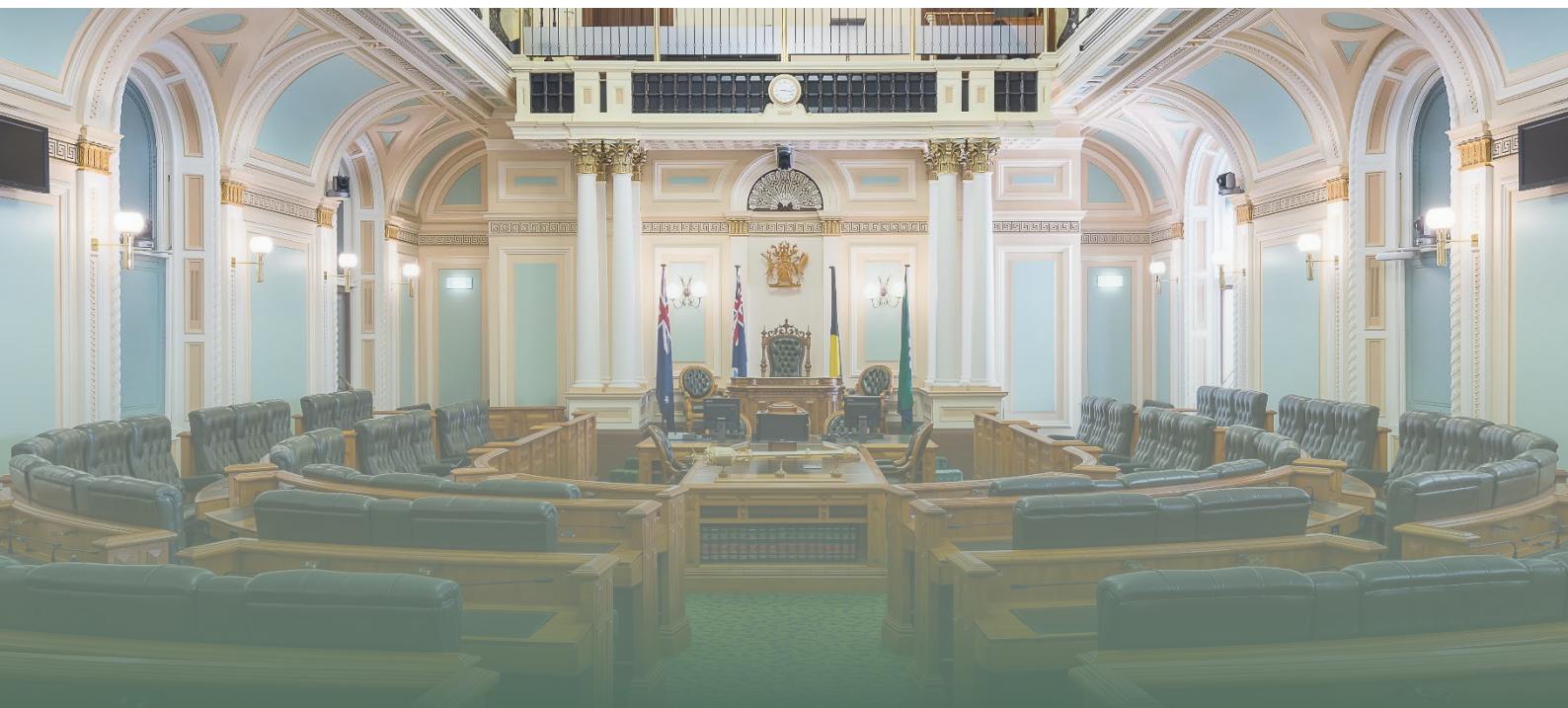




QUEENSLAND PARLIAMENT **COMMITTEES**

Queensland Audit Office Annual Report 2024-25

Governance, Energy and Finance Committee



Report No. 18

58th Parliament, February 2026

Governance, Energy and Finance Committee

Chair	Mr Michael Crandon MP, Member for Coomera
Deputy Chair	Mr Chris Whiting MP, Member for Bancroft
Members	Ms Bisma Asif MP, Member for Sandgate Mr John Barounis MP, Member for Maryborough Mr Lance McCallum MP, Member for Bundamba Mr Wayde Chiesa MP, Member for Hinchinbrook

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All references and webpages are current at the time of publishing.

