

# A. Full responses from entities

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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:

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

We also provided a copy of the report to the following entities and gave them the option of providing a response:

- Premier and Minister for the Olympics and Paralympic Games
- Treasurer and Minister for Trade and Investment
- Minister for Children and Youth Justice and Minister for Multicultural Affairs
- Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement
- Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs
- Minister for Health and Ambulance Services
- Minister for Police and Corrective Services and Minister for Fire and Emergency Services
- Chief Executive Officer, Queensland Building and Construction Commission
- Chief Executive Officer, National Injury Insurance Agency Queensland
- 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 Director-General, Department of the Premier and Cabinet

For reply please quote: IA&R:PH – TF/23/1305 – DOC/23/39382  
Your reference: PRJ03244



Department of the  
**Premier and Cabinet**

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

Dear Mr Worrall

*Brendan*

Thank you for your email of 9 February 2023 regarding the Queensland Audit Office (QAO) proposed State Entities 2022 report (the Report).

I am pleased to note from the Report that financial statements are reliable and that all departments, including the Department of the Premier and Cabinet (DPC) and related portfolio entities, received unmodified audit opinions.

DPC has a strong focus on monitoring and implementation of agreed audit recommendations. In response to Recommendation 1 in the Report, DPC has an established process for the department's Audit and Risk Management Committee to receive and discuss the implementation status of recommendations raised from audit reports. This includes QAO reports, internal audit reports and those tabled by other assurance providers (for example, Crime and Corruption Commission Queensland and the Queensland Ombudsman).

Of the recommendations raised for DPC in State Entities 2021, DPC 'agreed in-principle' with Recommendations 1, 3 and 4 and has progressed or implemented the agreed actions as detailed below:

- *Recommendation 1: Machinery-of-Government changes* – DPC's response to the recommendation was 'support in principle' with an implementation timeframe following the 2024 State Election. DPC has undertaken significant work on this recommendation, which is expected to be completed ahead of proposed timeframes.
- *Recommendation 3: Guidance on exceptional circumstances where a minister may extend annual report tabling beyond the legislative deadline* – DPC has completed the action to update the *2021–22 Annual Reporting Requirements for Queensland Government Agencies (ARRs)* (Section 22.2) with central agency contact details to ensure that officer-level consultation is enhanced.

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- *Recommendation 4:* Updating accountability requirements to provide clarity and consistency on the minister's role in relation to annual reports – DPC noted the ARR are consistent with the legislative requirements and agreed to continue annual reviews of the ARRs to ensure continued consistency with current reporting requirements.

I note the improvement in relation to the timeliness for tabling 2021–22 annual reports by Queensland Government departments before the legislative deadline, 30 September. It is acknowledged that central agencies, DPC and Queensland Treasury, play a key role in setting financial and performance management policy and processes.

DPC will continue to work with and encourage departments to table their annual reports at the earliest opportunity to support transparent and accountable public reporting.

Again, thank you for providing the Report and the opportunity to comment.

Yours sincerely



Rachel Hunter  
**Director-General**

2 / 3 / 23



# Comments received from Acting Under Treasurer, Queensland Treasury



Our Ref: 00509-2023  
Your Ref: PRJ03244

Queensland Treasury

Mr Brendan Worrall  
Auditor-General  
Queensland Audit Office  
53 Albert Street  
BRISBANE QLD 4000

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

Dear Auditor-General

Thank you for your email of 9 February 2023 enclosing the draft report to Parliament *State entities 2022*. I appreciate the opportunity to comment on your report before its tabling.

In relation to recommendation 2 contained in the *State entities 2021* report, *improve timeliness of financial statements being made publicly available*, Treasury undertakes to continue to communicate with Directors-General to encourage tabling of annual reports at the earliest opportunity rather than waiting for the legislative deadline of 30 September. As noted in your report, there has been improvement in the timeliness of tabling of annual reports, and Treasury will continue to support this process.

In relation to recommendation 3 contained in the *State entities 2021* report, *provide guidance on the exceptional circumstance that may result in a minister extending the tabling of an annual report beyond the legislative deadline*, Treasury continues to be available to provide officer-level assistance to support agencies in understanding requirements for extending the tabling of annual reports. Further, as part of ongoing reviews into the guidance material Treasury provides to agencies, Treasury is considering the content relating to this recommendation and any potential changes.

In relation to recommendation 4 contained in the *State entities 2021* report, *update accountability requirements to provide clarity and consistency on the minister's role in relation to annual reports*, Treasury is also currently examining this as part of our ongoing review processes, with consideration being made to any potential changes to the guidance material Treasury provides to agencies, with reference to the minister's role in tabling processes.

If you require any further information, please contact

Yours sincerely

A handwritten signature in black ink, appearing to read "Maryanne Kelly".

Maryanne Kelly  
Acting Under Treasurer

10 / 03 / 2023

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## 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 00681-2023

21 February 2023

Mr Brendan Worrall  
Auditor-General  
Queensland Audit Office  
[gao@gao.qld.gov.au](mailto: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 2022 report (the report) to Parliament.

The department has reviewed the report and has noted the recommendations for all entities for 2021-22, as well as the status of recommendations made in prior State Entities reports.

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 "Deidre Mulkerin".

