

## B. About the Auditor-General's insights

Audit committees oversee the design and implementation of an entity's governance arrangements, risk management, financial reporting and internal controls. These functions are key pillars in ensuring entities are efficient, effective, and economical. If audit committees are not effective, entities may face an increase in their uncontrolled risk, and an inability to ensure an effective and transparent internal control environment. This can erode their performance and public trust.

Figure 6B1 summarises the structure of this report, which focuses on the fundamental elements an audit committee should continuously reassess as it performs and refines its role over time.

**Figure 6B1**  
**Fundamental elements of an effective audit committee**



Source: Queensland Audit Office.

Queensland's Financial and Performance Management Standard 2019 requires all government departments to establish an audit committee, whereas it is not mandatory for statutory bodies. A state government entity that establishes an audit committee must have regard to Queensland Treasury's *Audit Committee Guidelines: Improving Accountability and Performance*.

For this report, we collected information through a survey of the chairs of 92 audit committees (receiving 74 responses), conducting interviews with selected entities, and analysing information gathered when conducting our financial audits. Our approach helped us gain an understanding of the makeup, skills, structures and investment in audit committees across Queensland and informed our observations of better practice and suggested improvement opportunities.

This report will help Queensland's public sector entities improve the consistency and performance of their audit committees to improve the assurance they provide to their chief executive officers and statutory body boards.

From a total population of 92 departments and statutory bodies, we collected information about public sector audit committees through

- a survey sent to 73 individuals that serve as chair to 92 entities' audit committees. We received responses from 59 individuals covering 74 entities.
- analysis of a selection of 29 entities' audit committee charters and meeting minutes.

We also conducted interviews with

- 14 audit committee chairs covering 16 statutory bodies and 14 departments
- seven heads of internal audit covering three statutory bodies and four departments
- three directors-general and one chief executive officer.

