

CHIEF FINANCE OFFICER STATEMENT TO THE ACCOUNTABLE OFFICER

Section 77(2)(b) of the *Financial Accountability Act 2009* requires the Chief Finance Officer to provide the Accountable Officer with a statement about whether the financial internal controls of the department are operating efficiently, effectively and economically. This statement is to be provided either before or at the same time as the Chief Finance Officer certifies the annual financial statements.

Based on a professional assessment of the department's overarching governance and financial management frameworks and their associated policies, systems, procedures and series of internal controls, in my opinion, the department's financial internal controls have operated efficiently, effectively and economically during the 2009-10 financial year due to the following factors:

- In all material aspects, internal compliance and control measures relating to the financial management of the department have operated efficiently, effectively, and economically throughout the period under review.
- Ongoing assessments and testing have not identified any significant risks that have impacted on, or may impact on, the department's key financial management systems. While the planned integration of the department's two Human Resource (payroll) systems following the machinery of Government changes in March 2009 has been deferred pending the resolution of unrelated whole of Government payroll system issues, thus continuing our need to maintain two separate payroll systems, additional processes have been implemented to satisfactorily adapt those systems that are dependant upon and interface to, the Human Resource systems.
- While the department's risk management and fraud prevention frameworks are currently being reviewed, no risks or instances of fraud have been identified during the year that materially impact, or may materially impact, on the achievement of the department's financial targets and goals.
- No known matter or circumstance has arisen subsequent to the reporting date that would have a material effect on the department's financial position, internal control systems, risk management or fraud mitigation processes.
- Appropriate assurances have been received from the Shared Service Agency and CorpTech, via the Shared Service Agency, who undertake defined services on behalf of the department.
- The results of ongoing reviews of departmental operations have not disclosed any material errors, omissions or departures from departmental policies. However, the following matters were noted from the reviews and appropriate remedial actions have been taken:

- Following the machinery of Government changes in March 2009, the department has, as a priority, moved to implement consistent financial management policies and processes across the new entity. This process has identified a range of inconsistencies in the approach to debt management across the two former entities which are being addressed as they become apparent.
- Following the machinery of Government changes in March 2009, a major review and realignment of resources delivering business services to the Queensland Parks and Wildlife Service (QPWS) and Regional Service Delivery across the State, was undertaken. As a result, the number and extent of audits undertaken under the department's self assessment audit function, especially in QPWS, was less than expected. Other internal controls and review processes have been added and maintained in these areas and no significant concerns have been identified.
- All issues and recommendations raised by the internal and external audit functions have been, or are being addressed, to the satisfaction of the Audit Committee.

Based on the results of my assessment of the department's governance and financial management frameworks in place, the adequacy of the financial policies, systems and controls and the results of regular testing by departmental and external parties during the period under review, it is my opinion that a reasonable assurance can be given that:

- The financial records of the department have been properly maintained throughout the year.
- The financial statements for the year are fairly stated.
- The department has complied with the financial requirements mandated in the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009*, and other prescribed requirements, including internal governance policies and Australian Accounting Standards, where relevant.

Peter John Philipson B Econ.

General Manager Finance & Asset Management
Chief Finance Officer

30 August 2010

Mated

30/8/10