Deidre Mulkerin  
**Director-General**

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# Comments received from Director-General, Department of Education



Office of the  
Director-General  
Department of  
Education

27 FEB 2023

Mr Brendan Worrall  
Auditor-General  
Queensland Audit Office  
Email: [gao@qao.qld.gov.au](mailto:gao@qao.qld.gov.au)

Dear Mr Worrall

Thank you for your email dated 9 February 2023 enclosing a draft copy of your report titled *State entities 2022* for review prior to the tabling in Parliament planned for March 2023.

I appreciate the opportunity to make comments and provide feedback. The Department of Education remains committed to continually improving internal controls and further strengthening the security of information systems.

I support the report's key recommendation that audit committees actively monitor the implementation of audit recommendations and encourage the timely resolution of outstanding internal control weaknesses. The department's independent Audit and Risk Management Committee will continue to review and monitor the department's risk management framework and the adequacy of the department's internal control structure and systems.

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

Yours sincerely

A handwritten signature in blue ink, appearing to read "Michael De'ath".

**MICHAEL DE'ATH**  
Director-General

Ref: 23/130682

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# Comments received from Director-General, Department of Transport and Main Roads



Office of the  
**Director-General**  
Department of  
**Transport and Main Roads**

Our ref: DG44205  
Your ref: PRJ03244

21 February 2023

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

Dear Mr Worrall

Thank you for your email of 9 February 2023 about the State entities 2022 proposed report to Parliament.

The Department of Transport and Main Roads (TMR) acknowledges the recommendation raised in the report in relation to audit committees actively monitoring the implementation of audit recommendations (including internal audit recommendations) and encourages the timely resolution of outstanding internal control weaknesses. TMR has established processes in place whereby the Audit and Risk Committee actively monitor recommendations raised and the appropriateness and timeliness of actions taken to address the risk(s) identified.

TMR appreciates the opportunity to provide comments on this proposed report. If you need any further information, please contact [REDACTED].

Yours sincerely

A handwritten signature in purple ink that reads "Neil Scales".

Neil Scales  
**Director-General**  
**Department of Transport and Main Roads**

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## Comments received from Chief Executive Officer and Commissioner, Queensland Building and Construction Commission



Our Ref: FOL21/354

27 February 2023

Mr Brendan Worrall  
Auditor-General  
Queensland Audit Office  
Level 14, 53 Albert Street  
BRISBANE QLD 4000

By email: [qao@qao.qld.gov.au](mailto:qao@qao.qld.gov.au)

Dear Mr Worrall

**RE: QUEENSLAND AUDIT OFFICE PROPOSED REPORT TO PARLIAMENT TITLED "STATE ENTITIES 2022"**

Thank you for your email dated 9 February 2023, in relation to Queensland Audit Office's (QAO) proposed report to Parliament titled "State entities 2022".

I acknowledge receipt of the report and the contents proposed to be included in this report. I appreciate the opportunity to review the draft report and findings and provide comment on your report before its tabling. The Queensland Building and Construction Commission (QBCC) appreciates and supports the important work of the QAO to improve the performance of Queensland Government agencies and has considered the findings outlined in the *State entities 2022* report.

As you have indicated in your report, the QBCC operates in a challenging environment and has experienced a significant increase in its legislative remit over the past few years. During this time, it also experienced turnover in its executive team. Since I commenced as CEO and Commissioner in early 2022, I have focussed on providing stability to the leadership team. Following revision to the executive team structure there has been a number of recruitment activities undertaken and I am pleased that the vast majority of executive roles are now filled.

In relation to the significant deficiencies reported by the QAO in procurement and payroll, these had been identified by management and actions were being taken to rectify the deficiencies, albeit due to timing were not able to be fully addressed within the 2021-22 financial year. Despite these deficiencies identified, I do note that the QAO issued an unmodified audit opinion in relation to the financial statements of the QBCC.

In relation to the procurement significant deficiency, there has been significant work done to address known issues with procurement procedural compliance, contract management and record keeping more broadly. The initial focus was on addressing our capability needs and recruitment has been successfully undertaken to build a highly capable procurement team, with a Director Procurement commencing with the QBCC in August 2022 to oversee the improvement program. Further, the QBCC is in the process of revising and updating the QBCC Procurement and Contract Management policies and operational procedures to further align with the Queensland Procurement Policy, establish greater clarity of process and integrate automation to support compliance.

A new three-year Strategic Plan for procurement has also been developed to provide overarching strategic policy guidance and outline through a maturity model, an approach to continuously improve and become a leading procurement function.

The program to rectify the control weaknesses identified and transform the QBCC's procurement activities is progressing well and is on schedule to be completed before the end of the 2022-23 financial year.

In relation to the significant deficiency reported in payroll processes, initial actions have been focused on stabilising the payroll function, while still delivering ongoing business as usual requirements and implementing necessary software updates and ensuring STP2 compliance. Since the end of the 2021-22 financial year, key appointments have been made including the Chief Human Resources Officer and other resources to support the payroll function. Both record keeping practices and quality of work instructions have been enhanced. The QBCC has also engaged an expert partner to deliver critical version upgrades to the payroll system, undertake a health check to validate improvements made to date, implement further quick wins and identify gaps in controls and processes to be rectified. The stabilisation phase will continue to be implemented throughout the 2022-23 financial year on a risk-based approach with satisfactory completion of the stabilisation phase expected by 30 June 2023.

Thank you again for seeking my comments. Should you require any further information in relation to this response, please contact our [REDACTED]

Yours Sincerely



**Anissa Levy**  
**CHIEF EXECUTIVE OFFICER AND COMMISSIONER**  
**QUEENSLAND BUILDING AND CONSTRUCTION COMMISSION**

