



-  Engage
-  Challenge
-  Deliver
-  Care

# Queensland Audit Office

Brendan Worrall, Auditor-General

IAG, 21 November 2018

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- Queensland  
Audit Office
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*Better public services*

## Introduction

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**Today's presentation will cover insights and learnings from recent Queensland Audit Office (QAO) reports to parliament:**

- Timeliness of reporting
- Agency collaboration
- Meeting regulatory compliance requirements
- Monitoring and managing major projects
- Contract management
- Implementing audit recommendations



## Key points from 2017-18

### Timeliness:

- All departments met statutory timeframes
- Nearly all provided draft statements by due date
- However, 18 of 21 main departments were only finalised in last 3 days of August
- Timing of audit committees?



**State entities**  
**Local government**

50

40

30

20

10

0

**Timeliness of reporting**

Entities  
with 30  
Sep D/L

Apr 2018

May 2018

Jun 2018

Jul 2018

Aug 2018

Sep 2018

Oct 2018

15/16 Oct

Nov 2018

31 August

31 October





## Year end close processes

### Year end close processes for 2018-19:

- Completing early close processes
- Non-current asset valuations by 31 May or earlier
- Pro forma financial statements by 30 April or earlier
- Resolving known accounting issues by 30 April or earlier
- Concluding all asset stocktakes by 30 June or earlier

Our rating	Year end close process assessment
● Implemented	All key processes were completed by the target date
○ Partially implemented	Three key processes were completed within two weeks of the target date
● Not implemented	Less than two key processes were completed within two weeks of the target date



## Key points from 2017-18

### Quality:

- No modified opinions issued on financial statements for departments or their controlled entities
- Slight decrease in the quality of the financial statements
  - Increase in the level of immaterial adjustments being made
  - Impact of MoG changes on adjustments
- No material prior year adjustments
- Some significant adjustments from changes in asset accounting policy





## Insights from QAO reports

**Strong year end close processes = high quality, timely financial statements**

Valuation of material non-current assets by 31 March

Review processes for gathering related party information to ensure appropriateness

Effective internal controls eliminate the risk of material misstatement

Fewer trivial adjustments—faster completion

Impact of new standards

**This year:**

**2017-18 results of financial audits**

**Water: 15 Nov 2018**

**Energy: 22 Nov 2018**

**Transport: 11 Dec 2018**

**Last year:**

**Queensland state government: 2016-17 results of financial audits** Feb 2018

**Health: 2016-17 results of financial audits** Feb 2018

**Local government: 2016-17 results of financial audits** Mar 2018

**Education: 2016-17 results of financial audits** May 2018





## Insights from QAO reports

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### Cross agency collaboration is a common failure point in successful program and service delivery

Achieving effective outcomes is a challenge where contribution from multiple parties is needed

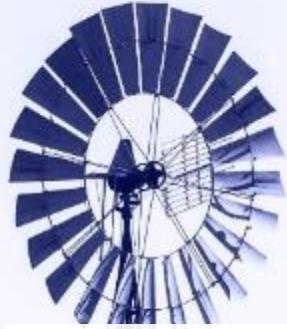
- Ensure appropriate governance that confirms accountability and collaboration
- Lead reform in a holistic manner
- Ensure decision-making is based on complete data/analysis
- Plan effectively to meet future demands

**National Disability Insurance Scheme**  
**27 Sep 2018, 3 May 2018**

**Follow-up of bushfire prevention and preparedness**  
**9 Oct 2018**

**Delivering coronial services**  
**18 Oct 2018**





## Insights from QAO reports



### Public sector entities are not effectively meeting regulatory compliance requirements

- Understand intent of legislation and the risks that need to be managed
- Design and implement internal controls that promote accountability and prevent non-compliance
- Need the right tools to support decision making and record keeping



Managing local government rates and charges 28 Jun 2018

Managing transfers in pharmacy ownership Sep 2018

28



## Insights from QAO reports

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### Better monitoring and management of major programs/projects is needed

— including intervention when not going to plan

Weaknesses with data completeness and accuracy controls reduces user confidence

Keeping programs/projects running during significant policy, structural or legislative changes = slow progress and high delivery costs

Use the information from WoG assurance policies and processes

Periodic health checks—impartial view



Monitoring and managing ICT projects  
10 Jul 2018

National Disability Insurance Scheme  
27 Sep 2018, 3 May 2018



## Insights from QAO reports

### Contract management—there is a lack of contract registers as a single point of truth

Agencies must improve their contract registers or contract management systems to ensure a complete and accurate record of all awarded contracts

Meet all of the mandatory requirements set out by the state and local government



**Confidentiality and disclosure of government contracts**  
**20 February 2018**



## Insights from QAO reports

### Implementing audit recommendations

There is insufficient monitoring or follow-up of recommendations from our performance audits

Issues are not being tracked by the organisation nor follow-up of implementation

We are also seeing a similar trend in financial audit issues being carried from one year to another



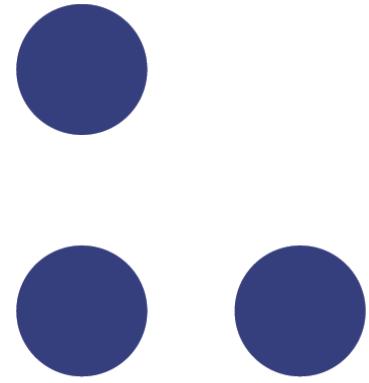
**Follow-up of bushfire prevention and preparedness**  
**Report R-2018-19**  
**9 Oct 2018**

**Delivering shared corporate services in Queensland**  
**27 Sep 2018**

## Q&A

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# *Queensland* Audit Office

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