dormant
QFF Registry No.1 Pty Ltd	Non-reporting
QGIF Carry Rebate Trust	Non-reporting
QIC Asia Real Estate Investments Pty Ltd	Non-reporting
QIC Brisbane Airport Queensland Government Clients Trust	Non-reporting
QIC Business Development Fund	Non-reporting
QIC CM Pty Ltd	Dormant
QIC Corporate Holdings Pty Ltd	Dormant
QIC Corporate Holdings Trust	Dormant
QIC Corporate Management, Inc	Non-reporting
QIC Developments Pty Ltd	Dormant
QIC Hi Yield Pty Ltd	Dormant



Public sector entity	Reason for not preparing financial statements
QIC Infrastructure Management No. 3 Pty Ltd	Dormant
QIC Infrastructure Management No. 4 Pty Ltd	Dormant
QIC Initial Unitholder Pty Ltd	Non-reporting
QIC International Real Estate Investments Pty Ltd	Dormant
QIC Investment Holdings Pty Ltd	Dormant
QIC Investment Holdings Trust	Dormant
QIC Liquid Alternatives External Managers Trust – Defensive (Government Clients)	Non-reporting
QIC Liquid Alternatives External Managers Trust – Growth Government Clients	Non-reporting
QIC Liquid Alternatives Fund – Government Clients	Non-reporting
QIC Listed Equities Fund	Non-reporting
QIC Listed Real Estate Fund	Non-reporting
QIC Non-Member Manager LLC	Non-reporting
QIC North America Investments Pty Ltd	Dormant
QIC North Asia Real Estate Investment Pty Ltd	Dormant
QIC NZ Power Trust No. 3	Non-reporting
QIC NZ Power Trust No. 4	Non-reporting
QIC Office Fund TST Company Pty Ltd	Non-reporting
QIC Private Equity Fund (DF)	Non-reporting
QIC Private Equity Fund (W)	Non-reporting
QIC Property Management Pty Ltd	Dormant
QIC Real Estate Pty Ltd	Dormant
QIC Retail (No. 2) Pty Ltd	Dormant
QIC UK No. 1 Holding Limited	Dormant
QIDP GP1 S.á r.l.	Non-reporting
QLQ Real Property Holding Trust	Non-reporting
QPC Investments No. 1 Pty Ltd	Dormant
Queensland BioCapital Funds Pty Ltd	Dormant
Queensland Motorways Properties Pty Ltd	Dormant



Public sector entity	Reason for not preparing financial statements
Strategic Asset Investment Fund	Non-reporting
Strategic Asset Investment Fund (Unlisted No.1)	Non-reporting
TIF3 Pty Ltd	Dormant
Virgin Holding Trust	Dormant
Ports	
Controlled entities of Gladstone Ports Corporation Limited	
Gladstone Marine Pilot Services Pty Ltd	Non-reporting
Controlled entities of North Queensland Bulk Ports Limited	
Mackay Ports Limited	Dormant
Ports Corporation of Queensland Limited	Dormant
Rail	
Controlled entities of Queensland Rail Limited	
On Track Insurance Pty Ltd	Dormant
Water	
Controlled entities of Northern SEQ Distributor-Retailer Authority (trading as Unitywater)	
Unitywater Properties Pty Ltd	Non-reporting
Unitywater Properties No. 2 Pty Ltd	Non-reporting
Headworks Australia Pty Ltd	Non-reporting
WTCC Pty Ltd	Non-reporting
Controlled entities of Sunwater Limited	
Burnett Water Pty Ltd	Deed of cross guarantee ASIC order
Eungella Water Pipeline Pty Ltd	Deed of cross guarantee ASIC order
North West Queensland Water Pipeline Pty Ltd	Deed of cross guarantee ASIC order
Other	
Controlled entities of Queensland Treasury Holdings Pty Ltd	
Network Infrastructure Company Pty Ltd	Dormant
Queensland Airport Holdings (Cairns) Pty Ltd	Dormant
Queensland Airport Holdings (Mackay) Pty Ltd	Dormant

