

# Auditor-General's foreword

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In this report I draw a connection between effective audit committees and the success of an entity's governance framework.

There are 92 audit committees for departments and statutory bodies in Queensland's public sector. Effective audit committees can require a significant investment in time and resources from entities and committee members. Of the 74 audit committee chairs who responded to our survey, over 80 per cent said they spend up to five hours reading papers for meetings, that for most are held four times a year for at least two hours.

Good governance is critical to ensure an entity effectively manages its business operations, programs, projects, and risks. Unfortunately, some entities still do not embrace good governance and do not move beyond compliance, thereby not realising the value good governance can bring to an entity.

Recent project failures in both the public and private sectors have often been symptomatic of ineffective governance frameworks and practices, resulting in poor program and project management and delivery due to insufficient oversight of business risks and decisions. A number of my reports to parliament over the last three years have observed failures in programs and projects that have stemmed from poor governance within and across entities. This indicates that governance is an area requiring greater attention and improvement across the Queensland public sector.

My past reports covering topics such as the effectiveness of the State Penalties Enforcement Registry ICT reform, monitoring and managing ICT projects, the National Disability and Insurance Scheme, and digitising public hospitals each demonstrated how poor governance practices can lead to significant issues, unidentified risks, and overspend and/or misspend on government programs and projects. Common weaknesses in governance included, for example:

- inadequate oversight from governance committees
- failure to keep those charged with governance fully informed
- unclear roles and responsibilities for program and project delivery and accountability within and across entities.

Instances of poor governance can expose all public sector entities to risks including financial loss, reputational damage, and missed business opportunities.

For the reasons above, I propose to build on this report in the future by assessing the effectiveness of audit committees in the local government sector. I will continue to focus on key elements of governance frameworks, such as program and project governance, and undertake a review of board appointment and renewal processes.

A handwritten signature in black ink, appearing to read 'B. Worrall'.

Brendan Worrall

Auditor-General

