



Audit
Tasmania

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AUDITING FOR A BETTER TASMANIA

Annual Report

Acknowledgement of Country

In recognition of the deep history and culture of Tasmania, we acknowledge and pay respect to Tasmanian Aboriginal people, the past and present custodians of this island. We respect Tasmanian Aboriginal people, their culture and their rights as the first peoples of this land. We recognise and value Aboriginal histories, knowledge and lived experiences and commit to being culturally inclusive and respectful in our working relationships.

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This report is available online at:

audit.tas.gov.au/publication-category/annual-report

If you would like further information on this report or other reports of the Tasmanian Auditor-General, please contact us using the details below.

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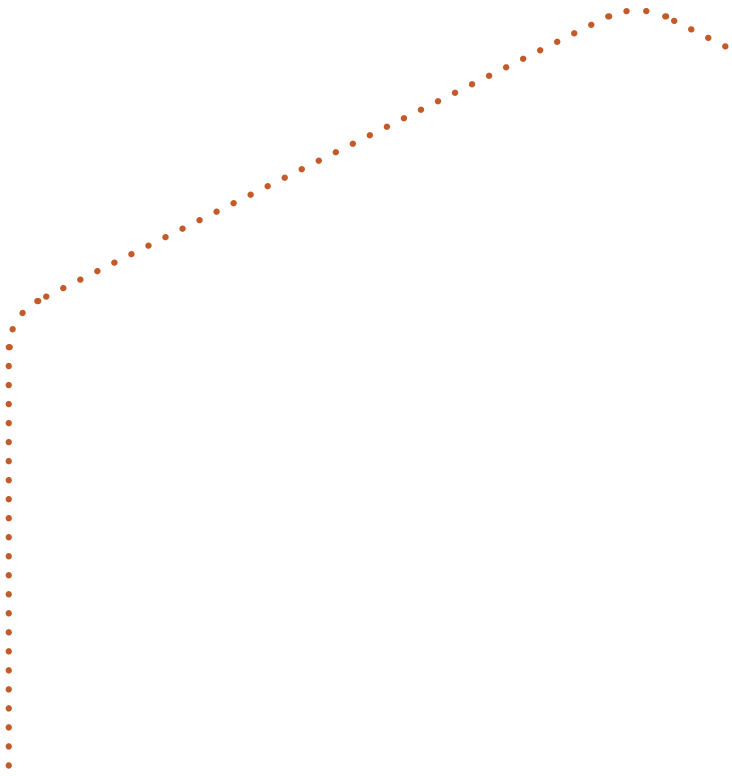
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Cover image: Shouten Island, Tasmania. Credit: Harrison Candlin, Vagary

Inside cover image: Freycinet National Park, Tasmania. Credit: Harrison Candlin, Vagary

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Hon Eric Abetz MP
Treasurer
Parliament House
HOBART TAS 7000

Dear Treasurer

Audit Tasmania – Annual Report 2025-26

In accordance with the requirements of section 36 of the *State Service Act 2000* and section 42 and 44 of the *Financial Management Act 2016*, I am pleased to submit, for presentation to the Parliament, the Annual report of the Tasmanian Audit Office (operating as Audit Tasmania) for the year ended 30 June 2026.

This report covers the activities of Audit Tasmania for the reporting period 1 July 2025 to 30 June 2026. It provides a summary of our achievements against our strategic plan and performance measures.

It is an important piece of our accountability to all Tasmanians, Parliamentarians, the Parliamentary Standing Committee of Public Accounts, client agencies and employees of Audit Tasmania.

The financial statements within this report were prepared in accordance with Australian Accounting Standards, the Treasurer's Instructions and other authoritative requirements.

Yours sincerely

Martin Thompson
Auditor-General

20 October 2026

Message from the Auditor-General



It has been a significant year for Audit Tasmania. In 2024-25 we invested in the development of our 2025-28 Strategic Plan, and in 2025-26 we commenced the journey to deliver on the strategies and priorities it detailed. Supporting the delivery of our Strategic Plan was our Annual Plan 2025-26, which provided detail on key activities and deliverables that we set for ourselves.

This year, we focused on ensuring we are providing Parliament with insightful reports to improve public sector performance and accountability. We did this in line with our five core values of:

Connect | Innovate | Grow | Impact | Integrity

To ensure we hold ourselves accountable, this report has been structured around our values and is intended to provide a transparent and balanced account of our performance against our strategic and annual plans. The following chapters detail that, overall, Audit Tasmania did well in meeting the objectives we set for ourselves in 2025-26. However, there are areas where we have not progressed as far or as quickly as we would have hoped. While we have developed sound output measures that provide assurance of the efficiency of our audits, measuring the outcomes of our work remains challenging, and we have more to do in this area.

2025-26 has also seen a notable increase in the headcount and FTE at Audit Tasmania. This has been necessary to meet the demand for increased performance audit activity, the introduction of mandatory reporting of Sustainability Reports for Climate Related Disclosures and the decision to bring more audits of state entities back to the

direct delivery by Audit Tasmania, reducing our reliance on the use of contract service providers and providing additional experience, challenges and opportunities for our team members.

We are also starting to see benefits flow through our investments in technology, data analytics and artificial intelligence. These benefits help Audit Tasmania better manage its own operations, provide greater insights into the state sector and drive efficiencies in the delivery of our audits.

In November 2025, the Australasian Council of Auditors-General (ACAG) released the Independence of Australasian Auditors-General Report 2025. This report, undertaken by the Parliamentary Research Unit of Deakin University, highlighted several areas where the *Tasmanian Audit Act 2008* does not meet contemporary standards. Audit legislation in Tasmania fell from 4th to 7th on the ranking of Australasian Audit legislation. In this light, it was disappointing that the review of the Audit, currently being undertaken by the Department of Treasury and Finance, has made little or no progress over the last 12 months.

In closing, I would like to thank the dedicated team at Audit Tasmania. I am grateful for their support and proud of their integrity and the professionalism with which they deliver our services.

Martin Thompson
Auditor-General

Our year in brief 2025-26



12 reports delivered to parliament

12
parliamentary committee appearances

154
parliamentarians and advisers attended our report presentations

68
referrals received and assessed



68 employees supporting audit delivery across Tasmania

64.6
FTE

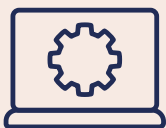
23
commencements

10
departures



3 sustainability assurance engagements completed

Developed our sustainability assurance methodology to support mandatory reporting requirements, with eight entities to be audited in 2026-27.



4 new audit technology and AI-enabled platforms implemented

CaseWare Validate, Extractly, Float and Sherlock are helping us work smarter, improve audit quality and generate deeper insights into the state sector.



A positive and engaged team
From our 2025 employee survey

79%
employee engagement

78%
workplace behaviours and conditions

74%
workplace diversity

Delivered Tasmania's largest audit in-house

The Hydro Tasmania audit was delivered predominantly by our own staff, reducing our reliance on external providers and strengthening our in-house expertise.

Invested in innovation

Implemented four new technology and AI-enabled audit platforms to improve efficiency, audit quality and insights.

Prepared for sustainability assurance

Completed three sustainability assurance engagements and developed our methodology to support the expansion to eight entities in 2026-27.

