F. Glossary

Term	Definition
Accountability	The responsibility of public sector entities to achieve their objectives of delivering reliable financial reporting, effective and efficient operations, compliance with applicable laws, and reports to interested parties.
Auditor-General Act 2009	An Act of the State of Queensland that establishes the responsibilities of the Auditor-General, the operation of the Queensland Audit Office, the nature and scope of audits to be conducted, and the relationship of the Auditor-General with parliament.
Australian accounting standards	The rules by which financial statements are prepared in Australia. These standards ensure consistency in measuring and reporting on similar transactions.
Competitive neutrality	This is the principle that a public sector business should not have a competitive advantage (or disadvantage) over the private sector solely due to their government ownership.
Controlled entity	An entity controlled by another entity. The controlling entity can dominate decision-making, directly or indirectly, in relation to financial and operating policies so as to enable that other entity to operate with it in achieving the objectives of the controlling entity.
Deficiency	When internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.
Income tax equivalents	The National Tax Equivalent Regime is an administrative arrangement for certain state government entities (like government owned corporations and commercialised business units within departments) requiring them to pay income tax equivalents to the state government under the Commonwealth income tax laws.
Limited assurance engagement	A limited assurance engagement provides a meaningful level of assurance, but provides less assurance compared to a reasonable assurance engagement. Engagement activities include planning, enquiries with management, risk assessment, risk response and reporting procedures. Often the audit opinion is expressed that nothing has come to our attention that causes us to believe the information has not prepared in all material aspects in accordance with the criteria outlined in the engagement letter.
Misstatement	A difference between the amount, classification, presentation, or disclosure of a reported financial report item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework. Misstatements can arise from error or fraud.

Term	Definition
Pro-forma financial statements	Pro-forma financial statements are reports that are prepared during the financial year to show how the financial statements will look at year end. They may include updated actual figures to a point in time and change the presentation of financial statements to reflect amended accounting policies or new accounting standards.
Shareholder returns	Shareholder returns are made up of income tax equivalents and dividends. A dividend is a portion of a statutory body's or government owned corporation's profits that it pays to its shareholders.
Significant deficiency	A deficiency, or combination of deficiencies, in an internal control that requires immediate remedial action.
Take-or-pay arrangements	A take-or-pay arrangement is a contract between a supplier and customer that specifies the price and minimum purchase quantities of goods or services over a period of time. The contract also details any charges the customer must pay for not meeting the minimum order quantity.
Unmodified audit opinion	An unmodified opinion is expressed when financial statements are prepared in accordance with the relevant legislative requirements and Australian accounting standards.