

Report on a page

This report summarises the audit results of Queensland’s 77 local government entities (councils) and the entities they control.

Financial statements for the sector are reliable

All councils had clean audit opinions, and their financial statements can be relied upon. This year, 63 councils (2023–24: 64 councils) had their financial statements completed by the statutory deadline of 31 October 2025.

Financial statements support the accountability and transparency of councils and allow for the comparison of Queensland councils with each other and other jurisdictions. They are comparable because all jurisdictions apply the same Australian accounting standards. Any change to the application of these standards needs to be carefully considered as it will reduce the comparability of council performance.

This year, councils improved the way they account for found and contributed assets, with fewer historical errors needing correction. Asset accounting and valuations still need improvement.

Access to skilled staff is a key driver for timely reporting

Councils’ financial statements are due for completion by the end of October each year. Around two-thirds of entities complete their financial statements just in time for that deadline or miss the deadline.

In preparing their financial statements, councils undertake checks and processes to ensure that the transactions and balances are complete and accurate. If a council does not have access to qualified and experienced staff, financial statements are more likely to contain errors and take longer to prepare and audit.

Continued focus needed to prevent fraud

In the past 2 years, 2 councils lost approximately \$5 million as a result of inappropriately changing vendor bank account details. The sophistication of approaches by fraud perpetrators has increased, but the controls to protect vendor details should be effective. Independent validation of vendor and employee bank account changes is the critical control. All councils should regularly check their processes to protect these details.

There was multi-year former employee fraud within a controlled entity of a council.

Information systems and spending controls need attention

In 2024–25, there were 263 significant internal control deficiencies that were either new or unresolved – the highest number of high risk matters we have found in the sector in the last 5 financial years.

Controls relating to information systems, procurement, contract management, governance, and risk management need attention.

Changes in executive contract termination clauses

Standard terms and conditions are not used for executive contracts across the sector. There are significant differences in termination entitlements, which for chief executives vary from between 1 month and 12 months’ salary. Entitlements need to balance equity for the individual and appropriate use of public funds.

Each council should ensure that there is adequate oversight of contracts. The Department of Local Government, Water and Volunteers should provide guidance to the sector on chief executive contracts to ensure their adequacy and appropriateness.

