

# Queensland state government: 2017–18 results of financial audits

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(Report 14: 2018–19).  
Tabled 28 February 2019.

## Slide 1: Welcome

Welcome to our presentation on the results of our financial audits for Queensland state government and state public sector entities.

## Slide 2: Audit results

Each year the Treasurer prepares the Queensland Government's consolidated financial statements to provide a complete view of the performance and position of all entities controlled by the state government.

We provided an unmodified opinion on the consolidated state government financial statements. This means the financial statements were prepared according to legislative and accounting standard requirements and can be relied upon.

## Slide 3: Financial performance

The operating result for the state was below that reported in the previous year.

This was largely due to an increase in government expenditure related to employee expenses, the hosting of the 2018 Gold Coast Commonwealth Games and the implementation of a new National Redress Scheme for people who have experienced institutional child sexual abuse.

The increase in expenses was partially offset by increased revenue from royalties, taxation and Commonwealth government grants.

The net asset position of the state government remained steady this year. At 30 June 2018, the state government controlled assets with a value of \$342 billion and owed liabilities of \$152 billion. Total state government borrowings decreased by \$2.2 billion due to market value adjustments and repayment of debt during the year.

## Slide 4: Audit results of public sector entities

Government departments were impacted by significant restructures following the state government election in November 2017.

Despite this we found that all impacted departments were able to apply effective reporting processes while also dealing with the additional requirements arising from implementing the changes.

As a result of the effective processes adopted, we did not identify any significant issues with the quality and timeliness of draft financial statements prepared by government departments.

However, we believe that opportunities exist for entities to prepare their statements earlier.

### Slide 5: Department internal controls

We assessed that the control environments for each government department were suitably designed to prevent or detect and correct material misstatements in their financial statements. Accordingly, we were able to rely on their internal control systems when conducting our audits.

### Slide 6: Commonwealth games

The 2018 Commonwealth Games were held on the Gold Coast in April. The delivery of the Commonwealth Games involved a complex program of work, with interdependent projects and activities.

The Department of Innovation, Tourism Industry Development and the Commonwealth Games provided central oversight of program activities and the games budget.

The Department prepared a special purpose financial report for the Games providing a consolidated view of the financial resources used by the Queensland Government to plan and deliver the event and realise legacy benefits. We issued an unmodified opinion on their financial report.

The Games were delivered within the planned budgeted cost of \$1.5 billion.

### Slide 7: Future challenges and emerging risks

The state government allocated \$45.8 billion in the 2018–19 budget to provide infrastructure and capital works over the next four years. This capital works program will be partly funded through additional borrowings.

There are also a number of new accounting standards which will impact on the financial statements of the state entities over the next two years. The entities are currently working through the implications and impacts with some further advanced than others.

### Slide 8: For more information

For more information on the results, financial performance, and future challenges and emerging risks highlighted in this summary presentation, please see the full report on our website.

Thank you.