Acknowledgements

The committee acknowledges the assistance provided by the Auditor-General and staff from the Queensland Audit Office.

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Chair's Foreword

The Governance, Energy and Finance Committee has oversight responsibility for the Auditor-General under Schedule 6 of the Standing Rules and Orders of the Legislative Assembly and is responsible for considering the entity's annual report under section 94 of the *Parliament of Queensland Act 2001*.

This report presents a summary of the committee's examination of the Queensland Audit Office's annual report for the 2024-25 financial year (Annual Report).

The committee reviewed the Annual Report and held a public briefing with representatives of the Queensland Audit Office on 29 October 2025.

On behalf of the committee, I thank the Auditor-General and officers from the Queensland Audit Office for assisting the committee with fulfilling its oversight responsibilities. I also thank the Parliamentary Service staff.

I commend this report to the House.



Michael Crandon MP

Chair

Executive Summary

This report presents the Governance, Energy and Finance Committee's (committee's) examination of the Queensland Audit Office's (QAO's) annual report for the 2024-25 financial year (Annual Report).

QAO, led by the Auditor-General, examines the efficiency, effectiveness and legislative compliance of public sector entities and their management of public resources. The committee is responsible for oversight of the Auditor-General.

The Annual Report provides information about QAO's performance, the services it provided, its corporate governance, workforce and financial position for the reportable period.

The Annual Report indicates that in 2024-25, QAO:

- performed well against its peers and against its strategic and operational objectives, and has some areas where it can improve
- delivered its core audit services, as well a range of other services that bolstered the effectiveness of its audit function
- maintained appropriate corporate governance arrangements while adjusting internal structures to ensure it can respond effectively to emerging issues and needs
- continued to invest in workplace diversity, staff development and employee wellbeing
- maintained a positive and sustainable financial position.

The committee is satisfied that the Annual Report complies with the relevant legislative requirements and standards.

The committee made one recommendation, found at page v of this report, that the Legislative Assembly notes the contents of this report.

Recommendation

Recommendation 1 2

The committee recommends that the Legislative Assembly notes the contents of this report.

1. Introduction

This report presents the Governance, Energy and Finance Committee's (committee's) examination of the Queensland Audit Office's (QAO's) annual report for the 2024-25 financial year (Annual Report).

1.1. Overview of the Queensland Audit Office

QAO, led by the Auditor-General, examines the efficiency, effectiveness and legislative compliance of public sector entities and their management of public resources. These entities include departments, government owned corporations, statutory bodies, controlled entities, and the state's 77 councils.¹

QAO conducts two types of audits:

- **financial audits**, which assess whether the information contained in the financial statements of public sector entities is accurate, can be relied upon and is prepared in accordance with relevant standards and legislative requirements
- **performance audits**, which evaluate whether an agency or government program is delivering its services effectively, economically and efficiently.²

1.1.1. The Auditor-General

The Auditor-General is Parliament's independent auditor of all of Queensland's state and local government public sector entities.³

Rachel Vagg is Queensland's 24th Auditor-General and the chief executive officer of QAO. She commenced her 7-year appointment on 12 August 2024.⁴

1.2. Role of the committee

The committee was established by the Queensland Legislative Assembly on 28 November 2024 as a portfolio committee.⁵

The committee's portfolio areas of responsibility include:⁶

Premier and Cabinet,
Veterans

Treasury, Energy and
Home Ownership

Finance, Trade,
Employment and
Training

¹ Queensland Audit Office (QAO), *Annual report 2024-25*, p 2.

² QAO, *Understanding an audit*, <https://www.qao.qld.gov.au/audits/understanding-audit>.

³ QAO, *Annual report 2024-25*, p 2.

⁴ Queensland Government, 'Queensland's first female Auditor-General appointed', media release, 9 July 2024.

⁵ *Parliament of Queensland Act 2001*, s 88; Standing Rules and Orders of the Legislative Assembly, Standing Order (SO) 194.

⁶ Standing Rules and Orders of the Legislative Assembly, SO 194, sch 6.

