

A. Full responses from entities

As mandated in Section 64 of the *Auditor-General Act 2009*, the Queensland Audit Office gave a copy of this report with a request for comments to the:

- Director-General, Department of the Premier and Cabinet
- Under Treasurer, Queensland Treasury.

We also provided a copy of the report, with the option of providing a response, to:

- Premier and Minister for the Olympics
- Treasurer and Minister for Trade and Investment
- Minister for Health and Ambulance Services
- Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities
- Chief Executive Officer, Queensland Rural and Industry Development Authority
- accountable officers of core departments.

This appendix contains the detailed responses we received.

The heads of these entities are responsible for the accuracy, fairness, and balance of their comments.



Comments received from Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities



The Hon Mark Furner MP
Minister for Agricultural Industry Development and Fisheries
and Minister for Rural Communities

Our ref: CTS 04143/22

31/03/2022

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Mr Brendan Worrall
Auditor-General
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Dear Mr Worrall

Thank you for your email of 15 March 2022 regarding your report *State Entities 2021*.

Your report provides important lessons on striving for greater transparency within Government and protecting public value during times of organisational change. The Department of Agriculture and Fisheries is supportive of the recommendations in your report.

In 2021, the Queensland Audit Office (QAO) found that rapid expansion in the Queensland Rural Industry and Development Authority (QRIDA) during administration of the COVID-19 Job Support Loans Scheme had resulted in a breakdown of some of its internal controls.

The State Entities 2021 report states that QRIDA has addressed six of the ten control deficiencies identified. I have been briefed that this is incorrect, and that eight deficiencies have now been addressed. I understand QAO and QRIDA have resolved this issue at officer level. QRIDA continues to work to address the remaining two control deficiencies.

Thank you for your organisation's insights into these matters. I have no further suggested changes to the report.

If your office requires further information, please contact [REDACTED]

Yours sincerely

MARK FURNER MP
Minister for Agricultural Industry Development and Fisheries and
Minister for Rural Communities



Comments received from Minister for Health and Ambulance Services



Hon Yvette D'Ath MP
Minister for Health and Ambulance Services
Leader of the House

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C-ECTF-22/5147

6 APR 2022

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
Level 14, 53 Albert Street
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Email: gao@gao.qld.gov.au

Dear Mr Worrall

Thank you for your email dated 15 March 2022, in relation to Queensland Audit Office's (QAO) proposed report to Parliament titled 'State entities 2021'.

I acknowledge receipt of the report and the contents proposed to be included in this report. I am responding on behalf of Queensland Health and all its entities and welcome the opportunity to do so.

I would like to note that Queensland Health has provided detailed feedback in December 2021 into the 'Health 2021' report to Parliament tabled by QAO, which comprehensively addresses the Health portfolio. It is pleasing to see that no new matters or recommendations are raised as part of the 'State entities 2021' report.

Noted below is our response to matters raised in the proposed report directly pertaining to the Health portfolio.

- **Recommendation 2: Improve timeliness of financial statements being made publicly available (departments and relevant ministers); and**
- **Recommendation 3: Provide guidance on the exceptional circumstances that may result in a minister extending the tabling of an annual report beyond the legislative deadline (central agencies).**

The QAO's recommendation that Departments and their Ministers should explore opportunities for releasing the audited financial statements of public sector entities in a more timely way is noted. I would like it noted that annual reports contain a diversity of information beyond the audited financial statements. While financial statements may be suitable for release as soon as they are certified on or by 31 August 2022, the remainder of the annual report requires a detailed review for consistency with those financial statements, and a final check against whole of government and legislative requirements as well as a final quality assurance check, before progressing to the Minister to table by the end of September.


The QAO's recommendation that annual reports are provided progressively to the Minister as a way of improving timeliness is noted. However, such an approach may not necessarily alleviate the time and resourcing pressure on the Minister's Office to review all reports for approval to table in the Legislative Assembly within a short period of time in the second half of September.

Queensland Health supports QAO's Recommendation 3, that the Department of the Premier and Cabinet and Queensland Treasury provide guidance on the exceptional circumstances that may result in a Minister extending the tabling of an annual report beyond the legislative deadline.

Thank you again for seeking my comments. Should you require any further information in relation to this matter, I have arranged for

_____ to be available to assist you.

Yours sincerely



YVETTE D'ATH MP
Minister for Health and Ambulance Services
Leader of the House



Comments received from Under Treasurer, Queensland Treasury



Queensland Treasury

Our Ref: 01022-2022
Your Ref: PRJ02738

Mr Brendan Worrall
Auditor-General
Queensland Audit Office

Email: QAO.Mail@qao.qld.gov.au

Dear Mr Worrall

Thank you for your email of 15 March 2022 enclosing the draft report to Parliament *State Entities 2021*.

I appreciate the opportunity to comment on your report before its tabling.

In relation to recommendation 1, *advise on machinery of government changes, set performance measures, and monitor costs*, the Department of the Premier and Cabinet will address this recommendation in their response to the report.