Public sector entity	Reason for not preparing financial statements
Controlled entities of The Council of the Queensland Institute of Medical Research	
Cyteph Pty Ltd	Non-reporting
Fovero Therapeutics Pty Ltd (formerly A.C.N. 653 473 397 Pty Ltd)	Non-reporting
genomiQa Pty Ltd	Non-reporting
Q-Gen Pty Limited	Dormant
Vaccine Solutions Pty Ltd	Non-reporting
Other	
Queensland Trade and Investment Office Pty Ltd (controlled by Trade and Investment Queensland)	Dormant
Sunshine Coast Racing Pty Ltd (controlled by Racing Queensland Board)	Non-reporting

Source: Queensland Audit Office.



I. Audit opinions not yet issued

Audit opinions for the following entities had not been issued when this report was tabled.

Figure I1
Audit opinions not yet issued

Entity	Financial year
Bollon South Water Authority	2022–23
Burdekin Shire Rivers Improvement Trust	
Cassowary Coast River Improvement Trust	
Eugun Bore Water Authority	
Herbert River Improvement Trust	
QIC US Regional Mall Fund No. 1*	
QIC US Regional Mall Fund No. 2*	
Bollon South Water Authority	2021–22
Burdekin Shire Rivers Improvement Trust	
Eugun Bore Water Authority	
Herbert River Improvement Trust	
Bollon South Water Authority	2020–21
Burdekin Shire Rivers Improvement Trust	
Eugun Bore Water Authority	
Herbert River Improvement Trust	
Bollon South Water Authority	2019–20
Burdekin Shire Rivers Improvement Trust	
Eugun Bore Water Authority	
Herbert River Improvement Trust	
Burdekin Shire Rivers Improvement Trust	2018–19
Eugun Bore Water Authority	
Burdekin Shire Rivers Improvement Trust	2017–18
Eugun Bore Water Authority	
Eugun Bore Water Authority	2016–17
Eugun Bore Water Authority	2015–16

Note: *This entity has a financial year end of 31 December.

Source: Queensland Audit Office.



J. Audit opinions issued for prior financial years

The following table contains the audit opinions issued for prior financial years that were not finalised when we issued *State entities 2022* (Report 11: 2022–23).

Figure J1
Audit opinions issued for prior financial years

Entity	Legislative deadline	Date audit opinion issued	Type of audit opinion issued
Bollon South Water Authority	31.08.2019	30.01.2024	Qualified
Bollon South Water Authority	31.08.2018	12.09.2023	Qualified
Bollon South Water Authority	31.08.2017	24.05.2023	Qualified
Bollon West Water Authority	31.08.2022	03.04.2023	Qualified
Cassowary Coast River Improvement Trust	31.08.2022	13.03.2023	Unmodified
genomiQa Pty Ltd (controlled by The Council of the Queensland Institute of Medical Research)	31.10.2022	19.04.2023	Unmodified – EOM and EOM*
Herbert River Improvement Trust	31.08.2019	17.07.2023	Unmodified
Herbert River Improvement Trust	31.08.2018	30.03.2023	Unmodified
Roadvale Water Board	31.08.2022	23.03.2023	Unmodified
Sunshine Coast Health Institute*	–	28.03.2023	Unmodified – EOM

Note: *This entity has a financial year end of 31 December. EOM – emphasis of matter, relating to material uncertainty as to whether the entity will be able to pay its debts as and when they fall due. EOM* – emphasis of matter, to highlight that only certain accounting standards were used in the preparation of the report, and the report was not intended for other users.

Source: *Queensland Audit Office*.





qao.qld.gov.au/reports-resources/reports-parliament

qao.qld.gov.au/contact-us

T: (07) 3149 6000
E: qao@qao.qld.gov.au
W: www.qao.qld.gov.au
53 Albert Street, Brisbane Qld 4000
PO Box 15396, City East Qld 4002