Strong engagement with Parliament

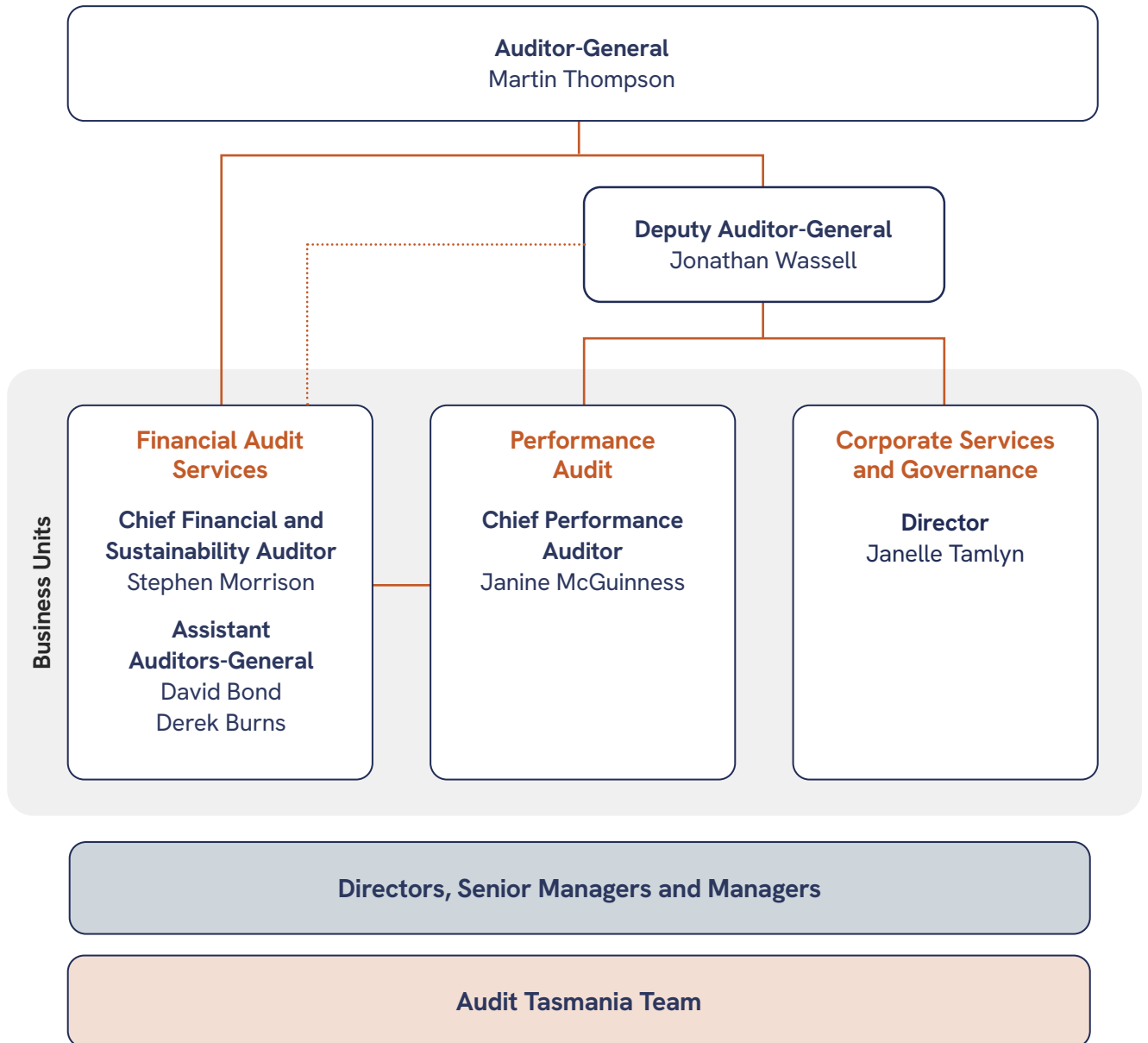
Our work continues to be valued, with 96% of parliamentarians agreeing that Audit Tasmania contributes to public sector accountability.



16.6
training days per FTE

Leadership and governance

Our organisational structure as at 30 June 2026



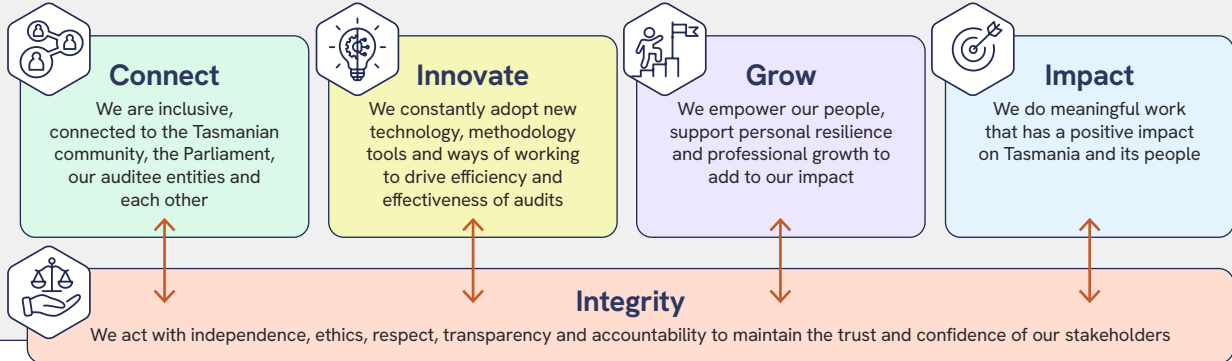
We have offices located in Hobart and Launceston.

Our strategic focus 2025-2028

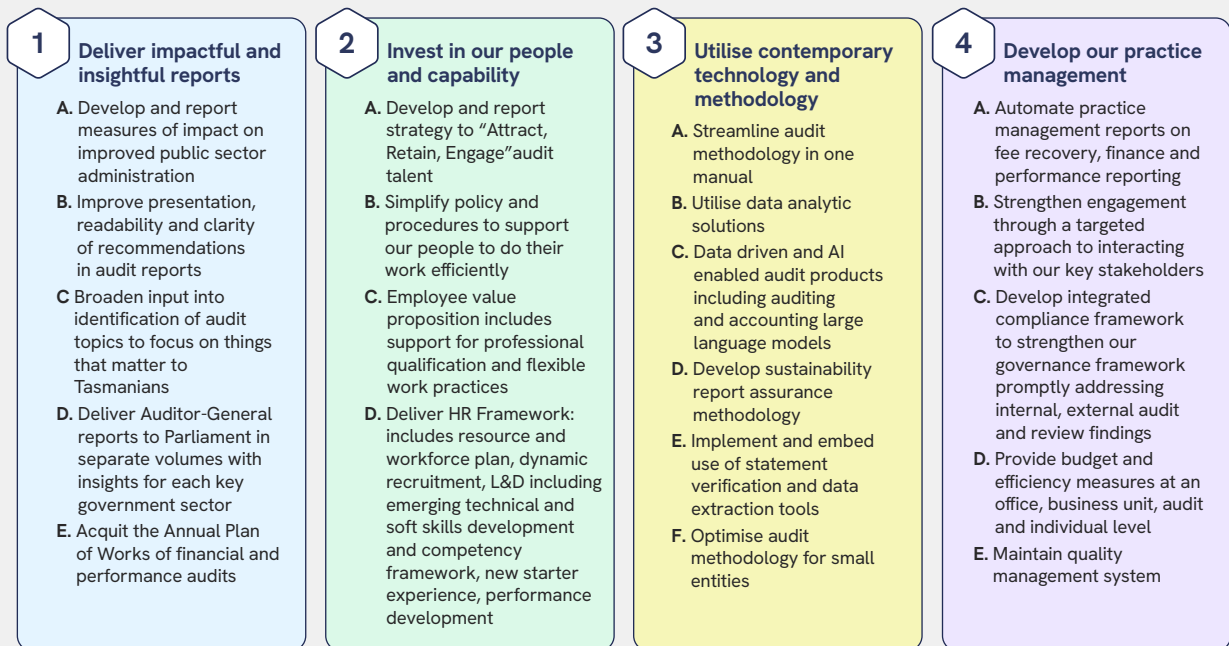
VISION Auditing for a better Tasmania

PURPOSE Provide Parliament with insightful reports to improve public sector performance and accountability