In relation to recommendation 2, *improve timeliness of financial statements being made publicly available*, Treasury undertakes to communicate with Directors-General encouraging them to table all departmental and statutory authorities and bodies' annual reports at the earliest opportunity rather than waiting for the legislative deadline of 30 September.

In relation to recommendation 3, *provide guidance on the exceptional circumstance that may result in a minister extending the tabling of an annual report beyond the legislative deadline*, Treasury is available to provide officer level assistance to support agencies in understanding requirements for extending the tabling of annual reports. Relevant Treasury contact details are included in each Volume of the *Financial Accountability Handbook*.

In relation to recommendation 4, *update accountability requirements to provide clarity and consistency on the minister's role in relation to annual reports*, Treasury undertakes to consider this as part of our regular quality assurance reviews of our accountability reference tools to ensure there is consistency regarding the requirements for annual reports.

If you require any further information, please contact

[Redacted] who will be pleased to assist.

Yours sincerely

A handwritten signature in black ink, appearing to read "Leon Allen", written over a horizontal line.

Leon Allen
Under Treasurer

7/4/2022

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Comments received from Acting Director-General, Department of the Premier and Cabinet

For reply please quote: ECP/IMK – TF/22/6384 – DOC/22/53436

Mr Brendan Worrall
Auditor-General
qao@qao.qld.gov.au



Department of the
Premier and Cabinet

Dear Mr Worrall

Thank you for your letter of 16 March 2022 concerning the Queensland Audit Office's draft State Entities 2021 Report and the Department of Premier and Cabinet's (DPC) response to the proposed recommendations within the report.

DPC appreciates the role that the performance audit plays in supporting the effective, efficient, and appropriate delivery of public services in Queensland.

In relation to the recommendations that are relevant to DPC, the department agrees in principle with Recommendation 1 on Machinery of Government (MoG) changes. MoG change decisions are generally made within days from the date the outcome of an election becomes clear. Advice will be provided on the impacts of implementing the proposed MoG changes to support these decisions.

Lessons learnt from MoG changes following the 2017 State election informed the development of a new *Framework to support preparations and implementation of machinery of government changes*, which was applied following the 2020 State election. The framework identified a 90-day window of finalising MoG resourcing decisions, which was achieved.

I am supportive in-principle of Recommendations 3 and 4. DPC will review the *Annual Report Requirements for Queensland Government Agencies (ARRs)* to ensure that officer level consultation is enhanced. DPC advises that the Minister's role in relation to annual reports outlined in the ARR is clear and consistent with the requirements of the *Financial Accountability Act 2009* and *Financial and Performance Management Standard 2019*. DPC undertakes an annual review of the ARR to ensure it reflects current reporting requirements.

Enclosed with this letter is the DPC response to the recommendations made in the draft report.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Mark Cridland'.

Mark Cridland
Acting Director-General

4 / 4 / 22

*Encl

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Reponses to recommendations



Department of the Premier and Cabinet

State entities 2021

Response to recommendations provided by Mark Cridland, A/Director-General, Department of the Premier and Cabinet on 4 April 2022

Recommendation	Agree/ Disagree	Timeframe for implementation (Quarter and financial year)	Additional comments
<p>1. Advise on machinery of government changes, set performance measures, and monitor costs</p> <p>We recommend Department of the Premier and Cabinet and Queensland Treasury take the following action for future government restructures:</p> <ul style="list-style-type: none"> Provide advice to the incoming or returning government on potential impacts of restructures, including the key risks to be managed and estimated costs to implement, drawing on lessons learnt from past machinery of government changes. Require departments to articulate, measure and report on the benefits to be achieved from the machinery of government change and the cost to implement the restructure. This should include guidance on how to measure and report benefits and costs. 	Support in principle	Qtr 2 2024/25 following the 2024 state election	<ul style="list-style-type: none"> Under section 43 of the <i>Constitution of Queensland 2001</i> the Governor, by proclamation, may declare the offices to which persons may be appointed as Ministers of the State. The Governor acts on the advice of the Premier or Premier elect. It is a matter for the Premier or Premier elect to determine Ministers and their administrative responsibilities. This is common across all Australian jurisdictions. Machinery of Government (MoG) change decisions are generally made within days from the date the outcome of an election becomes clear. Advice will be provided on the impacts of implementing the proposed MoG changes to support these decisions. Lessons learnt from MoG changes implemented after the 2017 State election informed the development of a new <i>Framework to support preparations and implementation of machinery of government changes</i>, which was applied following the 2020 State election. The framework sought to address previously identified issues raised by agencies, including: <ul style="list-style-type: none"> outlining the agreed principles to govern the MoG process providing clarity around resource distribution negotiations



