

# 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 Moore Australia Audit (QLD) Pty Ltd
- Queensland Audit Office's performance statement.

**Queensland Audit Office**  
**Financial Statements**  
**For the year ended 30 June 2025**

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**General Information**



These financial statements cover the Queensland Audit Office (QAO) for the 2024–25 financial year. QAO is established under the *Auditor-General Act 2009* to provide independent assurance and insights that support the integrity of government.

QAO is a not-for-profit entity. Our purpose is to provide independent assurance and insights that support the integrity of government with the objective to provide assurance to parliament on the management of public resources. 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 2025**

	Notes	2025 Actual \$'000	2025 Original Budget \$'000	Budget Variance* \$'000	2024 Actual \$'000
<b>Income from Continuing Operations</b>					
Audit fees	2(i)	50,517	44,147	6,370	45,678
Appropriation revenue for services	2(ii)	8,090	8,090	-	8,128
Other revenue	2(iii)	315	210	105	268
<b>Total Income from Continuing Operations</b>		<b>58,922</b>	<b>52,447</b>	<b>6,475</b>	<b>54,074</b>
<b>Expenses from Continuing Operations</b>					
Employee expenses	3	31,746	31,053	693	29,523
Supplies and services	4	24,403	22,058	2,345	23,754
Depreciation and amortisation	8 (b)	123	223	(100)	128
Other expenses	5	560	550	10	538
<b>Total Expenses from Continuing Operations</b>		<b>56,832</b>	<b>53,884</b>	<b>2,948</b>	<b>53,943</b>
<b>Total Operating Result from Continuing Operations/Comprehensive Income</b>		<b>2,090</b>	<b>(1,437)</b>	<b>3,527</b>	<b>131</b>

*\*An explanation of major variances is included at Note 12*

*The accompanying notes form part of these statements.*

**Queensland Audit Office**  
**Statement of Financial Position**  
**As at 30 June 2025**

	Notes	2025 Actual \$'000	2025 Original Budget \$'000	2025 Budget Variance* \$'000	2024 Actual \$'000
<b>Current Assets</b>					
Cash and cash equivalents	1(e)	11,143	9,488	1,655	10,169
Work in progress	6	3,804	2,410	1,394	3,396
Receivables	7	7,936	5,500	2,436	6,591
Other current assets		420	612	(192)	589
<b>Total Current Assets</b>		<b>23,303</b>	<b>18,010</b>	<b>5,293</b>	<b>20,745</b>
<b>Non-Current Assets</b>					
Plant and equipment	8(c)(i)	134	751	(617)	257
<b>Total Non-Current Assets</b>		<b>134</b>	<b>751</b>	<b>(617)</b>	<b>257</b>
<b>Total Assets</b>		<b>23,437</b>	<b>18,761</b>	<b>4,676</b>	<b>21,002</b>
<b>Current Liabilities</b>					
Payables and accruals	9	3,069	1,860	1,209	2,724
<b>Total Liabilities</b>		<b>3,069</b>	<b>1,860</b>	<b>1,209</b>	<b>2,724</b>
<b>Net Assets</b>		<b>20,368</b>	<b>16,901</b>	<b>3,467</b>	<b>18,278</b>
<b>Equity</b>					
Contributed equity		5,183			5,183
Accumulated surplus		15,185			13,095
<b>Total Equity</b>		<b>20,368</b>	<b>16,901</b>	<b>3,467</b>	<b>18,278</b>

*\*An explanation of major variances is included at Note 12*

*The accompanying notes form part of these statements.*

**Queensland Audit Office**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2025**

	Notes	Accumulated Surplus \$'000	Contributed Equity \$'000	Total \$'000
<b>Balance as at 1 July 2024</b>		13,095	5,183	18,278
Operating result from continuing operations		2,090	-	2,090
<b>Balance as at 30 June 2025</b>		<b>15,185</b>	<b>5,183</b>	<b>20,368</b>
<b>Balance as at 1 July 2023</b>		12,964	5,183	18,147
Operating result from continuing operations		131	-	131
<b>Balance as at 30 June 2024</b>		<b>13,095</b>	<b>5,183</b>	<b>18,278</b>

