



Grant Taylor

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Dr Caralee McLiesh PSM
Auditor-General
Australian National Audit Office
GPO Box 707, Canberra ACT 2601
Australia

By email: Caralee.Mcliesh@anao.gov.au

Tēnā koe Caralee

Peer review of two performance audits published by the Australian National Audit Office

In November 2025, the New Zealand Office of the Auditor-General (OAG) peer reviewed two performance audits that were carried out by the Australian National Audit Office (ANAO) in 2024/25.

This peer review forms part of a longstanding reciprocal arrangement, where the OAG and the ANAO review each other's performance audit processes and practices on an alternating basis. The peer review seeks to strengthen performance auditing by providing constructive feedback, sharing better practices, and identifying areas for improvement.

This letter makes high-level observations about areas for improvement and comments on matters of common interest. The Quality Assurance Test Program results for each audit are also attached to this letter.

Scope of this year's peer review

We looked at two published audit reports and supporting documentation and assessed whether they:

- complied with the ANAO's Auditing Standards and other legal and regulatory requirements and quality-control policies and procedures; and
- had sufficient and appropriate audit evidence on the audit file that supported the findings and conclusions in the audit report.

The two performance audit reports we reviewed were:

- *Governance of Artificial Intelligence at the Australian Taxation Office (2025) (the AI Governance audit)*
- *Conduct of Procurements Relating to Two New Child Sexual Abuse-related National Services (2025) (the Procurement audit).*

Our overall findings

We found that both audits complied with most of the requirements in the test program and met the expectations for evidence linkage. For the AI Governance audit we found two minor departures from the requirements. For the Procurement audit, we found one minor departure. A description of these findings is included in Appendix 1.

The test program requires that materiality is considered during the planning stage of the audit. We did not see materiality explicitly mentioned in the Audit Work Plan for either audit, however we understand that the Audit Work Plan template has recently been updated with a section specifically about materiality. We did not record this as a departure from requirements for either audit.

Sharing practices

We valued gaining other perspectives on performance auditing and appreciated meeting with your staff to discuss common interests such as the use of artificial intelligence in performance auditing, and planning and managing audits.

We understand both our offices are considering how we can use AI in our performance audits and we met with some of your staff to discuss this.

We presented to your staff about our experiences of carrying out rapid audits and engaging with Māori stakeholders. We would be happy to engage further on these topics in the future.

Your staff were also interested in our observations of some of the ANAO's practices including using a specific tool to manage and document audit processes, internal governance processes, and performance audit reports. We identified some differences between the ANAO's practices and our own that may warrant further consideration. These areas are detailed in an appendix. We would be happy to talk to you further about these areas.

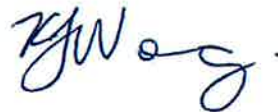
We look forward to our offices continuing to work together on areas of common interest.

Thank you to you and your staff for the help they gave my review team and the continuing useful exchange of performance audit practices. We would particularly like to acknowledge the cooperation and help that Amelia Pomery, Mirjana Arrouk and Evan Lee provided.

Nāku noa, nā



Grant Taylor
Controller and Auditor-General



Karen Wong
Manager, Performance Audit Practice and
Methodology

Attached:

- Appendix 1: Areas for improvement**
- Appendix 2: Observations about ANAO and OAG performance audit practices**
- QA Results Procurement of two child sexual-abuse related services**
- QA Results AI Governance in the ATO**