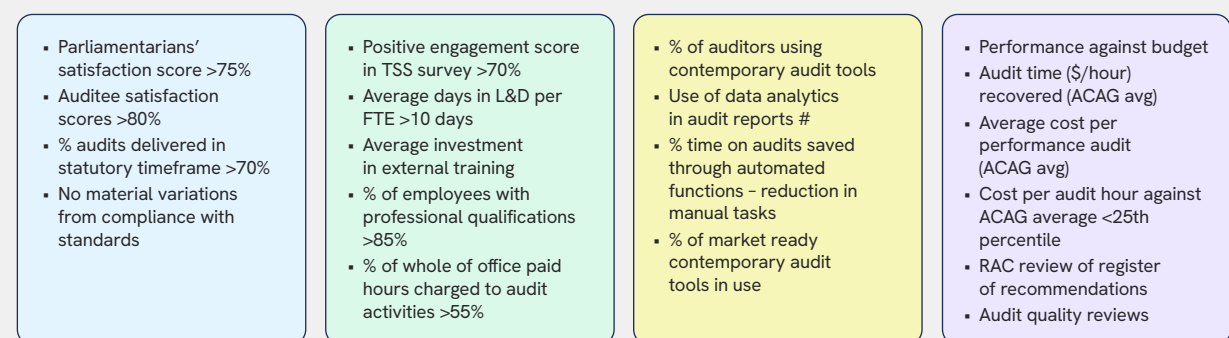
VALUES We connect, innovate, grow and have impact with integrity



CURRENT STRATEGIC PRIORITIES AND MAJOR DELIVERABLES



PERFORMANCE MEASURES



CONNECT

We are inclusive, connected to the
Tasmanian community, the Parliament,
our auditee entities and each other



01

We believe connection is critical to achieving our objectives

When all employees of Audit Tasmania gathered in December 2024 to develop our Strategic Plan and redefine our values, 'connection' came up first and often. It is a core value that is important to us all. When we talked about what it meant to us, the energy in the room rose and we became animated and engaged.

At a personal level, it means connection with our families, our communities, our environment and culture.

At Audit Tasmania, it means connection with our work colleagues, our teams, our professional standards, and employees within the state entities we audit.

And at a wider level, it means connection with those charged with governance of the state entities, Parliamentarians and through Parliament, the people of Tasmania.

To our team, it means:

We are inclusive, connected to the Tasmanian community, the Parliament, our auditee entities and each other

Connection is critical for us to achieve our vision of:

Auditing for a better Tasmania

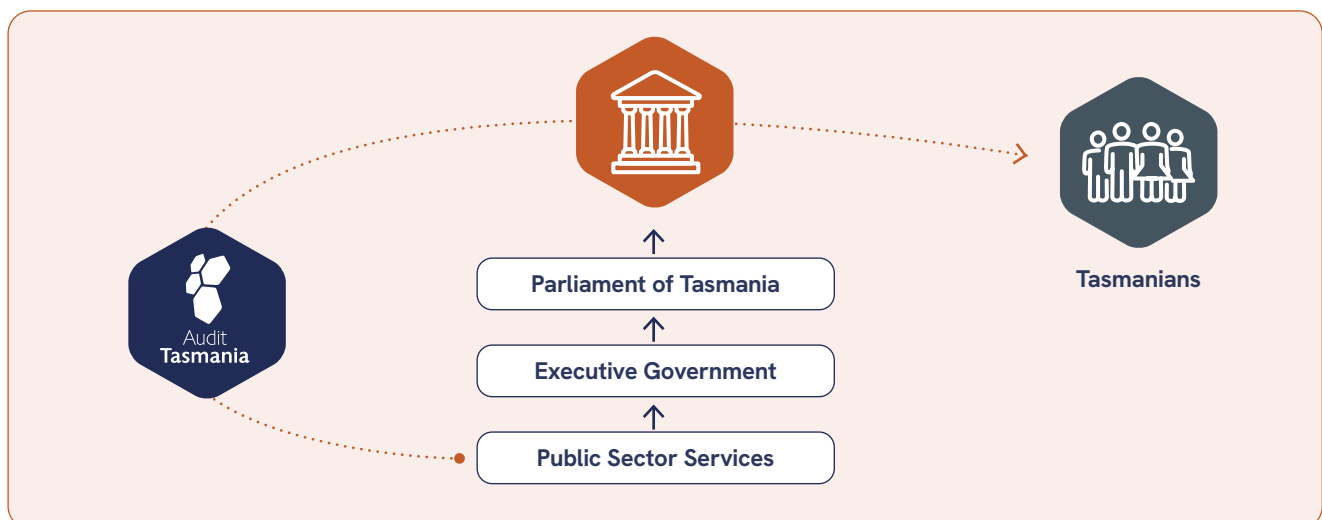
And our purpose of:

Providing Parliament with insightful reports to improve public sector performance and accountability

The diagram below shows the principal connections that are critical to success if our auditing work is to result in a better Tasmania. In many ways we are the 'eyes and ears' of the Parliament. We report to Parliament with the outcomes of financial and sustainability assurance and assess the performance of selected government services and programs.

Based on our [Strategic Plan](#), in 2025-26 we focused our reporting on the following strategic priorities:

- > *Acquit the Annual Plan of Works of financial and performance audits*
- > *Deliver Auditor-General reports to Parliament in separate volumes with insights for each key government sector*



Acquittal of the 2025-26 annual plan

We provided briefings on our reports to Parliament on 12 occasions

Reports to Parliament tabled in 2025-26	Originally planned for	Delivered in	Date of tabling	Number of Parliamentarians or their representatives who attended briefing
Management of landfills	Sep 2025	Sep 2025	22 Sep 2025	11
Auditor-General's report on the financial statements of State entities, Volume 1 – Annual Audit Update	Jul 2025	Sep 2025	23 Sept 2025	12
Proposed sale of Wilkinsons Point Land	Sep 2025	Sep 2025	24 Sept 2025	13
Audit Tasmania Annual Report 2025-26	Oct 2025	Oct 2025	31 Oct 2025	No briefing required
Auditor-General's report on the financial statements of State entities, Volume 2 – Public Financial Corporations and Public Non-Financial Corporations	Oct 2025	Nov 2025	10 Nov 2025	10
Auditor-General's report on the financial statements of State entities, Volume 3 – General Government Sector, including Treasurer's Annual Financial Report	Nov 2025	Dec 2025	9 Dec 2025	10
Follow up of the Management of the State road network	Dec 2025	Dec 2025	1 Dec 2025	10
Investment facilitation through the Office of the Coordinator-General	Dec 2025	Dec 2025	1 Dec 2025	10
Auditor-General's report on the financial statements of State entities, Volume 4 – Local Government	Dec 2025	Mar 2026	16 Mar 2026	10
Follow up of recruitment and performance management of General Managers	Mar 2026	Mar 2026	16 Mar 2026	10
Management of gifts and benefits by State Government entities	Mar 2026	Jun 2026	16 Jun 2026	13
Human Resources Information System (HRIS) - pre-implementation review	May 2026	May 2026	25 May 2026	11
Follow up of The Strong Families Safe Kids Advice and Referral Line	Jun 2026	Jun 2026	15 Jun 2026	13

We delivered Auditor-General reports to Parliament in separate volumes with insights from our financial audits for each key government sector

Auditor-General's reports to Parliament are tabled consequent to section 29 of the Audit Act 2008. This section requires the Auditor-General to:

- Report to Parliament in writing on the audit of State entities and audited subsidiaries of State entities in respect of the preceding financial year
- Draw attention to any case in which the functions of an accountable authority were not adequately and properly performed, and which the Auditor-General considers of sufficient importance to have attention drawn to it; and
- Include particulars of any major change of approach made by the Auditor-General in relation to the extent or character of the audit function

In 2025-26, the timeliness of the reports was impacted by reduced sitting days due to the State Government election. In future years, we aim to improve timeliness to inform Parliament before scrutiny committees and other parliamentary processes.