*The accompanying notes form part of these statements.*

**Queensland Audit Office**  
**Statement of Cash Flows**  
**For the year ended 30 June 2025**

	Notes	2025 Actual \$'000	2025 Original Budget \$'000	2025 Budget Variance* \$'000	2024 Actual \$'000
<b>Cash Flows from Operating Activities</b>					
<i>Inflows:</i>					
Audit fees		49,195	44,125	5,070	44,205
Appropriation revenue for services		8,090	8,090	-	8,128
GST input tax credits from ATO		2,373	3,895	(1,522)	2,602
GST collected from customers		5,033	2,020	3,013	5,015
Other revenue		63	-	63	19
<i>Outflows:</i>					
Employee expenses		(31,874)	(31,050)	(824)	(29,298)
Supplies and services		(24,304)	(22,165)	(2,139)	(24,044)
GST paid to suppliers		(2,369)	(2,016)	(353)	(2,600)
GST remitted to ATO		(4,937)	(3,895)	(1,042)	(5,026)
Other expenses		(296)	(340)	44	(256)
<b>Net Cash Provided by / (Used in) Operating Activities</b>	14	<b>974</b>	<b>(1,336)</b>	<b>2,310</b>	<b>(1,255)</b>
Net increase / (decrease) in cash and cash equivalents		974	(1,336)	2,310	(1,255)
Cash and cash equivalents at beginning of financial year		10,169	10,824	(655)	11,424
<b>Cash and Cash Equivalents at End of Financial Year</b>	1(e)	<b>11,143</b>	<b>9,488</b>	<b>1,655</b>	<b>10,169</b>

No Cashflows from Investing or Financing Activities in current or comparative years

*\*An explanation of major variances is included at Note 12*

*The accompanying notes form part of these statements.*

## Queensland Audit Office

### Notes to the Financial Statements

#### For the year ended 30 June 2025

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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 an independent officer of parliament, appointed by the Queensland Governor-in-Council for a seven-year term. The *Auditor-General Act 2009* outlines the mandate, establishes independence, and sets out the powers and responsibilities of the Auditor-General and the QAO.

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 that can improve performance and service delivery. The outcomes from our work include:

- Providing parliament with independent assurance over the performance of the public sector
- 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.

Financial audits are performed on a fee for service basis and account for approximately 86 per cent of QAO’s revenue. To assist in delivering our mandate, QAO engages private sector audit firms to undertake around 31 per cent of our work based on audit fees. 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 Governance, Energy and Finance Committee provides oversight of the Auditor-General and QAO.

## 1. Summary of Material Accounting Policies

Material 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
- *Financial Accountability Act 2009*
- applicable Australian Accounting Standards and Interpretations
- Queensland Treasury’s Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2024.

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.

### (c) Comparatives

Comparative information reflects the audited 2023–24 financial statements except where restated to improve comparability between years.

**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2025**

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

**(d) 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.

**(e) Cash and cash equivalents**

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

**(f) Issuance of financial statements**

The financial statements are authorised for issue by the Auditor-General of Queensland and the acting Chief Financial Officer at the date of signing the management certificate.

**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
- 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 audit work is undertaken. This includes audit work invoiced by contracted audit firms on behalf of QAO.

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

QAO recognises appropriation revenue in the year which matches the timing of cash transfers made by Queensland Treasury under the *Appropriation Act 2024* as it is not subject to specific performance or contractual obligations.

	2025 \$'000	2024 \$'000
<b>Revenue</b>		
Budgeted appropriation	8,090	7,767
Unforeseen expenditure	-	361
<b>Total</b>	<b>8,090</b>	<b>8,128</b>



**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2025**

## 2. Revenue (continued)

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

In the prior year, the adjustment to appropriation from the amount set out in the *Appropriation Act 2023* was for additional employee expenses that resulted from collective bargaining outcomes.

### (iii) Other Revenue

	2025 \$'000	2024 \$'000
<b>Other revenue</b>		
Storage services received free of charge	245	249
Miscellaneous receipts	70	19
<b>Total</b>	<b>315</b>	<b>268</b>

Miscellaneous receipts in the current year primarily consist of amounts received from the sales of obsolete laptops.

