

QUEENSLAND AUDIT OFFICE

# Annual report 2022–23

*Better public services*

## About this report

This report covers the activities of the Queensland Audit Office for 1 July 2022 to 30 June 2023. It provides a comprehensive view of how we operate to create value, and reports against our published strategy and performance measures.

The general purpose financial statements within this report were prepared in accordance with Australian accounting standards and interpretations, the Treasurer's minimum reporting requirements, and other authoritative pronouncements.

The report is available online at: [www.qao.qld.gov.au/about-us/our-annual-report-transparency-report](http://www.qao.qld.gov.au/about-us/our-annual-report-transparency-report)

### Accessibility



We are committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty understanding this report, you can contact us on (07) 3149 6000 and we will arrange an interpreter to effectively communicate the report to you.

31 July 2023

The Honourable A Palaszczuk MP  
Premier and Minister for Trade  
Level 40  
1 William Street  
BRISBANE QLD 4000

Dear Premier

### Queensland Audit Office Annual report 2022–23

I am pleased to present the *Annual report 2022–23* for the Queensland Audit Office. I submitted this report to the Department of the Premier and Cabinet on 31 July 2023.

I certify that this annual report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2019
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual report requirements can be found at Appendix E of the report.

Yours sincerely,

Karen Johnson  
Acting Auditor-General

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## Acknowledgement

The Queensland Audit Office acknowledges the Traditional and Cultural Custodians of the lands, waters, and seas across Queensland. We pay our respects to Elders past, present, and emerging.

We use the term 'First Nations people' in this report. We respect First Nations people's choice to describe their cultural identity using other terms, such as Aboriginal and Torres Strait Islander peoples, particular peoples, or by using traditional place names.

# Auditor-General's foreword

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It has been my privilege to lead the Queensland Audit Office (QAO) over the past 6 years, with this annual report being my last before my tenure ends in July 2024. There is much to reflect on. First and foremost, I thank our people in all roles, including our contracted audit service providers, for their outstanding support and unyielding commitment. I have been proud to work with such highly skilled experts in their field, who care deeply about bettering public services for Queenslanders.

The COVID-19 pandemic ran from 29 January 2020 to 31 October 2022 – almost 3 years of my term. Changes to how people work had a profound impact on all organisations, and I pay tribute to our staff for their exemplary diligence. They continually adapted to uncertainty to deliver high-quality client services. When the first lockdown was concluding in mid-2020, we quickly moved to a hybrid operating model with 3 workplaces: QAO's office; client offices; and home. This operating model continues successfully to this day.

Our relationships have been at the core of our strategy. I joined QAO knowing we were more likely to influence performance improvement if we understood the unique environments that the diverse public sector and local government entities work in. This led me to meeting with 695 clients and stakeholders throughout Queensland, including in-person meetings with 66 of the state's 77 councils. I appreciate the time these dedicated Queenslanders took to meet with me and share feedback.

Supporting parliament is imperative for us achieving our vision of better public services – by meeting its needs, we better meet those of the public. Parliamentary committee scrutiny of entity performance is particularly important in Queensland, given the state's unicameral system of government. Over the years, we have examined how we engage with committees, including implementing new ways of providing deeper and timelier advice, such as via our status of recommendations report and interactive dashboard. Since July 2017, I have provided 355 recommendations for service improvement across 101 reports to parliament.

In operating as 'OneQAO', we aimed to deliver more consistent services to our clients. We have shared our knowledge across our office, and with industry and our peers, ultimately increasing our collective capability. How we plan our audit program is one example. We analysed the insights we gathered from our work across all our clients to identify strategic risk, and responded to matters that have long-term implications for Queenslanders. We have also shared better practice for all entities via our blogs, fact sheets, guides, and events. The value of our services has been recognised in our independent surveys, where we have continued to build on high satisfaction scores from members of parliament, our audit clients, and audit committee chairs.

The role of Auditor-General and our office must remain relevant, meaning we must continuously evolve and look for ways to improve. We launched initiatives to keep pace with technological and industry developments, such as updating our audit software and methodologies. I highlight our data analytics project, which is affording greater efficiencies for our staff and rich insights for our clients and the community.

Upholding our values and ethical and quality standards is ingrained in how we operate, and we make our expectations clear to our people, including our audit service providers. This year, we responded to recent issues related to integrity and ethics in the accounting profession by reviewing our procurement and contracting arrangements and reminding providers about requirements under the *Auditor-General Act 2009* and our policies.

Over time, the state's audit office has fought for strengthened independence. Changes started 36 years ago, when the 1987 Fitzgerald Inquiry investigated the activities of ministers and members of the police service. This led to the Electoral and Administrative Review Commission (EARC), which, among other matters, looked at public sector auditing arrangements. Both inquiries and their outcomes played a pivotal role in shaping the subsequent direction of our office, with the Department of the Auditor-General becoming the Queensland Audit Office in 1993.

Subsequent strategic reviews of QAO, and Professor Coaldrake's 2022 review, recommended our independence be enhanced and better protected from possible influence from government. We await further, crucial action following tabling of the Integrity and Other Legislation Amendment Bill 2023 in parliament in June. I look forward to the full and timely implementation of Professor Coaldrake's recommendations.

There are too many personal highlights to capture here. In March 2023, I was honoured to be the first Auditor-General made an officer of the parliament in our 162-year history. It was fitting in recognition of the efforts of all auditors-general over many years in promoting and safeguarding the public's interest.

I now look forward to what the future holds for our people and for the office's services to Queensland. Thank you to our staff, clients, and stakeholders, past and present, for placing your trust in me.

Brendan Worrall  
Auditor-General

# Report on a page

## OneQAO team

- 182.25 full-time equivalent employees. 55 per cent are women and 29 per cent are culturally or linguistically diverse. 79 per cent of our audit employees hold professional audit qualifications or are currently studying towards theirs.
- 93 per cent of our surveyed employees understand the value QAO delivers
- The Auditor-General appointed as an officer of the parliament for the first time in 162 years
- We provided 61 training hours per auditor and 10 staff received CA or CPA qualifications
- We celebrated the 30th anniversary of the modern QAO

## Our service delivery and engagement

- Formed 414 audit opinions on public sector and local government financial statements
- Gave 10 briefings to parliamentary committees on our reports to parliament, services, and performance
- 11.9 months (average) to produce reports for our performance and assurance audits, above our target of 9 months
- \$320,000 average cost of reports on our performance and assurance audits, under our target of \$395,000
- Applied our knowledge and insights from our work across entities to our forward work planning
- Received 83 index points from our surveyed audit clients for their overall satisfaction – exceeding our target of 80 points and up from 82 points in 2021–22
- Tabled 18 reports to parliament, containing 82 recommendations on performance improvement
- 97 per cent of surveyed members of parliament were satisfied with QAO’s reports and services, exceeding our target of 80 per cent and our previous result of 89 per cent
- 8.4 months (average) to produce reports on our financial audits, above our target of 6 months
- \$151,000 average costs of reports on our financial audits, above our target of \$130,000
- Finalised 83 requests for audit – 12 weeks faster than last year.
- 98 per cent of surveyed audit committee chairs were satisfied overall with our services, on par with the result in our previous 2021 survey

## Our financial performance

- We remain financially sustainable, reflecting our focus on driving efficiency and improving how we manage our operations, while grappling with employee resource fluctuations
- overall income from continuing operations: \$49.579 million
- total expenses from continuing operations: \$48.397 million

## The impact from our work

- Received the Australasian Council of Auditors-General (ACAG) excellence award for our report on *Delivering social housing services* — winning the excellence award 2 years in a row
- Parliamentary committees supported the recommendations in our reports and sought future follow-up on their implementation
- 74,279 views of our reports to parliament on our website
- Reported to parliament on 56 entities’ self-assessed updates on their implementation of 454 recommendations
- Contributed to the Commission of Inquiry into Forensic DNA Testing, and the independent Women’s Safety and Justice Taskforce
- 30,658 views of our blog, fact sheets, and better practice guides, including maturity models

# 1. Our services to Queensland

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The Auditor-General, supported by QAO, is parliament’s independent auditor of all Queensland’s state and local government public sector entities. QAO is respected as one of Queensland’s integrity bodies.

The *Auditor-General Act 2009* (the Act) provides the legal basis for QAO’s access to information and the freedom to report the findings from our audits. The Act promotes the independence of the Auditor-General and our auditors.

On 1 March 2023, the Queensland Auditor-General became an officer of the parliament for the first time in our 162-year history.

<b>Our work</b>	<p><b>Our purpose is independent, valued assurance and insights.</b></p> <p><b>Our vision is for better public services.</b></p> <p>To achieve this, we:</p> <ul style="list-style-type: none"> <li>• provide professional audit services, which include our audit opinions on the accuracy and reliability of the financial statements of public sector entities, including local governments</li> <li>• provide entities with insights on their financial performance, risk, and internal controls; and on the efficiency, effectiveness, and economy of public service delivery</li> <li>• produce reports to parliament on the results of our audit work, insights, and advice; and provide recommendations for improvement</li> <li>• support our reports with graphics, tables, and other visualisations, which connect our insights to regions and communities</li> <li>• conduct investigations into claims of financial waste and mismanagement raised by elected members, state and local government employees, and the public</li> <li>• share wider learnings and best practice from our work with state and local government entities, our professional networks, industry, and peers.</li> </ul>
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<b>Outcomes from our work</b>	<p><b>Our services are centred on the positive outcomes we can achieve and the impact we can have on the delivery of public services for Queensland.</b></p> <p>The outcomes we aim for are:</p> <ul style="list-style-type: none"> <li>• improving public sector and local government financial management and reporting</li> <li>• maintaining confidence in financial accountability, transparency, and reporting</li> <li>• supporting Queenslanders by providing recommendations to our clients on how they can improve their delivery of public services</li> <li>• giving parliament independent assurance over the performance of the public sector.</li> </ul>
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## Strategic plan 2021–2025

Our strategic plan, revised annually, aligns our services with how we work together as one team towards our vision and purpose. The plan is informed by our operational and workforce planning, our forward work plan, and our service delivery statement (SDS), which provides budgeted financial and non-financial information and establishes targets for our performance. The plan reflects the strategic risks that may prevent us achieving our objectives and we discuss how we address our risks throughout this annual report.

**Vision:** Better public services

**Purpose:** Independent, valued assurance and insights

**Who we serve:** Queenslanders, through parliament, public sector entities, and local governments.

### Approach:

Objectives	Strategic risks	Strategies	Indicators of achievement
We support and inspire our people, which includes our contracted audit service providers, to best serve parliament and our clients.	We do not attract and retain the right people who uphold our values and our ethical and quality standards.	Attract and retain our people, to meet parliament and our clients' assurance expectations.	Our people are capable, uphold our standards, and feel respected and valued.
Those we serve trust and value our independent services and insights.	We do not maintain valued relationships nor adapt our services to meet changing needs.	Build trust in our relationships through listening and tailoring our response.	Our relationships and independence are valued.
We use contemporary auditing practices to deliver independent services that are used to improve accountability and performance.	We do not sufficiently use our technology to better understand our clients and deliver services that are valued.	Using data driven solutions to enhance our assurance, and insights to provide greater value.	Parliament and our clients benefit from our independent assurance services and the insights we provide.

## How we manage risk

QAO's risk management framework sets out our risk appetite and tolerance, and how we measure our risk culture. Our approach is supported by policy, various procedures and guidelines, and regular reporting against risk registers. Our approach reflects the key steps in the international standard: ISO 31000:2018.

QAO promotes an open, positive, and proactive approach to managing risk. We consider both threats and opportunities as part of our annual and operational planning, and actively manage them. We assess our risks at the strategic level, as described in our strategic plan, and at the operational level. The potential causes of operational risk for QAO include:

- risks to the quality of our audit services, such as disruption to our services, capacity of our workforce, or our use of the right audit tools
- risks to data governance, such as security of the data we use for our audits and our use of the right technology
- risks for our people and safety, such as our staff being hurt or exposed to unsafe work practices
- business risks, such as fraud and non-compliance with legislative or professional requirements.

The Auditor-General is accountable for risk management at QAO. Our entire workforce, including our audit service providers, are responsible for identifying, assessing, and managing risk. The ongoing risk conversations we hold with our people improve our ability to respond quickly and appropriately.

Responsibility for promoting effective risk governance is shared between the Head of Internal Audit and the Chief Financial Officer (Assistant Auditor-General – Audit Practice).

## An overview of our relationships

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### Our clients

Our clients are all of Queensland's state and local government entities, which we audit each year. This includes all departments, government owned corporations, statutory bodies, controlled entities, and the state's 77 councils. Through our audit work and day-to-day engagement, we give them performance advice about issues they may not be able to see themselves. We continuously seek to understand the challenges they face and the unique environments they operate in.

Queensland Parliament is our client, as we provide it with independent assurance over public sector performance. It provides our office with appropriation to report on the results of our audits and to support it in its scrutiny and oversight. Parliamentarians provide input into our selection of audit topics as they reflect on, or represent, matters the public is interested in.

Chapter 3 of this annual report provides detail on our service delivery for our audit clients and parliament.

### Our network

Our relationships across industry and with our peers provide avenues for sharing best practice and learning.

The Auditor-General is a member of the Australasian Council of Auditors-General (ACAG), alongside other Australian offices, New Zealand, Papua New Guinea, and Fiji. ACAG's objective is to strengthen public sector audit in Australasia through leadership, collaboration, and advocacy. We work closely with it through committee meetings, discussion papers, by contributing to audit standard-setting boards, and through annual benchmarking and peer reviews. We share insights from how we do our work, such as our data analytics project.

We also engage internationally with audit offices to share knowledge. This year, QAO's Auditor-General had the honour of attending the Canadian Council of Legislative Auditors (CCOLA) Performance Audit Symposium in Toronto, where Auditors-General from around the globe discussed comparable matters facing public service delivery. QAO's Auditor-General shared insights from our health-related audits as a panel presenter.

We regularly engage with other Queensland integrity bodies as relevant to our investigations and permissible under legislation.

We contribute to work programs or sit on project advisory boards for the Australian Accounting Standards Board (AASB) and Auditing and Assurance Standards Board (AuASB). We liaise on a range of matters that impact our public sector clients and the audit profession, for example, on valuing infrastructure or managing audit quality. Queensland Treasury has a key role in guiding whole-of-government accounting matters, so we also work closely with it to clarify and provide advice.

We are actively involved in the work of the professional accounting bodies in Australia: CPA Australia, and Chartered Accountants (CA) and New Zealand (CA ANZ). Our audit staff obtain professional qualifications and attend or present at these bodies' knowledge-sharing and learning and development events.

We have a strong relationship with the Local Government Finance Professionals (LGFP) association. We often work with the LGFP on developing guidelines for local governments, alongside the Department of State Development, Infrastructure, Local Government and Planning. We also work with the LGFP on accounting papers and deliver presentations at its sector conferences in support of shared aims for performance improvement and collaboration.

The Queensland community is the reason for our service. From our selection of audit topics to striving towards our vision of better public services, we aim to improve the services they use. We engage with community and interest groups during our audit work, and we welcome contributions to our audits.

By using plain language in our reports to parliament and providing user-focused interactive dashboards, we aim to make our insights easy to understand and engaging.



## 2. How we managed, developed, and engaged our workforce

**Objective:** We support and inspire our people, including our contracted audit service providers, to best serve parliament and our clients.

**Risk:** We do not attract, grow, and retain the right people to uphold our values, and ethical and quality standards.

**Indicators of achievement:** Our people are capable, engaged and valued.

- **182.25** full-time equivalent employees, of which **29** per cent are culturally and linguistically diverse.
- **55 per cent** of our staff are women and **32** per cent of our leadership roles are filled by women.
- **79 per cent** of our audit staff have professional audit qualifications or are studying towards theirs.
- **15** audit service providers helped deliver our work – 42 per cent of our audits.
- **15** new graduates and **4** undergraduates joined our team.
- **61** training hours per person, and **10** staff received their professional qualifications.
- **93 per cent** of our surveyed employees understand the value QAO delivers for Queensland.

### Our OneQAO team

We aim to represent the community we serve, and greatly value the diverse perspectives and experiences that our people bring to our workplace. By seeking diversity, we benefit from a broader range of skills, increased productivity, smart decision-making, engaged teams, and, overall, an enjoyable place to work.

Our workforce comprises 182.25 full-time equivalent employees, with 29 per cent who are culturally and linguistically diverse. Fifty-five per cent are women – and 32 per cent of them are in leadership roles. Three per cent of our people identify as having a disability. We represent a wide range of age demographics, and our staff bring broad work and life experiences to our team. As at 30 June 2023, our number of full-time employees includes 7 staff who are on paid long-term leave.

Our graduate program remains a key source of talent for our future workforce, as we welcomed 15 graduates and 4 undergraduates from across Australia to our team.

Our contracted audit service providers are a key part of our workforce. They help us to efficiently deliver our audit services across Queensland, particularly in more regional or remote areas, where they have local knowledge or can more easily travel. This year, 15 audit service providers supported us in delivering 42 per cent of our audit opinions.

Our OneQAO approach means we view our workforce as one team – we deliver our client services seamlessly and consistently, support each other, and share expertise.

For International Women’s Day, John C., Senior Manager, shared his thoughts on this year’s theme of #EmbraceEquity:

*‘Through equity we can achieve equality. Every day at QAO we are supporting and lifting women up, fostering an environment that develops the careers of women. By creating an environment that listens to and respects each other, we can all #EmbraceEquity.’*

Gabby O., Audit Manager, also shared with us:

*‘IWD is an important day – it reminds us to stop and reflect on how we achieve equity in the workplace as women. Equity in the workplace for me means recognising everyone is on a different path and supporting each other to achieve the goals we set for ourselves. It’s about talking, connecting, and championing each other.’*

## A values-driven culture

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Our organisational values lay the foundation for what we most care about and provide a common way of working with our clients and each other.



Engage

- Collaborating to achieve shared outcomes
- Listening to understand, and communicating clearly and openly
- Being balanced, objective, and purposeful



Inspire

- Seeking and sharing better ways of doing things
- Embracing innovation and being progressive
- Encouraging and motivating others



Respect

- Appreciating and caring for others
- Sharing our knowledge and skills
- Recognising achievement



Deliver

- Taking responsibility and being accountable
- Ensuring our work is quality driven, and acting with integrity
- Being action oriented and achieving results

### Our values in action

Each year, we recognise our staff who demonstrate our values and our OneQAO approach of delivering valued services for our clients. Our 2022 awardees were recognised for their teamwork, leadership, client engagement, and contributions to major QAO projects or initiatives. Our OneQAO award is our pinnacle award, where staff of all levels are invited to nominate their colleagues. This year, we had 2 award winners: Lara B. and James J.

Lara B., Manager, embraced all of QAO’s values – particularly in developing junior teammates and consistently delivering a high standard of work and engagement on complex audits. She continually coached staff through regular feedback and on-the-job training, proactively contributing to QAO’s learning and development efforts.

