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FINANCE AND CITY GOVERNANCE COMMITTEE REPORT

MEETING HELD ON TUESDAY 10 NOVEMBER 2026
TO BE PRESENTED TO COUNCIL ON TUESDAY 17 NOVEMBER 2026

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MEETING HELD ON TUESDAY 10 NOVEMBER 2026
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ATTENDANCE:

Councillor Fiona Cunningham (Civic Cabinet Chair), Councillor Steven Huang (Deputy Chair), and Councillors Lucy Collier, Julia Dixon, Trina Massey and Danita Parry.

A COMMITTEE PRESENTATION – QUEENSLAND AUDIT OFFICE AUDIT PROCESS AND BENCHMARKING

1. The Senior Manager, Technical Accounting and Reporting, Strategic Finance, Corporate Services, attended the meeting to provide an overview of Queensland Audit Office's (QAO) audit process and benchmarking. She provided the information below.

2. QAO provides independent assurance over the financial statements of local governments throughout Queensland to ensure they are materially reliable and compliant. Audits cover:
   - financial statements, notes, accounting policies, estimates, disclosures and supporting evidence
   - material transactions and balances including revenue, expenses, assets, liabilities and cash flows
   - relevant financial reporting controls.

3. Audits also assess an entity's internal controls, which are the people, systems and processes that ensure an entity can achieve its objectives, prepare reliable financial reports and comply with applicable laws. Features of an effective internal control environment include:
   - a strong governance framework that promotes accountability and supports strategic and operational objectives
   - secure information systems that maintain data integrity
   - robust policies and procedures, including appropriate financial delegations
   - regular management monitoring and internal audit reviews.

4. At the conclusion of an audit, QAO issue an audit opinion, which are categorised as follows:
   - unmodified – statements are compliant and materially reliable
   - qualified – a material issue exists, but is not pervasive
   - adverse – material and pervasive misstatement
   - disclaimer – insufficient evidence is provided and possible effects are material and pervasive.

5. QAO audits Council's financial statements each year. Council receives assurance from several outputs with different purposes and audiences:
   - statutory assurance – provides the Auditor-General's opinion on whether the financial report is prepared in accordance with the applicable framework
   - governance insight – highlights the internal controls and financial reporting findings to Council's management
   - public accountability – an aggregate of audit results and sector-wide insights are tabled in a report to Queensland Parliament.

6. The Auditor-General is an officer of Queensland Parliament and, as such, is not directed by Council on audit decisions. Council is required to provide QAO with access to all documents and property relevant to the audit under section 46 of the *Auditor-General Act 2009.*

7. QAO must schedule the signing of financial statements for all 77 Queensland local governments prior to 31 October each year. The Committee was provided with an overview of Council's scheduling for its 2025-26 financial year audit.

8. In 2026, Council achieved an unmodified audit opinion with no new management, internal control or financial reporting issues raised. Council met all QAO audit milestones and achieved financial sustainability ratios within target range. In comparison with other local governments, Council had its financial statements signed:
   - 74.5 days earlier than the all-councils average of 122.5 days
   - 68 days earlier than the all-council median of 116 days
   - well ahead of the combined tier 1 and 2 average of 94 days.

9. The Civic Cabinet Chair thanked the Senior Manager for her informative update.

10. **RECOMMENDATION:**

THAT COUNCIL NOTE THE INFORMATION CONTAINED IN THE ABOVE REPORT.

End.