## 3. Employee Expenses

	Note	2025 \$'000	2024 \$'000
<b>Employee Benefits</b>			
Wages, salaries and sick leave	3(i)	24,786	23,085
Annual leave levy	3(ii)	2,505	2,329
Long service leave levy	3(ii)	659	637
Employer superannuation contributions	3(iii)	3,537	3,213
Fringe benefits tax		95	110
<b>Total Employee Benefits</b>		<b>31,582</b>	<b>29,374</b>
<b>Employee Related Expenses</b>			
WorkCover Queensland premium		33	33
Employee expenses – other		131	116
<b>Total Employee Related Expenses</b>		<b>164</b>	<b>149</b>
<b>Total</b>		<b>31,746</b>	<b>29,523</b>

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

	2025	2024
Number of FTE employees as at 30 June (based on the fortnight ending 27 June 2025)	210.5	199

### (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.

**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2025**

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**3. Employee Expenses (continued)**

**(a) Employee benefits (continued)**

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

Wages and salaries are recognised as incurred and accruals 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**

While QAO transitioned to employing staff from the *Public Sector Act 2022* to the *Auditor-General Act 2009* on 13 December 2023, our membership of the Queensland Government's Annual Leave and Long Service Leave Schemes continued. 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*.

**(iii) Superannuation**

Superannuation is provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) 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 management personnel and remuneration**

**(i) Key management personnel**

Details of key management personnel are disclosed in accordance with section 3C of the *Financial Reporting Requirements for Queensland Government Agencies*. Key management personnel encompass positions which form part of the Executive Leadership Team. This group had the authority and responsibility for planning, directing and controlling the activities of the QAO during 2024–25.

**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*. The Auditor-General is the Chief Executive Officer and responsible for the efficient and effective operation of QAO.

**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2025**

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**3. Employee Expenses (continued)**

**(b) Key management personnel and remuneration (continued)**

**(i) Key management personnel (continued)**

**Deputy Auditor-General** – supports the Auditor-General to deliver their duties, and when the Auditor-General is unavailable, or overseas acts as Auditor-General. The Deputy Auditor-General is QAO's Chief Operating Officer and has responsibility for the audit quality assurance program, parliamentary engagement, and governance functions.

**Assistant Auditor-General, Financial Audit** – leads financial statement audit and assurance activities and informs parliament on the results of our risk based focussed areas of attention.

**Assistant Auditor-General, Performance Audit** – prepares the forward work plan and leads performance audit activities including reports to parliament on the results of the audits.

Further information on these positions is in the QAO Annual Report under the *Our Corporate Governance* section.

**(ii) Remuneration**

The Auditor-General's remuneration is approved by the Governor-in-Council and is within the Queensland Public Sector Chief Executive Framework. Terms, conditions and benefits are provided for under the *Auditor-General Act 2009* and those pertaining to officers classified at Chief Executive Service level appointed under the *Public Sector Act 2022*.

The remuneration framework for the other members of QAO's executive leadership team is set by the Auditor-General under the *Auditor-General Act 2009*. Individual remuneration and other terms of employment are specified in employment 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. Remuneration packages comprise the following components:

- short term employee benefits which include:
  - base – salary, 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
- long term employee benefits include long service leave accrued
- post-employment benefits include superannuation contributions
- termination benefits include payments under contractual terms and conditions (excluding annual and long service leave entitlements)
  - 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

**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2025**

**3. Employee Expenses (continued)**

**(ii) Remuneration (continued)**

Position	Name	Short Term Employee Benefits		Long Term Employee Benefits	Post-Employment Benefits	Termination Benefits	Total Remuneration
		Base	Non-Monetary				
		\$'000	\$'000				
1 July 2024 – 30 June 2025							
Auditor-General (from 12/8/2024)	R Vagg	440	11	12	50	-	513
Auditor-General (until 10/7/2024)	B Worrall	15	2	-	1	-	18
Acting Auditor General (11/7/24–11/8/2024) Assistant Auditor-General (1/7/2024–27/6/2025)	K Johnson*	381	14	8	45	-	448
Assistant Auditor-General (1/7/24–8/9/24), and Deputy Auditor-General (from 9/9/2024)	P Flemming	366	14	8	43	-	431
Assistant Auditor-General Financial Audit	D Olive	350	14	8	41	-	413
Assistant Auditor-General Performance Audit	D Brown	320	14	7	37	-	378
Total 2025							2,201
1 July 2023 – 30 June 2024							
Auditor-General	B Worrall	475	14	12	55	-	556
Assistant Auditor-General *	K Johnson	347	14	7	45	-	413
Assistant Auditor-General	P Flemming	349	14	7	41	-	411
Assistant Auditor-General	D Olive	339	14	7	41	-	401
Assistant Auditor-General (1/7/2023–27/6/2024)	M Reardon	268	14	6	35	65	388
Assistant Auditor-General	D Brown	307	14	7	40	-	368
Assistant Auditor-General 1/7/2023–5/7/2023	P Brahman	4	..	..	2	-	6
Total 2024							2,543

\* Also fulfilled the statutory role of Deputy Auditor-General as required until 7 September 2024.

