

Report on a page

This report summarises the audit results of 241 Queensland state government entities, including the 22 core government departments. In this report, we also provide an overview of the ports and water sectors, entities and their results, major transactions, and activities in 2024–25.

Most entities' financial statements are reliable

Most state entities' 2024–25 financial statements are reliable and comply with relevant laws and standards. The Auditor-General qualified the audit opinion for the Queensland Police Service's financial statements because it did not obtain the necessary approvals prior to entering a \$116 million long-term lease arrangement.

From 2025–26, 9 Queensland Government corporations will commence sustainability reporting. This is the start of phased in reporting and auditing, which is required by the *Corporations Act 2001*. The reports will include information on the corporations' climate-related governance, risks and opportunities, and emissions data.

Internal controls are generally effective, but core payroll and expenditure controls require attention

The systems and processes (internal controls) entities have in place to support reliable financial reporting are generally effective. Because they are so significant, we covered information systems controls in a separate report called *Information systems 2025* (Report 6: 2025–26).

There has been increased turnover of board chairs and chief and senior executives, including directors-general. Effective attention to change ensures that benefits are achieved and helps to manage risks associated with continuity, culture, and operational impact.

All entities should ensure that core payroll and expenditure controls, such as separation of duties, review of pay runs, and reconciliations, are operating effectively and are supported by up-to-date procedures.

Entities that have strong controls reduce their exposure to fraud and error. Vendor-related frauds continue to occur in the public sector. Focus is needed to ensure that controls, such as independently checking the source of requests to change bank accounts, are in place.

Some entities continue to use non-disclosure agreements combined with ex-gratia payments for exiting employees. There are risks related to these arrangements when they are used frequently and without adequate policies and oversight.

Results of our focus on procurement activities

This year, we focused on internal controls for procurement activities and found deficiencies that require attention. Effective procurement processes facilitate value for money and integrity of decision making.

We recommended to entities that they improve:

- conflict of interest management, ensuring that conflicts are identified and managed
- governance and management of procurement processes
- contract oversight and management
- accuracy of information published on the Open Data Portal.