Audit Tasmania also:

- Tabled 12 [reports to Parliament](#) and our own annual report 2024-25
- Presented those reports in person, with total attendance of 154 Parliamentarians or their advisors
- Attended and presented to 12 different parliamentary committees

Bakers Beach, Narawntapu.
Credit: Samuel Shelley

Measures

This year the following reports were delivered:

Parliamentary reports on results of financial audits	Volume 1	Volume 2	Volume 3	Volume 4
At both the commencement and end of each audit cycle, the Auditor-General reports the results of financial audits to Parliament. For the 2025-26 financial year, these results were reported across four volumes.	Audit findings related to the control frameworks of State entities and progress by Management in relation to prior year findings from our financial audits. It also includes progress against implementation of our performance audit recommendations and other investigations, and the results for entities whose financial year ended 31 December.	The status of financial statements audits and provides analysis and commentary on State entities and audited subsidiaries in the Public Financial and Public Non-Financial Corporations.	The status of financial statements audits and provides analysis and commentary on State entities and audited subsidiaries in the General Government Sector and other uncategorised State entities and audited subsidiaries.	The status of financial statements audits and provides analysis and commentary on State entities and audited subsidiaries in the Local Government Sector.
	Tabled 23 Sep 2025	Tabled 10 Nov 2025	Tabled 9 Dec 2025	Tabled 16 March 2026

We engaged an independent market research company to survey all Parliamentarians with the following results:

<h1>96%</h1> <p>of respondents agreed that the services of Audit Tasmania had contributed to improved public sector accountability in the past 12 months.</p>	<h1>92%</h1> <p>of respondents felt that the Auditor-General had achieved the outcome of informing Parliament on accountability and performance of the public sector.</p>	<h3>Profile of respondents</h3> <hr/> <p>58% House of Assembly</p> <p>42% Legislative Council</p> <hr/> <p>19% Member of Government</p> <p>23% Member of Opposition</p> <p>58% A minor party or an independent member</p>
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Summary of Orima Survey results



Overall satisfaction with Audit Tasmania's reports and services was high (97%, up from 86% in 2024). Additionally, a large proportion of Parliamentarians reported they were 'very satisfied' (59%, up from 45%).

The **perceived effectiveness of the Auditor-General** in achieving their desired outcome of informing Parliament on accountability and performance of the public sector increased to a five-year high (95%, up from 75%), reflecting a large increase in the proportion of Parliamentarians who felt the Auditor-General had been 'very effective' (61%, up from 20%).



General impressions of Audit Tasmania reports and services remained very positive. Compared to 2024, Parliamentarians were more likely to agree that Audit Tasmania is independent and non-partisan (100%, up from 91% in 2024). While still high, Parliamentarians were less likely to agree that Audit Tasmania's reports and services provide valuable information on public sector performance (93%, down from 100%) and that reports communicate issues clearly (91%, no change).



Nearly all Parliamentarians had **referred to Audit Tasmania's reports** at least once in the past 12 months (93%, up from 85%), with around four in ten (40%) referring to the Audit Office's reports 'often' or 'very often'.

As in the previous year, among the Parliamentarians that referred to the Audit Reports, all (100%) agreed that the reports assisted them with their Parliamentary role, provided a balanced perspective and were easy to understand. Over eight in ten Parliamentarians also agreed that the reports were sufficiently brief and to the point (93%) and have an appealing look and feel (82%).

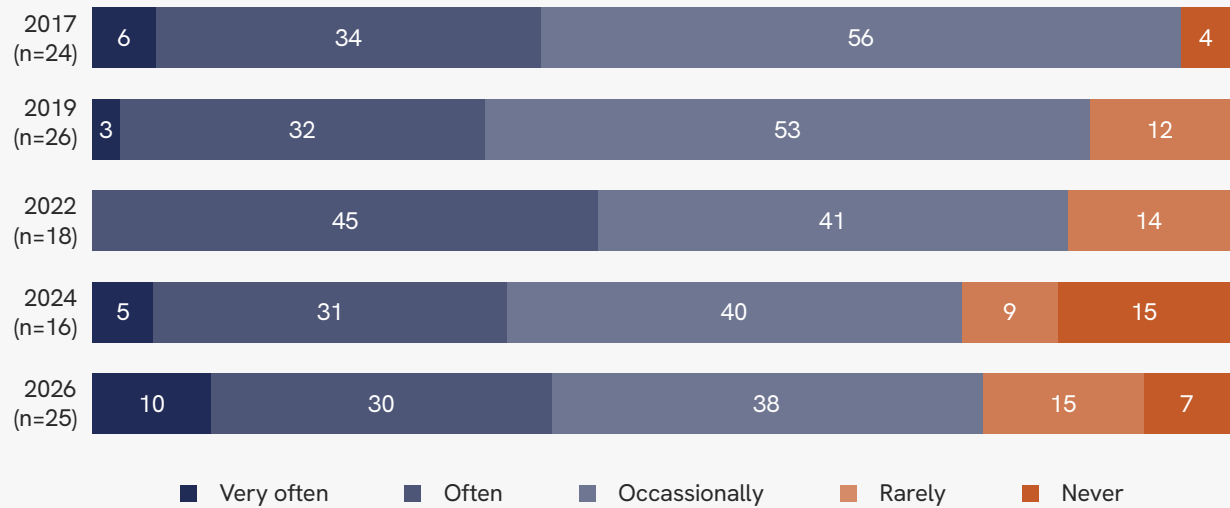


Consistent with previous years, more than half (60%) of all Parliamentarians had **dealings with Audit Tasmania** over the past 12 months. However, perceptions of dealings were less positive than in previous years, primarily driven by more 'moderate' ratings. Among those who had dealings with Audit Tasmania, four in five Parliamentarians agreed that the Auditor-General was responsive (84%, down from 100%) and around three quarters agreed that the advice/information provided by the Auditor-General addressed their needs (77%, down from 90%).



Around half (52%) of Parliamentarians had **read Audit Tasmania's Annual Report**, in line with previous waves (46-56%). Among those who read the Annual Report, Parliamentarians were much more likely to agree that it improved their understanding of all aspects as a result of reading the Annual Report compared to 2024. Parliamentarians were most likely to agree that it improved their understanding of the annual performance of Audit Tasmania (90%, not asked in 2024).

Frequency of referral to Audit Report in the past 12 months



We are continuing to work out how to make our audit findings and recommendations more accessible. To continue this process, we have commenced a review of our website and will find new ways to present the information so it can be accessed more easily than in a PDF report form.

To help with this, please let us know what you think of the improvements to our reports. The most recent are available on our [website](#). There is a feedback form on our website for each report where you can let us know if you find the report useful and provide any other comments. Your feedback will help us continue to improve how we communicate our findings.

Queenstown. Credit: Jason Charles Hill

Other ways we connect with Parliament

Our strategic priorities in 2025-26 primarily focused on our reporting to Parliament. Another way we connect with Parliament is through submissions, briefings or to give evidence to Parliamentary inquiries.

