

Report on a page

Financial statements are reliable

This report summarises the results of 2019–20 financial audits of Queensland state government entities, including the 22 government departments. Most financial statements were signed on time, which was a significant achievement given the challenges presented by COVID-19.

The financial statements of all departments and government owned corporations, most statutory bodies, and the entities they all control, are reliable and comply with reporting requirements. The Queensland Rural and Industry Development Authority (QRIDA) was unable to reliably estimate the loans that will be repaid in the future under the COVID-19 Jobs Support Loan Scheme. This aspect of its financial statements could not be relied on.

Most government departments have processes and systems that allow them to produce good quality financial statements. Departments can continue to strengthen their financial reporting processes, particularly in relation to monthly reporting and use of automation.

The rapid response to COVID-19 brings risk

The COVID-19 pandemic has required fast delivery of new government programs, including payments to businesses and individuals. This has provided timely support to the community but increased the risk that some payments may not go to the most appropriate people.

Our recent report to parliament—*Queensland Government response to COVID-19* (Report 3: 2020–21)—highlighted the importance of government-led programs being supported by sound controls to manage additional risks, as well as effective governance and leadership.

QRIDA has provided almost \$1 billion in loans under the COVID-19 Jobs Support Loan Scheme to businesses in need. Given the uncertain economic conditions, it is difficult to estimate the ability of these businesses to repay the loans.

More than 11,000 applications were received over five days for round one of another pandemic-related program—Small Business COVID-19 Adaption Grants, provided by the Department of Employment, Small Business and Training. Additional support and new processes were established to respond to the demand for the grants.

Also, to help businesses with cash flow, the government has reduced the time it takes to pay non-government suppliers—from 19 days to four days.

Strong information systems controls are critical

The number of cyber attacks has doubled this year. Cyber criminals are attempting to take advantage of the disruption caused by COVID-19 to steal sensitive information and valuable assets. Information systems must be protected by people and processes with strong security practices.

This continues to be the area where we identify most issues, particularly in relation to access to systems. Entities cannot take a 'set and forget' approach. They must update their systems promptly to respond to changes within their entity and to remain protected from external threats.