

Report on a page

This report summarises the audit results of 229 Queensland state government entities, including the 21 core government departments.

Financial statements are reliable

The financial statements of all departments, government owned corporations, most statutory bodies, and the entities they control are reliable and comply with relevant laws and standards.

Delays in financial statements being made public

There are continued delays between when financial statements are signed as audited and when they are released publicly through the tabling of annual reports. Most annual reports were tabled just in time to meet the legislative deadline – on average over a month after the financial statements were signed. In the health portfolio, most annual reports were tabled almost 3 months after the financial statements were signed. This was after the minister extended the tabling period, on the department's recommendation.

Queensland Treasury's action to our recommendation from last year has not improved the timeliness of financial statements being made public. Ongoing delays in tabling annual reports reduce the ability of parliament and the public to meaningfully assess the financial performance of public sector entities and contribute to less trust in the integrity of government.

Restructuring is a distraction and comes at a cost

Seventeen departments were restructured as part of the machinery of government changes announced on 12 November 2020. These restructures are an accepted practice of government, with many functions moved over the past 10 years. This creates confusion when trying to compare financial and performance information for departments over time. The costs of implementing significant restructures are both direct and indirect. It takes many months to transfer finance and payroll systems to match the restructured departments. Many departments continue to operate on multiple networks, and have not yet established consistent financial policies, approval processes or risk management practices. These changes are a distraction for entities, reducing their ability to continuously improve their systems and processes.

Rapid response led to weaknesses in internal controls

The Queensland Rural and Industry Development Authority (QRIDA) administered the delivery of the COVID-19 Jobs Support Loan Scheme in 2019–20 as part of the Queensland Government's *Economic Recovery Plan*. QRIDA was temporarily expanded for this purpose. The rapid response caused some breakdowns in its systems and processes (internal controls). Entities experiencing rapid growth need to review the strength of their internal controls and ensure they can address the increased risk.

Same weaknesses in internal controls as last year

The internal controls entities have in place are generally effective, but the same common weaknesses have arisen over the last 2 years. These include entities not securing their information systems, checking changes to supplier details or reviewing payroll reports. Entities also need to ensure there are clear policies and manuals for payroll and procurement processes, and that grants are approved by people with the appropriate financial delegations. These actions will help to prevent fraud and accidental overpayments and ensure value for money is achieved.