We attended Parliamentary committees on 12 occasions

In 2025-26 the Auditor-General attended the following inquiries:

Date	Committee	Purpose
28 Oct 2025	Joint Parliamentary Standing Committee of Public Accounts	Giving evidence to TT-Line Spirit of Tasmania Vessel Replacement Project
10 Nov 2025	House of Assembly – Government Business Scrutiny Committee A 2025	Scrutiny preparation briefing for members of the Committee
17 Nov 2025	Legislative Council Estimates Committee 2025 – Select Committee A	Budget Estimates – Tasmanian Audit Office Output group 22.1: Public Sector Performance and Accountability
18 Nov 2025	House of Assembly Estimates Committee – Committee A	Budget Estimates – Tasmanian Audit Office Output Group 22.1: Public Sector Performance and Accountability
24 Nov 2025	Legislative Council Government Businesses Scrutiny Committee B 2025	Scrutiny preparation briefing for members of the Committee
12 Feb 2026	Joint Parliamentary Standing Committee of Public Accounts	Briefing on maintaining independence through update and strengthening the <i>Audit Act (2008)</i>
18 Mar 2026	Joint Parliamentary Standing Committee of Public Accounts	Briefing on the draft Annual Plan 2026-27
15 Apr 2025	Joint Parliamentary Standing Committee of Public Accounts	Receive and discuss feedback on draft Annual Plan 2026-27
17 Apr 2026	Legislative Council General Government Committee A – Inquiry into the financial and operational performance of the Department of Health	Briefing to the Committee to assist members prepare for formal hearings
1 Jun 2026	Legislative Council Estimates Committee 2026 – Select Committee A	Budget Estimates – Tasmanian Audit Office Output Group 8.1: Public Sector Performance and Accountability
2 Jun 2026	House of Assembly Estimates Committee 2026 – Committee A	Budget Estimates – Tasmanian Audit Office Output Group 8.1: Public Sector Performance and Accountability
22 Jun 2026	Out of Session Parliamentary briefing to members of the Legislative Council and House of Assembly	Auditor-General's briefing of the 2026-27 Annual Plan

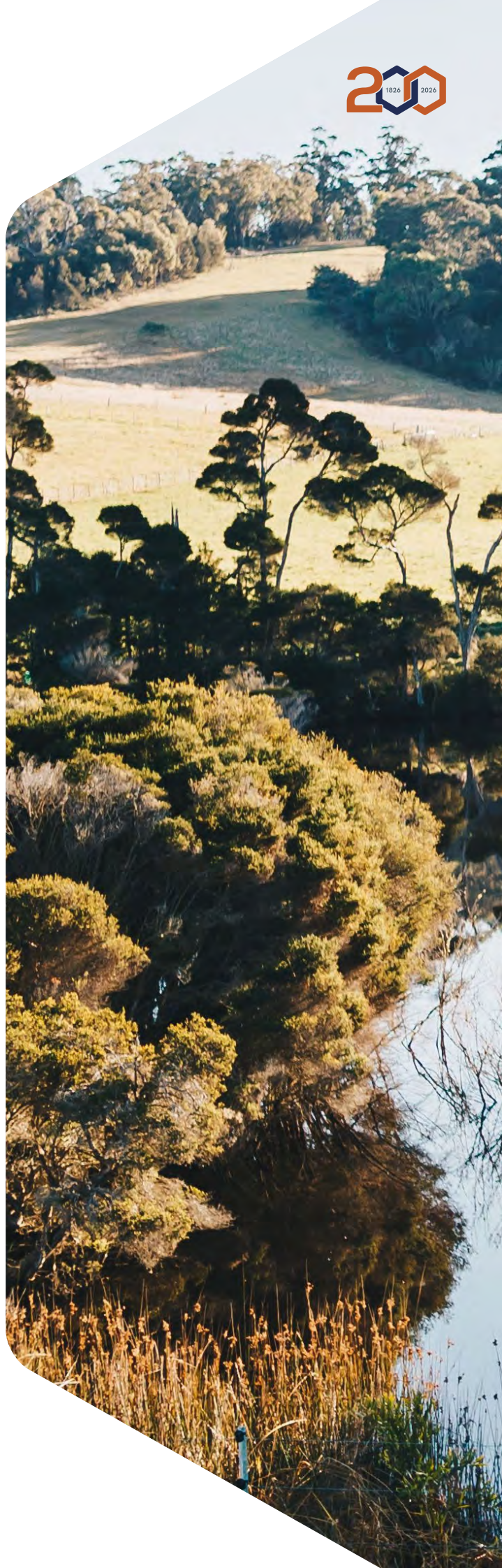
We connected through referrals of possible audit topics

From time to time, members of Parliament, accountable authorities of State Entities, elected officials, or members of the Tasmanian community refer matters to us for consideration or further investigation. We comprehensively assess all referrals received to enable us to choose which issues to investigate. If the Auditor-General decides to undertake an investigation, we are obliged to report to Parliament rather than the person who has made the referral. We received a total of 68 referrals in 2025-26, an increase from 34 received in 2024-25. Of these, 1 resulted in an investigation: the Aeromedical retrieval procurement review, which is included in this [report](#).

Previous referrals which resulted in an investigation include:

- 2 referrals received in 2023-24 led to reports tabled in Parliament:
 - Report of the Auditor-General No. 1 of 2024-25: Alignment of the duration of custodial stays at Ashley Youth Detention Centre with related sentencing order
 - Report of the Auditor-General No. 2 of 2024-25: Tasmanian Community Fund referendum support and assessment of grant funding to Australians for Indigenous Constitutional Recognition Ltd
- 1 referral received in 2024-25 led to a report tabled in Parliament:
 - Report of the Auditor-General No. 3 of 2025-26: Proposed sale of Wilkinsons Point land

Martha Vale Park
Credit: Jasper Da Seymour



We connected with Audit Offices in all Australasian jurisdictions in this our 200th year

In April this year 2026, Audit Tasmania hosted a meeting in Hobart of Auditors-General with representatives from all Australian States and Territories, New Zealand, Papua New Guinea and several Pacific Island nations.

The meeting was held in conjunction with the Australasian Council of Public Accounts Committees (ACPAC) hosted by the Honorable Ruth Forrest MLC, Chair of the Tasmanian Parliament's Public Accounts Committee.

When giving the keynote address at ACPAC in April, the Auditor-General observed:

"The first Auditor-General in Tasmania was appointed in November 1826 after Governor Arthur discovered a significant misuse of public funds in the colonial accounts.

As we move into our 200th year, it's important to remember where we came from. The fraud that occurred in the police fund in 1826 happened because of a lack of effective oversight.

Our role now is still to provide that effective oversight and assurance to the Parliament."



“

Our role now is still to provide that effective oversight and assurance to the Parliament."

Martin Thompson
Auditor-General

Our employees toured Parliament to better understand how we connect

During Connect Month, we arranged tours of Parliament for all employees.

These were held on 9, 13 and 15 October 2025, led by a member of the Senior Leadership Group and attended by 23 employees in total.

The tours gave the team a deeper understanding of how the Tasmanian Parliament works and how our audit work in State entities results in reports to Parliament.



Auditors-General and ACPAC members meeting in Hobart in April 2026.

We improved our office space to make it easier to connect with each other

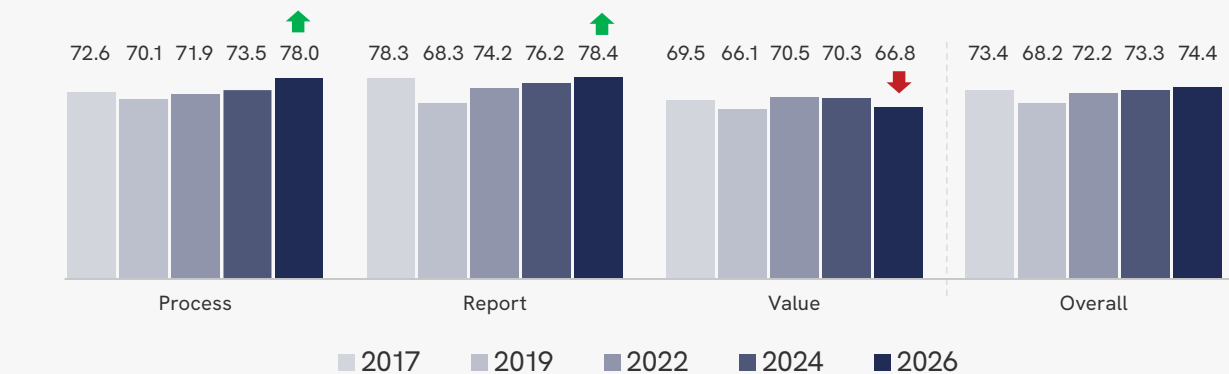
Our recently refurbished office now includes a collaboration zone, which provides casual seating and natural light, making it a nice space away from our desks to connect over lunch or morning tea breaks.