The committee is responsible for oversight of the Auditor-General.⁷ This responsibility includes examining their annual report and, if appropriate, commenting on any aspect of the report.⁸

1.3. Inquiry process

Pursuant to section 72AA of the *Auditor-General Act 2009*, the Annual Report was tabled in the Legislative Assembly on 28 August 2025 by Mr Michael Crandon MP, Chair of the committee.

The Auditor-General and a Senior Director of QAO provided the committee with a public briefing on the report on 29 October 2025. A transcript of that briefing is available on the committee's webpage.

1.4. Legislative compliance

The committee's deliberations included assessing whether the Annual Report complies with the requirements of the *Financial Accountability Act 2009*, Financial and Performance Management Standard 2019, and the annual report requirements for Queensland Government agencies.

Committee comment



The committee is satisfied that the Annual Report complies with the relevant reporting requirements for Queensland Government agencies.



Recommendation 1

The committee recommends that the Legislative Assembly notes the contents of this report.

2. Examination of the Annual Report

The Annual Report provides information about QAO's performance, the services it provided, its corporate governance, workforce and financial position in the 2024-25 financial year. Each of those issues is considered below.

2.1. Performance

The Annual Report assesses QAO's performance against its peers (being other Australian audit offices) and against its strategic and operational objectives.

2.1.1. Performance in comparison to peers

In 2024-25, QAO performed well against the benchmarked averages of other Australian audit offices. In comparison to its peers, QAO:

- charged a higher percentage of total paid hours to audit work

⁷ *Auditor-General Act 2009*, s 67A; Standing Rules and Orders of the Legislative Assembly, sch 6.

⁸ Standing Rules and Orders of the Legislative Assembly, SO 194A.

- maintained a lower average cost for each hour charged to audits
- took about the same amount of time to complete performance audits and incurred a similar average life cycle cost to complete them.⁹

2.1.2. Performance against strategic and operational objectives

As summarised in Table 1, QAO met or exceeded many of its performance targets relating to strategic and operational objectives. However, it fell short of meeting others, most of which related to performance audits.

Table 1 Performance against strategic and operational objectives		
Targets exceeded	Targets achieved	Targets not met
<ul style="list-style-type: none"> • Audit clients' overall satisfaction • Financial audit clients' overall satisfaction • Average time to produce financial audit reports • Percentage of QAO recommendations agreed to by financial audit clients. • Percentage of QAO recommendations agreed to by performance audit clients. 	<ul style="list-style-type: none"> • Average cost of financial audits for state entities. 	<ul style="list-style-type: none"> • Performance audit clients' overall satisfaction • Average time to produce performance audit reports • Average life-cycle costs of performance audit reports • Average life-cycle costs of financial audit reports • Average cost of financial audits for local government entities.

Source: QAO, *Annual report 2024-25*, pp 6-8, 55-58.

In some cases, QAO's failure to meet certain targets appears to have been largely due to circumstances beyond its control. For example, the Annual Report states that in 2024-25:

- performance audits addressed more complex topics, which affected both client satisfaction and the cost of those audits
- the change of government in 2024 created a need to engage with new stakeholders, increasing the costs of both financial and performance audits
- increases in wages and other operating costs increased costs of both financial and performance audits.¹⁰

At the public briefing, the Auditor-General, Rachel Vagg, described how some of these factors affected QAO's performance in 2024-25:¹¹

My reports to parliament are well read and I continue to receive positive feedback on the quality of these reports, but they must also be delivered in a timely, cost-effective manner with a growing program of performance audits. During the 2024-25 year not all targets were met, with greater attention paid to the development of public sector risks, more stakeholder engagement and a caretaker period impacting on the number of performance audits.

⁹ QAO, *Annual report 2024-25*, p 5.