James J., Chief Information and Technology Officer, delivered effective and timely client and stakeholder engagement, and significantly contributed to QAO projects on top of his day-to-day tasks. He played a lead role in QAO initiatives on improving business efficiencies, automating processes, and identifying and implementing innovative technology. James was commended in multiple nominations for his optimistic approach.

We are exploring ways to embed and promote our values and recognise staff who demonstrate them throughout the year, in addition to our special, annual award.

## Understanding our people

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Each year, we participate in the annual Working for Queensland survey. It provides us with important information on how engaged our people are, how they view our leadership, and how satisfied they are with their jobs. It is a platform for employees to share their views, and the results inform how we can best lead and manage our workforce.

The last survey ran in September 2022, with 76 per cent of staff responding (2021–22: 75 per cent). While we are an integrity body and independent of government, the survey allows us to compare our results to the average scores for the Queensland public sector.

We were pleased to find that 83 per cent of our people who responded to the survey acknowledged the positive impact our work has for Queensland, which is 4 percentile points above the public sector. Seventy-four per cent also said their job gives them a feeling of accomplishment, 5 points above the average for the public sector.

Ninety per cent said they understand how their work contributes to QAO’s strategic objectives, compared to 82 per cent in the public sector. We were proud to hear that 89 per cent believe their manager demonstrates honesty and integrity, 9 points above the public sector average. We, of course, aim to reach 100 per cent for this question.

While workloads have been demanding this past year, the survey results tell us we remained cohesive and resilient. Eighty per cent agreed that their teams come together to work effectively, manage workloads fairly, discuss challenges, and share learnings. Staff also appreciated flexible work arrangements, with 86 per cent enjoying the ability to better manage their work–life balance.

We received 63 per cent for overall employee engagement, which was 6 points above the public sector average but down from our 74 per cent in 2021–22. Sixty-three per cent told us that they were confident in discussing their wellbeing with their manager, however, of which only 48 per cent agreed they would be confident discussing mental health matters. A concerning 28 per cent of staff indicated that they feel burned out by their work.

The survey allows for some organisation-specific questions, and, in line with our strategy, we sought to understand how invested staff are in our client relationships. We were pleased to find that 93 per cent said they understand the value that QAO delivers.

Survey feedback, and a follow-up forum we held with staff on the results, guided the activities we are implementing for developing, managing, and looking after our staff. We are committed to improving our results, to ensure our staff feel engaged, proud, and healthy.

## Looking after our people

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To deliver high quality and timely services, we need auditors with the right skills and qualifications. Our people are our most valuable resource, so we must ensure they feel supported and fulfilled, are challenged to learn new skills, and feel connected to their teammates.

Our ability to resource our audits in a way that provides consistent and valued client service delivery, without compromising health and wellbeing, is impacted by industry-wide recruitment and retention challenges. We continue to face market demand and a reduced pool of suitable candidates for professional audit positions; we are competing with private sector firms, which offer competitive remuneration.

We have focused on how we manage our resourcing (that is, how we assign staff to audits and structure our teams), so we can offer outstanding development opportunities, operate efficiently, and attract new staff. We began a refresh of our internal resourcing strategy to create a model where we can provide more consistency for our clients and share skills across our business. In the coming year, staff will be allocated to teams that best support high-quality client experiences and promote professional development needs.

This year, we further developed how we address the risk of psychosocial hazards at work, and applied the guidance provided by a new code of practice (which falls under the *Work Health and Safety Act 2011*). Managing psychosocial risk is just as important as managing physical risk in the workplace. So far, we have implemented a range of coordinated activities to prevent harm, such as:

- continuing our mandatory mental health training for all staff
- participating in Queensland’s mental health week and RU OK Day
- offering coaching sessions on time management, work/life balance, and building resilience
- closing our office for the holiday period in December to mid-January so staff can more easily take leave
- offering all staff a voucher to put towards health pursuits, such as flu vaccinations or gym memberships
- providing a reflection room staff can use for religious purposes or meditation
- providing fresh fruit for our staff to encourage healthy eating
- supporting staff participation in Queensland’s Corporate Games sporting event.

We have prepared a formal wellbeing framework for 2023–24, which is grounded in 8 dimensions that affect overall quality of life: occupational, social, physical, financial, spiritual, emotional, environmental, and intellectual. Just some of the new actions QAO will implement include: setting up a chat group for staff on long-term leave, sharing financial-related advice, promoting the use of meditation or mindfulness apps, offering training sessions on emotional intelligence, and providing more social activities, such as a book exchange café.

## Life at QAO

A sense of connection is critical for building a productive and happy workplace. Connected teams nurture enduring working relationships and promote knowledge-sharing.

This year, we commenced a program of employee engagement initiatives designed for our hybrid working environment. While staff enjoy the flexibility of work locations that include client sites, QAO's main office, and home, we know we must adapt to facilitate effective 'whole-of-office' interactions.

Five to six times per year, all our people are asked to come into QAO's main office on the same day for presentations from senior staff, a morning or afternoon tea, and social or team building activities. We also hold bi-monthly 'catch-up days' where staff are allocated time to complete outstanding tasks.

Every Friday, a member of our Executive Management Group (EMG) sends all our staff an email. It summarises office milestones and the achievement of major deliverables, welcomes new starters, shares feedback from clients and stakeholders, and acknowledges our peoples' professional and personal achievements. This helps them keep across strategic matters and fosters a sense of connection across the OneQAO team.

As a whole office, we celebrate Multicultural Queensland Month, where our people are invited to bring in and share food that reflects their background, culture, or favourite food. We also share information on our 'Celebrate us' intranet page about various gender and cultural events throughout the year.

In the spirit of community connection, in 2022 we launched our Giving Day initiative, where we support a range of charities, events, or special days, and allow staff to use one day of their work hours to participate. So far, we have joined the MS Moonlight Walk, and provided donation boxes in our office for the Share the Dignity campaign and the Bread Tags for Wheelchairs campaign. QAO is also pleased to support those employees who contribute to the community through their Australian Defence Force reserve service.

### International experiences for our staff

One special opportunity we began this year is providing secondment arrangements with international audit offices. These experiences allow offices to share knowledge and resources during peak audit periods.

This year, 4 QAO auditors spent 4 weeks working for Audit New Zealand. They shared knowledge and skills from their work at QAO and gained experience in new methodologies and audit procedures. Two of our secondees, Eliza B. and Khendie M., told us:

*'Collaborating with the office and sharing information on what we do in Queensland was immensely interesting, and it felt really rewarding to see our presence have a positive impact in helping New Zealand deliver its audit jobs on time.'*

This opportunity allowed our secondees to further develop their communication, teamwork, and relationship management skills, while gaining international audit and business experience. Our other 2 secondees, Rachel S. and Nick D., said:

*'Between QAO and Audit New Zealand, there was a willingness to transfer skills and share learnings to develop knowledge, which we both embraced and benefitted from. Our exposure to working on different procedures within a different reporting environment gave us valuable insights and skills that we could bring back to QAO.'*

All our secondees also made the most of their time in New Zealand to travel and explore the country.

In May, we were delighted to welcome 2 auditors from New Zealand, who joined our office for 4 weeks. We thank them for their contribution and efforts. Our secondee Fariq. S told us:

*'What I enjoyed most at QAO is how accommodating the people I worked with have been – it made the transition very smooth and I received guidance where needed. The data analytic tools that QAO has employed is something we need to learn from you – a lot of efficiencies can be achieved through these!'*

### Learning and development

Staff are more likely to feel engaged when we help them achieve their career goals and encourage them to suggest new ideas. We greatly value professional audit qualifications, which are a requirement for our audit staff as they progress their careers. We fund staff to obtain their CA or CPA designations or their Certified Information Systems Auditor (CISA) qualification. These programs entail a gruelling body of work, and this year we are pleased to report that 10 QAO team members were awarded their qualifications. Overall, QAO has 134 audit staff (79 per cent) who hold or are currently studying towards professional audit qualifications. We also support staff to undertake other studies, such as the Australian Institute of Company Directors.

This year, we continued implementing the recommendations from a 2022 external review of QAO's learning and development approach. We aimed to strengthen our learning culture based on our values and OneQAO way of working. Key to this was developing a 'communication for success' program, which helps managers deliver effective coaching on-the-job.

Staff continued to have the option of participating in individual training opportunities, and our auditors completed their annual technical training in November 2022 and June 2023. Being responsive to any knowledge gaps contributed to greater compliance with professional standards across QAO.

In addition to technical training, we provided courses on our audit tools, quality of files, clear communication, and knowledge from performance audits. We also provided training pertinent to our peoples' levels of experience, such as critical thinking for our auditors, leadership for our audit seniors, and how to approach difficult conversations for our managers and directors. We also held training for staff working on audits related to public service delivery for First Nations people.

Short, focused, knowledge-sharing sessions that we call 'lunchbox sessions' were an effective way for us to share ideas across our organisation and with our peers. QAO held over 10 lunchbox sessions for our staff, including 3 for our colleagues at other audit offices, via the Australasian Council of Auditors-General.

Noting the results in our Working for Queensland survey, and our desire to ensure our people feel safe and well, all staff are currently enrolled in a course on supporting mental health in the workplace. As at 30 June 2023, over 90 staff have attended.

#### Outcomes-focused performance development

Performance reviews are a key way for us to identify growth opportunities, recognise individual achievements, and understand our collective capability against our business needs. Reviews also facilitate stronger relationships between staff and their managers. We are in the process of updating our performance management program, based on input from staff. We will introduce more 2-way feedback avenues and issue more guidance on how to conduct effective reviews.

We also encourage ongoing dialogue between staff and their managers day-to-day, outside of the formal review process, to clarify expectations, boost job satisfaction, and build confidence.

## 30 years of the modern Queensland Audit Office

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This year we celebrated a special milestone – 30 years since the creation of today's Queensland Audit Office. The position of Auditor-General has existed in Queensland for over 160 years, but following significant legislative change on 1 May 1993, we shifted from being the Department of the Auditor-General to the Queensland Audit Office.

The change resulted from the 1987 Fitzgerald Inquiry, which examined allegations of misconduct and corruption involving ministers and members of the Queensland Police Service. The inquiry also looked at the role of the Auditor-General in increasing accountability and transparency in government. This led to the establishment of the Electoral and Administrative Review Commission which made recommendations around strengthening our independence.

In 2023, we marked this significant event by giving staff a thank you card, and we set up a display of artefacts (such as the first audit report from 1860). One of our senior directors with a passion for history, Paul C., prepared a blog post on what the changes meant for our role and services: [www.qao.qld.gov.au/blog/modern-qao-turns-30](http://www.qao.qld.gov.au/blog/modern-qao-turns-30).

Some of our staff who were employed at the office in 1993 provided thoughts on the changes.

Dale H., Director, said that transformation has been continuous throughout his time at QAO, with notable changes including the travel methods used to see clients throughout Queensland, how we engage contracted audit service providers, and the audit systems and methodologies we use. In terms of what has stayed the same, he said:

*'One area of great continuity is our client base and our shared value of better public services. This isn't to say our client base hasn't changed – for example, local government came into our mandate in 1994. Our staff continue to put into practice what we preach. Our close relationships with our audit clients continue to be strong.'*

Dave A., Senior Director, had been at the office for 4 years in 1993 and recalls that the changes to our mandate put our office on par with other Australian audit jurisdictions and increased the public's awareness of our role. He is grateful for the wisdom of his mentors over the years.

*'The variety of people I have met and the lifetime relationships I've formed through the Queensland Audit Office are why this place (and this QAO family) mean a lot to me. From 1993 to 2023, our core aim to deliver better public services has been consistent and is at the heart of what I have been inspired to deliver to clients, the Queensland Parliament, and particularly my teammates at QAO.'*

Kaylene C., Senior Manager, remembers a sense of positivity surrounding where the office was heading, as well as how welcome she was made to feel. She shared:

*'The term QAO family is bantered around a lot, but it is true. When I moved to Brisbane for work I did not know many people here, but I made lifelong friends throughout the office. People were always willing to listen and share their stories, and of course always help with any work questions. QAO being a family is our point of difference and I hope that never changes.'*

The legislative amendments 30 years ago were more than just a new name and new powers. The change significantly reshaped our office's structure and brought a more modern and professional approach to conducting audits. In 2023, we now embark on further, positive change for our office through changes to the *Auditor-General Act 2009* and via the Integrity and Other Legislation Amendment Bill 2022.

#### In memoriam – vale Vincent C Doyle, former Auditor-General

In June 2023, we were saddened to hear of the passing of former Auditor-General, Vincent C Doyle. Vince is recognised for his distinguished 40-year career of service to Queensland. As Auditor-General from 1984–1989, Vince, among other achievements, delivered the audit office's first annual report in 1988. The report imparted more background on the role of the office, in response to the 1987 Fitzgerald Inquiry. Vince had already taken steps to improve parliament's and the public's understanding of the Auditor-General's charter, and this first annual report provided further transparency around the office's operations. Some of our current-day staff served with Vince as graduates or new starters, and as today's QAO, we send our condolences to Vince's family and friends.

## Changes to how we employ our staff

Since the Electoral and Administrative Review Commission report of 1991, various reviews of QAO have recognised the need for the Auditor-General to have more control over the audit office's resourcing – which includes its finances and human resources.

In 2013, QAO's submission to a 2013 Finance and Administration Committee Inquiry identified further opportunities to strengthen our independence by providing greater financial and administrative autonomy from the Executive Government. This was echoed by the most recent strategic review of QAO in 2017, and by Professor Coaldrake's 2022 report on culture and accountability in the public sector.

Seeking independence in our employment is not unique to QAO. The International Organisation of Supreme Audit Institutions (INTOSAI) identifies it as a key principle of independence, and it is sought by audit offices globally. The independence of Australian and New Zealand audit offices is regularly assessed against INTOSAI principles. In recent surveys, QAO's independence has been ranked significantly lower than that of other jurisdictions such as the Office of the Auditor-General New Zealand and the Audit Office of New South Wales, which both employ staff directly. The benefits of direct employment include attracting qualified and experienced staff, retaining skilled staff, and supporting strategic workforce planning.

In November 2022, Queensland Parliament passed the *Integrity and Other Legislation Amendment Act 2022*, which amended the *Auditor-General Act 2009*. One of the primary amendments was enabling the Auditor-General to employ staff under the *Auditor-General Act 2009*, instead of the *Public Sector Act 2022*. This change will likely commence in December 2023.

While employment conditions will remain the same or very similar for most of our staff, this upcoming transition is significant. We have engaged closely with our people via a comprehensive change management initiative, including inclusive and collaborative consultation, and provided supporting materials, which we update regularly. We are sharing updates (as relevant) with our stakeholders and clients as the change progresses.

### 3. This year's performance

**Objectives:** Those we serve trust and value our independent services and insights.

**Risks:** We do not maintain valued relationships nor adapt our services to meet changing needs.

**Indicators of achievement:** Our relationships and independence are valued.

#### How we measure our performance

QAO assesses its performance against its strategic and operational objectives, using a range of measures developed through corporate planning and budgeting processes. Performance targets are outlined in our service delivery statement (SDS), which provides budgeted financial and non-financial information for the financial year.

How we measure performance may be considered in the 2023 external review of QAO. We also benchmark our performance against the SDS targets of other Australian and New Zealand audit jurisdictions, and, when available, share the comparative results with our staff and stakeholders.

#### Overview of 2022–23 performance

Measurement	Result
Member of parliament satisfaction with our services	97 per cent – exceeding our target of 80 per cent, and up from 89 per cent in 2020–21
Number of audit opinions	414
Audit clients' overall satisfaction with our services	83 index points for satisfaction – over our target of 80 per cent, and up from 82 points in 2021–22
Meeting audit committee chairs' needs and expectations	98 per cent – on par with the prior 2021 survey
Number of reports to parliament	18 reports tabled, containing 82 recommendations
Average time to produce reports to parliament on the results of our financial audits	8.4 months – over our target of 6 months
Average time to produce reports to parliament for our performance audits	11.9 months – over our target of 9 months, and similar to the ACAG average of 11.4 months
Average life cycle costs of reports to parliament on the results of our financial audits	\$151,000 – over our target of \$130,000
Average life cycle cost of reports to parliament for our performance audits	\$320,000 – under our target \$395,000 and lower than the ACAG average of \$404,239
Average cost per hour of work charged to our audits	\$170.6. ACAG average – \$187.79
Percentage of our total paid hours charged to audit work	55.8 per cent. ACAG average – 45.57 per cent
Number of parliamentary committee briefings	10 briefings on 14 reports to parliament
Number of requests for audits received	79 requests – assessed within an average of 25 days, improving on 31 days in 2021–22
Data analytics project milestones	Built 5 new tools to improve efficiency and insights
Views on our website of our reports to parliament	74,279 users (*not including our employees)
Views of our resources (blog, fact sheets, and better practice guides, including our maturity models)	30,658 users (*not including our employees)

## Delivery of audit opinions and reports to parliament

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This year, we continued to identify the risks that our audit clients were facing, design our audit work to respond to those risks, and report on matters of significance directly to our clients and to parliament. We formed 414 audit opinions (2021–22: 397 last year) about the reliability of state public sector and local government entities' financial statements. Our audit service providers delivered 42 per cent of these opinions, as an important part of our team.

We tabled 18 reports to parliament on the results of our audits and recommendations for performance improvement. This compares to 19 reports in 2021–22. We table our reports as soon as possible to ensure our assurance for parliament is timely, and so entities can act immediately.

Across this year's reports, we made 82 recommendations (2021–22: 77) on how public sector entities and local governments can improve their performance and achieve the positive, intended outcomes in public service delivery. This does not include the recommendations we make to our clients directly during our audits throughout the year. In our reports, overall, most of our recommendations entailed:

- multiple matters related to governance of government, including improving regulation or oversight of regulatory functions and strengthening whole-of-government frameworks, policies, and procedures
- developing more mature risk-management practices
- ensuring strategic planning is comprehensive and effective, so entities can respond to challenges as they emerge, and measure outcomes
- improving internal control environments, particularly around information systems and cyber risk
- better monitoring performance, including setting measures and providing more regular reporting on projects and programs
- improving procurement and contract management processes
- providing more transparent, accurate, and timely public reporting of financial statements
- maturing the preparation processes for financial statements
- improving information sharing and coordination between public sector entities
- responding to digital transformation and the adoption of new technologies.

## Data insights

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Data is a strategic asset for QAO, with our analysis enhancing the significance of our insights and driving efficiencies and effectiveness across our services. In April 2022, QAO launched its extensive data analytics project. We started to plan a modernisation of our platforms, and sourced suggestions for new tools from our audit staff who have knowledge of day-to-day audit work, standards, methodologies, and – importantly – client needs.

As a result, we delivered 5 new analytics solutions, including:

- a solution for one of our largest audit clients that combined data from more than 20 spreadsheets and automated previously manual calculations for cashflow statements (where cash is coming from and where it is going)
- a dashboard for the health sector that analyses public hospital inpatient activity in line with funding agreements, as well as calculates revenue from bed days for patients
- a dashboard for property, plant, and equipment (the long-term, tangible assets an entity owns, such as buildings). It analyses asset data for a range of entities, including recalculating depreciation expenses and benchmarking asset data between similar entities
- a dashboard that collects asset indexation information (how asset costs are adjusted due to factors such as inflation) to help us assess the reasonableness of asset valuations
- a solution for local government audits that quickly and accurately recalculates revenue from rates.