How we measure connection with our auditees

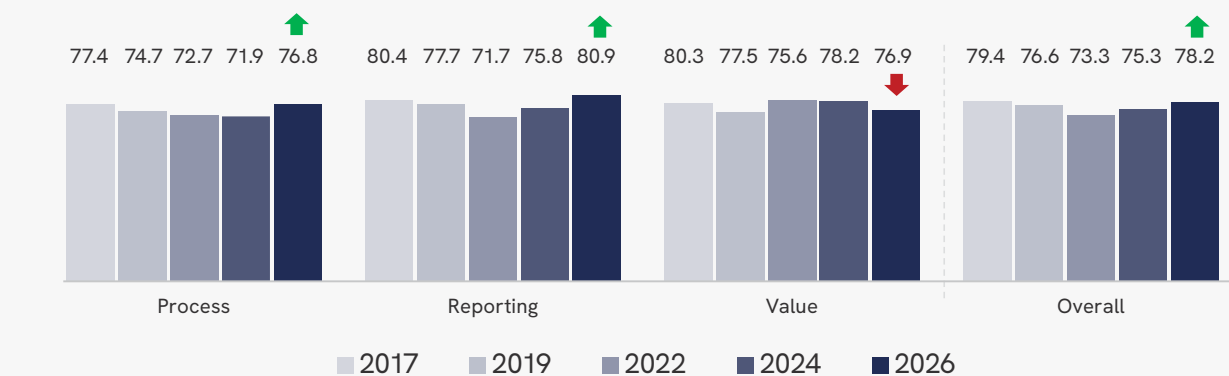
We engaged an independent market research company to survey the satisfaction our auditees have with our process, reports, value and overall satisfaction. Although we did not meet our overall satisfaction rating target of more than 80%, we are pleased that our overall auditee satisfaction scores of 74.4 and 78.2 both indicate improvement. In the coming year, we will focus on further improving the perceived value of our audits through greater efficiency.

2026 Performance and Compliance Audit Client Survey – Overall Performance



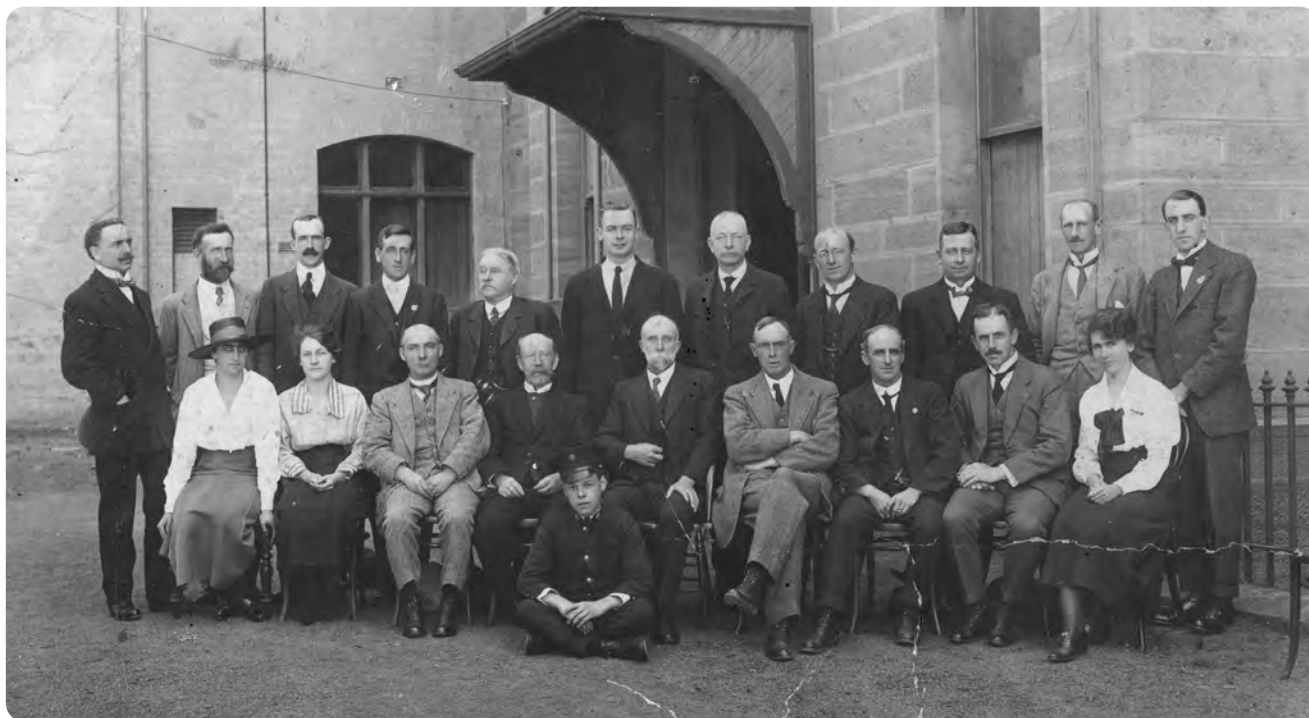
↑ ↓ Denotes at least 2 index points movement compared to previous (2024) result

2026 Financial Audit Client Survey – Overall Performance



↑ ↓ Denotes at least 2 index points movement compared to previous (2024) result

Officers of the Audit Department 1896



Back row to left: A.Lawson, E.H.D'Emden, M.L.Miller, A.B.Lane, W.C.Elthem, C.F.Fisher, A.J.A.Smith, T.B.A.Walker, L.M.Mullen, T.Robinson, S.R.Adams. Front row: Miss K.Dobbie, Miss R.Bidgood, J.H.Lane, G.Miller, E.Pretymen (Auditor-General), J.W.Hughes, F.Batt, F.Steele, Miss M.Duncombe In front: A.Hannon (Messenger). (Archives Office of Tasmania)

Employees of Audit Tasmania in 2026



GROW

We empower our people, support personal resilience and professional growth to add to our impact.



02

We planned for growth

Building the capability, resilience and engagement of our people remained a key focus during 2025-26. We progressed a range of initiatives to strengthen workforce capability, enhance the employee experience and position Audit Tasmania as an employer of choice.

These included:

- Developing an Employee Value Proposition
- Advancing a contemporary Human Resources Framework
- Supporting professional qualifications and flexible work practices
- Modernising the systems, policies and processes that help our people to perform at their best

Together, these initiatives support a capable, engaged and adaptable workforce equipped to deliver high-quality audit outcomes for Tasmania.

We strengthened our workforce capabilities

Research continues to highlight the importance of work-life balance, career development, remuneration, and workplace flexibility to potential and current audit employees. These findings align closely with Audit Tasmania's people strategy and inspired several workforce initiatives during the year.