**(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 2025**

**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.
- provides audit and assurance services which are paid for directly by public sector entities as per Note 2.
- pays work cover premium to WorkCover Queensland as per Note 3.
- pays data centre services to CITEC as per Note 4.
- pays rent and office services to Department of Housing and Public Works as per Note 4.
- pays insurance to Queensland Government Insurance Fund (QGIF)
- receives storage fees free of charge from Department of Justice as per Note 5.

**4. Supplies and Services**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Payments to audit service providers	16,256	14,809
Consultants and expert advice	1,686	1,810
Payments to employment agencies for contractor personnel	935	1,047
Rent and office services	1,498	1,420
Information technology and minor office equipment	2,329	3,119
Staff development*	293	249
Travel costs	516	464
Data centre charges	93	276
Other administrative costs	797	560
<b>Total</b>	<b>24,403</b>	<b>23,754</b>

\*Staff development costs include all payments to external service providers for educational courses and course facilitation. Internal staff development costs include only employee expenses and are included in the employee expenses disclosed in Note 3.

**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2025**

**5. Other Expenses**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Internal audit fees	189	148
External audit fees*	38	45
Insurance premiums – QGIF	70	63
Storage services received free of charge	245	249
Other expenses	18	33
<b>Total</b>	<b>560</b>	<b>538</b>

\* Auditor’s remuneration

In May 2025, the Governor-in-council appointed Moore Australia Audit (Qld) Pty Ltd to audit QAO’s financial statements for a five-year period, commencing the year ended 30 June 2025. Moore Australia’s audit fee for the 2024-25 financial audit is \$36,000.

The prior year financial statements were audited by HLB Mann Judd (SE Qld Partnership). HLB Mann Judd received \$35,000 for auditing the 2023–24 financial statements.

**6. Work in Progress**

Work in progress, which is a contract asset, represents services performed but not yet invoiced and is based on:

- weekly timesheets and hourly rates for each level of staff. The rates are calculated by the Auditor-General to provide for cost recovery and approved by the Governance, Energy and Finance Parliamentary Committee
- invoices received from contracted audit firms for approved work undertaken on our behalf
- outlays such as travel and accommodation directly incurred in completing audit work that is 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.

**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2025**

## 7. Receivables

	2025 \$'000	2024 \$'000
Audit fees receivable	7,160	5,831
Annual leave reimbursement	590	570
Long service leave reimbursement	162	167
Other receivables	24	23
<b>Total</b>	<b>7,936</b>	<b>6,591</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.

## 8. Plant and Equipment

### (a) Acquisition

All plant and equipment assets are initially recognised and subsequently measured at cost.

Plant and equipment is only recognised in the Statement of Financial Position if initial acquisition costs exceed \$5,000. 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.

The depreciation and amortisation rates are:

Asset class	Depreciation rate	Basis	Useful life		
Plant and equipment	12.5% to 33.3%	Straight line	3 to 8 years		
				2025 \$'000	2024 \$'000
<b>Depreciation and Amortisation</b>					
Plant and equipment				123	128
<b>Total</b>				<b>123</b>	<b>128</b>

**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2025**

## 8. Plant and Equipment (continued)

### (c) Impairment

All plant and equipment 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.

	2025 \$'000	2024 \$'000
<b>(i) Plant and Equipment</b>		
Plant and equipment		
At cost	988	988
Accumulated depreciation	(854)	(731)
<b>Total</b>	<b>134</b>	<b>257</b>
 <b>Plant and Equipment Reconciliation</b>		
Carrying amount at 1 July	257	385
Depreciation	(123)	(128)
<b>Carrying amount at 30 June</b>	<b>134</b>	<b>257</b>

## 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.

	2025 \$'000	2024 \$'000
<b>(a) Payables</b>		
Creditors	1,451	1,092
GST payable	695	599
GST input tax receivable	(245)	(248)
Net GST payable	450	351
<b>Total</b>	<b>1,901</b>	<b>1,443</b>
 <b>(b) Accrued Employee Benefits</b>		
Annual leave levy payable	774	871
Long service leave levy payable	192	182
Other employee benefits	202	228
<b>Total</b>	<b>1,168</b>	<b>1,281</b>
 <b>Total</b>	<b>3,069</b>	<b>2,724</b>

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



**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2025**

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**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 Housing and Public Works (DHPW). This arrangement is outside the scope of *AASB 16 Leases* as DHPW has substantive substitution rights over the non-specialised, commercial office accommodation we use. There is no lease remediation requirement under this sub-lease.