We continued to realise benefits from improving the framework we use to assess new analytical ideas to prioritise what we should invest in and when. Our auditor-led approach helps us ensure we build the right tools, at the right time, to achieve maximum value. Before we build a new tool, we critically analyse its business case to assess development cost against efficiency, consistency, and audit quality gains. We revisit the intended benefits as we create the tool, and measure outcomes after release.

We used our analytics capability and high-quality audit methods in our assurance and performance audits to identify and share with our clients new insights from complex, diverse, and sometimes conflicting sets of data. One example is for our report to parliament on *Delivering social housing services* (Report 1: 2022–23). From our data analysis, we were able to combine information in a unique way to paint a full picture of what was occurring regarding social housing waitlists, and support our guidance on where the involved department could improve. Our robust analysis evidenced a key audit finding and helped the department better understand its data.

In the longer term, the effective and efficient use of data will help us address some of our resourcing challenges by attracting and retaining skilled staff. By continually innovating, we remain at the forefront of contemporary audit services and promote opportunities for ongoing learning in the latest data skills.

## Effectiveness and efficiency measures

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We endeavour to use our resources as efficiently and effectively as possible, and ensure we allocate the right people to the right tasks to obtain the best possible value. We reflect the hours we allocate to audit activities for all our workforce, including contracted audit service providers, as a percentage of all hours we paid for the resources. We break down our audit hours into the type of audit we are conducting – state, local government; or assurance or performance audit.

This year, the average cost per hour of our work charged to our audits was \$170.6, which was slightly up from last year's \$159.1 and compared favourably to the ACAG average (that is, average of all other audit offices' result) of \$187.79. Our office was the second most efficient office for this measure of the 7 ACAG offices.

The percentage of our total (whole of office) paid hours charged to audit activities was 55.8 per cent, similar to last year's 56.9 per cent and comparable to the ACAG average of 45.57 per cent.

Each year, we track, and compare to the prior year, the full life cycle cost of each of our reports to parliament and the time we take to produce them, as a measure of efficiency of our work.

This year's results are slightly higher than our targets as we experienced an increase in the time it took to prepare our reports to parliament, and an increased cost to produce our reports on the results of our financial audits. These results reflect the challenges QAO is facing with resources in a competitive professional labour market.

Several reports – *Major projects 2022*, *Managing Queensland's Debt and Investments 2022* and *Queensland Regional Accommodation centre (Wellcamp)* – were newly introduced report topics for 2022–23, which shifted resources from audits that had begun or were due to begin. They required additional planning work and took on average longer to prepare than our other reports.

The timing of some of our performance and assurance reports can also be impacted by the release of other related, expert reports. For example, we postponed our report on *Keeping people safe from domestic and family violence* (Report 5: 2022–23) given the Women's Safety and Justice Taskforce, and the Independent Commission of Inquiry into Queensland Police Service responses to domestic and family violence.

As part of our financial audit work, we continued to develop maturity models to help clients assess their internal controls. The costs of these models are included in our cost measure for these reports. We also updated our risk management maturity model as part of our *Education 2022* report and developed a procure-to-pay maturity model as part of our *Local government 2022* report.

Some of our clients also requested additional time to respond to several reports.

## Cost of reports to parliament

This year, we delivered our reports on the results of our financial audits at an average of \$151,000 per report, which was \$21,000 above our SDS target of \$130,000, and \$48,364 above last year's average cost of \$102,636.

The average cost of our reports on the results of our assurance and performance audits (which include the audit work and the report) was \$320,000, \$75,000 under our target of \$395,000, and \$57,249 above last year's average cost of \$262,751. Our cost for these reports was lower than the ACAG average of \$404,239.

## Timeliness of reports to parliament

We measure the timeliness of our financial audit reports from our clients' year-end dates to the tabling date of the report in parliament. This year, the average time to deliver the reports was 8.4 months – slightly longer than our target of 6 months and last year's average of 6.7 months.

We measure the timeliness of the reports on our assurance and performance audits from the start of the audit to the tabling date. We delivered our performance audit reports on average in 11.9 months – longer than our target of 9 months and similar to last year's result of 11.2 months. Our time compared well to the ACAG average time of 11.4 months.

We aim to deliver our reports quickly to provide parliament with timely and relevant insights, and to ensure our recommendations enable prompt action on improvement opportunities. We aim to remain efficient and keep our reporting costs down to reduce any impact on the involved clients.

## Client satisfaction measures

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We routinely engage an independent research provider (named ORIMA) to survey our audit clients, audit committee chairs, and members of parliament on their satisfaction with our services. We use these insights to immediately address any issues, implement improvement opportunities, and develop future strategy.

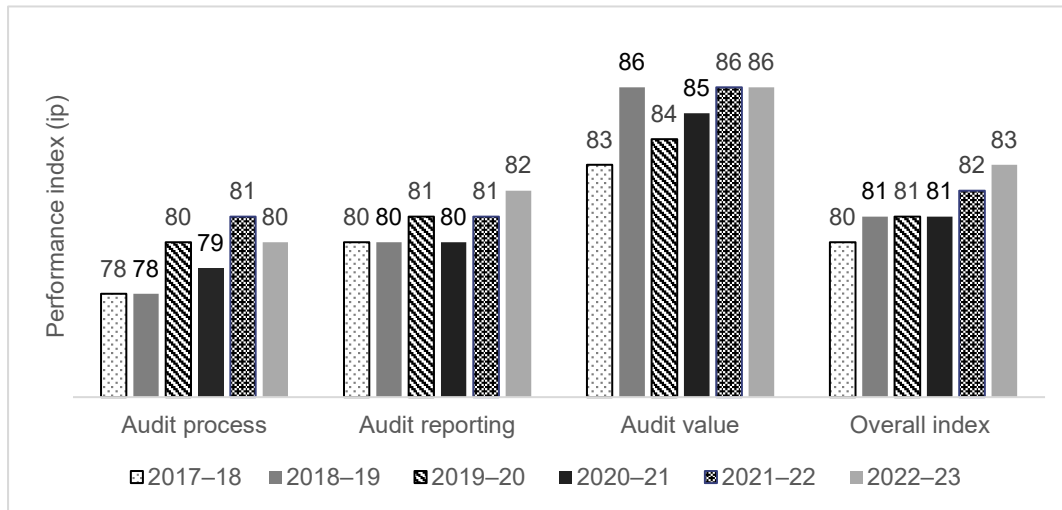
### Audit client feedback on our services

In our yearly survey with the entities we audit, we ask departments, government owned corporations, statutory bodies, and local governments for feedback on our audit processes, our reports to parliament, and the value of our services. This feedback tells us where we can improve, informs our decision-making, and influences innovation and change. We share the results immediately with our staff, act on feedback, and celebrate positive outcomes.

Our audit client satisfaction is a blended average from the surveys of our financial audit and assurance or performance audit clients, as we deliver these services as a OneQAO team. Over the past 5 years, our client survey trends have remained relatively steady, with ups and downs in some specific areas. We continue to work on maintaining and improving these results.

For 2022–23, we issued 296 surveys with a 69 per cent response rate (2021–22: 72 per cent). Our overall result across all our audit and assurance services was 83 index points (ip), up from 2021–22 and 3 points over our SDS target of 80ip. (IP is the average of the aggregate indices for each area of performance that the survey explored.) We received, overall, 80ip for our audit process, 82ip for reporting, and 86ip for the value of our services.

**Overall client satisfaction rates 2017–18 to 2022–23**



In the general comments we received, clients continued to recognise the effectiveness of our auditors’ communication and professionalism. Clients complimented us on the efficiency of our audit process and said they appreciate the pragmatic approach we take to managing complex accounting issues. Some clients also commented on QAO’s risk management maturity model, telling us that it is providing value.

A respondent shared with us: *‘The QAO service is a critical part of our assurance structure and a key pillar of confidence for SLT [senior leadership team] and the Board.’* — Audit client, ORIMA survey, March 2023.

Another said: *‘It’s been great working with QAO throughout the audit process. QAO’s team has always been professional and very approachable for questions and discussions throughout the whole year. The team makes a noticeable effort to build and share entity knowledge within the team, and the positive impact of this in both audit processes and team relationships was noted.’* — Audit client, ORIMA survey, September 2022.

In terms of areas for improvement, some clients would like us to provide more timely responses to their questions. To address this, we will establish clear protocols for acknowledging client enquiries and reinforce the importance of keeping clients informed, especially where there is an anticipated delay.

**Audit committee feedback on our services**

We must deliver our insights to audit committees in an effective, timely, and engaging manner so they can use their position to influence the change we are seeking for our clients. They are an important group for advocating our recommendations with entity management, and those of internal audit and other assurance providers. These committees have a key role in monitoring entities’ progress in implementing recommendations.

We engage with audit committees on an ongoing basis as part of our audits, and via dedicated deliverables that we develop specifically for them. Our attendance at audit committee meetings ensures we alert them to emerging risks and allows us to share the insights we glean from working across all Queensland state and local government entities. Our staff can draw on years of knowledge and expertise.

We survey audit committee chairs every 2 years to understand if they are aware of our insights. We ask them for feedback on how we supported them, how they value our services and recommendations, how clearly we communicated, how they use our reports and resources, and their thoughts on our audit processes. QAO has surveyed chairs 3 times to date – in 2019, 2021, and in 2023. This year, we surveyed 191 committees, receiving responses from 68 chairs who work across 103 of our audit clients.

We were pleased to hear that nearly all survey respondents said QAO is meeting their needs and expectations. We received the same score (98 per cent) as we did in our prior survey in 2021. More respondents than in 2021 gave us a positive score for general impressions and expectations, at 89 per cent, (up from 86 per cent). In the free text comments, one chair shared with us:

*‘I value QAO’s professionalism and independence. The advice provided by QAO to the committee on relevant reports in progress that may be of interest to agencies, recent tabled reports to parliament, and blogs is useful and ensures committee members are informed about the activities of QAO.’ – Audit committee chair, ORIMA survey, March 2023.*

Ninety-nine per cent said we provide valuable assurance on the reliability of public sector financial reporting, up from 95 per cent in the prior survey; and 95 per cent said that we help improve public sector accountability, up from the previous survey result of 90 per cent.

Overall, 84 per cent told us they are aware of or see QAO recommendations, have oversight of their entity’s implementation of our recommendations, and feel informed about QAO’s self-assessment and follow-up process on recommendation status. This is slightly up from 82 per cent in 2021.

Almost all respondents used our products at least once in the past 12 months, with reports to parliament and fact sheets being the most commonly used. However, overall consumption of our products was lower when compared with 2021, and we will look to understand why there has been a change. The change may be due to the number of reports we had tabled by the same month in 2021, at the time of the survey.

Chairs gave us a rating of 85 per cent for our overall engagement with them, on par with 2021. Ninety-three per cent felt our staff attendance at their committee meetings adds value, compared to 90 per cent in 2021.

We were also pleased to see that 98 per cent felt there was consistency between the services they receive from our contracted audit service providers (ASPs) and QAO, as this has been an area QAO has been focused on improving. However, feedback indicated that we can still improve the transfer of knowledge between ASPs and clarify our expectations around their attending audit committee meetings.

## Responsive and flexible engagement

- The size, type, complexity, and maturity of the entities and local governments we audit varies greatly. Key to delivering effective audit services and providing timely, relevant, and clear advice is understanding the discrete and shared challenges they face.
- We are supported by technology that allows flexibility and supports our relationships when we need to engage from afar, but we still travel across Queensland to complete many of our clients’ audits in person and learn more about their work.
- The Auditor-General is committed to meeting with our clients and stakeholders face to face, to hear any concerns they may have and to identify opportunities to improve our services.

The Auditor-General continued meeting with our more regionally based clients, in:

- Mapoon
- Aurukun
- Napranum
- Lockhart River
- Mornington
- Mt Isa
- Burke
- Doomadgee
- Pormpuraaw
- Kowanyama.

## Working effectively as OneQAO

Our OneQAO approach means we view our workforce as one team – we deliver our client services seamlessly and consistently, support each other, and share expertise.

Over time, we have continued to improve how we work with our ASPs so they are a more integrated part of our workforce. For the past 3 years, we have been capturing feedback from them via a survey that is conducted by an independent researcher.

This year, overall, ASPs were positive about their experience with QAO, with more than half (55 per cent) saying they had experienced improvements in the way we work with them over the past 12 months.

One hundred per cent of respondents said QAO’s contract managers (the staff they deal most with) conducted themselves professionally and worked collaboratively with them, up from 97 per cent last year. All respondents said they understand what is expected of them, and 88 per cent agreed our learning and development activities have helped them improve their performance (2021–22: 89 per cent).

We were also pleased to hear that 95 per cent felt QAO’s contract manager adds value to our clients, up from 87 per cent; and 87 per cent said they add value for the ASP, improving from 74 per cent.

In the past year, we aimed to improve how we share information with ASPs and how easy our audit templates are to use. We received positive comments about the enhancements we made to our ASP partner hub, which is a collaborative, secure site on our SharePoint Online intranet. Many also said our ASP workshops and industry-specific forums are valuable.

We will continue to focus on some areas for improvement. For example, some respondents asked for faster responses to their enquiries, though they recognised our resourcing challenges.

We use these survey results to inform our next actions and look forward to delivering improvements alongside our ASPs in the coming year. One of our ASPs shared:

*‘There appears to be a continuous program of improvement to the audit process and interaction with audit service providers. We are very comfortable with the processes at the QAO and we value the relationship.’* – ASP, ORIMA survey, May 2023.

Another said: *‘Good organisation with good people. They’re all doing their best with the limited time and resources they have. I get the feeling there is a good culture and team spirit, which is great for an external contractor to see.’* – ASP, ORIMA survey, May 2023.

## Supporting parliament’s oversight of public service delivery

We continually work to help parliament understand entities’ performance and financial management so it can hold them to account for the delivery of public services. Through our engagement with parliament, we aim to maintain its trust in our expertise and our value-for-money services.

Our parliamentary engagement plan articulates our engagement approaches per the different needs of a range of stakeholders, ensuring our deliverables are high quality, relevant, and timely.

This year, we gave 10 briefings to parliamentary committees, covering the findings and recommendations in 14 reports to parliament, compared to 9 briefings on 11 reports last financial year.

We responded to various requests for advice from parliamentary committees about our work, in addition to our briefings on each report. In November 2022, the Auditor-General presented to the Economics and Governance Committee (EGC) on our performance, and we liaised with the EGC per the legislative amendments underway for QAO.

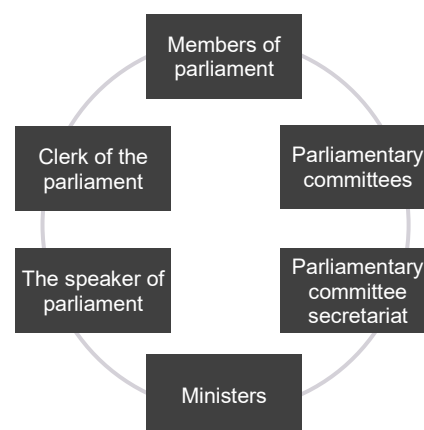
The annual forum we hosted at QAO for committee chairs, deputy chairs, and secretariats continued as a successful avenue for sharing the insights from our work and understanding members’ interests and engagement preferences. We recognise that parliamentarians have numerous demands on their time, so their attendance at our forum demonstrates its ongoing value.

We consulted early on our new forward work plan with parliamentary committees and ministers (regarding the audit topics impacting them), receiving some feedback on the timing and scope of our planned audits. We remained responsive to parliamentarians’ needs and requests, including considering requests for audits that they sent to us – for example, on the Queensland Regional Accommodation Centre (Wellcamp), which resulted in our report to parliament.

We also continued to engage directly with ministers during the audit conduct phase and following report tabling to secure feedback and, overall, to increase attention to our recommendations.

We continued our regular meeting with the secretariats of parliamentary committees to better understand their committee members’ needs. The committee staff also sought our advice on how to prepare clear and engaging reports, including on how we use graphics and data.

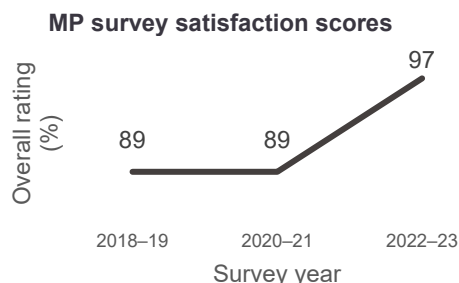
Parliamentary clients and stakeholders



### Members of parliament satisfaction with our services

Via an independent researcher, we survey members of parliament (MPs) twice during each parliamentary term, and we have been using the data over the years to improve our services, reports, and engagement. We ask members for feedback on our work, how they see our role, and how they use and perceive our reports and resources.

This year, we were pleased to see our efforts recognised by MPs. Nearly all survey respondents, 97 per cent, said they were satisfied overall with Auditor-General reports and services. This was well over our SDS target of 80 per cent, and notably higher than the 89 per cent in our previous 2021 survey. No respondents marked they were dissatisfied or very dissatisfied with our services.



All MPs, 100 per cent, who had engaged with the Auditor-General in the past 2 years were highly positive about the usefulness of the engagement, QAO’s responsiveness, and the extent to which the information we provided them addressed their needs. This was an increase from 94 per cent in 2021.

MPs’ perceptions of the value of reports were more positive than in 2021, with 97 per cent saying our reports assisted parliament in holding entities to account, up from 90 per cent in 2021. Ninety-four per cent said our reports informed them about public sector performance, up from 89 per cent; 92 per cent said the reports were about valuable topics, which was the same result as in 2021.

All survey respondents, 100 per cent, said our reports communicate issues clearly, up from 87 per cent. And 90 per cent said they were easy to understand, compared to 77 per cent in 2021.

We received good results on MPs’ use of our reports and resources:

- All MPs surveyed, 100 per cent, said they had read an Auditor-General report in the past 2 years, slightly up from 96 per cent in 2021. This includes 87 per cent who reported reading them ‘often’ or ‘always’.
- Ninety-four per cent had used our fact sheets, up from 78 per cent in 2021, and 83 per cent had used our interactive dashboards, up from 65 per cent in 2021. Our blog posts continued steadily, with 59 per cent reading them, in line with the prior result of 55 per cent.

One area trending slightly down was whether our reports are addressing their key areas of interest, with 69 per cent of respondents saying yes, similar to 71 per cent in 2021. We will aim to better communicate with MPs about our role and the types of audit topics that are timely and appropriate (as mandated) for us to undertake.

In the free text comments, one MP shared: ‘*Appreciate their impartial consideration of important issues.*’ – MP, ORIMA survey, March 2023.

Another said: ‘*The Auditor-General needs more resources to be able to assess more aspects of government. Their reports are the best available summaries of performance and issues.*’ – MP, ORIMA survey, March 2023.