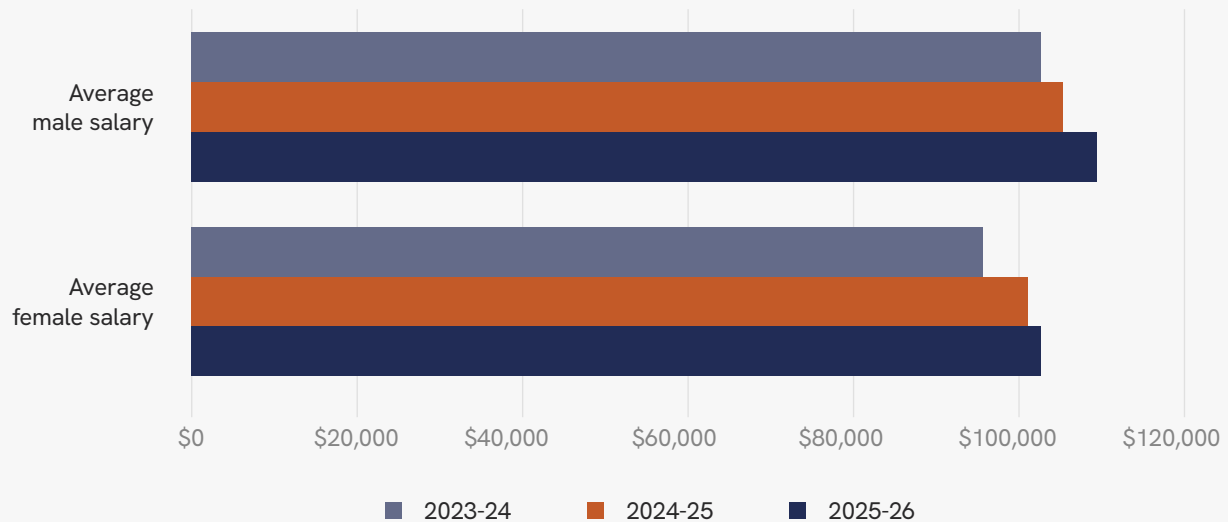
Our employee survey results remained positive across all key workforce measures during 2025-26, with workplace behaviours and conditions (78%), workplace diversity (74%) and employee engagement (79%), all exceeding the organisational target of 70%. While results were lower than the previous year, they continue to reflect a positive and inclusive workplace culture that supports employee wellbeing, capability, and performance.

Differences in average salaries between male and female employees primarily reflect the distribution of employee classifications and levels of seniority, rather than differences in remuneration for comparable work. Audit Tasmania remains committed to equitable employment practices and equal remuneration for work of equal value.

Employee survey results

Key Performance Indicators	2021-22 actual	2022-23 actual	2023-24 actual	2024-25 actual	2025-26 target	2025-26 actual
Positive staff responses on workplace behaviours and conditions as measured by our independent employee survey	Nm	84%	81%	82%	>= 70%	78%
Positive staff responses on workplace diversity as measured by our independent employee survey	Nm	83%	84%	Nm	>= 70%	74%
Positive staff responses on engagement as measured by our independent employee survey	Nm	80%	75%	86%	>= 70%	79%

Gender pay differential of Audit Tasmania employees

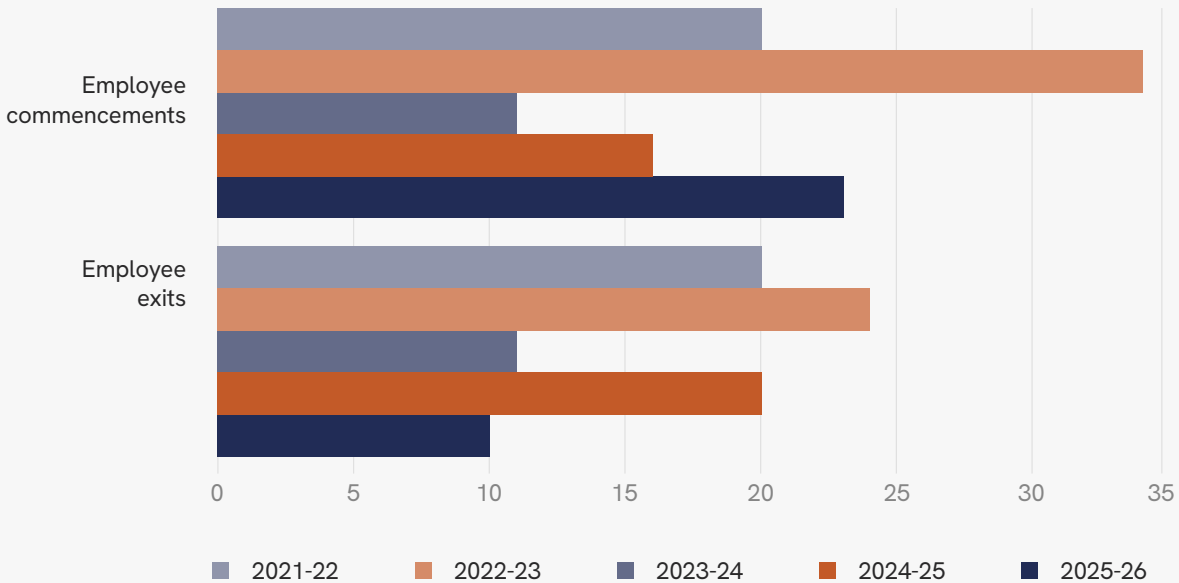


The above table presents the average salary of Audit Tasmania employees by gender (excluding the role of Auditor-General as it is a statutory position with remuneration reserved by law). In 2025-26, the average salary of female employees was \$103,873 compared to \$111,061 for male employees. This represents a gender pay gap of 6.5%, which is less than the average gender pay gap for entities in the Accounting Services category (8.6%) and the Commonwealth Public Sector (7.4%) as reported by the Workplace Gender Equality Agency (2024-25). Average salaries for both female and male employees have increased over the reporting period, consistent with salary progression, annual remuneration adjustments and changes in workforce composition.

Remuneration for each band level is the same regardless of gender. Therefore, the gap represents more male employees at the higher band levels. Audit Tasmania will continue to monitor workforce trends and actively develop and implement strategies that support equitable career progression, leadership development and representation opportunities across the organisation, with a particular focus on areas where workforce data indicates an imbalance.

Workforce movements returned to more sustainable levels during 2025-26, with lower employee turnover and steady recruitment activity contributing to a more stable workforce. The results suggest that initiatives focused on employee engagement, career development and workplace culture contribute to workforce sustainability and organisational capability. Continuing to strengthen career opportunities and development pathways remains an important focus for supporting employee retention.

Employee commencements and exits by year

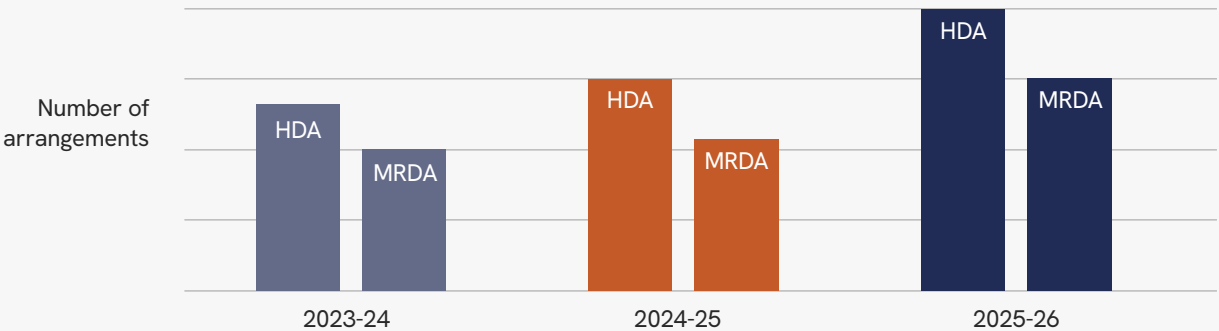


Audit Tasmania continued to invest in employee development and career progression through its salary advancement framework. During 2025-26, a significant number of employees progressed within their classification levels or moved up to higher salary ranges, reflecting the achievement of performance and capability milestones.