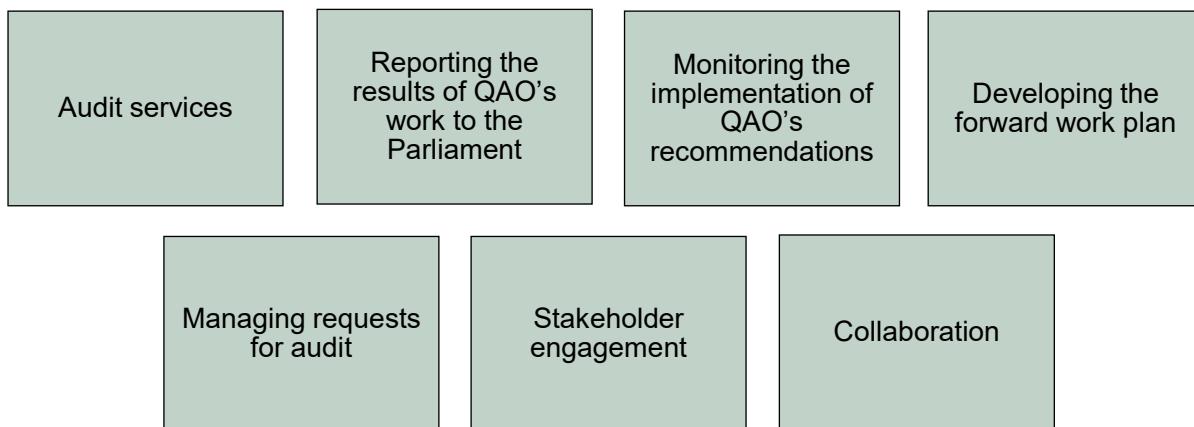
¹⁰ QAO, *Annual report 2024-25*, pp 6-8, 55-58.

¹¹ Public briefing transcript, Brisbane, 29 October 2025, p 2.

The Annual Report indicates that QAO has identified some areas within its control that may allow it to improve performance in the future. For example, the Annual Report states that feedback from performance audit clients 'identified opportunities for us to improve our knowledge and understanding of their organisations and the audit subject matter.'¹²

2.2. Services

In 2024-25, the services delivered by QAO fell into 7 categories:¹³



Highlights of QAO's work across these categories in 2024-25 included:

- an expanded focus on information systems risks as part of its financial audit services
- winning the Excellence award at the annual Australasian Council of Auditors-General IMPACT Awards for the Auditor-General's Report 15: 2023-24 - *Reducing serious youth crime*
- preparatory work for the introduction of sustainability assurance reporting in 2025-26
- tabling 15 reports to parliament, including 6 performance audit reports on relatively complex matters
- following up on recommendations by asking entities to self-assess their progress in implementing them, then reporting on this to parliament
- updating the forward work plan to respond to emerging risks and issues
- increased investment in building stakeholder relationships at state and local levels following the 2024 election
- improved visibility of QAO's work, with a significant increase in the number of times reports were viewed.¹⁴

¹² QAO, *Annual report 2024-25*, p 55.

¹³ QAO, *Annual report 2024-25*, pp 10-18.

¹⁴ QAO, *Annual report 2024-25*, pp 10-18.

At the public briefing, the Auditor-General elaborated on some of these highlights, including the ongoing impact of Report 15: 2023-24 – *Reducing serious youth crime*. The Auditor-General told the committee that report ‘represents, I think, one of our most read reports and continues to be accessed on a really regular basis.’¹⁵

The Auditor-General also elaborated on the preparatory work that QAO has done in relation to the introduction of sustainability assurance reporting in 2025-26:¹⁶

To enable me to undertake the [sustainability] audits, what I have done is develop a methodology which is appropriate for the organisations that I will be auditing and it helps guide consistency of judgement amongst my auditors. That methodology is near completion and we are just commencing training within the office on the application of that methodology. We are working with other audit offices across Australia about the application of the same methodology and sharing of information and then we expect our first round of reporting for those 11 entities by the middle of next year.

2.3. Corporate governance

The Annual Report provides details of QAO’s corporate governance, including its leadership team, governance framework, legislative environment, external and internal audit processes and risk management.¹⁷

The Annual Report notes a new division, Specialist Audit, is to be established in 2025-26. This will be headed by a new Assistant Auditor-General and will focus on ‘specialist audit, information systems audit, data and analytics, and sustainability reporting’.¹⁸ At the public briefing, the Auditor-General provided an update on this change, explaining that the new division has been refined to focus on technology audits, and renamed accordingly.¹⁹

The Auditor-General advised:²⁰

It [the new division] has been established and in fact has been renamed to a technology audit division. I went to market and recruited a new executive into that role and she is in place and operating now. Initially I had expected that that particular role would cover both technology audit and the implementation of climate related disclosures. Because of the skill set that I was able to recruit, I have just focused that particular role on technology audit and climate related disclosure will be led through my financial audit division with the support of my quality staff.

