

C. Audit opinions for entities preparing financial reports

Each year, Queensland state public sector entities must table their audited financial statements in parliament.

These financial statements are used by a broad range of parties including parliamentarians, taxpayers, employees, and users of government services. For these statements to be useful, the information reported must be relevant and accurate.

The Auditor-General's audit opinion on these entities' financial statements assures users that the statements are accurate and in accordance with relevant legislative requirements.

We express an *unmodified opinion* when the financial statements are prepared in accordance with the relevant legislative requirements and Australian accounting standards. We *modify* our audit opinion when financial statements do not comply with the relevant legislative requirements and Australian accounting standards and are not accurate and reliable. We express a *qualified opinion* when financial statements are fairly presented, with the exception of a specified area.

Sometimes we include an *emphasis of matter* in our audit reports to highlight an issue that will help users better understand the financial statements. It does not change the audit opinion.

The following table details the types of audit opinions we issued in accordance with Australian auditing standards for the 2020 financial year.

Figure C1
Audit opinions issued in 2019–20

Entity type	Entity	Date audit opinion issued	Type of audit opinion issued
Bulk water suppliers	Queensland Bulk Water Supply Authority (trading as Seqwater)	17 August 2020	Modified*
	Sunwater Limited	24 August 2020	Unmodified
Water distributor-retailers	Central SEQ Distributor-Retailer Authority (trading as Urban Utilities)	17 August 2020	Unmodified
	Northern SEQ Distributor-Retailer Authority (trading as Unitywater)	20 August 2020	Unmodified
Category 1 water boards	Gladstone Area Water Board	20 August 2020	Unmodified
	Mount Isa Water Board	24 August 2020	Unmodified

Note: * Seqwater was qualified in 2019–20 due to unrecorded liability and expense from the litigation in progress relating to the 2011 South East Queensland floods.

Category 1 water boards are for-profit authorities established under the *Water Act 2000*.

Source: Compiled by the Queensland Audit Office.