Recommendation	Agree/ Disagree	Timeframe for implementation (Quarter and financial year)	Additional comments
			<ul style="list-style-type: none"> - confirming governance arrangements and key decision making processes - clarifying agency and Public Service Commission roles in supporting effective MOG changes <p>The framework identified a 90 day window of finalising MoG resourcing decisions, which was achieved.</p>
<p>3. Provide guidance on the exceptional circumstances that may result in a minister extending the tabling of an annual report beyond the legislative deadline</p> <p>Department of the Premier and Cabinet and Queensland Treasury should update accountability requirements to provide clear and consistent guidance on the exceptional circumstances that are likely to require a minister to extend the tabling of an annual report beyond the legislative deadline. This should include examples of exceptional circumstances that impact on the preparation of the annual report. This may be included in the Annual report requirements for Queensland Government agencies published by the Department of the Premier and Cabinet and / or the Financial Accountability Handbook published by Queensland Treasury.</p>	Support in principle	Qtr 4, 2021-22	<p>To support agencies in determining the exceptional circumstances to extend tabling beyond the legislative timeframe, DPC will review the <i>Annual Report Requirements for Queensland Government Agencies</i> to include appropriate DPC and QT contact details so that officer level consultation can be enhanced, and advice provided, prior to the Minister providing the extension, if it is determined to be required.</p>
<p>4. Update accountability requirements to provide clarity and consistency on the minister's role in relation to annual reports</p> <p>Department of the Premier and Cabinet and Queensland Treasury should review accountability requirements to ensure they provide clarity and consistency on the minister's role in relation to annual reports. This should be aligned with the minister's responsibilities for the portfolio, and support the timely release of information.</p>	Support in principle	Qtr 4, 2021-22	<p>The Minister's role in relation to annual reports as outlined in the <i>Annual Report Requirements for Queensland Government agencies (ARRs)</i> is clear and consistent with the requirements of the <i>Financial Accountability Act 2009</i> and <i>Financial and Performance Management Standard 2019</i>.</p> <p>DPC undertakes an annual review of the ARR's to ensure it reflects current reporting requirements.</p>



Comments received from Director-General, Department of Children, Youth Justice and Multicultural Affairs



Office of the
Director-General

Department of
**Children, Youth Justice
and Multicultural Affairs**

Our reference: CYJMA 01112-2022

1 April 2022

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
gao@gao.qld.gov.au

Dear Mr Worrall

Thank you for providing the Department of Children, Youth Justice and Multicultural Affairs with a copy of the State Entities 2021 report (the report) to Parliament.

The department has reviewed the report and has noted the recommendations for all entities for 2020-21, as well as the status of recommendations made in the State Entities 2020 report.

If you require any further information or assistance in relation to this matter, please contact

I trust this information is of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read "D Mulkerin", written in a cursive style.

Deidre Mulkerin
Director-General

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Comments received from Director-General, Department of Education



Office of the
Director-General

Department of
Education

04 APR 2022

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
Email: qao@qao.qld.gov.au

Dear Mr Worrall

Thank you for your email dated 15 March 2021 enclosing a draft copy of your report titled *State entities 2021* for review prior to tabling in Parliament planned for April 2022.

I appreciate the opportunity to make comments and provide feedback. I note the content of the report and your recommendations which the Department of Education will assess and implement those recommendations specifically relevant to this agency. In particular, I support your comments relating to the cost and resource usage that stem from Machinery of Government changes across Government.

Any actions completed by central agencies in response to the recommendations will also be assessed by the department and implemented where relevant.

The department's Audit and Risk Management Committee will monitor any required actions to address the relevant recommendations.

Should your officers wish to discuss this matter further, I invite them to contact [REDACTED]

Yours sincerely

A blue ink handwritten signature of Michael De'ath, consisting of a stylized 'M' and 'D' followed by a horizontal line.

MICHAEL DE'ATH
Director-General

Ref: 22/198269

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Comments received from Director-General, Department of Regional Development, Manufacturing and Water

Our ref: CTS 04196/22

Your ref: PRJ02738



5 APR 2022

Mr Brendan Worrell
Auditor-General
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Department of
**Regional Development,
Manufacturing and Water**

Email: qao@qao.qld.gov.au

Attention: Mr P Brahma, Assistant Auditor-General

BRENDAN

Dear Mr Worrell

Thank you for your email of 15 March 2022 regarding the proposed report to Parliament *State entities 2021*.

The Department of Regional Development, Manufacturing and Water (the department) supports the important work of the Queensland Audit Office (QAO) to improve the performance of Queensland Government agencies and has considered the recommendations proposed in the *State entities 2021* report.

The department is currently working through a number of improvements to processes and delegations, which will also consider the proposed recommendations identified for all entities. Further, the department will work with other state government entities to support the timely implementation of recommendations where they are relevant to the department.

If you require any further information, please contact [REDACTED]

who will be pleased to assist.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Graham Fraine".

Graham Fraine
Director-General

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Comments received from Director-General, Department of Employment, Small Business and Training



Department of
Employment,
Small Business
and Training

Our ref: CIC-417

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
Email: gao@gao.qld.gov.au

Dear Mr Worrall

Thank you for your email dated 15 March 2022 regarding the State Entities 2021 proposed report to Parliament.

Following a review of the report, I accept its findings and recommendations and thank you for the opportunity to provide comment. The report provides useful information that the Department will use to focus on further strengthening internal controls, processes and timeliness of reporting.

Should you require any further information, please contact [REDACTED]

Yours sincerely

A handwritten signature in blue ink, appearing to read "Warwick Agnew".

Warwick Agnew
Director-General

05/04/2022

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