The Annual Report also provides an update on the implementation of recommendations made by a 2023 strategic review of QAO. That review, conducted by an independent reviewer, made 47 recommendations to QAO.²¹ In 2024-25, QAO closed an additional 14 recommendations from that review (having previously closed 3), with an internal audit

¹⁵ Public briefing transcript, Brisbane, 29 October 2025, p 4.

¹⁶ Public briefing transcript, Brisbane, 29 October 2025, p 4.

¹⁷ QAO, *Annual report 2024-25*, pp 19-25.

¹⁸ QAO, *Annual report 2024-25*, p 19.

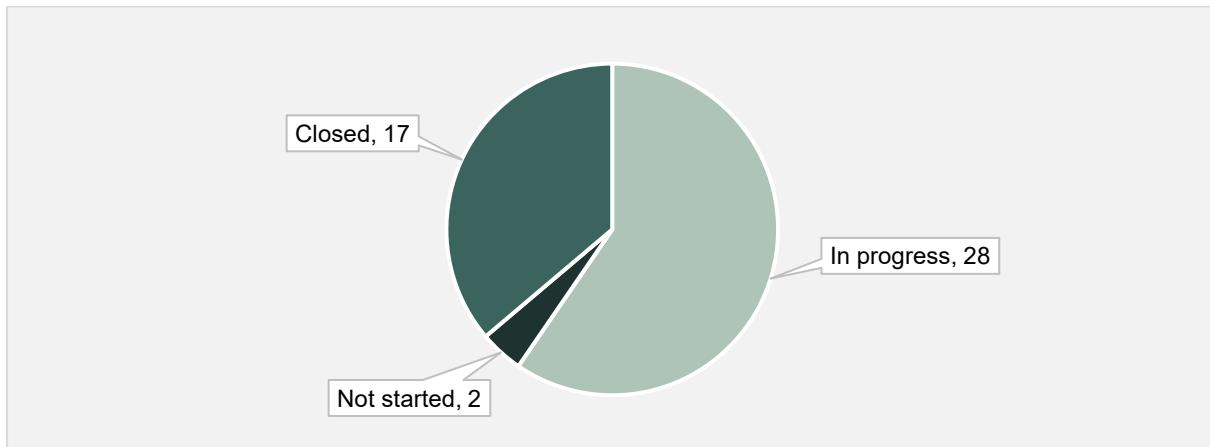
¹⁹ Public briefing transcript, Brisbane, 29 October 2025, pp 2-3, 5.

²⁰ Public briefing transcript, Brisbane, 29 October 2025, p 5.

²¹ Professor Ian O’Connor, *Strategic Review of the Queensland Audit Office*, Report, 4 December 2023, pp 8-16.

confirming that those recommendations were appropriately addressed.²² As Figure 1 below illustrates, a further 28 recommendations remain in progress.²³

Figure 1: Status of strategic review recommendations made to QAO²⁴



Source: QAO, *Annual report 2024-25*, pp 21-22.

The Annual Report details the legislative environment in which QAO operates and steps taken by QAO to ensure compliance with legislative requirements. In 2024, significant changes were made to QAO's enabling legislation, the *Auditor-General Act 2009*, including a requirement that the Auditor-General submit proposals for additional funding to the committee. QAO did not request any proposals for additional funding in 2024-25.²⁵

2.4. People

The Annual Report provides information about QAO's workforce. This includes information about diversity, staff development and employee feedback.²⁶

Highlights from this section include the following:

- QAO has a diverse workforce, with 25 per cent of its staff being culturally and linguistically diverse, well above the public sector benchmark of 12 per cent²⁷
- QAO has invested in its ability to attract candidates to its graduate program, with positive results²⁸
- feedback provided by QAO employees via the annual Working for Queensland survey suggests it is performing well, both compared to other smaller public service offices (i.e. those with less than 500 staff) and compared to previous years. However, there are some areas where QAO can improve, including in relation to workloads.²⁹

²² QAO, *Annual report 2024-25*, p 21.

²³ QAO, *Annual report 2024-25*, pp 21-22.

²⁴ This is current as at 30 June 2025.

