



Audit Committee Chairs Forum

Friday, 17 July 2026

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Welcome and opening remarks

Carla Jago

Deputy Auditor-General

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Auditor-General's update

Dr Caralee McLiesh PSM

Auditor-General for Australia

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Australian Government
Department of Finance

Audit Committee Chairs Forum Financial Reporting

Lasantha Samaranayake, Assistant Secretary

Accounting and Frameworks Branch

Department of Finance

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The Department of Finance acknowledges the Traditional Owners and Custodians of the land on which we work and we pay our respects to Elders past and present.



Roots of Reconciliation artwork by Madison Walker

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2025–26 Financial Reporting

2025–26 reporting timeline is consistent with previous years:

- Preliminary financial statements data due Friday, 24 July 2026.
- CBMS Annual Actuals and audit-cleared financial statements:
 - Friday, 14 August 2026 – material entities
 - Friday, 28 August 2026 – small entities
- Supplementary reporting pack:
 - Tuesday, 18 August 2026 – material entities
 - Friday, 28 August 2026 – small entities

2025–26 Financial Reporting

Accounting Standard Changes

- For 2025–26 financial reporting, there are no significant accounting standard changes.

Financial Reporting Guidance

- Updates include the amended Public Governance, Performance and Accountability (Financial Reporting) Rule 2015, revised appropriations guidance and refreshed key reporting materials.

Looking forward

Managing fiscal constraint and ensuring capability

- Ongoing government savings measures
 - Budget pressures on entities, particularly relating to external labour (contractors and consultants).
- Continued focus on capability uplift through targeted professional development training and quarterly forums.

Looking forward

Climate Disclosure

- Commonwealth Climate Disclosure Policy requires reporting of climate risks, opportunities and responses in annual reporting, including financial effects being phased in.
- Climate Disclosure requirements for Year 2 and Year 3 by Tranche 1 and 2 Commonwealth entities and companies are available on the Finance website.
- Entities can contact Climate Action and Property Data Branch within the Department of Finance at ClimateAction@finance.gov.au for further guidance.

The background features a large, abstract geometric design. On the left, a solid teal color transitions into a complex pattern of overlapping triangles in various shades of blue and grey on the right side.

Thank you!

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Discussion: Understanding entity risk in procurement and contract management

Carla Jago

Deputy Auditor-General



Australian Government
Digital Transformation Agency

dta'

Keeping Trust In the Loop

Lucy Poole

Deputy CEO

Digital Transformation Agency

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Trust requires visibility



Dynamic Visibility

- Can you see how AI is being used today, not just how it was approved yesterday?
- Do you have a dynamic view of what is in production, where it is operating, and how it is evolving over time?



Clear Ownership

- Who owns algorithmic risk, and can they describe where it exists, how it is managed, and what decisions they are accountable for?
- When an AI-enabled decision goes wrong, is it immediately clear who is responsible for responding?



Shadow AI

- If AI is already being used outside approved channels, how would you know?
- Do staff feel supported to bring emerging AI use into governance, or encouraged to keep it hidden?

Developing a Strategic Position



Tailored to context

- Could this position belong to any agency, or is it genuinely built around yours, your data, workforce and risk appetite?
- Does it articulate what matters for your agency, or simply mirror the current AI market conversation?



Spectrum of AI Use

- Does it tell us where AI sits, from individual productivity through to enterprise use cases?
- Does it recognise that AI used to support staff carries different considerations from AI used to shape decisions or services?



Scaling with intent

- Does management have a real, practical way of knowing when experimentation should scale, change course or stop?
- Has success, risk and value been defined before activities begin— and who decides when those thresholds have been met?

Agentic AI Governance



Bounded Authority

- What authority is this system being delegated, and how is that authority bounded?
- What can it access or trigger; and what is it explicitly prohibited from doing?

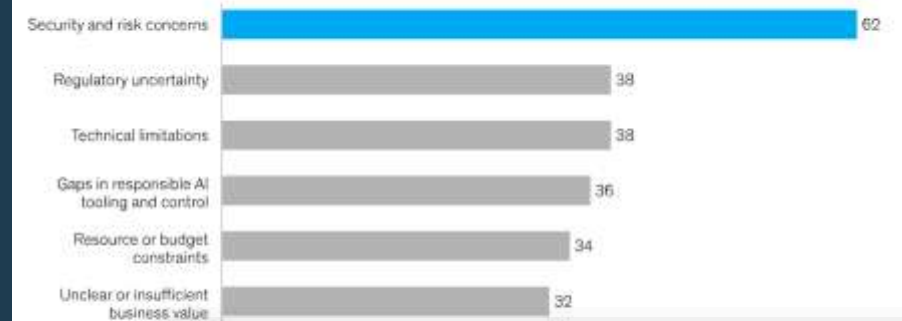


Accountability and Traceability

- If it follows its instructions and the result is still wrong, unfair or hard to explain, who owns that outcome?
- And can we reconstruct what the system actually did, and why it did it?

Security and risk concerns are the most frequently cited obstacle to fully scaling agentic AI.

Main obstacles preventing organizations from reaching fully scaled agentic AI,¹ % of respondents



AI Review Committees & ARC Oversight



AI Review Committee

- Does management understand when an AI initiative requires escalation, review or additional oversight?
- Is advice brought in early enough to influence the outcome, or only late enough to validate it?

Members

- Mr Chris Fechner – Chair
- Dr Kate Conroy
- Ms Carly Kind
- Lieutenant General Michelle McGuinness CSC
- Ms Jo Talbot
- Mr Andrew Watson



Is Your ARC Ready for AI?

- Are you treating AI as a whole-of-organisation question, not just a technology problem?
- Have you brought together the right disciplines (including legal, cyber, data, procurement and service delivery) to understand how AI will operate in practice?
- Are you seeing the agency's AI direction early enough to help shape it?



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Digital Transformation Agency



Q&A

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Panel

Lesa Craswell, Group Executive Director, Systems Assurance and Data Analytics (Chair)

Lucy Poole, Deputy CEO, Digital Transformation Agency

Mark Sawade, Chief Information Officer, Australian Taxation Office

Margaret Tregurtha, Acting Director General, IP Australia



Vote of thanks/plenary comments

Cath Ingram

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Please complete the survey



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