

Electronic signing— financial statements

Commencing for the 30 June 2018 financial statements, QAO will be signing our independent auditor's opinions electronically.

This fact sheet outlines the legal requirements and what this means for our clients, and gives an overview of our internal process.

We introduced electronic signatures to:

- reduce the time delays that our clients outside the south east Queensland district experience
- limit paper consumption with the aim to provide potential cost savings and a reduction in our environmental impact
- allow timely return of the certified financial statements electronically
- improve reproduction quality through the limited need to scan certified financial statements.

Legal requirements

To meet the legal requirements, there are three criteria for using an electronic transaction to 'sign' a document:

- identification—we must use a method to identify the person/people and capture their intentions. For example, the signing officer is bound by their declaration even if they did not send the communication but rather consented to someone sending it on their behalf
- reliability—the process must maintain the integrity of the information. For example, the information must remain complete and unaltered throughout the course of a transaction
- consent—parties agree to send and receive digitally signed documents.

Records of signing electronically

Legislation dictates who is to sign the financial statements for your entity. Where your entity uses electronic signatures, you must maintain records to support that the financial statements comply with legislation. This entails:

- ensuring appropriate security measures are in place to prevent any unauthorised use of electronic signatures
- developing policies and/or procedures regarding the use of electronic signatures
- appropriately managing the document to which the signature has been added and any supporting documents to ensure your agency is keeping full and accurate records for as long as required.

This also applies to the signing of management representation letters.

We expect the electronic signatures used are replicas of the signers' actual signature, not a typed name.

Fact sheet

Submitting financial statements

QAO has established a portal for your entity to submit the final version of your financial statements. QAO will provide access through a secure login. To maintain the integrity of the portal, your auditors will advise you directly on what action is required to gain access.

Once you access the site, you will complete a form to submit your financial statements. You will be required to provide some basic details about the submission such as name of entity, financial year end, name of person submitting the documents, and so on. The date of submission will be recorded automatically. In the form, you also attach the following documents.

- financial statements—where there are more than one statement, such as financial statements and current year financial sustainability statement, please submit these documents as separate files. (Word or PDF format)
- signed and dated management certificate(s). Separate documents where there are more than one. (PDF format only)
- signed management representation letter(s) (PDF format only).

You will only see the forms you submit. You will not have access to forms from other entities.

Should you need to make an amendment to the form this can be done through the edit function. A version history of the edits is maintained.

QAO process

Once we receive the financial statements, they will be provided to your audit team for processing.

The submitted financial statements are verified against the version your auditors cleared to ensure we received the correct version.

Once clearance is given, we will combine the financial statements, management certificate and our independent auditor's report(s) for signing.

When signed, we will return a signed version electronically to the person who submitted the financial statements. Letters and a copy of the financial statements will also be sent via email to the relevant parties.

It is important that you keep your audit manager up-to-date with any changes in email address for the mayor, director-general, chief executive officer or chief financial officer so that these emails are addressed correctly.

What happens if you are unable to access the portal to submit financial statements?

If you have difficulties in submitting your financial statements through this process, we have alternative ways for you to convey your financial statements to QAO. Your auditors will be happy to discuss alternatives with you should this occur.

What happens if we provide a paper version of our financial statements?

Our preference is that entities provide financial statements electronically; however, this may be an issue for some entities. Where this is the case, we will progress the signing of our independent auditor's report in the same manner as prior years.

Once signed we will return a signed version to the person submitting the financial statements. We will also send letters and a scanned copy of the financial statements via email to the relevant parties.

Is the process different where the auditors opinion is modified?

A modified audit opinion will have no impact on the method we use to sign the opinion.

Feedback

Feedback from our clients is important to us. As this is the first year QAO is electronically signing financial statements, we would appreciate your feedback on the process and any difficulties you may have encountered. Our audit team will discuss this with you prior to finalising the audit.





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T: (07) 3149 6000
M: qao@qao.qld.gov.au
W: qao.qld.gov.au
53 Albert Street, Brisbane Qld 4000