²⁵ QAO, *Annual report 2024-25*, p 22.

²⁶ QAO, *Annual report 2024-25*, pp 26-31.

²⁷ QAO, *Annual report 2024-25*, p 26.

²⁸ QAO, *Annual report 2024-25*, p 28.

²⁹ QAO, *Annual report 2024-25*, pp 29-30.

At the public briefing, the Auditor-General explained the value of having a diverse workforce:³⁰

It is also important that I have a diverse workforce to be able to respond to the needs of my clients and to be representative of my clients. Having a diverse workforce is also something that I have been focused on.

The Auditor-General also provided information about the steps QAO is taking to ensure it manages the workloads of its employees effectively.³¹

2.5. Financial position

The Annual Report indicates that QAO maintained a positive and sustainable financial position in 2024-25.³²

In 2024-25, QAO's total income from continuing operations was \$58.922 million, with its total expenses amounting to \$56.832 million. As such, it generated an operating surplus of \$2.090 million.³³

In 2024-25:

- The majority of QAO's income came from audit fees (\$50.517 million) with most of the remainder (\$8.090 million) via an appropriation made under the *Appropriation Act 2024*
- QAO's largest type of expense was employee expenses (\$31.746 million) followed by supplies and services (\$24.403 million)³⁴
- QAO outsourced approximately 44 per cent of its financial audits at a cost of \$16.620 million, almost half of which (\$7.737 million) was paid to 3 firms: KPMG, Grant Thornton Audit Pty Ltd and BDO Audit.³⁵

At the public briefing, the Auditor-General explained that employee expenses had been higher than budgeted for 2024-25, largely due to machinery-of-government changes:³⁶

It [increased expenses] is mostly to do with employee expenses when I need to undertake additional audit activity. We have plans each year of how many hours I think I will need to undertake in terms of my audits, but some things happen which will change that. Sometimes it is that machinery-of-government changes require additional audit activity, and that is the case actually in this period that was the main impact.

The Annual Report identifies several factors that affected QAO's financial position in 2024-25. These included the 10 per cent increase in its basic rates of fees, which was

³⁰ Public briefing transcript, Brisbane, 29 October 2025, p 6.

³¹ Public briefing transcript, Brisbane, 29 October 2025, pp 6-7.

³² QAO, *Annual report 2024-25*, p 32.

³³ QAO, *Annual report 2024-25*, pp 32, 35.

³⁴ QAO, *Annual report 2024-25*, p 35.

³⁵ QAO, *Annual report 2024-25*, p 67.

³⁶ Public briefing transcript, Brisbane, 29 October 2025, p 5.

approved by this committee's precursor, the Cost of Living, Economics and Governance Committee of the 57th Parliament, after QAO's budget was finalised.³⁷

At the public briefing, the Auditor-General explained how that increase in QAO's fees contributed to the generation of a surplus and detailed how that surplus would be used:³⁸

The previous 10 per cent increase in our basic rates of fees took effect from 1 October 2024 and the financial impact of that increase continues to be phased in. The increase in rates, along with other audit efficiencies, enabled us to recover the cost of our services with a small surplus. I will use that surplus to replace key legacy systems, modernise our data platform and prepare for sustainability audits.

Committee comment



QAO plays an important role in overseeing how public sector entities, such as government departments, manage public funds and deliver programs. The committee, in turn, oversees the work of QAO.

The committee is pleased that QAO has continued to perform well in 2024-25. It has met, or exceeded, many of its performance targets and continues to maintain a positive and sustainable financial position. It also compares well to its peers, including in terms of its audit performance (relative to audit offices in other Australian jurisdictions) and in terms of employee diversity and satisfaction (relative to similarly sized public sector offices in Queensland).

The Annual Report identifies several areas where QAO faces challenges or could improve its performance. The committee welcomes the steps that QAO is taking to address these issues and encourages QAO to continue investing in its people and capabilities in the future.

The committee thanks the Auditor-General and other officers at QAO for their diligent work in 2024-25.

³⁷ QAO, *Annual report 2024-25*, p 32.

³⁸ Public briefing transcript, Brisbane, 29 October 2025, p 2.

