

F. Financial statement preparation maturity model 2019

The Queensland Audit Office has developed a financial statement preparation maturity model, which will replace our previous assessment processes from 2019–20 on. The model can be adapted for entities of different sizes and circumstances, and it responds to client-specific factors that influence reporting practices across the public sector.

The model enables entities to set their target maturity level and focus on key areas for development. It also facilitates the sharing of better practices across the public sector.

The model builds on our previous financial reporting assessment processes, fact sheets, and reports to entities and parliament. It outlines the components that result in high-quality and timely financial reports and provides a maturity assessment for each component.

Component	Level of maturity			
	Developing	Established	Integrated	Optimised
Quality month end processes and reporting				
Early financial statement close processes				
Skilled financial statement preparation processes and use of appropriate technology				
Timely identification and resolution of financial reporting matters				

Entities should set the level of maturity that reflects their size, complexity, age, and structure.

QAO does not expect that all entities will sit in the integrated and optimised categories or always aim to be in those categories. The cost of moving categories should always be considered in the context of the benefits provided.

Entities should establish an expectation of maturity that is appropriate for their business. The desired positioning of maturity will differ depending on the size, complexity, and available resources of each entity.

We encourage entities to perform a self-assessment to determine their expected level of maturity and benchmark their actual level of maturity against that.

Our reporting on the results

A model that involves principle-based assessment involves a level of judgement. We recognise that we will need to discuss our judgements with entities and consider entities' self-assessments.

The outcomes of assessments will be reported to those charged with governance in our management letters and closing report. We will continue to report deficiencies and significant deficiencies in internal controls and financial reporting processes. We will choose where we report these matters, depending on their magnitude and potential impact.

Any themes emerging across the public sector, including better practices, may also be included in reports to parliament.