## Other feedback from parliamentary committees

In its April 2023 report No. 44, *Examination of Auditor-General reports*, the EGC said of our reports *State entities 2021* (Report 14: 2021–22) and *State entities 2022* (Report 11: 2022–23):

*‘The committee welcomes the QAO’s ongoing engagement with the public sector regarding the key themes and challenges affecting entities’ management and reporting of their expenditure of public funds each year.’*

In its report No. 44, regarding our report *Improving grants management* (Report 2: 2022–23), the EGC said:

*‘The committee acknowledges the ongoing work of the QAO in helping to drive improvements in processes, communication, risk management, evaluation and collaboration in the management of grant funding in Queensland, and to support transparent and accessible reporting on the distribution of grant payments.’*

## Auditing what matters most to Queensland

Per the *Auditor-General Act 2009*, each year we publish a 3-year plan to ensure we are auditing the right matters at the right time. Our plan provides transparency to parliament, our clients, and the Queensland community on the audits we intend to perform and why we consider them important. This year, we published our *Forward work plan 2023–26* in early June 2023.

In developing the plan, we considered a range of risks and challenges to the state public sector and local government, including the impact of recent domestic and global events. We have a robust methodology for prioritising potential topics based on their impact and importance, and the influence we can have over improvements to entity performance. As we have a limited number of audits and reports to parliament we can produce each year, we are careful and systematic in our selection of topics.

This year, we continued to successfully embed our OneQAO approach into our planning, ensuring our work takes account of the issues and priorities we see emerging across our clients, and as drawn from a range of intelligence sources. We include both performance and financial audits in the plan, as they work together to provide a full picture of performance and accountability.

Public services are delivered across Queensland – which is large and diverse, with large numbers of people living outside the more densely populated metropolitan areas. In response, over the past few years and into the future, our planning includes even more of a focus on Queensland’s regional areas.

Our plan includes an acquittal of any changes since the previous year’s version. We also update it throughout the year with new or revised topics to remain responsive to changes in Queensland’s public sector, the emergence of new risks, and our stakeholders’ needs. We immediately share any changes on our website: [www.qao.qld.gov.au/audit-program](http://www.qao.qld.gov.au/audit-program). This webpage was viewed 4,757 times this year (excluding internal staff traffic).

We consult widely on our plan as we prepare it to provide advance notice of our potential topics, so entities can prepare documentation and data, and to clarify time frames and initial scopes of the audits. We circulate a draft of the plan to parliamentary committees, ministers, departments, local governments, statutory bodies, universities, government owned corporations, and the Leader of the Opposition.

## How we manage requests for audits

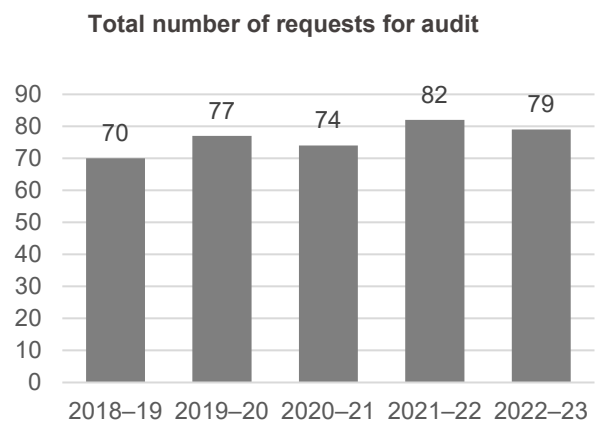
QAO welcomes information on public sector performance and requests for audits from members of the public, elected representatives, public sector and local government employees, and other integrity bodies. To be transparent, we publish the requests we receive from members of state parliament and Queensland councillors on our website: [www.qao.qld.gov.au/audit-program/requests-audits](http://www.qao.qld.gov.au/audit-program/requests-audits).

This year, we received 79 requests for audits, of which we assessed 8 as high priority, meaning the topic has a significant impact or reflects a widespread issue. We finalised 83 requests received in this or previous years, which included completing 25 investigations. We reported 8 issues directly to entity management, and closely engaged with them to expedite or resolve matters.

Eight requests contributed to our current or planned assurance or performance audits, and we added 4 to our list of potential topics for our forward work plan. Requests for audit remained an important source of intelligence for our forward work planning, and the average duration of requests in progress was 9.2 months, faster than 10 months in 2021–22.

Some of our tabled reports to parliament this financial year incorporated our work on requests we received on:

- *Queensland regional accommodation centre (Wellcamp)* (Report 18: 2022–23)
- Cross River Rail and the Gold Coast Light Rail projects – included as part of *Major projects 2022* (Report 7: 2022–23), which provided details on Queensland’s major infrastructure projects and analysed expenditure.



Our other investigations did not result in adverse findings or require reports to parliament.

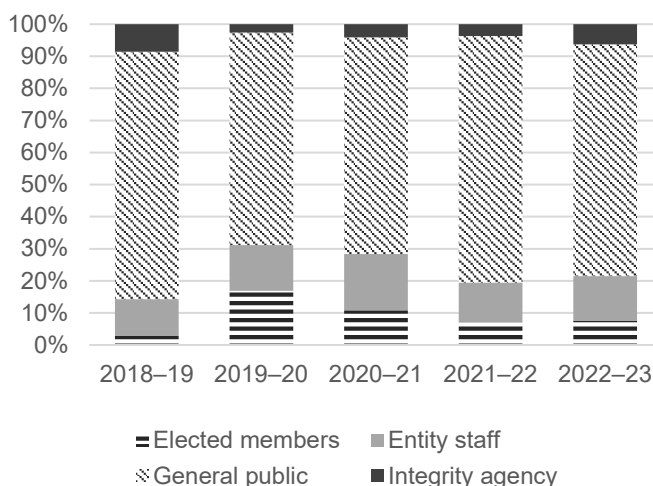
The most common topics or themes in the requests we received included management of grants and procurement and management of major projects. Matters related to youth justice also increased as an area of interest this year.

We received a similar number of requests from elected members (at an average of 6 per year since 2020–21). Most of our requests come from the general public.

We had more matters referred to us from other integrity bodies than last year, at 6 per cent compared to 4 per cent. We liaise with the Crime and Corruption Commission, Office of the Independent Assessor, and other integrity bodies as necessary and permissible, in relation to specific investigations.

We processed requests more efficiently this year, resulting in fewer requests at any one time in the triage or investigation in-progress stages. This is due to improvements to our internal system for managing requests. On average, we had 25 active requests at the end of each month, compared to 33 in 2021–22. We assessed new requests on average in 25 days, compared to 31 days last year, including sending a detailed response within 30 days to 84 per cent of people who made the request.

Source of requests for audit by stakeholder type





## 4. The impact from our work

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**Objective:** We use contemporary auditing practices to deliver independent services that are used to improve accountability and performance.

**Risk:** We do not sufficiently innovate and use technology to better understand our clients and deliver valued services.

**Indicator of achievement:** Parliament and our clients benefit from our independent assurance services and the insights we provide.

### An outcomes-focused approach

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Our audit work can have both immediate and longer-term outcomes – including parliament being better informed, entities acting on our recommendations, or a change to service delivery that is directly attributable to an insight in our reports. We can achieve more positive outcomes from our work when our audit services are high quality, our recommendations are relevant and timely, and our reports to parliament and other resources are clear.

We aim to capture ‘pre-report’ tabling impacts or changes that may occur during an audit, where entities start to act on our recommendations immediately, before we complete and table our report to parliament.

### Monitoring entities’ implementation of our recommendations

While our mandate does not extend to forcing entities to act on our recommendations, we ask them to self-assess their implementation progress. We then report to parliament every year on the results.

This approach gives entities and audit committees clarity over the previous and current status of QAO recommendations. It also gives them a record of all performance audit recommendations we make to them, including those re-directed from recent machinery of government changes.

Our resultant report to parliament includes insights on the most common types of recommendations we make – indicating shared challenges and opportunities across entities, and the recommendations that entities are least likely, or slower, to implement.

Our interactive data dashboard allows users to search the results by entities’ status, report title, year, entity name or type, or parliamentary committee. The dashboard is available at: [www.qao.qld.gov.au/status-auditor-generals-recommendations-dashboard](http://www.qao.qld.gov.au/status-auditor-generals-recommendations-dashboard).

This year, we tabled our second status report, *2022 status of Auditor-General’s recommendations* (Report 4: 2022–23). We asked 56 entities to self-assess their progress on implementing 454 individual recommendations from 34 QAO reports to parliament tabled in 2018–19 and 2019–20. Overall, entities reported they had fully implemented 64 per cent of our recommendations, partially implemented 29 per cent, and not implemented 3 per cent. (Four per cent were no longer applicable, meaning circumstances had fundamentally changed, for example, a change in government policy or program.)

In its April 2023, report No. 44, *Examination of Auditor-General reports*, the Economics and Governance Committee (EGC) covered 7 QAO reports to parliament. On our *2022 status of Auditor-General’s recommendations* report, it said:

*‘In addition to providing an important accountability mechanism, by highlighting outstanding recommendations and implementation delays, these reports have provided valuable overarching insights into the strategic risks facing the public sector.*

*The committee notes that the QAO’s accompanying interactive online dashboard allows public users to view this information in a format most relevant to them.*

*The committee welcomes the ongoing efforts of the Auditor-General and QAO to leverage the findings of audits and report on these matters in a transparent and accessible way, encouraging a culture of continuous improvement in the public sector.’* – EGC Report No. 44, page 32, April 2023.

In our independent survey, which we conduct every 2 years, we ask audit committee chairs if they felt informed about our self-assessment process and report. This year, 86 per cent of respondents said they did feel informed. We will continue to increase their awareness and understanding about the approach and its benefits.

The 2022 report was viewed 2,507 times within 12 months, and our supporting interactive dashboard was viewed 1,081 times.

## Parliamentary committee follow-up of our reports and recommendations

Parliamentary committees investigate specific issues and proposed legislation. After we table a report to parliament, it is referred to the respective committee. The committee may select to conduct a subsequent examination and table a resultant report on their inquiry. This year, 3 parliamentary committees held 5 inquiries on our reports (noting that sometimes the committees' inquiries fall in the following financial year to when the report was tabled).

We are invited by some committees to provide a briefing on a report (or multiple reports) directly to them via a public or private briefing. This year, we attended 8 briefings. Three were for the State Development and Regional Industries Committee (SDRIC), with each hearing covering one report. Two of the hearings were for the EGC, covering 5 reports.

One of our focus areas across our planned program of audits and reports to parliament, per our forward work plan, is infrastructure investment. This includes delivery of major projects and capital programs, and so is of importance to the SDRIC.

In February 2023, SDRIC thanked QAO and stated it fully supports our recommendations in its *Report No. 39 – Examination of Auditor-General Report 16: 2021–22 Contract management for new infrastructure*. The committee recommended it further examines departments' progress in implementing our recommendations within the next 12 months. It also stated:

*'We also use this opportunity to reinforce the Auditor-General's recommendation that all government departments should review their internal policy, procedures and guidance at least every 3 years, to ensure that they remain fit for purpose.'* – SDRIC Report No. 39, page 7, February 2023.

Earlier, in December 2022, in *Report No. 33 Examination of Auditor-General Report No. 9 2021–22 Regulating dam safety*, the SDRIC reinforced our recommendation on the need for independent audit and risk management committees:

*'In general, the committee believes there is an ongoing need for government entities such as bulk water entities and local governments as dam owners to add independent audit and risk management committees to their governance structures, and the committee has recommended this accordingly. Such committees can add significant value to an organisation on its risk management responsibilities and legislative compliance.'* – SDRIC Report No. 33, page ii, December 2022.

Our reports on the results of our financial audits of local governments are also referred to the SDRIC. In its *Report No. 32 – Examination of Auditor-General Reports on the local government sector*, the committee recognised the importance of QAO's recommendations. It reinforced our recommendations about improving internal controls, in particular in the areas of information systems, risk management, and procurement. The committee strongly supported our recommendation that all councils, regardless of size, establish an Audit and Risk Management Committee (ARMC). In the report foreword, the committee chair noted:

*'Effective audit committees are an important component of good governance. The committee strongly supports the Auditor-General's recommendation for all councils, irrespective of size, to establish audit committees. We also support the recommendation that the chairs of these committees be independent of council and council management.'* – SDRIC Report No. 32, page 3, November 2022.

We appreciate the attention to, and follow-up of, our work that Queensland's parliamentary committees take. Action by them is imperative to us achieving the outcomes from our work that will make a difference to public service delivery. We will continue to improve how we encourage involvement from all committees in this key role.

## Case studies on impacts from our reports to parliament

### Delivering social housing services (Report 1: 2022–23)

In July 2022, we tabled a report that examined whether social housing is effectively managed to meet the housing needs of vulnerable Queenslanders. We looked at where we could meaningfully quantify the immense challenges facing stakeholders, and forecasted what would happen if nothing changed. We used high-quality audit methods to combine diverse, and sometimes conflicting, sets of information to draw balanced conclusions.

To provide crucial information to those Queenslanders waiting for social housing, we:

- concluded how many families on the register were unlikely to ever receive social housing, and identified how many the responsible department had not informed that this was the case
- provided needed clarity over the social housing process.

To help the involved department make decisions with more consistency and transparency, we:

- concluded and demonstrated how it had a decentralised process
- identified key system controls that were incorrectly or inconsistently applied.

The department quickly acted on our findings throughout the audit, with its actions starting to address weaknesses in the social housing process. The department accepted all 8 of our recommendations, and asked us to share our audit method so it could replicate our analysis after the audit concluded – which we of course willingly did.

Queensland’s housing minister welcomed our report and acknowledged QAO’s work in a public statement. Following our audit, the Queensland Government convened a housing summit with key government and non-government organisation (NGO) stakeholders. The *Housing Summit Outcomes Report* referenced our audit and committed to model future demand for housing in line with our recommendation.

As at 30 June 2023, the report has been viewed on our website 4,125 times (noting, we filter out internal staff traffic), making it our most read report this financial year.

We will follow-up entities’ progress in implementing our recommendations from this audit in our *2024 status of Auditor-General’s recommendations* report to parliament.

### Keeping people safe from domestic and family violence (Report 5: 2022–23)

In November 2022, we tabled a report to parliament examining how effectively public sector entities keep people safe from domestic and family violence (DFV), prevent it occurring, and rehabilitate perpetrators to minimise re-offending.

We combined extensive social research and complex analytics to produce findings where we could leverage our unique position to look across the diverse organisations responding to DFV. We identified and visualised patterns and gaps in the various data and added crucial context. We also engaged experts for input on current research and worked closely with other DFV reviews or inquiries to share trends and challenges.

Our collaborative approach helped Queensland deliver multiple reports with complementary findings and recommendations. A major taskforce relied on and referenced findings from this audit and from previous QAO reports, including *Delivering forensic services* (Report 21: 2018–19) and *Criminal justice system – reliability and integrity of data* (Report 14: 2016–17). An Independent Commission of Inquiry used our analysis, resulting in action by entities, and noted that our insights, findings, and recommendations were invaluable for informing its own recommendations.

Our report narrative outlined the complexities across Queensland’s varied DFV response. Not only could we explain to our audiences how the system is operating, but we could also help them understand the challenges for victims, perpetrators, and their families navigating the system.

The interest in our report tells us that topics in this sector continue to be of importance to Queenslanders.

#### **Award for audit excellence**

Our audit on delivering social housing services won the excellence category in the 2023 Australasian Council of Auditors-General (ACAG) performance audit awards.

The excellence category recognises the audit that demonstrated the most exceptional audit methods, impeccable standards of evidence, and positive and sustained impacts.

As at 30 June 2023, the report has been viewed 3,404 times on our website.

We used lessons from this audit to inform our own work, for example, to improve how we collect and analyse data on complex, multi-agency audits. We have fed this into our methodologies and frameworks in support of continuous improvement.

#### Improving grants management (Report 2: 2022–23)

Who gets grant funding and how much is received can be a matter of contention for Queenslanders. However, the information agencies publish is typically difficult to understand, being raw data that requires data literacy to understand. In our audit, we analysed and repackaged this data for entities, community groups, businesses, and more. Via our report and an engaging and easy to use dashboard, we provided insights into who the grants funding agencies are, who is receiving grants, and where in Queensland the funding goes.

We developed a grants management maturity model for entities to use, with clear guidance on how they can perform their own assessments. In developing the model, we analysed best practice, prescribed requirements, and applied our own experience from across many entities. This model helped us provide recommendations for parliament, identify the various risks facing entities, and share opportunities for greater efficiency and collaboration. Through our unique perspective across entities, we enabled them to learn from each other and build greater capability and consistency.

Departments have already actioned our recommendations and applied our maturity model. For example, the internal auditors from one of Queensland's largest departments (not sampled in our audit) tested their department's controls against our model, with their reports noting opportunities to improve.

The report has been read 3,394 times on our website. The maturity model has been viewed 565 times and continues to grow over time – we project it will become one of our most read and long-lasting better practice offerings.

We discussed our learnings at our various events, including QAO's session for audit committee chairs and our technical audit update for nearly 600 finance managers. We also discussed it at external events such as the Interdepartmental Accounting Group conference and the Institute of Internal Auditors Australia's SOPAC conference. We continue to receive requests to present across industry and government.

### **Increasing interest in our advice and technical expertise**

We aim to support and provide our expertise to industry, professional bodies, and our clients that have a leadership role in the public sector, particularly on technical audit matters or on how we have delivered an initiative. This collaboration helps to increase the awareness and reach of our insights and advice.

This year, we worked with the Department of State Development, Infrastructure, Local Government and Planning (DSDILGP) and the Local Government Finance Professionals (LGFP) on a financial sustainability guideline and associated risk matrix. We also worked with the LGFP in its development of an accounting paper on the voluntary buy-back scheme following the 2022 Queensland floods. This scheme involved complex accounting that affected 39 Queensland councils.

For the local government sector, we presented at the LGFP's event on the importance of cyber security, and at its annual conference on various topics relevant to councils. For DSDILGP, we presented at its financial accounting workshops in 8 locations.

We continue to share our innovation in data analytics and provide advice on how other organisations could benefit from similar approaches. In March, we were invited to participate on a panel discussion at the 7th Annual FST Government Queensland Summit on data strategy, culture, and sharing.

This year, QAO was also invited to present at the:

- Interdepartmental Accounting Group (IAG)
- University of Queensland's MBA program
- Canadian Council of Legislative Auditors Performance Audit Symposium
- The Institute of Internal Auditors Australia (IIAA)
- CPA's Queensland Public Sector Discussion Group
- Institute of Public Works Engineering Australasia (IPWEA) International Asset Management Congress.

We greatly enjoy sharing what we have learnt on our journeys over the years and appreciate the opportunity to discuss our perspectives.

## The wider value of our recommendations

We endeavour to share learnings from our audits and reports that may be relevant, or of interest, to all entities, not just to the ones directly involved in the audits. A range of entities read our reports as we table them, and we share insights via our briefings to audit committees and in our blog, better practices guides, and fact sheets.