Appendix A – Public Briefing, Brisbane, 29 October 2025

Queensland Audit Office

Rachel Vagg Auditor-General

Paul Christensen Senior Director

Statement of Reservation



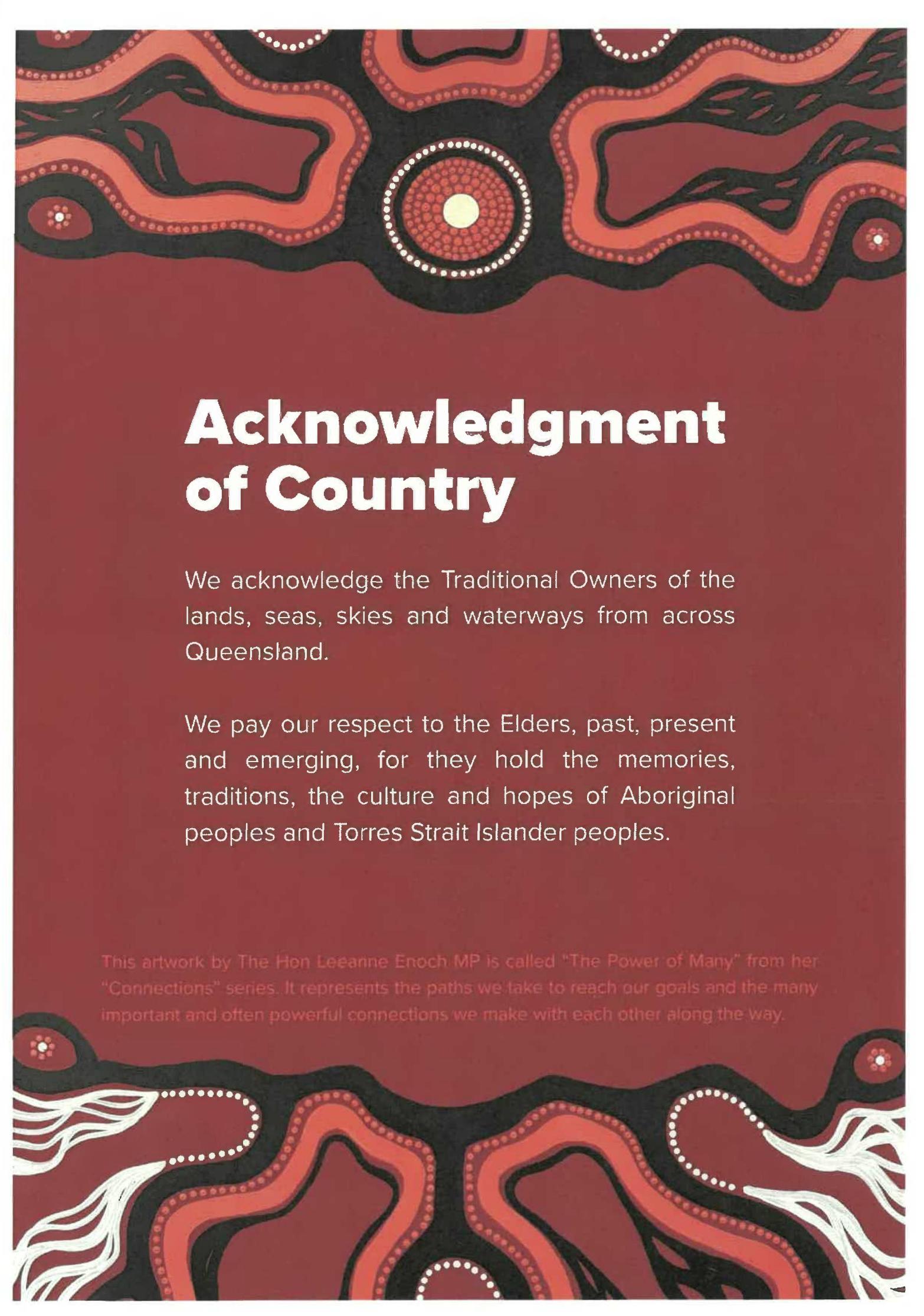
Statement of Reservation

**Governance, Energy and
Finance Committee**

**Queensland Audit Office Annual Report
2024-25**



58TH PARLIAMENT



Acknowledgment of Country

We acknowledge the Traditional Owners of the lands, seas, skies and waterways from across Queensland.