**11. Events occurring after the balance date**

No events have occurred subsequent to the reporting date, that would require adjustment to, or disclosure in, these financial statements.

**12. 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 \$6.370 million above budget. The published budget did not include the 10% increase in our basic rate of fees that was approved by the former parliamentary Cost of Living, Economics and Governance Committee. The increase took effect from 1 October 2024.  There was also an increased number of audit staff and contractors in the July 2024 to August 2024 period to address work that was initially forecast for pre-2024-year end. We undertook additional audit effort on machinery of government changes and readiness for climate reporting. We incurred increased costs for audit service providers, which were passed on to clients resulting in increased audit fees.
<i>Supplies and Services</i>	Supplies and Services were \$2.345 million above budget. Payments to audit service providers were higher due to increased costs of the contractual work being performed, outsourcing more work than originally planned, and the timing of work being brought forward.

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

<i>Cash and Cash Equivalents</i>	Cash was \$1.655 million above budget. This is a timing difference due to re-phasing projects related to sustainability assurance and system upgrades.
<i>Work in progress</i>	Work in progress was \$1.394 million above budget this reflects the increases in our basic rate of fees, increased cost for audit delivered by audit service providers, increased audit effort in undertaking readiness assessments of our clients for climate-related financial disclosures.
<i>Receivables</i>	Receivables were \$2.436 million above budget. This partially reflects an increase in our basic rate of fees and a timing difference with client billings run in late June with most of this balance received in July 2025.
<i>Payables and accruals</i>	Payables and accruals were \$1.209 million above budget. This is primarily a timing difference with paying audit service providers for completed financial audit work. A smaller portion of the increase reflects higher than budgeted costs for audits delivered by audit service providers.

**Queensland Audit Office**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2025**

**12. Budgetary Reporting Disclosures (continued)**

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

<i>Audit Fees</i>	Audit fees were \$5.070 million above budget. As described above, this is a combination of additional audit fees during the year offset by the timing of when this work was billed and paid.
<i>Supplies and Services</i>	Supplies and Services was \$2.139 million more than expected. As described above, this was driven by higher payments to audit service providers.

**13. 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**

<b>Financial Assets</b>	<b>Notes</b>	<b>2025 \$'000</b>	<b>2024 \$'000</b>
Cash and cash equivalents	1 (e)	11,143	10,169
Receivables (amortised cost)	7	7,936	6,591
<b>Total</b>		<b>19,079</b>	<b>16,760</b>
<b>Financial Liabilities</b>			
Payables and accrued employee benefits (amortised cost)	9	<b>3,069</b>	<b>2,724</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. Responsibility for the management of financial risk rests with the Executive Leadership Team, supported 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. QAO 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 2025**

**13. 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.

**Ageing of Receivables (not impaired)**

Receivables	Less than 30 days	30–60 days	Overdue		Total
			61–90 days	More than 90 days	
	\$'000	\$'000	\$'000	\$'000	\$'000
2025	7,810	92	25	9	7,936
2024	6,150	401	40	..	6,591

**(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, \$170,574 (2024: \$173,806) was available in this facility.

As at 30 June 2025, 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.

**14. Reconciliation of Operating Surplus to Net Cash from Operating Activities**

	2025 \$'000	2024 \$'000
<b>Operating Surplus</b>	<b>2,090</b>	<b>131</b>
Non-cash items included in operating result:		
Depreciation and amortisation expense	123	128
Change in assets and liabilities:		
(Increase) / decrease in work in progress	(408)	(968)
(Increase) / decrease in receivables	(1,345)	(1,590)
(Increase) / decrease in other current assets	169	23
Increase / (decrease) in creditors	359	687
Increase / (decrease) in accrued employee benefits	(113)	343
Increase / (decrease) in GST payable	99	(9)
<b>Net Cash provided / (used) by Operating Activities</b>	<b>974</b>	<b>(1,255)</b>

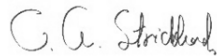
**CERTIFICATE OF THE QUEENSLAND AUDIT OFFICE**

These general-purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), s.38 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 2025 and of its financial position as at the end of that year.

