

C. How we prepared this report

About this report

This report summarises the audit results of Queensland’s local government entities, also known as councils. They are the first line of connection to our communities, providing Queenslanders with a wide range of services such as roads, water and waste, libraries, and parks. To help deliver their corporate objectives and services to the public, some create council-related entities, for example in the pastoral, property services, and arts sectors.

Through our financial audit program, we form opinions about the reliability of local government financial statements. These audits are conducted in accordance with the *Auditor-General Auditing Standards* and comply with the relevant standards issued by the Australian Auditing and Assurance Standards Board.

The information and insights highlighted in this report to parliament are the result of our annual financial audits of these entities.

Entities included in this report

- 77 local governments
- 95 council-related entities

Refer to [Appendix F](#) for the names of the above entities.

We used information available at the 31 October statutory reporting date to prepare our report

Timely financial reporting is always important, but leading into the next local government elections in March 2024 it is even more critical. Communities rely on publicly available information about their council to evaluate its performance. Acknowledging this, we have made sure our analysis of the sector is available earlier this year.

To do so, we compiled this report using information available at the 31 October 2023 statutory reporting date. In the following paragraphs, we summarise how we applied this cut-off date for available information.

Final information from councils’ financial statements

We have collated the financial information throughout this report using either councils’:

- 2022–23 certified financial reports where they were certified by 31 October 2023
- most recent certified financial reports where the 2022–23 reports were not certified by 31 October 2023.

Ratios measuring the financial sustainability of councils

We explain the ratios used to measure the financial sustainability of councils in [Appendix K](#) (current measures) and [Appendix L](#) (future measures).

We have used the same approach for financial sustainability ratios as financial information. If councils’ 2022–23 certified financial reports were available at 31 October 2023, we have used this information.

Otherwise, we have used their most recent certified financial report available at that date.

Where ratios are calculated using a 5-year average, we have used the average of the most recent 5 years that are certified at 31 October 2023.



Internal controls deficiencies

This report and [Appendix J](#) only include internal control deficiencies reported to councils by 31 October 2023.

Often, councils that do not have their financial statements certified by 31 October 2023 have higher numbers of internal control deficiencies, so we expect the total number of deficiencies to increase when these councils have their financial statements certified.

We will report any further internal control deficiencies communicated to councils from 1 November 2023 that relate to our 2022–23 audits in next year's local government report.

Our approach

This report has been prepared in accordance with the *Auditor-General Auditing Standards*.

We present our graphs with comparative data going back to either 2019 or 2021 (2 to 4 comparative years) to show the relevant movements where appropriate.