In our 2020–21 reports *Responding to complaints from people with impaired capacity – Part 1: The Public Trustee of Queensland* (Report 5: 2020–21) and *Part 2: The Office of the Public Guardian* (Report 14: 2020–21), we recommended making information clearer and easier for the public to understand. In May this year, we were pleased to be advised that the Office of the Ombudsman had also taken note of this, despite the recommendation not being made directly to it. It produced a series of one-topic videos to better communicate about its services to people with impaired capacity, and it updated its website. It co-designed the new products with consultants from the Queensland Disability Network.

## Readership of our reports and resources

### Reports to parliament and interactive data dashboards

One of the ways in which we understand the level of our stakeholders' interest in our audit topics is by measuring the number of views of our reports to parliament. Overall, we aim to increase views across all our reports over time, to grow awareness of our role and exposure to our insights. We also measure how long people spend in our reports on our website – that is, reading them – to indicate how engaging they are.

Our total number of views for all our reports this year was over 74,000. Our most viewed reports tabled this financial year were: *Delivering social housing services* (Report 1: 2022–23), *Improving grants management* (Report 2: 2022–23), and *Keeping people safe from domestic and family violence* (Report 5: 2022–23).

We have a pop-up poll on our website where we ask visitors if the report to parliament was easy to understand, with 94 per cent telling us yes.

Our interactive data dashboards continued as a key channel for translating our audit findings and insights. We used visualisations to help explain financial information for those users with less experience in the field, and to provide regional context relevant to the user. This year, we refreshed 5 dashboards with new data from the results of our financial audits and interesting demographic data.

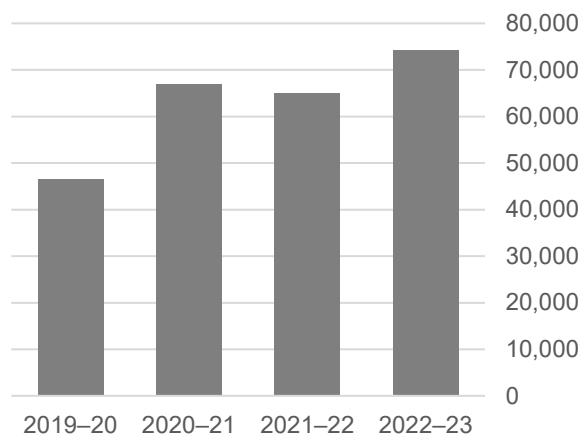
Our *QAO Queensland dashboard*, which collates information from our report-specific dashboards, was our most viewed at 1,430. This was closely followed by *Understanding grants dashboard* at 1,273 views.

### Blogs, fact sheets, and better practice guides

We prepare a range of resources, in addition to our tabled reports to parliament, to increase the awareness of our advice and encourage entities to learn from others.

QAO's blog continues to be one of our most popular channels, allowing us to synthesise or 'break down' insights from our work into small articles. This year, our blog strategy included series of articles covering issues we are seeing repeatedly – both over the years and across our audits. We aimed to remind new readers of persistent issues and, most importantly, ways to overcome and avoid them.

Website views of all QAO reports to parliament



Our series included 3 posts on the regulation of government services (collectively viewed 814 times) and 3 on contract management (viewed 1,106 times). We also began a series on performance management, and a series on asset management.

Overall, we published 25 new blog posts this year. Our top 3 most read posts (of those published any year to date) were: *A contract register is more than a list*, *How you can manage the risk of your legacy systems and Financial Reporting Requirements (FRRs) and changes for 2022*. Overall, our blog was viewed 24,223 times this financial year.

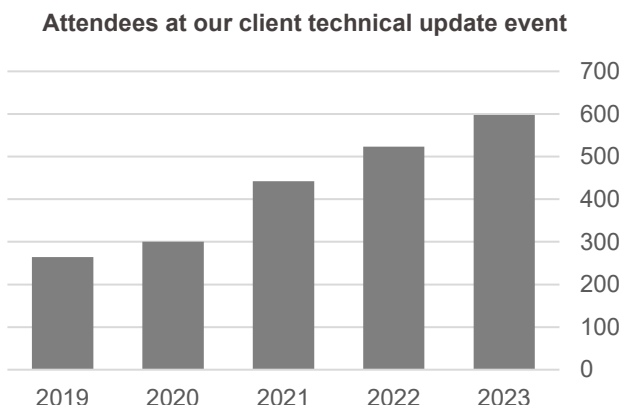
We continued to promote and share our 20 fact sheets with our readers, with 2,555 overall views. The most popular fact sheet is about our forward work plan, with 444 views.

Events and forums for our clients

Our events continued as an ideal way for us to engage closely with specific client groups in a more discussion-based manner. We cover bespoke information relevant to the attendees, such as technical and standard updates, insights from our audits and reports, our forward work plan, and significant areas of interest (such as cyber security). We offer our client events in person and via live stream.

We survey attendees after each event to understand which presentation topics were of most value, check that the timing of the event remains suitable, and gather any other feedback. We track this feedback over the years so we can continue to improve.

Our annual event for finance managers for all our Queensland state and local government clients had nearly 600 attendees this year, of which 70 were in person. We also appreciate Queensland Treasury’s participation as a presenter on whole-of-government matters. Eighty-six per cent of post-event survey respondents said the briefing helped them in their role in financial management.



We host an event twice a year for audit committee chairs, with 174 attending across our events this year. This remains steady year on year.

In March, we held our third forum for energy entities and the audit service providers who partner with us to deliver services for them. We had 72 attendees, of which 36 were in person. In the post-forum survey, we received a 4.8 average star rating out of 5 when we asked them how likely they are to recommend the forum to their colleagues. All respondents said they found the presenters engaging. A respondent shared:

*‘Thanks to QAO for running the show – one of the highlights for our team.’* – Energy forum survey, March 2023.

Another said:

*‘Very Informative sessions. Please keep providing the forum.’* – Energy forum survey, March 2023.

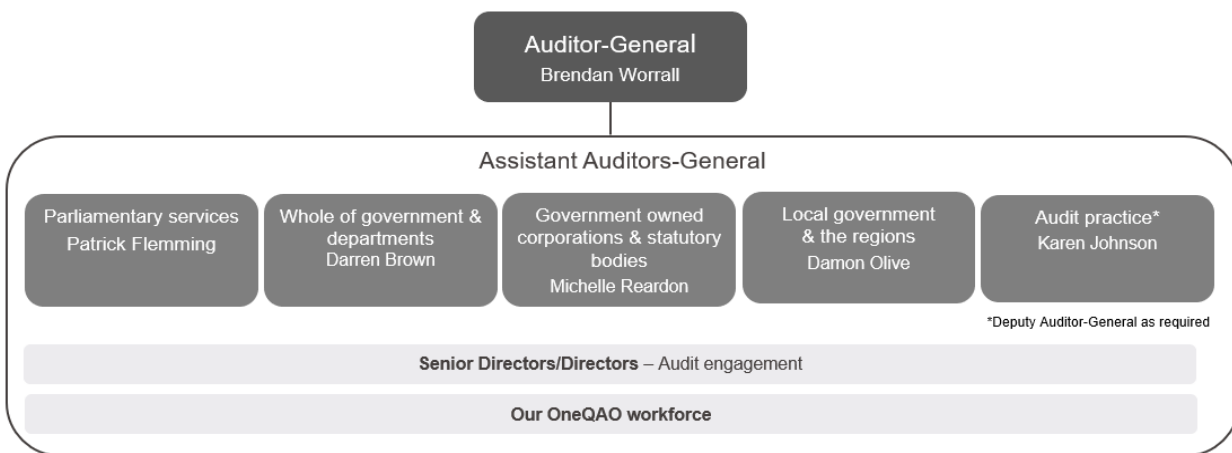
Alongside our presentations at our energy forum and our December briefing for audit committee chairs, we invited a guest speaker from the Australian Cyber Security Centre to present on the risks organisations are facing. We appreciate the centre’s time in sharing its expertise.

# 5. Governance and accountability of our office

Our governance framework aids us in achieving our objectives and monitoring risk, and it helps us optimise our performance. Our governance processes ensure we meet our clients’ and the Queensland community’s expectations of probity, accountability, and transparency.

## QAO’s organisational structure at 30 June 2023

Our operating model enables us to deliver our services as one team, with our Assistant Auditors-General overseeing our client services, quality, and people.



## Our governance framework

Our governance framework ensures we promote efficiency, effectiveness, accountability, integrity, and transparency in all we do.

### Audit and Risk Management Committee (ARMC)

The ARMC is an independent advisory committee to the Auditor-General, comprised of 3 external members who bring in expertise from other industry environments. Membership details are included in [Appendix B](#).

This year, the ARMC provided oversight of QAO’s risk, control, and fiscal responsibilities underpinning our corporate governance. It met 4 times in 2022–23.

### Audit Quality Sub-Committee

This is a sub-committee of the ARMC. It has 3 independent members and is responsible for advising the ARMC on quality issues and responses across QAO’s audit services. It monitors QAO’s audit activities to ensure they comply with quality requirements.

This year, the sub-committee looked at QAO’s quality program, the results of our quality assurance reviews, and QAO’s transparency report. The committee met twice in 2022–23.

### Executive Management Group (EMG)

This group includes all executive leaders. It determines strategy and budget, and regularly reviews QAO’s strategic and operating risks. The group formally convenes monthly to monitor performance, drive change and innovation, and manage our core business operations. The EMG members are:

- Brendan Worrall, Auditor-General
- Karen Johnson, Assistant Auditor-General (Deputy Auditor-General when required)
- Patrick Flemming, Assistant Auditor-General
- Michelle Reardon, Assistant Auditor-General
- Darren Brown, Assistant Auditor-General
- Damon Olive, Assistant Auditor-General.

## Sub-committees of the EMG

### Quality Management Group (QMG)

This group supports the Auditor-General in complying with professional and ethical requirements, and is chaired by a member of the EMG. The QMG members monitor all aspects of QAO's quality assurance framework. The group met 5 times in 2022–23.

### Finance Management Group (FMG)

This group supports the Auditor-General in complying with the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2019. The FMG also reviews QAO budgets, service delivery statement measures and reporting, budget updates, and annual financial statements. The committee is chaired by a member of the EMG. The FMG met 4 times in 2022–23.

### Information and Cyber Governance Committee

This committee guides the governance of matters relating to information, data, and cyber security. It focuses on compliance with legislation and government policy, and on increasing data governance awareness and capability within the organisation. The committee is chaired by a member of the EMG. It met 3 times in 2022–23.

### People Committee

This oversight group guides how we manage our strategic risk of recruiting and retaining the right people to uphold our values and ethical and quality standards. The committee is chaired by a member of the EMG. It met 11 times in 2022–23.

### Projects Board

This board monitors and oversees QAO's responses to reviews of significant QAO projects and initiatives, including reviews on data analytics (conducted in September 2021), file efficiency (August 2021), and learning and development (July 2021). The board is chaired by a member of the EMG and has an external, independent member. It met 10 times in 2022–23.

### Project Independence

This group provides oversight and guidance on implementing amendments to the *Auditor-General Act 2009* on transitioning the employment of QAO staff from the *Public Sector Act 2022*. The chair is a member of the EMG and members represent subject matter experts from across QAO, on matters such as human resources and QAO's legislation. The group meets fortnightly or as needed.

## Internal audit

Internal audit conducts independent and risk-based assurance activities, aiming to improve QAO's operations. It works in accordance with an annual plan, and its charter aligns with the *International Standards for the Professional Practice of Internal Auditing*. QAO engaged Protiviti to deliver its internal audit program this year, which included:

- implementation of the 2017 strategic review recommendations – assessing whether QAO's actions have appropriately addressed the recommendations



- end-to-end revenue processes – assessing QAO’s controls within our revenue process and how revenue is managed throughout project life cycles
- contracting of audit service providers (ASPs) – assessing QAO’s processes for ensuring consistency in our assessment of ASP requests for additional fees for financial audit work and for non-audit work conducted for the client outside of QAO’s contractual arrangements
- employee performance management – assessing controls and how effectively QAO’s management levels provide feedback and monitor staff performance
- external data visualisations – assessing QAO’s activities for ensuring the accuracy of information
- Information Security Management System (ISMS assessment – including the Australian Cyber Security Centre’s ‘Essential 8’) – assessing the maturity of QAO’s ISMS against the ISO 27001 mandatory clauses and key controls in areas that have significantly changed since prior year audits (currently underway)
- the results of the internal audits are reported to the Auditor-General, EMG, and ARMC, with QAO’s action on recommendations recorded and reported on monthly.

## External scrutiny

Sections 71 and 72 of our legislation, the *Auditor-General Act 2009*, detail the requirements for an independent audit of QAO. An auditor is selected through a procurement process undertaken by the Department of the Premier and Cabinet and then appointed by the Governor-in-Council.

Like QAO’s audits do for public sector and local government entities, our external auditors provide assurance that the information in our financial statements can be relied upon, and that the statements are free from material misstatement and comply with relevant legislation.

### Strategic reviews of QAO

Approximately every 5 years, a strategic review of QAO is conducted by an independent reviewer, appointed by the Governor-in-Council. The reviewers engage with us and our clients to understand how well we are operating and fulfilling our mandate.

The last strategic review of QAO was in 2017, with the report tabled in parliament on 23 March 2017. The reviewers concluded that QAO is fundamentally sound and a valuable part of the Queensland public sector. They made 32 recommendations. As of 30 June 2023, QAO has fully implemented 28 of the recommendations and partially implemented the remaining 4. Of the remaining recommendations, QAO is:

- developing a better practice resource for valuing public infrastructure to guide our auditors’ work with clients
- engaging with the Queensland Government’s Integrity Reform Taskforce on amendments to the *Auditor-General Act 2009*, to enhance our independence and ensure our mandate remains relevant and contemporary.

One of the key 2017 strategic review recommendations was to strengthen the independence of the Auditor-General, which was in line with the suggestions made by QAO in its submission to the 2013 Finance and Administration Committee’s inquiry.

This recommendation was further considered and supported by Professor Coaldrake in his 2022 review on culture and accountability in the Queensland Public Sector.

In November 2022, the *Integrity and Other Legislation Amendment Act 2022* was passed in the Queensland Parliament, amending the *Auditor-General Act 2009*. The primary amendments covered formal recognition of the Auditor-General as an officer of the parliament, and the employment of staff under the *Auditor-General Act 2009*.

In June 2023, the Integrity and Other Legislation Bill 2023 was introduced in Queensland Parliament. This Bill proposes further amendments to the *Auditor-General Act 2009*, including increasing the role of the Economic and Governance Committee’s oversight of QAO’s financial arrangements and management practices. While the 2023 Bill expands the role of parliamentary committee oversight of integrity bodies, it

does not extend to moving the role of ministers to the Speaker, which Professor Coaldrake recommended. Approval of QAO's budget remains with the Queensland Premier.

The 2023 strategic reviewers were appointed by the Department of the Premier and Cabinet in June 2023, and are required to provide their report within 6 months of starting the review.

## Unwavering focus on quality

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The overarching aims of audit quality can be summed up as the degree of excellence with which audits are consistently performed. We are focused on delivering quality audits that meet regulatory requirements, maintain the confidence of parliament and Queenslanders, and provide reliable results and insights for audit clients that lead to outcomes. Our ongoing system of quality control includes internal and external mechanisms:

- a quality assurance framework and quality risk management
- an annual quality assurance plan
- open and closed file reviews (open reviews are of audits that are underway and closed are of completed audits)
- reviews by engagement quality control officers at Assistant Auditor-General or senior director level
- reviews of our audit service providers
- development programs that incorporate learnings from the reviews
- other remedial action, including updates to our audit toolset, and guidance for our workforce.

This year, we improved our audit and assurance practices by discussing with our workforce major changes arising from new quality management standards. We revised QAO's policies and processes to align with the requirements of ASQM1 and 2, which is the Australian equivalent of the International Standards on Quality Management.

A particular focus for us was the consistency of the services our clients experience, meaning we continued to share learnings from our quality reviews across all our staff and include our ASPs in our training programs, such as on our new data tools and our responses to key risks.

Our yearly transparency report summarises our quality assurance activities and results. We published our latest report in January 2023, and it noted that QAO has effective processes that comply with international standards. The number of unsatisfactory quality results increased over the prior year with 4 audit files from 30 files this year. This was due to the resourcing challenges that QAO and our ASPs are experiencing. We have started work on our transparency report for 2023.

### The standards by which we perform our work

Auditing and accounting standards provide guidance and establish requirements to ensure auditors' work is high quality, based on firm evidence, and ethical. QAO performs its audits in accordance with standards issued by the Australian Accounting Standards Board (AASB) and Auditing and Assurance Standards Board (AuASB).

The *Auditor-General Act 2009* requires us to table in parliament the standards by which we perform our audits – the Auditor-General Auditing Standards. These require us to adopt the standards issued by the AuASB. This year, we updated and modernised the standards to:

- clarify how we apply the standards for performance and assurance audits
- specify the expectations placed on audit service providers
- align the audit exemption criteria with new Australian Charities and Not-for-profits Commission thresholds
- include expectations for data governance
- update the section on tabling protocols to reflect the 4-year term for state government elections
- refresh the language to reflect the new Australian Standard on Quality Management.

Our 2022–23 audits all applied the revised ASA 315 – Australian Auditing Standard *Identifying and Assessing the Risks of Material Misstatement*. The new standard enhances auditors' risk assessments, and we updated our audit programs to require additional testing over controls, in particular information and communication technology (ICT) controls. We supported the application of the new standard through training for our staff.

## Robust audit methodologies

Audits must also follow well-designed methodologies to be effective, efficient, consistent, of high quality, and, importantly, result in outcomes.

QAO updates its methodologies, toolsets, and training materials annually, following our quality reviews and any further root cause analysis we identify. For example, in the past 2 years, we have improved how our methodologies lead us to assess and respond to audit risks, developed standardised templates for our entire workforce to use across our services, and, overall, remained innovative in our thinking.

This year, we began a review of our performance audit methodology. The coming updates will reflect recent changes in auditing standards on quality management, and internal practices for improving efficiency and effectiveness. They will also include more guidance for staff.

## How we maintain confidentiality and security

QAO has a range of mechanisms, processes, and policies in place to ensure it complies with legislation, in particular the *Auditor-General Act 2009* (the Act) and the *Information Privacy Act 2009*, on how it secures, protects, uses, and stores information.

Cyber security continues to be a primary and increasing risk for all organisations globally. At QAO, we have a range of controls in place to ensure we monitor and address any current or emerging risk before it becomes an issue. We are continuously identifying, assessing, and implementing activities to understand the risks and act.

This year, we continued to develop our information security management system to preserve the confidentiality, integrity, and availability of our information assets. We received excellent results for, and continued to work towards certification of, the international standard for information security (ISO 27001). We achieved nearly full compliance with the Australian Cyber Security Centre's 'Essential Eight', with only one area remaining, which we are on track to achieve.

We also continued to work closely with Queensland Government partners on best practice in cyber security, (such as the Cyber Security Unit and CITEC) and exchange knowledge and intelligence.