The Auditor-General, as the Accountable Officer of the QAO, acknowledges responsibility under s.7 and s.11 of the Financial and Performance Management Standard 2019 for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Charles Strickland, FCA, CPA, GAICD  
Acting Chief Financial Officer  
14 August 2025



Rachel Vagg, FCPA, CA, GAICD  
Auditor-General  
14 August 2025



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## Independent Audit 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 2025, the statement of comprehensive income, the statement of changes in equity and the 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 Queensland Audit Office's financial position as at 30 June 2025, 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 2009 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 (including Independence Standards)* (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.

#### Other Information

The Accountable Officer is responsible for the other information. The other information obtained at the date of this auditor's report is included in the Queensland Audit Office's annual report for the year ended 30 June 2025, (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 on the other information obtained prior to the date of this auditor's report, 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Accountable Officer and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Registered Audit Company 299289

Moore Australia Audit (QLD) Pty Ltd – ABN 49 115 261 722

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Liability limited by a scheme approved under Professional Standards Legislation.

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

The Accountable Officer of 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 2009*. 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.

In preparing the financial report, the Accountable Officer is responsible for assessing Queensland Audit Offices' ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Accountable Officer either intends to liquidate the entity 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 the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

#### Report on other legal and regulatory requirements

In our opinion, the accompanying financial report in accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2025:

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

**Gavin Ruddell**  
Director

Brisbane

Date: 14 August 2025

**Moore Australia Audit (QLD) Pty Ltd**  
Chartered Accountants

**Queensland Audit Office**  
**Performance Statement**  
**For the year ended 30 June 2025**

**Basis of preparation**

The performance statement aims to compare QAO actual performance for the 2024–25 financial year against targeted service standards.

The service standards and targets used in the performance statement are those publicly reported in QAO’s Service Delivery Statement (SDS) for the 2024–25 financial year.

The 2025–26 SDS includes 2 new performance measures that will apply to the 2025–26 financial year but did not apply to the current financial year. These measures relate to the implementation of financial and performance audit significant deficiencies and recommendations. Accordingly, these have not been included in this statement.

Variances are categorised as follows.

- Target exceeded
- Achieved target
- Target not met.

Explanations are provided where measures do not meet the target by 10 per cent.

**Client satisfaction**

QAO’s performance is effective when members of parliament and our audit clients value our independent audits and advice. We measure client satisfaction through surveys conducted of members of parliament and our financial and performance audit clients. QAO aims to survey members of parliament twice within a parliamentary cycle and surveys its public sector and local government audit clients each year.

Satisfaction is expressed as a performance index based on responses to questions in the surveys transformed into a 0 to 100 point scale.

Service standard	Notes	Target	Actual	Variance
<b>Effectiveness measures</b>				
Parliament's overall satisfaction with services	1	80	..	..
Audit clients' overall satisfaction (weighted average) (index points)		80	82	2 <b>Target exceeded</b>
Financial audit clients' overall satisfaction (index points)		80	83	3 <b>Target exceeded</b>
Performance audit clients' overall satisfaction (index points)	2	80	72	8 <b>Target not met</b>

1. A new parliamentary term commenced following the State general election on 26 October 2024. As we do not survey members of parliament during an election year, the next survey will be conducted and reported in 2025–26. For this statistic to be considered valid, the Auditor-General has set a minimum response rate of 40 per cent (37 responses).
2. The 2024–25 survey results identified that clients had mixed perceptions of our performance audits. Our clients’ feedback identified opportunities for us to improve our knowledge and understanding of their organisations and the audit subject matter. This year our survey included additional questions to improve the information we receive. We also tabled fewer performance audit reports than expected, and audited more complex topics during the financial year, all of which impacted the overall satisfaction score.

## Time and cost of reports to parliament

The Auditor-General reports to parliament annually on each audit performed. We aim to produce timely reports to parliament to ensure public sector entities can promptly address our findings and recommendations.

We measure the timeliness of our financial audit reports to parliament as the average time taken from our clients' financial year-end date to the tabling date of the report.

We measure the timeliness of our performance audit reports to parliament as the average time from when we initiate the audit to the tabling date of the report. This includes the time to complete the audit.

Along with timeliness, 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.

