

# Transport: 2018–19 results of financial audits

---

(Report 5: 2019–20).  
Tabled 6 November 2019.

## Welcome

Welcome to our presentation on the results of our 2018–19 financial audits of transport sector entities.

This report includes the results from:

- the Department of Transport and Main Roads
- Queensland Rail
- Cross River Rail Delivery Authority
- Gladstone Ports Corporation Limited
- North Queensland Bulk Ports Limited
- Port of Townsville Limited
- Far North Queensland Ports Corporation Limited.

## Audit results

We issued unmodified audit opinions on all financial statements. The audits were all completed within the statutory deadline. The financial reports are reliable and comply with relevant laws and standards.

Our audits focused on how transport entities use complex models to measure \$78 billion of property, plant and equipment that is subject to revaluation or impairment every year. To continue to improve the delivery and completion of these models, we recommend that entities ensure they allocate enough resources, and document key assumptions.

Transport entities are progressing well with implementing the new accounting standards for revenue, leases and service concession arrangements. Keeping ahead of the implementation dates and resolving other major accounting issues early will help entities prepare quality financial statements.

## Internal controls

We made 30 recommendations to support further improvement of internal controls, including:

- improving payroll and procurement processes
- securing information systems
- enhancing information technology governance and policy frameworks.

Targeted fraud attempts continue across all public sector entities. There was a successful fraud where employee bank account details were changed as a result of phishing. Management has now strengthened controls over changes to employee bank accounts.

## Financial performance

The overall sustainability of the transport sector remains stable.

The port entities performed strongly this year. From the profit they generated, they provided \$97 million in dividend returns to their shareholding minister. They are making major investments across the port sector to increase the capacity for larger shipping vessels and to facilitate growth in the broader regional economy.

The severe storms and floods in January 2019 impacted many local communities and businesses in far north and north Queensland. Good cooperation across agencies fast-tracked the recovery effort and reopened important infrastructure.

## Future challenges and emerging risks

Transport entities continue to invest in large-scale infrastructure projects. Our report summarised some lessons learned from past projects to help entities deliver on time and on budget.

Our actions for transport entities include:

- aligning risk assessments across agencies and external partners
- integrating coordination activities into contractual arrangements
- ensuring enough resources have been allocated
- developing performance monitoring systems that can capture updated forecasts and accurate information.

The size and complexity of these projects requires continued strong governance and oversight from entities to ensure they appropriately manage risks and realise shared outcomes.

## For more information

For more information on the results, financial performance, future challenges and emerging risks highlighted in this summary presentation, please see the full report on our website.

Thank you.