We use secure systems to collect information, data, and files. This year, we continued to improve our internal processes by centralising how we manage files to reduce duplication and increase efficiencies, thus allowing us to more easily discover and reuse records.

Every member of our workforce must meet obligations under the Act on the proper and secure handling of information. This includes ensuring protected information is not divulged or made public, adhering to correct record keeping protocols, and reporting any breaches. We conducted focused engagement with our contracted ASPs to ensure they understand these requirements. We held an information session on reporting data breaches, should they occur, and we better clarified the terms and conditions in our contracts.

The education of our workforce supports their understanding of and compliance with our requirements. They undergo formal, online training in cyber security, information privacy, and confidentiality requirements under the Act. In early June 2023, we wrote to each ASP firm to remind it of the obligations set out in section 53 of the *Auditor-General Act 2009*.

QAO also has processes in place to assess the appropriateness of ASPs conducting additional consulting projects or non-audit work for the clients they are engaged to conduct external audits for. Our contracts specify that firms must request our permission in the first instance and we apply a rigorous assessment process that only allows such work in limited circumstances where the non-assurance work is not substantial.

## **A high standard of recordkeeping**

Effective recordkeeping gives us confidence that we have the evidence we need to support our decisions and the results of our audit work. During 2022–23, we continued to improve by:

- establishing an Information and Cyber Governance Committee to monitor compliance against our information policies
- strengthening our data and information governance framework
- communicating roles and responsibilities in our internal policies and procedures for creating, managing, and disposing of public records
- furthering our use of, and reliance on, born-digital and digitised records
- continuing our use of electronic signatures and document approvals
- hosting an information session for our contract auditors to raise awareness of information security
- providing mandatory training to all staff, including new and existing staff
- reviewing QAO retention and disposal schedules to align with current legal requirements.

Our digitised records management approach and supporting technology ensure we can effectively operate as a paperless office. Over recent years, we have also greatly reduced the number of paper records we receive, for example, via mail. We continue to try to limit this.

## 6. Our financial management and performance

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We aim to lead by example in holding ourselves to the high standards we expect from the public sector entities and local governments we audit, and ensuring long-term financial sustainability. We aim to provide cost-effective and valued audit and assurance services to parliament and our fee-paying clients.

This year's financial performance results reflect our ongoing focus on driving efficiency and improving how we manage our operations, while grappling with employee resource fluctuations and unpredictability.

QAO continues to be financially sustainable, with a current ratio of assets to liabilities of 11.7 ratio as at 30 June 2022–23. ('Current ratio' measures whether an organisation is sustainably balancing its assets, financing and liabilities and is a general metric of financial health). Our result indicates an excellent ability to pay our debts as they become due. Our revenue and operational expenses tracked well against our budget for 2022–23. We delivered most of our audit work as planned, with little impact on our overall financial position.

Our funding from parliament for 2022–23, received under the *Appropriation Act 2022*, was \$7.301 million. This appropriation is allocated to reporting and advice or assistance to parliament, delivering performance audit and assurance activities, preparing our forward work plan, investigating requests for audits, and remunerating the Auditor-General.

Our overall income from our continuing operations was \$49.579 million, slightly over our budget of \$46.605 million. QAO recognises the revenue from the audit fees we need to charge our clients for our financial audit services on a full cost recovery basis. Approximately 85 per cent of our revenue comes from these fees. The revenue from fees this year was \$42.041 million, slightly over our budget of \$39.094 million. This is due to audit work carrying over from 2021–22 due to resource shortages, and our additional work this year arising from machinery of government changes.

QAO's total expenses from our continuing operations was \$48.397 million, marginally over our original budget of \$47.059 million. Over half of our expenses were employee costs at \$26.456 million, which was below our budgeted \$27.238 due to high staff attrition and challenges in finding suitable replacements. The increase in employee expenses compared to last financial year's \$25.396 million primarily reflects a 2.5 per cent Enterprise Bargaining Agreement (EBA) increase during the year.

Offsetting this saving in employee costs was our supplies and services expenses of \$21.440 million, which was above our budget of \$19.189 million. This was because we needed to engage more contract resources to deliver our work programs due to the challenges we experienced finding suitable staff.

Our other expenses were conservative, covering rent and office services, information technology or minor office equipment, and staff development.

QAO's financial statements and independent auditor's report are on pages 36–54 of this annual report.

# Financial statements, independent auditor’s report, and performance statement

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We continue to operate as a sustainable and contemporary audit practice. The following pages of this report contain the:

- Queensland Audit Office’s financial statements
- Independent auditor’s report from Hall Chadwick
- Queensland Audit Office’s performance statement.

# Financial statements and independent auditor’s report

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## Queensland Audit Office Financial Statements For the year ended 30 June 2023

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### General Information

These financial statements cover the Queensland Audit Office (QAO) for the 2022-23 financial year. QAO is established under the *Auditor-General Act 2009* to provide independent, valued assurance and insights.

QAO is a not-for-profit entity with the objective to strengthen public sector accountability by providing independent audit services, including reporting to Parliament. QAO is a department for financial reporting purposes (as described in the *Financial Accountability Act 2009*) and is consolidated into the Report on State Finances of the Queensland Government.

The principal place of business is:

Level 13, 53 Albert Street  
BRISBANE QLD 4000

For information relating to QAO’s financial report please:

- call (07) 3149 6000,
- email [enquiries@qao.qld.gov.au](mailto:enquiries@qao.qld.gov.au)
- or visit the QAO’s internet site [www.qao.qld.gov.au](http://www.qao.qld.gov.au).

**Queensland Audit Office**  
**Statement of Comprehensive Income**  
**For the year ended 30 June 2023**

	Notes	2023 Actual \$'000	2023 Original Budget \$'000	Budget Variance* \$'000	2022 Actual \$'000
<b>Income from Continuing Operations</b>					
Audit fees	2(i)	42,041	39,094	2,947	39,770
Appropriation revenue for services	2(ii)	7,301	7,301	..	7,003
Other revenue	2(iii)	237	210	27	263
<b>Total Income from Continuing Operations</b>		<b>49,579</b>	<b>46,605</b>	<b>2,974</b>	<b>47,036</b>
<b>Expenses from Continuing Operations</b>					
Employee expenses	3	26,456	27,238	(782)	25,345
Supplies and services	4	21,440	19,189	2,251	19,276
Depreciation and amortisation	8 (b)	34	57	(23)	88
Other expenses	5	467	575	(108)	470
<b>Total Expenses from Continuing Operations</b>		<b>48,397</b>	<b>47,059</b>	<b>1,338</b>	<b>45,179</b>
<b>Total Operating Result from Continuing Operations/Comprehensive Income</b>		<b>1,182</b>	<b>(454)</b>	<b>1,636</b>	<b>1,857</b>

*\*An explanation of major variances is included at Note 11*

*The accompanying notes form part of these statements.*



**Queensland Audit Office  
Statement of Financial Position  
As at 30 June 2023**

	Notes	2023 Actual \$'000	2023 Original Budget \$'000	2023 Budget Variance* \$'000	2022 Actual \$'000
<b>Current Assets</b>					
Cash and cash equivalents	1(d)	11,424	9,954	1,470	9,079
Work in progress	6	2,428	3,357	(929)	2,838
Receivables	7	5,001	3,772	1,229	5,421
Other current assets		612	358	254	882
<b>Total Current Assets</b>		<b>19,465</b>	<b>17,441</b>	<b>2,024</b>	<b>18,220</b>
<b>Non-Current Assets</b>					
Plant and equipment	8(c)(i)	385	115	270	52
Intangible assets	8(c)(ii)	..	..	..	..
<b>Total Non-Current Assets</b>		<b>385</b>	<b>115</b>	<b>270</b>	<b>52</b>
<b>Total Assets</b>		<b>19,850</b>	<b>17,556</b>	<b>2,294</b>	<b>18,272</b>
<b>Current Liabilities - Payables and accruals</b>	9	<b>1,703</b>	<b>1,632</b>	<b>71</b>	<b>1,307</b>
<b>Total Liabilities</b>		<b>1,703</b>	<b>1,632</b>	<b>71</b>	<b>1,307</b>
<b>Net Assets</b>		<b>18,147</b>	<b>15,924</b>	<b>2,223</b>	<b>16,965</b>
<b>Equity</b>					
Contributed equity		5,183	5,183	..	5,183
Accumulated surplus		12,964	10,741	2,223	11,782
<b>Total Equity</b>		<b>18,147</b>	<b>15,924</b>	<b>2,223</b>	<b>16,965</b>

*\*An explanation of major variances is included at Note 11*

*The accompanying notes form part of these statements.*

**Queensland Audit Office**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2023**

	Notes	Accumulated Surplus \$'000	Contributed Equity \$'000	Total \$'000
<b>Balance as at 1 July 2022</b>		11,782	5,183	16,965
Operating result from continuing operations		1,182	..	1,182
<b>Balance as at 30 June 2023</b>		<b>12,964</b>	<b>5,183</b>	<b>18,147</b>
<b>Balance as at 1 July 2021</b>		9,925	5,183	15,108
Operating result from continuing operations		1,857	..	1,857
<b>Balance as at 30 June 2022</b>		<b>11,782</b>	<b>5,183</b>	<b>16,965</b>

*The accompanying notes form part of these statements.*

**Queensland Audit Office  
Statement of Cash Flows  
For the year ended 30 June 2023**

	Notes	2023 Actual \$'000	2023 Original Budget \$'000	2023 Budget Variance* \$'000	2022 Actual \$'000
<b>Cash Flows from Operating Activities</b>					
<i>Inflows:</i>					
Audit fees		42,423	39,239	3,184	37,326
Appropriation revenue for services		7,301	7,301	..	6,993
GST input tax credits from ATO		2,139	3,558	(1,419)	2,078
GST collected from customers		4,261	1,779	2,482	4,316
Other revenue		24	..	24	57
<i>Outflows:</i>					
Employee expenses		(26,185)	(27,137)	952	(25,583)
Supplies and services		(20,708)	(19,188)	(1,520)	(16,711)
GST paid to suppliers		(2,172)	(1,779)	(393)	(1,974)
GST remitted to ATO		(4,129)	(3,513)	(616)	(4,097)
Other expenses		(242)	(365)	123	(265)
<b>Net Cash Provided by / (Used in) Operating Activities</b>	13	<b>2,712</b>	<b>(105)</b>	<b>2,817</b>	<b>2,140</b>
<b>Net Cash used in Investing Activities</b>					
Payments for plant and equipment and intangibles		<b>(367)</b>	<b>(110)</b>	<b>(257)</b>	<b>..</b>
Net increase / (decrease) in cash and cash equivalents		2,345	(215)	2,560	2,140
Cash and cash equivalents at beginning of financial year		9,079	10,169	(1,090)	6,939
<b>Cash and Cash Equivalents at End of Financial Year</b>		<b>11,424</b>	<b>9,954</b>	<b>1,470</b>	<b>9,079</b>

*\*An explanation of major variances is included at Note 11*

*The accompanying notes form part of these statements.*

**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

QAO supports the statutory role and functions of the Auditor-General, who is parliament’s auditor for all state and local government entities. The Auditor-General is fully independent, appointed by the Queensland Governor in Council for a seven-year term. Our work is governed by the *Auditor-General Act 2009* and guided by Australian auditing and accounting standards.

The Auditor-General’s mandate includes annual financial audits and performance audits. We also conduct investigations about financial waste and mismanagement, and report on “better practice” ways that can improve performance and service delivery. The outcomes from our work include:

- Improved public sector and local government financial management and reporting
- Maintaining confidence in financial accountability, transparency, and reporting
- Supporting Queenslanders by providing recommendations to our clients on how they can improve their delivery of public services
- Providing parliament with independent assurance over the performance of the public sector.

Financial audits are performed on a fee for service basis and account for approximately 85 per cent of QAO’s revenue. To assist in executing our mandate, QAO engages private sector audit firms to undertake around 30 per cent of our work. These contracted firms are agents of the Auditor-General and their services are led and overseen by QAO. The balance of QAO’s revenue comes from parliamentary appropriation.

The parliamentary Economics and Governance Committee provides oversight of the Auditor-General and QAO.

## **1. Summary of Significant Accounting Policies**

Significant accounting policies are shown in the notes to which they relate, except as follows:

### **(a) Statement of compliance**

These general-purpose financial statements have been prepared on an accrual basis, except for the statement of cash flows, and in accordance with:

- section 38 of the Financial and Performance Management Standard 2019
- applicable Australian Accounting Standards and Interpretations
- Queensland Treasury’s Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2022.

The historical cost convention is used unless otherwise stated. Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

### **(b) Currency and rounding**

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is less than \$500, to zero unless disclosure of the full amount is specifically required.

**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

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**1. Summary of Significant Accounting Policies (continued)**

**(c) Taxation**

QAO is a state body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

Revenues, expenses, and assets are recognised exclusive of GST, except:

- receivables and payables, which include input tax credits and GST payable, and the net amount due to or receivable from the Australian Tax Office (ATO)
- where the amount incurred is not recoverable from the ATO.

The GST components of cash flows arising from investing activities which are recoverable from, or payable to the ATO are included as operating cash flows.

**(d) Cash and cash equivalents**

Cash assets comprise funds at call with the Commonwealth Bank of Australia.

**(e) Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**(e) Issuance of financial statements**

The financial statements are authorised for issue by the Acting Auditor-General of Queensland and the Acting Chief Financial Officer at the date of signing the Certificate of the Queensland Audit Office.

**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

## 2. Revenue

QAO charges fees for financial audit services on a full cost recovery basis.

QAO also receives parliamentary appropriation for:

- the position of the Auditor-General
- the conduct of performance audits
- reporting to Parliament on the results of financial and performance audits
- providing advice and assistance to the parliament and central agencies
- preparation of the Forward Work Plan
- investigating matters referred in relation to financial waste and mismanagement.

### (i) Audit fees for services to the public sector

QAO recognises revenue from audit fees when the work is undertaken. This includes audit work completed by contracted audit firms on behalf of QAO.

### (ii) Appropriation revenue for services to the parliament

QAO recognises appropriation revenue in the year when the services are performed, which matches the timing of cash transfers made by Queensland Treasury under the *Appropriation (Parliament) Bill 2022*.

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>		
Budgeted appropriation	7,301	7,014
Queensland Treasury adjustments	..	(11)
<b>Total</b>	<b>7,301</b>	<b>7,003</b>

The adjustment to appropriation from the amount set out in the *Appropriation (2021-2022) Bill 2021* was for Microsoft Core Client Access License (CAL).

### (iii) Other Revenue

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other revenue</b>		
Storage services received free of charge	214	205
Miscellaneous receipts	23	58
<b>Total</b>	<b>237</b>	<b>263</b>

Miscellaneous receipts consist of amounts recovered from other audit offices for their share of services.

**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

### 3. Employee Expenses

	Note	2023 \$'000	2022 \$'000
<b>Employee Benefits</b>			
Wages, salaries and sick leave	3(i)	20,717	19,876
Annual leave levy	3(ii)	2,055	2,070
Long service leave levy	3(ii)	553	500
Employer superannuation contributions		2,903	2,679
Fringe benefits tax		94	84
<b>Total Employee Benefits</b>		<b>26,322</b>	<b>25,209</b>
<b>Employee Related Expenses</b>			
WorkCover Queensland premium		34	38
Employee expenses – other		100	98
<b>Total Employee Related Expenses</b>		<b>134</b>	<b>136</b>
<b>Total</b>		<b>26,456</b>	<b>25,345</b>

The number of employees on a full-time equivalent (FTE) basis under the Minimum Obligatory Human Resource Information (MOHRI) classification methodology is:

	2023	2022
Number of employees as at 30 June (based upon the fortnight ending 30 June 2023)	182	179

#### (a) Employee benefits

Employee benefits include employer superannuation contributions, annual leave and long service leave levies.

Workers' compensation insurance is not included in an employee's total remuneration package and is recognised separately as employee related expenses.

##### (i) Wages, salaries and sick leave

Wages and salaries are recognised at current salary rates as it is expected any liability will be wholly settled within 12 months of year end. Sick leave is recognised as an expense when the leave is taken.

##### (ii) Annual leave and long service leave

QAO is a member of the Queensland Government's Annual Leave and Long Service Leave Schemes. QAO pays a levy to these schemes to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. QAO expenses these levies in the period in which they are payable and claims from these schemes quarterly in arrears for amounts paid to employees for leave taken.

QAO does not recognise a provision for annual leave or long service leave as these liabilities are held and disclosed in the Report on State Finances of the Queensland Government pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

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### 3. Employee Expenses (continued)

#### (iii) Superannuation

Superannuation is provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment.

**Defined (Accumulation) Contribution Plans** - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

**Defined Benefit Plan** - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by QAO at the specified rate following completion of the employee's service each pay period. The QAO's obligations are limited to those contributions paid.

#### (b) Key executive management personnel and remuneration

##### (i) Key executive management personnel

Details of key executive management personnel are disclosed in accordance with section 3C of the Financial Reporting Requirements for Queensland Government Agencies. Key executive management personnel encompass positions which form part of the Executive Management Group. This group had the authority and responsibility for planning, directing and controlling the activities of the QAO during 2022–23.

**Auditor-General** – undertakes financial and performance audits of Queensland state and local government entities and provides Parliament with independent assurance of public sector accountability and performance as defined in the *Auditor-General Act 2009*.

**Deputy Auditor-General** – the statutory role of Deputy Auditor-General is only performed when the Auditor-General is unavailable – the Deputy Auditor-General then acts as Auditor-General.

**Assistant Auditors-General** – lead and set the strategic direction of client services, parliamentary services and audit practice.

Further information on these positions is in the QAO Annual Report under the Leadership and Governance section.

##### (ii) Remuneration

The remuneration policy for QAO's key executive management personnel is set by the Queensland Public Sector Commission as provided for under the *Public Sector Act 2008* and the *Auditor-General Act 2009*.

Individual remuneration and other terms of employment are specified in employment contracts.

Remuneration packages comprise the following components:

- short term employee benefits which include:
  - base — salary, incentives, allowances and leave entitlements paid and accrued for the year or for that part of the year during which the employee occupied the specified position
  - non-monetary benefits — car parking and the applicable fringe benefits tax



**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**3. Employee Expenses (continued)**

**(ii) Remuneration (continued)**

- long term employee benefits include long service leave accrued
- post-employment benefits include superannuation contributions
- redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payments in lieu of notice on termination regardless of the reason for termination
- performance bonuses are not paid under the current contracts.

Total fixed remuneration is calculated on a total 'cost' basis and includes the base and non-monetary benefits, long term employee benefits and post-employment benefits.