Service standard	Notes	Target	Actual	Variance
<b>Effectiveness measures</b>				
Average time to produce reports – financial audits (months)		9	8.4	0.6 <b>Target exceeded</b>
Average time to produce reports – performance audits (months)		12	12.2	0.2 <b>Target not met</b>
<b>Efficiency measures</b>				
Average life-cycle costs of reports tabled – financial audits (\$'000)	3	165	216	51 <b>Target not met</b>
Average life-cycle costs of reports tabled – performance audits (\$'000)	4	435	461	26 <b>Target not met</b>

3. The increase in the cost of our financial audit reports to parliament reflects:
- additional work required to address machinery of government changes
  - increased engagement with new stakeholders after the change of government
  - the cost of service delivery due to wage increases and increases in other operating costs.

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

Financial audit report title	Life cycle cost (\$)	Duration (months)
<i>Energy 2024</i>	194,450	5.4
<i>Health 2024</i>	184,961	5.8
<i>Major projects 2024</i>	193,285	5.9
<i>State entities 2024</i>	501,409	8.6
<i>Managing Queensland's debt and investments 2024</i>	135,479	8.7
<i>Local government 2024</i>	283,937	8.8
<i>Managing Minjerribah Futures funding</i>	76,665	19.0
<i>Education 2024</i>	156,794	4.9
<b>Total</b>	<b>1,726,980</b>	<b>67.0</b>
<b>Average (rounded)</b>	<b>215,872</b>	<b>8.4</b>
<b>Target</b>	<b>165,000</b>	<b>9</b>

4. The increase in costs of tabled performance audit reports to parliament reflects:
- the complexity of audit topics
  - increased regional travel and engagement of subject matter experts
  - the need to socialise audit findings and draft reports with new stakeholders after the change of government
  - the increasing cost of service delivery due to wage increases and increases in other operating costs.



The duration and cost of each report is listed below.

Performance and assurance audit report title	Life cycle cost (\$)	Duration (months)
<i>2024 status of Auditor-General's recommendations</i>	222,190	7.5
<i>Delivering forensic medical examinations (follow-up audit)</i>	420,587	7.6
<i>Central agencies' coordination of the state budget</i>	556,872	12.5
<i>Preparing for the Brisbane Games</i>	465,401	10.4
<i>Protecting students from bullying</i>	566,373	16.6
<i>Managing Queensland's regional water quality</i>	735,920	17.3
<i>Insights on audit committees in local government</i>	258,427	13.8
<b>Total</b>	<b>3,225,770</b>	<b>85.7</b>
<b>Average</b>	<b>460,824</b>	<b>12.2</b>
<b>Target</b>	<b>435,000</b>	<b>12</b>

**Audit recommendations**

Our financial and performance audits identify opportunities for improvements for our public sector clients. For financial audits, we report to management significant deficiencies in internal controls that require immediate remedial action. For performance audits, we make recommendations to public sector entities to help them improve the services they deliver to the community. Entities are afforded an opportunity to comment on our findings and agree on the recommendations.

For financial audits, we measure the percentage of recommendations made to address significant deficiencies agreed by entities in relation to audits finalised in 2024–25.

For performance audits, we measure the percentage of recommendations agreed by entities for reports to parliament tabled in 2024–25.

Service standard	Notes	Target	Actual	Variance
<b>Effectiveness measures</b>				
Significant deficiencies from financial audit recommendations agreed to by our audit clients (per cent)		90	100	10 <b>Target exceeded</b>
Performance audit recommendations agreed to by our audit clients (per cent)		90	100	10 <b>Target exceeded</b>

**Cost of financial audits**

We track the cost of performing each financial audit for state and local government entities completed within the financial year. These costs include internal staff costs and overheads, contractor costs, and other direct costs.

We express our targeted cost as a range, as this better reflects the nature of audit services and provides better information for understanding our performance.

Service standard	Notes	Target	Actual	Variance
Efficiency measures				
Average cost of financial audits – state entities (\$'000)		100–120	108	12 <b>Achieved target</b>
Average cost of financial audits – local government entities (\$'000)	5	90–95	102	7 <b>Target not met</b>

5. This measure is impacted by the change in the total number of opinions QAO issues each year. We issued 126 local government audit opinions in 2024–25 and 130 in 2023–24.

Actuals were also impacted by the cost of delivering quality audits, including:

- increased auditing standard requirements for information systems controls
- wage rises from state agreements and increasing costs associated with travel and technology.

During 2024–25, we certified some long outstanding local government financial audits. Costs for these audits were higher due to the complexity of the audits and the duration in finalising them.