We pay our respect to the Elders, past, present and emerging, for they hold the memories, traditions, the culture and hopes of Aboriginal peoples and Torres Strait Islander peoples.

This artwork by The Hon Leeanne Enoch MP is called "The Power of Many" from her "Connections" series. It represents the paths we take to reach our goals and the many important and often powerful connections we make with each other along the way.

Queensland Labor Opposition

The Queensland Labor Opposition thanks the Queensland Audit Office for the work that they do each and every day on behalf of Queenslanders.

It is pleasing to note that the Queensland Audit Office has recruited a position called a ‘specialist audit lead’ to assist with information technology audits. The Queensland Auditor stated that the person recruited is “*someone with a great history in terms of technology audits who was also a chief information systems officer within an organisation. I have called that particular position the head of technology audit*”.

In respect to questions from the Queensland Labor Opposition regarding the Queensland Audit Offices “*capacity to quickly commence those technology audits as needed*” the Queensland Auditor responded “*that is right*”.

It is a matter of public record that the Crisafulli LNP Government turned on a Unify system which was meant to support child safety matters, however, the manner in which the Crisafulli LNP Government has handled the issues arising from them turning on the Unify system in 2025, has potentially left thousands of vulnerable Queensland children at risk.

Something that should and must be investigated by all relevant agencies, including the Queensland Audit Office.

The Queensland Labor Opposition tried to ask questions in respect of the audit that the Queensland Audit Office would be doing in respect of Unify, and it is a matter of public record what occurred in the public committee thereafter:

Ms ASIF: *Thank you for coming along today and for that report. I can see in the forward plan on your website that there is a plan to look into the implementation of the new child safety and youth justice case management system Unify in 2027-28.*

CHAIR: *Order, member. We have written to the Auditor-General. We have material before us. I rule that question out of order. Move on to another question.*

Ms ASIF: *I have not asked a question yet.*

CHAIR: *Move on to another question, please.*

Ms ASIF: *With respect, I have simply mentioned the website and spoken about something—*

CHAIR: *Move on to another question.*

Ms ASIF: *I am happy to move to another question.*

Mr WHITING: *Hang on, Chair, I mentioned it as well. You did not rule my question out of order.*

CHAIR: *The member referred to a specific matter within the forward plan.*

Ms ASIF: *That is right and I have not asked a question yet.*

CHAIR: *I ask you now to move onto another question or I will move on—*

Mr WHITING: *Chair, this is questioning about the forward program. This is exactly why we are here—to ask about it.*

Ms ASIF: That is okay. I am happy to ask a question. My question is: would you consider bringing that forward earlier?

Ms MORTON: That is the matter that we have written to them about.

CHAIR: Member, I have already instructed you. I have ruled the question out of order. We will move to the member for Caloundra

At the end of the public hearing the Queensland Labor Opposition members requested the opportunity to put questions on notice to ensure openness and transparency can occur. The public record in the transcript outlines what occurred:

CHAIR: Okay, another two weeks. That is fine. We still have time. We will try to encourage our members. That concludes this briefing. Thank you to everyone who has participated today.

Ms ASIF: Chair, we have some questions on notice.

CHAIR: Thank you to our Hansard reporters.

Ms ASIF: Chair, I have a question on notice.

CHAIR: Members!

Mr WHITING: Chair, this is not transparent. We would like to lodge two questions on notice.

CHAIR: Members, I close the meeting.

Ms ASIF: I move that I get to put my question on notice.

CHAIR: Members, a transcript of these proceedings will be available on the committee's webpage in due course. I declare this public briefing closed.

The Standing Orders of the Queensland Parliament do not allow Queensland Labor Opposition Members on the committee to provide a reflection on the above, however, it has been extracted for all Queenslanders to review and make their own judgement.

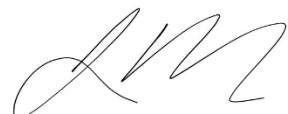
Queenslanders deserve and expect transparency from their governments.



CHRIS WHITING MP
MEMBER FOR BANCROFT
DEPUTY CHAIRPERSON OF THE COMMITTEE



BISMA ASIF MP
MEMBER FOR SANDGATE



LANCE MCCALLUM MP
MEMBER FOR BUNDMABA