Position	Name	Short Term Employee Benefits		Long Term Employee Benefits	Post-Employment Benefits	Total Remuneration
		Base	Non-Monetary			
		\$'000	\$'000			
<b>1 July 2022 – 30 June 2023</b>						
Auditor-General	B Worrall	483	12	12	56	563
Deputy Auditor-General & Assistant Auditor-General	K Johnson	334	12	7	35	388
Assistant Auditor-General	P Brahman	331	7	7	38	383
Assistant Auditor-General	P Flemming	331	12	7	38	388
Assistant Auditor-General	D Olive	326	12	7	37	382
Assistant Auditor-General (4/10/22 – 30/6/23)	M Reardon	191	6	5	18	220
Assistant Auditor-General (4/10/22 – 30/6/23)	D Brown	218	6	5	20	249
<b>Total 2023</b>						<b>2,573</b>
<b>1 July 2021 – 30 June 2022</b>						
Auditor-General	B Worrall	467	13	11	55	546
Deputy Auditor-General & Assistant Auditor-General	K Johnson	283	13	6	29	331
Assistant Auditor-General	P Brahman	280	13	6	31	330
Assistant Auditor-General	P Flemming	246	13	5	25	289
Assistant Auditor-General	D Olive	236	13	5	23	277
Assistant Auditor-General (1/7/21 – 31/05/22)	R Vagg	258	11	4	22	295
<b>Total 2022</b>						<b>2,068</b>

**(iii) Performance payments**

No KMP remuneration packages provide for performance or bonus payments.

**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**3. Employee Expenses (continued)****(iv) Related Party Transactions****Transactions with people or entities related to Key Executive Management Personnel (KMP)**

No transactions with people or entities related to the QAO's KMP were reported for this financial year.

**Transactions with other Queensland Government-controlled entities**

QAO receives appropriation revenue for the statutory position of Auditor-General and other appropriation funded services (refer Note 2), both of which are provided via Queensland Treasury.

QAO provides audit and assurance services which are paid for directly by public sector entities.

QAO pays work cover premium to WorkCover Queensland as per Note 3.

QAO pays rent and office services to Department of Energy and Public Works as per Note 4.

QAO pays insurance to Queensland Government Insurance Fund (QGIF) and receives storage fees free of charge from Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities, and the Arts as per Note 5.

**4. Supplies and Services**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Payments to audit service providers	13,130	12,017
Consultants and expert advice	2,363	2,176
Payments to employment agencies for contractor personnel	1,111	594
Rent and office services	1,382	1,698
Information technology and minor office equipment	2,043	1,536
Staff development	239	163
Travel costs	483	300
Bureau charges	189	288
Other administrative costs	500	504
<b>Total</b>	<b>21,440</b>	<b>19,276</b>

**5. Other Expenses**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Internal audit fees	143	154
External audit fees*	33	33
Insurance premiums – QGIF	65	63
Storage services received free of charge	214	205
Other expenses	12	15
<b>Total</b>	<b>467</b>	<b>470</b>

\*Total audit fees due to Hall Chadwick QLD relating to the 2022-23 financial year are \$33,150 (2021-22: \$33,150). Hall Chadwick did not provide any non-audit services.

**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

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## 6. Work in Progress

Work in progress represents services performed but not yet invoiced and is based on:

- weekly timesheets and hourly rates for each level of staff. The rates are determined by the Auditor-General to provide for cost recovery and approved by the Treasurer
  - costs of work undertaken for QAO by contracted audit firms. The total estimated cost of contracted-out work is agreed in advance of the work commencing, but may be subject to variations as the work proceeds
  - outlays such as travel and accommodation directly incurred in completing the work that are yet to be billed.
- The recoverability of work in progress is regularly reviewed and an allowance for impairment is provided if there is evidence that amounts are not fully recoverable.

As at reporting date, all work in progress is assessed as fully recoverable. The basis of assessment considers:

- no work is disputed by clients
- no unexplained aged work in progress exists
- no amounts are outstanding for entities that no longer exist, and
- good quality credit history, with our clients being state and local government entities.

## 7. Receivables

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Audit fees receivable	4,359	4,757
Annual leave reimbursement	493	487
Long service leave reimbursement	127	177
Other receivables	22	..
<b>Total</b>	<b>5,001</b>	<b>5,421</b>

Receivables are recognised when an invoice is issued and work in progress is reduced accordingly. Invoices are issued periodically, based on milestones or completion of the work. The total estimated cost of audit engagements is communicated in advance of the work commencing but may be subject to variations as the work proceeds. Invoices are due for settlement within 14 days of invoice date.

All receivables are current and expected to be fully collectible based on good credit quality and recent collection history.

**Queensland Audit Office**  
**Notes to the Financial Statements**  
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## 8. Plant and Equipment and Intangible Assets

### (a) Acquisition

All plant and equipment and intangible assets are initially recognised and subsequently measured at cost. Cost comprises purchase price plus additional expenditure incurred to maintain the asset in the condition necessary to be used as intended.

Assets are only recognised in the Statement of Financial Position where their initial acquisition costs exceed \$5,000 for plant and equipment and \$100,000 for intangibles. Items costing less than these amounts are included as expenses.

### (b) Measurement

Assets are carried at their acquisition cost less accumulated depreciation/amortisation and any accumulated impairment losses. Plant and equipment is depreciated on a straight-line basis to allocate the net cost of each asset, less its estimated remaining value, equally over its estimated useful life.

All intangible assets, including purchased and internally generated software, have finite useful lives and are amortised on a straight-line basis over the period of the expected benefit to QAO.

The depreciation and amortisation rates are:

<b>Asset class</b>	<b>Depreciation rate</b>	<b>Basis</b>	<b>Useful life</b>
Plant and equipment	12.5% to 33.3%	Straight line	3 to 8 years
<b>Intangible assets</b>	<b>Amortisation rate</b>	<b>Basis</b>	<b>Useful life</b>
Software purchased	20% to 33.3%	Straight line	3 to 5 years
Software internally generated	20% to 33.3%	Straight line	3 to 5 years

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation and Amortisation</b>		
Plant and equipment	34	86
Intangibles	..	2
<b>Total</b>	<b>34</b>	<b>88</b>

**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

## 8. Plant and Equipment and Intangible Assets (continued)

### (c) Impairment

All plant and equipment and intangible assets are assessed annually for indicators of impairment. If an indicator of possible impairment exists, QAO determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. Impairment losses are recognised immediately in the Statement of Comprehensive Income.

	2023 \$'000	2022 \$'000
<b>(i) Plant and Equipment</b>		
Plant and equipment		
At cost	1,002	997
Accumulated depreciation	(966)	(945)
<b>Total</b>	<b>36</b>	<b>52</b>
Capital work in progress – at cost	349	..
<b>Total</b>	<b>385</b>	<b>52</b>
 <b><i>Plant and Equipment Reconciliation</i></b>		
Carrying amount at 1 July 2022	52	138
Acquisitions	18	..
Disposals	(13)	..
Depreciation	(34)	(86)
Accumulated depreciation on disposal	13	..
Acquisitions to capital work in progress	349	..
<b>Carrying amount at 30 June 2023</b>	<b>385</b>	<b>52</b>
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(ii) Intangible Assets</b>		
Software purchased		
At cost	331	331
Accumulated amortisation	(331)	(331)
<b>Total</b>	<b>..</b>	<b>..</b>
Software internally generated		
At cost	1,968	1,968
Accumulated amortisation	(1,968)	(1,968)
<b>Total</b>	<b>..</b>	<b>..</b>
<b>Intangible Asset Total</b>	<b>..</b>	<b>..</b>
 <b><i>Intangible Assets Reconciliation</i></b>		
Carrying amount at 1 July	..	2
Amortisation	..	(2)
<b>Carrying amount at 30 June</b>	<b>..</b>	<b>..</b>

**Queensland Audit Office**  
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## 9. Payables and Accruals

Creditors are recognised on receipt of goods or services ordered and are measured at the agreed purchase or contract price including any applicable trade and other discounts when goods and services ordered are received. Amounts owing are unsecured and are generally settled on 20-day terms.

	<b>2023</b> <b>\$'000</b>	<b>2022</b> <b>\$'000</b>
<b>(a) Payables</b>		
Creditors	405	258
GST payable	610	470
GST input tax receivable	(250)	(214)
Net GST payable	360	256
<b>Total</b>	<b>765</b>	<b>514</b>
<b>(b) Accrued Employee Benefits</b>		
Annual leave levy payable	616	612
Long service leave levy payable	158	151
Other employee benefits	164	30
<b>Total</b>	<b>938</b>	<b>793</b>
<b>Total</b>	<b>1,703</b>	<b>1,307</b>

Other employee benefits include accrued salaries and wages, superannuation, paid parental leave and time in lieu.

## 10. Commitments for Expenditure

At reporting date QAO had no capital expenditure or operating lease commitments. QAO sub-leases our accommodation through an arrangement with the Department of Energy and Public Works (DEPW). This arrangement is outside the scope of *AASB 16 Leases* as DEPW has substantive substitution rights over the non-specialised, commercial office accommodation we use. There is no lease remediation requirement under this sub-lease.

**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

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## 11. Budgetary Reporting Disclosures

The QAO's assessment of major budget variances is in accordance with FRR 5C Budgetary Reporting Disclosures.

### (i) Explanation of Major Variances – Statement of Comprehensive Income

<i>Audit fees</i>	Audit fees were \$2.947 million above budget because 2021-22 work was carried over into the 2022-23 year due to resource shortages and we performed additional 2022-23 audit work arising from machinery of government changes.
<i>Supplies and services</i>	Supplies and services were \$2.251 million above budget because we had to engage more contract-in resources to deliver our audit work program. Also our costs of protecting systems and storing data have increased significantly.
<i>Employee Expenses</i>	Employee expenses were \$0.782 million below budget due to high staff attrition and delays in finding suitable replacements.

### (ii) Explanation of Major Variances – Statement of Financial Position

<i>Cash and Cash Equivalents</i>	Cash was \$1.470 million above budget because we converted work in progress and receivables into cash at an earlier point in time in 2022-23.
<i>Work in Progress</i>	Work in Progress was \$0.929 million less than budget. Management minimised the year end WIP balance through conversion to receivables and cash. This is reflected in higher than planned receivables.
<i>Receivables</i>	Receivables was \$1.229 million above budget as per the explanation above.
<i>Plant and Equipment</i>	Capital purchases were \$0.270 million higher than budget as we had information technology performance issues and needed to purchase replacement on-premise servers earlier than our original plan of 2023-24.

### (iii) Explanation of Major Variances – Statement of Cash Flow

<i>Audit Fees</i>	Audit fees received were \$3.184 million more than expected because we did more audit work in 2022-23 reflecting both carry over work from 2021-22 and planned and unplanned work from 2022-23.
<i>Supplies and Services</i>	Supplies and services paid were \$1.520 million more than budgeted because we had to engage more contract in resources to deliver our audit work program. Also our costs of protecting systems and storing data increased significantly.
<i>Employee Expenses</i>	Employee expenses were \$0.952 million less than expected. This was driven by lower than anticipated employee numbers.

**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

## 12. Financial Instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position on agreement of the contractual provisions of the financial instrument. QAO has the following categories of financial instruments:

### (a) Classification

Financial Assets	Notes	2023 \$'000	2022 \$'000
Cash and cash equivalents (fair value through profit or loss)	1 (d)	11,424	9,079
Work in progress (amortised cost)	6	2,428	2,838
Receivables (amortised cost)	7	5,001	5,421
<b>Total</b>		<b>18,853</b>	<b>17,338</b>
<b>Financial Liabilities</b> - Payables and accrued employee benefits (amortised cost)	9	<b>1,703</b>	<b>1,307</b>

### (b) Financial Risk Management

QAO's activities expose it to credit risk and liquidity risk. Financial risk management is implemented pursuant to state government and QAO policies. These policies focus on the financial performance of QAO over the medium term. QAO is predominantly self-funded and sufficient surplus cashflow is required to reinvest in the technology required to deliver our services. QAO aims to record sufficient surpluses over a 2 to 3 year period to allow for this reinvestment. Primary responsibility for the management of financial risk rests with the Executive Management Group, with oversight and monitoring by the Audit and Risk Management Committee.

QAO's bank account is included in the whole-of-government set-off arrangement managed by Queensland Treasury. The overdraft limit of the whole-of-government group is \$300 million. The account does not earn interest on surplus funds, nor is interest charged on overdrawn funds. Interest earned or charged on the aggregate set-off arrangement accrues to the Consolidated Fund of the State.

### (c) Credit Risk Exposure

QAO may incur financial loss because of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date is the gross carrying amount of each category of recognised financial asset inclusive of any allowance for impairment.

No collateral is held as security and no credit enhancements relate to the financial assets held by QAO.

In the current financial and prior financial years there has been nil trade receivable write offs and therefore no financial impact of credit risk.



**Queensland Audit Office**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2023**

## 12. Financial Instruments (continued)

### (c) Credit Risk Exposure (continued)

No financial assets had their terms renegotiated to prevent them from being past due or impaired and are stated at the carrying amounts as indicated. There were no individually impaired financial assets in the current or previous period.

Receivables	Ageing of Receivables (not impaired)			More than 90 days \$'000	Total \$'000
	Less than 30 days \$'000	30-60 days \$'000	Overdue 61-90 days \$'000		
2023	4,540	447	14	..	5,001
2022	5,380	..	41	..	5,421

### (d) Liquidity Risk

Liquidity risk refers to the situation where QAO may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

QAO ensures it has sufficient funds available to meet financial obligations when they fall due by maximising its bank account balance and through an approved corporate card facility with a \$200,000 limit. At year end, \$171,000 (2022: \$171,000) was available in this facility.

As at 30 June 2023, QAO's financial liabilities are all payables and accruals that fall due within 12 months.

### (e) Fair Value

The carrying amounts of receivables and payables, which represent the value of the original transactions less any allowance for impairment, are consistent with the fair values of these balances.

## 13. Reconciliation of Operating Surplus to Net Cash from Operating Activities

	2023 \$'000	2022 \$'000
<b>Operating Surplus</b>	<b>1,182</b>	<b>1,857</b>
Non-cash items included in operating result:		
Depreciation and amortisation expense	34	88
Change in assets and liabilities:		
(Increase) / decrease in work in progress	409	3,108
(Increase) / decrease in receivables	422	(2,652)
(Increase) / decrease in other current assets	270	(220)
Increase / (decrease) in creditors	147	(252)
Increase / (decrease) in accrued employee benefits	145	(110)
Increase / (decrease) in GST payable	103	321
<b>Net Cash provided / (used) by Operating Activities</b>	<b>2,712</b>	<b>2,140</b>

## Certificate of the Queensland Audit Office

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### CERTIFICATE OF THE QUEENSLAND AUDIT OFFICE

These general-purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), s.42 of the Financial and Performance Management Standard 2019 and other prescribed requirements.

In accordance with s.62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Queensland Audit Office for the financial year ended 30 June 2023 and of its financial position as at the end of that year
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects for financial reporting throughout the reporting period.



Sandi Faddy, CPA  
Acting Chief Financial Officer  
25 July 2023



Karen Johnson, FCA  
Acting Auditor-General  
25 July 2023

## Independent auditor's report

**HALL CHADWICK**   
 CHARTERED ACCOUNTANTS & BUSINESS ADVISORS | QLD

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### Independent Auditor's Report to the Accountable Officer of Queensland Audit Office

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of Queensland Audit Office, which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the certificates given by the Auditor-General of Queensland and the Chief Financial Officer of Queensland Audit Office.

In our opinion, the accompanying financial report:

- (a) gives a true and fair view of the financial position as at 30 June 2023 of the Queensland Audit Office and of its financial performance and cash flows for the year then ended; and
- (b) complies with the Financial Accountability Act 2009, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

##### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Queensland Audit Office in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Information Other than the Financial Report and Auditor's Report Thereon

The Accountable Officer is responsible for the other information. The other information comprises the information included in Queensland Audit Office's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### Responsibilities of the Accountable Officer for the Financial Report

The Accountable Officer of the Queensland Audit Office is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and is appropriate to meet the requirements of the Financial Accountability Act 2009 and the Financial and Performance Management Standard 2019. This responsibility includes such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Limited Liability by a scheme approved  
 under the Professional Standards Legislation

National Association | **Hall Chadwick**  
 International Association | **Prime Global**  
 Associations of Independent Firms

In preparing the financial report, the Accountable Officer is responsible for assessing the ability of the Queensland Audit Office to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accountable Officer either intends to liquidate the Queensland Audit Office or to cease operations, or has no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Queensland Audit Office's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Officer.
- Conclude on the appropriateness of the Accountable Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Queensland Audit Office's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Queensland Audit Office to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Accountable Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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**Report on other legal and regulatory requirements**

In accordance with s.40 of the Auditor-General Act 2009, for the year ended 30 June 2023:

- (a) We have received all the information and explanations which we have required; and
- (b) In our opinion, the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects.

*Hall Chadwick*  
*M. S. Taylor*

Mark Taylor  
Director  
Hall Chadwick QLD

Dated at Brisbane this 25<sup>th</sup> day of July, 2023.

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## Performance statement

### Queensland Audit Office Performance statement Year ended 30 June 2023

#### Performance comparison – actual to target

Service Standards	Notes	Target	Actual	Variance
<b>Effectiveness measures</b>				
Parliament's overall satisfaction with services (per cent)	1	80	97	17 Favourable
Audit clients' overall satisfaction (index points)	1, 2	80	83	3.0 Favourable
Average time to produce reports – financial audits (months)	3, 5	6.0	8.4	2.4 Unfavourable
Average time to produce reports – performance audits (months)	3, 6	9.0	11.9	2.9 Unfavourable
<b>Efficiency measures</b>				
Average life-cycle cost of reports tabled – financial audits (\$'000)	4, 5	130	151	21 Unfavourable
Average life-cycle cost of reports tabled – performance audits (\$'000)	4, 6	395	320	75 Favourable
Average cost of financial audits – State entities (\$'000)	7	80–90	93	3 Unfavourable
Average cost of financial audits – Local government entities (\$'000)	7	70–75	83	8 Unfavourable

These measures are in the 2023–24 Queensland State budget papers.

#### Notes to and forming part of the performance statement.

##### Including the explanation of major variances

- QAO's performance is effective when members of parliament and our audit clients value our independent audits and advice. We report on the results of our audits and share our insights and advice to parliament and the entities we audit. We value all feedback we receive as it identifies opportunities for QAO to enhance our relationships with members of parliament and audit clients.

We typically survey members of parliament twice during the parliamentary term (not annually). We previously surveyed members of parliament in 2020–21. Parliament's overall satisfaction with services in 2020–21 was 89 per cent. In 2022–23 satisfaction improved to 97 per cent.
- QAO surveys its public sector and local government audit clients each year. Our audit clients' overall satisfaction is a blended average from surveys of financial audit and performance and assurance audit clients.

The actual result for 2022–23 is slightly higher than the target and reflects our focus on providing our clients with a consistent and seamless QAO experience.

We received positive feedback about the professionalism of our auditors and their knowledge and skills. Clients rated our reporting highly, and agreed they had adequate opportunity to comment on audit findings. Based on the survey results, key improvement opportunities include the timeliness of our audit program and responsiveness to client enquiries; and how we communicate with some clients.
- The Auditor-General must report to parliament annually on each audit performed. We track the time it takes to produce each report to parliament, which contributes positively to prompt action towards the delivery of better public services. Our audits include:

**Financial audits.** The measure is the average time of all financial audit reports tabled. It calculates the average time taken from our clients' financial year-end date to the tabling date of the report.

