

# Report on a page

---

This report summarises the audit results of 253 Queensland state government entities, including the 20 core government departments. It also analyses the consolidated financial performance of the Queensland Government (referred to as the 'total state sector') for 2021–22.

## 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. However, ongoing delays in the tabling of annual reports mean the financial statements of departments and statutory bodies are dated and less relevant by the time they are released to the public.

## The state's financial performance has improved due to market conditions

---

In 2021–22, the total state sector reported a net operating surplus of \$1.3 billion (2020–21: a deficit of \$3.2 billion). The improved financial performance of the state was due to market conditions that resulted in significant increases in revenue of \$13.8 billion (19 per cent), including:

- royalty revenue (from the extraction of minerals), due to higher coal prices
- stamp duty, driven by a strong residential property market and an increase in the number of property sales at higher prices
- payroll tax, due to growth in employment and wages.

Demand for public services is growing, particularly in the areas of health, education, child protection, and domestic and family violence. The cost to deliver these services is also increasing. Overall, total state sector expenses increased by \$9.2 billion (12.2 per cent) in 2021–22.

The state reported an increase of \$54.1 billion (27 per cent) in its net assets in 2021–22. This was largely driven by spending on new assets (like roads) and increases in the value of existing assets (like land). Investments also increased, with some of the higher-than-expected royalty revenues being invested in long-term assets.

## Entities continue to have common weaknesses and are not resolving them in a timely manner

---

The internal controls (people, systems, and processes) entities have in place are generally effective, but the same common weaknesses continue. These include entities not:

- securing their information systems
- reviewing payroll reports and consistently approving employee transactions
- monitoring their procurement and contract management processes.

Some of these weaknesses require immediate action by management.

Over a quarter of deficiencies raised with departments in 2020–21 were not resolved in accordance with agreed time frames. This exposes the departments to a higher risk of operational failures, non-compliance, fraud, or error. Independent audit committees can play a critical role in holding management to account and overseeing the implementation of audit recommendations.