**Performance audits.** The measure is the average time of all performance audit reports tabled. It calculates the average time from when we initiate the audit to the tabling date of the report.

- We also track the life cycle cost of each report to parliament. The cost of reporting to parliament includes internal staff costs and overheads, contractor costs and other direct costs to produce the report.

**Financial audits.** The measure is the average cost of all financial audit reports tabled within the financial year. The life cycle cost of a report includes the costs to develop the report through to when we table the report.

**Performance audits.** The measure is the average cost of all performance audit reports tabled within the financial year. We measure the life cycle cost of a report from when we initiate the audit to the tabling date of the report.

- The delay in tabling reports and increased costs reflects the challenges QAO is facing with resources in the current competitive professional labour market. We tabled several new financial audit reports (*Major projects 2022*, *Managing Queensland's Debt and Investments 2022* and *Queensland Regional Accommodation Centre (Wellcamp)*) in 2022–23. These reports on average took longer to prepare.

We also continued to develop maturity models as part of our reporting to help audit clients assess their internal controls. The costs of these models are included in this measure. We updated our risk management maturity model as part of our *Education 2022* report and developed a procure-to-pay maturity model as part of the *Local government 2022* report.

We have listed the actual duration and cost for each report below.

Financial audit report title	Life cycle cost	Duration (months)
Major projects 2022	\$287,476	5.0
Energy 2022	\$114,811	5.3
Health 2022	\$111,018	8.0
State entities 2022	\$122,199	8.5
Managing Queensland's debt and investments 2022	\$70,430	10.9
Local Government 2022	\$226,186	11.7
Education 2022	\$202,568	5.8
Queensland Regional Accommodation Centre (Wellcamp)	\$70,781	12.0
<b>Total</b>	<b>\$1,205,469</b>	<b>67.2</b>
<b>Average (rounded)</b>	<b>\$150,684</b>	<b>8.4</b>
<b>Target</b>	<b>\$130,000</b>	<b>6.0</b>

- The performance audit reports are a mix of detailed performance audits (higher cost) and concise reports (lower cost). The delay in tabling reports reflects the challenges QAO is facing with resources in the current competitive professional labour market.

The timing of performance audits can be impacted by the release of related expert reports. An example of this was the Keeping people safe from domestic and family violence (Report 5: 2022-23). Reporting was postponed and timed to work in with the Women's Safety and Justice Taskforce and the Independent Commission of Inquiry into Queensland Police Service responses to domestic and family violence. Clients also requested additional time to respond to several reports.

<b>Performance and assurance audit report title</b>	<b>Life cycle cost</b>	<b>Duration (months)</b>
Delivering social housing services	\$408,659	10.6
Improving grants management	\$209,201	6.0
Managing Queensland's COVID-19 economic response and recovery	\$326,206	11.5
2022 Status of Auditor-General's recommendations	\$143,301	8.5
Keeping people safe from domestic and family violence	\$547,159	17.4
Managing workforce agility in the Queensland public sector	\$295,086	12.9
Protecting our threatened plants and animals	\$247,206	12.4
Growing ecotourism in Queensland	\$329,677	18.6
Implementing Machinery of Government Changes	\$96,832	7.6
Health outcomes for first nations people	\$598,261	13.2
<b>Total</b>	<b>\$3,201,587</b>	<b>118.6</b>
<b>Average</b>	<b>\$320,159</b>	<b>11.9</b>
<b>Target</b>	<b>\$395,000</b>	<b>9.0</b>

7. We track the cost to perform each financial audit for state and local government entities completed within the financial year. The cost of our audits includes internal staff costs and overheads, contractor costs, and other direct costs. Expressing the target as a range better reflects the nature of audit services and provides better information for understanding QAO's performance.
- It is normal for the scope and total number of opinions to change marginally each year, impacting these results. 414 audit opinions were issued for the year ended 30 June 2023 (2022: 397).
- The cost also reflects the ongoing impact of illness across clients and QAO audit teams which delayed the delivery of financial statements and the finalisation of audits.
- The cost of audits reflects the increase in audit service providers' costs and this target will be revisited in future years to reflect cost increases.



# Appendices

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# A. Reports tabled in parliament

No.	Title	Tabled in Legislative Assembly
1	<i>Delivering social housing services</i>	12 July 2022
2	<i>Improving grants management</i> Data visualisation dashboard Better practice guide	19 July 2022
3	<i>Managing Queensland's COVID-19 economic response and recovery</i>	19 July 2022
4	<i>2022 status of Auditor-General's recommendations</i> Data visualisation dashboard	31 October 2022
5	<i>Keeping people safe from domestic and family violence</i>	10 November 2022
6	<i>Managing workforce agility in the Queensland public sector</i>	15 November 2022
7	<i>Major projects 2022</i>	1 December 2022
8	<i>Energy 2022</i> Data visualisation dashboard	9 December 2022
9	<i>Protecting our threatened animals and plants</i>	23 February 2023
10	<i>Health 2022</i> Data visualisation dashboard	1 March 2023
11	<i>State entities 2022</i> Data visualisation dashboard	16 March 2023
12	<i>Growing ecotourism in Queensland</i>	9 May 2023
13	<i>Managing Queensland's debt and investments 2022</i>	29 May 2023
14	<i>Health outcomes for First Nations peoples</i>	7 June 2023
15	<i>Local government 2022</i> Data visualisation dashboard	22 June 2023
16	<i>Education 2022</i> Data visualisation dashboard Better practice guide	26 June 2023
17	<i>Implementing machinery of government changes</i> 2 better practice guides	28 June 2023
18	<i>Queensland Regional Accommodation Centre (Wellcamp)</i>	30 June 2023

## B. Additional information

This section contains additional information required for annual reporting purposes that is not in the main body of this report.

### *Public Sector Ethics Act 1994*

Though we are independent of the public sector, QAO is a signatory of the whole-of-government Public service Code of Conduct 2011, established under the *Public Sector Ethics Act 1994*.

QAO is an integrity body, and ethics are a crucial and deeply ingrained part of all that we do. Our internal policies, procedures, and practices align with ethical principles and values. Our auditors also apply APES 110 *Code of Ethics for Professional Accountants*, as issued by the Accounting Professional and Ethical Standards Board.

To proactively ensure and promote ethical conduct, we:

- undertake pre-employment screening for all staff, including contractors and audit service providers
- require staff to complete a comprehensive annual independence declaration
- require regular training in public sector ethics and the Public service Code of Conduct 2011
- provide refresher training on ethical decision-making.

### *Human Rights Act 2019*

We fully support the rights of people to be treated with dignity and respect, and are committed to providing a work environment that values the diversity of all people. We reflect this in our organisational values, which we assess staff on as part of their performance reviews. We adhere to all the requirements of the *Human Rights Act 2019* and have received no human rights complaints.

### Workforce planning and performance data

QAO takes a strategic planning approach to workforce management, in which we focus on capability and capacity. Each year, we review our workforce needs during our business planning process. This section provides data on our workforce.

#### Workforce numbers at 30 June 2023

Measure	FTE
Total FTE – effective full-time equivalents	182.25

#### Notes

- Effective full-time equivalents (FTE) includes staff on long-term paid leave. As at 30 June 2023, QAO had 7 staff on long-term paid leave.
- MOHRI measures are for public service reporting purposes.

During 2022–23, our separation rate for permanent employees was 19 per cent, (2021–22: 14 per cent). No redundancy, early retirement, or retrenchment packages were paid during the period.

The following tables provide QAO's data on our workforce inclusion and diversity.

**Workforce inclusion and diversity at 30 June 2023****Gender**

Gender	Number (Headcount)	Percentage of workforce (Calculated on headcount)
Woman	107	55%
Man	89	45%
Non-binary	<5	0%

**Diversity and target group data**

Diversity groups	Number (Headcount)	Percentage of workforce (Calculated on headcount)
Women	107	55%
Aboriginal Peoples and Torres Strait Islander peoples	<5	0%
People with disability	6	3%
Culturally and Linguistically Diverse – Speak a language at home other than English	57	29%

**Target group for women in leadership roles**

	Women (Headcount)	Women as a percentage of total leadership cohort (Calculated on headcount)
Senior Officers (Classified as s122 equivalent and combined)	9	32%
Senior Executive Service and Chief Executives (Classified and S122 equivalent combined)	2	29%

Further information on how we manage, develop, and support our people is on pages 6 - 11 of this report.

**Audit and Risk Management Committee**

The below table provides the membership details of QAO's Audit and Risk Management Committee.

**Audit and Risk Management Committee 2022–23**

• Member	• Term	• Meetings attended	• Remuneration paid 2022–23 including indexed inflation*	• Remuneration as per appointment letter p.a.*
Ian Rodin (Chair)	Nov 2020– Oct 2023	4	\$15,664	\$14,000
Russell Banham	Nov 2020– Oct 2023	4	\$8,160	\$8,000
Jeff Duthie	Sep 2022– Aug 2025	4	\$8,160	\$8,000

Note: \*All amounts exclude GST and do not include reimbursement of out-of-pocket expenses.

Further information on the functions of the Audit and Risk Management Committee is on page 28 of this report.

## QAO Audit Quality Sub-Committee

**QAO Audit Quality Sub-Committee 2022–23**

Member	Term	Meetings attended	Remuneration as per appointment letter p.a.*
Russell Banham (Chair)	Jan 2020 – Oct 2023	2	\$5,000
Ian Rodin	Jan 2020 – Oct 2023	2	\$4,000
Rajnish Padarath <sup>#</sup>	Jan 2020 – Oct 2023	2	\$0

Note: \*All amounts exclude GST and do not include reimbursement of out-of-pocket expenses.

<sup>#</sup> Not paid for this committee due to substantive role with Commonwealth regulatory agencies. In accordance with government policy, staff are not to be provided additional remuneration for sitting on government committees.

## C. Fees for audit service providers

QAO contracts audit service providers to assist in the delivery of its audit services.

Firms providing financial audit services	2022–23*	2021–22*
Grant Thornton Audit Pty Ltd	2,249,318	2,184,236
KPMG	2,127,280	1,985,997
Deloitte Touche Tohmatsu	1,793,369	1,609,182
BDO	1,756,370	1,596,624
Crowe Horwath	1,166,912	1,244,875
Pitcher Partners	1,059,415	955,634
Ernst & Young	921,519	715,872
Thomas Noble & Russell	817,475	722,805
RSM Australia Partners	628,245	22,853
PricewaterhouseCoopers	499,587	490,756
William Buck (QLD)	439,500	473,660
UHY Haines Norton	351,470	255,187
PKF Hacketts Audit	348,707	436,134
Bentleys Brisbane (Audit) Pty Ltd	324,242	313,373
SBB Partner Accountants	154,440	154,770
Priestleys Chartered Accountants	–	158,632
Prosperity Advisers Audit Services	–	133,108
<b>Total</b>	<b>14,637,849</b>	<b>\$13,433,698</b>

Notes:

- \*All amounts represent payments made during the respective financial year.

Firms providing performance audit services	2022–23*	2021–22*
Untangle Consulting Pty Ltd	193,506	–
Arc Consultancy	180,169	178,328
KPMG	40,233	–
Workplace Edge Pty Ltd	22,417	–
Ernst & Young	18,986	–
Pricewaterhouse Coopers Indigenous Consulting Pty Ltd	7,343	–
Risk Insights Pty Ltd	6,600	301,920
Wilson, David Clive	–	95,920
<b>Total</b>	<b>469,254</b>	<b>\$576,168</b>

Note: \*All amounts represent payments made during the respective financial year.

## D. Glossary

Term	Meaning
Audit	This is an official examination and verification of accounts and records, especially of financial accounts.
Audit, financial	Depending on the audit subject (consolidated fund, public sector entity, ministerial expenditure, or whole-of-government financial statements), the Auditor-General must give an opinion as to whether public money was recorded, managed, and protected properly. Usually this involves auditing the financial statements and preparing an audit opinion.
Audit, performance	A performance audit may consider all or any particular activities of a public sector entity and may be conducted as a separate audit or as part of another audit, including an audit of another public sector entity. The audit's objective includes deciding whether the objectives of the public sector entity are being achieved economically, efficiently, effectively, and in compliance with all relevant laws.
Audit opinion	An audit opinion will generally address whether the Auditor-General has received all the information and explanations the role requires. It will also generally address whether the Auditor-General considers the financial statements have been properly drawn up and are accurate and compliant with prescribed requirements to give a true and fair view of an entity's financial operations and position.
<i>Auditor-General Act 2009</i>	This is the Queensland law that establishes the position of the Queensland Auditor-General and the Queensland Audit Office, confers the functions and powers necessary to carry out independent audits of the Queensland public sector and related entities, provides for the strategic review of the Queensland Audit Office, and provides for the independent audit of the Queensland Audit Office.
Full-time equivalents (FTE)	This is the total headcount adjusted for the impact of part-time working arrangements.
Minimum Obligatory Human Resource Information (MOHRI) FTE	This is the total number of permanent employees and temporary employees who are either full-time or part-time. It excludes employment agency or contracted-in resources, and employees seconded-out or on leave without pay for longer than 8 weeks.
Parliamentary committees	The <i>Parliament of Queensland (Reform and Modernisation) Amendment Act 2011</i> established portfolio committees to cover all areas of government activity and examine appropriation bills, other legislation, public accounts, and public works. Parliament generally refers the Auditor-General's reports to a relevant parliamentary committee for review and response.
Public sector entity	The <i>Auditor-General Act 2009</i> defines a public sector entity as a department, a local government, a statutory body, a government owned corporation, or a controlled entity.
Reports to parliament	Under s. 54 of the <i>Auditor-General Act 2009</i> (the Act), the Auditor-General may prepare a report on any audit conducted under the Act. The Act requires the Auditor-General to report to the Legislative Assembly on auditing standards, audits of the consolidated fund accounts or public sector entities, audits requested by the Legislative Assembly, and audits of matters relating to property held by a public sector entity. These reports are published at <a href="http://www.qao.qld.gov.au">www.qao.qld.gov.au</a> upon tabling in parliament.



# E. Annual report compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
<b>Letter of compliance</b>	<ul style="list-style-type: none"> <li>• <b>A letter of compliance from the accountable officer or statutory body to the relevant Minister/s</b></li> </ul>	ARRs – section 7	Inside cover
<b>Accessibility</b>	<ul style="list-style-type: none"> <li>• <b>Table of contents</b></li> <li>• <b>Glossary</b></li> </ul>	ARRs – section 9.1	First page Page 69
	<ul style="list-style-type: none"> <li>• <b>Public availability</b></li> </ul>	ARRs – section 9.2	Inside cover
	<ul style="list-style-type: none"> <li>• <b>Interpreter service statement</b></li> </ul>	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Inside cover
	<ul style="list-style-type: none"> <li>• <b>Copyright notice</b></li> </ul>	<i>Copyright Act 1968</i> ARRs – section 9.4	Inside cover
	<ul style="list-style-type: none"> <li>• <b>Information Licensing</b></li> </ul>	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Inside cover
<b>General information</b>	<ul style="list-style-type: none"> <li>• <b>Introductory Information</b></li> </ul>	ARRs – section 10	Pages 1 - 3
<b>Non-financial performance</b>	<ul style="list-style-type: none"> <li>• <b>Government's objectives for the community and whole-of-government plans/specific initiatives</b></li> </ul>	ARRs – section 11.1	N/A
	<ul style="list-style-type: none"> <li>• <b>Agency objectives and performance indicators</b></li> </ul>	ARRs – section 11.2	Page 4 Page 12
	<ul style="list-style-type: none"> <li>• <b>Agency service areas and service standards</b></li> </ul>	ARRs – section 11.3	Page 3 Pages 12 - 27
<b>Financial performance</b>	<ul style="list-style-type: none"> <li>• <b>Summary of financial performance</b></li> </ul>	ARRs – section 12.1	Page 34
<b>Governance – management and structure</b>	<ul style="list-style-type: none"> <li>• <b>Organisational structure</b></li> </ul>	ARRs – section 13.1	Page 28
	<ul style="list-style-type: none"> <li>• <b>Executive management</b></li> </ul>	ARRs – section 13.2	Page 28 - 29
	<ul style="list-style-type: none"> <li>• <b>Government bodies (statutory bodies and other entities)</b></li> </ul>	ARRs – section 13.3	Page 27 - 29
	<ul style="list-style-type: none"> <li>• <b>Public Sector Ethics</b></li> </ul>	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Page 64
	<ul style="list-style-type: none"> <li>• <b>Human Rights</b></li> </ul>	<i>Human Rights Act 2019</i> ARRs – section 13.5	Page 43
	<ul style="list-style-type: none"> <li>• <b>Queensland public service values</b></li> </ul>	ARRs – section 13.6	Page 7
<b>Governance – risk management and accountability</b>	<ul style="list-style-type: none"> <li>• <b>Risk management</b></li> </ul>	ARRs – section 14.1	Page 4
	<ul style="list-style-type: none"> <li>• <b>Audit committee</b></li> </ul>	ARRs – section 14.2	Page 27 Page 65
	<ul style="list-style-type: none"> <li>• <b>Internal audit</b></li> </ul>	ARRs – section 14.3	Page 29
	<ul style="list-style-type: none"> <li>• <b>External scrutiny</b></li> </ul>	ARRs – section 14.4	Pages 30 - 31
	<ul style="list-style-type: none"> <li>• <b>Information systems and recordkeeping</b></li> </ul>	ARRs – section 14.5	Page 33

Summary of requirement		Basis for requirement	Annual report reference
	<ul style="list-style-type: none"> <li>• <b>Information Security attestation</b></li> </ul>	ARRs – section 14.6	N/A
Governance – human resources	<ul style="list-style-type: none"> <li>• <b>Strategic workforce planning and performance</b></li> </ul>	ARRs – section 15.1	Pages 6 - 11
	<ul style="list-style-type: none"> <li>• <b>Early retirement, redundancy and retrenchment</b></li> </ul>	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Page 64
Open Data	<ul style="list-style-type: none"> <li>• <b>Statement advising publication of information</b></li> </ul>	ARRs – section 16	Back cover
	<ul style="list-style-type: none"> <li>• <b>Consultancies</b></li> </ul>	ARRs – section 31.1	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	<ul style="list-style-type: none"> <li>• <b>Overseas travel</b></li> </ul>	ARRs – section 31.2	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	<ul style="list-style-type: none"> <li>• <b>Queensland Language Services Policy</b></li> </ul>	ARRs – section 31.3	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
Financial statements	<ul style="list-style-type: none"> <li>• <b>Certification of financial statements</b></li> </ul>	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Page 55
	<ul style="list-style-type: none"> <li>• <b>Independent Auditor's Report</b></li> </ul>	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Page 56 - 58

FAA *Financial Accountability Act 2009*

FPMS Financial and Performance Management Standard 2019

ARRs Annual report requirements for Queensland Government agencies





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## Further information

As required by the *Annual report requirements for Queensland Government agencies*, further information is published online through the government open data website <https://data.qld.gov.au> related to the following:

- consultancies
- overseas travel
- Queensland Language Services Policy
- government bodies.



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