Progressions occurred across a broad range of classifications and business units, demonstrating our commitment to promoting from within, recognising employee growth, supporting career development and retaining skilled staff. These outcomes align with our focus on building capability and providing clear pathways for professional advancement.

Throughout 2025-26, Audit Tasmania utilised Higher Duties Allowances and More Responsible Duties Allowances to support business continuity, address temporary vacancies, manage peak workloads and provide employee development opportunities. Acting arrangements were mostly used to cover recruitment gaps and organisational changes, while also giving employees the opportunity to gain experience at higher classification levels and strengthen their leadership skills. These opportunities supported succession planning and workforce flexibility, without interrupting the delivery of services.

Number of higher duties and more responsible duties allowance arrangements by year



We modernised our systems and processes to improve effectiveness and efficiency

During 2025-26, 46% of Audit Tasmania’s total paid hours were charged to audit activities. This is consistent with the previous year, and above the average result achieved across Australian audit offices. This outcome demonstrates a continued focus on directing resources toward the delivery of core audit services, while balancing the time required for corporate support, professional development, quality management, stakeholder engagement and strategic initiatives. Overall, it reflects a stable operating model and our ongoing commitment to audit efficiency and organisational capability.

Audit Tasmania continued its strategic shift towards delivering more audit work in-house during 2025-26. This included undertaking Tasmania’s largest audit, Hydro Tasmania using Audit Tasmania employees, reducing reliance on private sector providers and non-Tasmanian resources. Successfully delivering this complex engagement required Audit Tasmania to grow both the size and capability of its workforce.

Doing so has strengthened our ability to deliver large and complex audits in the future. To achieve this, we contracted-out our December year-end audits and brought back several June year-end audits.

Our team continued to use a targeted approach to outsourcing financial audit work during 2025-26. The proportion of financial audits fully contracted-out increased to 15%, compared with 12% in 2024-25. This increase primarily reflects changes in the mix of audits undertaken in-house, and those delivered through contracted arrangements, including timing differences between June and December year-end audits. As a result, some contracted audit activity overlapped across reporting periods. This is reflected in the fees, which increased from 16% to 19%. This temporary increase will reverse in future periods, and we will continue to consider returning these audits in-house at the conclusion of each contract period.

The financial audit fee base increased by 6%, reflecting higher staff costs and continued investment in audit technology. The increase in audit fees supports continued investment in workforce capability, audit quality and technology. As a public sector auditor, fees are set to support the financial sustainability of Audit Tasmania and are determined based on the size, complexity and risk profile of each audit engagement.

Benchmarking confirmed that Audit Tasmania's fees remain among the lowest nationally, while continuing to support financial sustainability and the delivery of high-quality audit services.

During the year, Audit Tasmania progressed its policy framework reform project to improve consistency and accountability across the organisation. Key milestones for this project include completion of the policy review and framework design, development of new policy documentation and registers, and preparation for implementation. Priority policies, including gifts and benefits, travel and child safety, will be piloted before broader implementation, with approved policies made available to staff and published on the Audit Tasmania website where appropriate.

We also started developing a consolidated Audit Manual. The Manual will modernise and consolidate existing policies, procedures and templates, align audit practices with legislative and professional standards, and embed quality management requirements. It will also establish clear ownership and a regular review process to ensure guidance remains current and effective.

We strengthened workforce planning and workload management through improved resource scheduling and capacity management tools, helping to optimise workloads and support informed resourcing decisions.

Our people value impact: Harry's story



"The 2025-26 Hydro Tasmania audit provided a significant opportunity for growth, both for our office and for the individuals involved in delivering the engagement. As one of Tasmania's largest and most complex public sector entities, Hydro Tasmania presented a broad range of audit challenges, requiring collaboration, enhanced technical capability and a strong focus on project management. Through this engagement, our office continued to strengthen its capacity to deliver high-quality audits of large and complex organisations, while maintaining the professional standards expected by Parliament and the Tasmanian community.

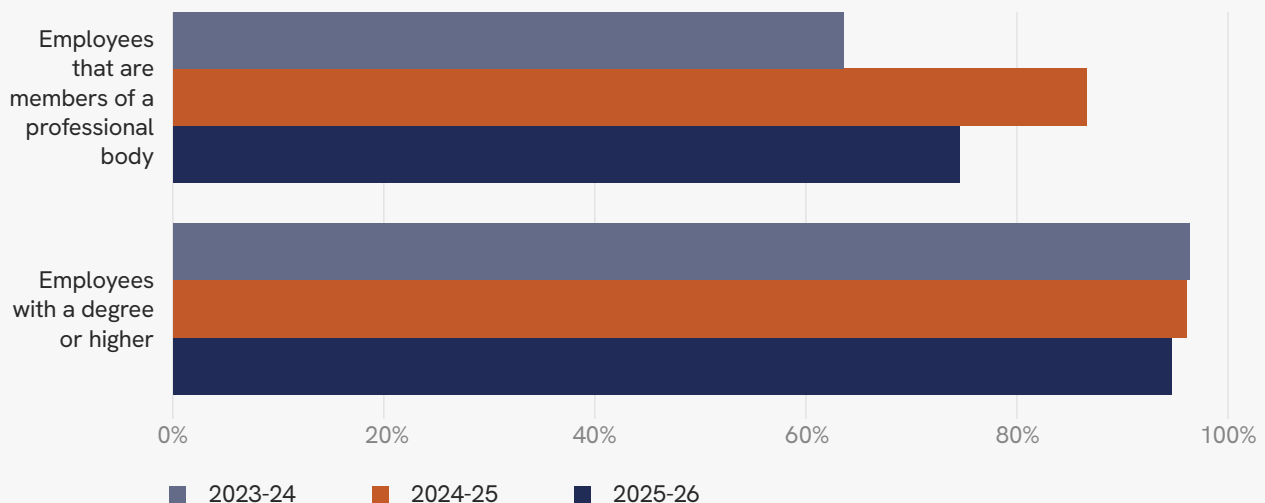
On an individual level, the audit created valuable opportunities to develop technical expertise, exercise professional judgement and build confidence in managing complex audit matters. Team members were exposed to a diverse range of financial, operational and governance issues, encouraging continuous learning and the sharing of knowledge across the office. The experience gained through the Hydro Tasmania audit has contributed to the ongoing development of our people and strengthened our collective capability to deliver assurance services across Tasmania's public sector."

We have supported employee growth through professional development and flexible work

Audit Tasmania continues to maintain a highly qualified workforce, with almost all of our employees holding a degree or higher qualification. Professional qualifications continue to be an important contributor to the quality of our work, technical excellence, and ongoing capability development. Professional body membership remained strong; however, membership levels declined during the year as new employees progressed towards the eligibility requirements of their respective professional bodies.

Flexible work arrangements continued to positively impact employee wellbeing, engagement, and workforce participation during 2025-26. Most employees had approved remote work arrangements, typically allowing up to two days of remote work per week, while part-time and reduced hours arrangements provided additional flexibility to meet individual circumstances. These practices support work-life balance, employee retention and organisational performance, while enabling the effective delivery of our work.

Percentage of employees with membership of professional bodies and with a degree or higher qualification by year



We strengthened people practices to support a high-performing workforce

We made significant progress in strengthening the foundations that support the attraction, retention and engagement of employees. An independent review of human resource management and wellbeing practices confirmed that key people management processes were operating effectively and identified opportunities for improvement.

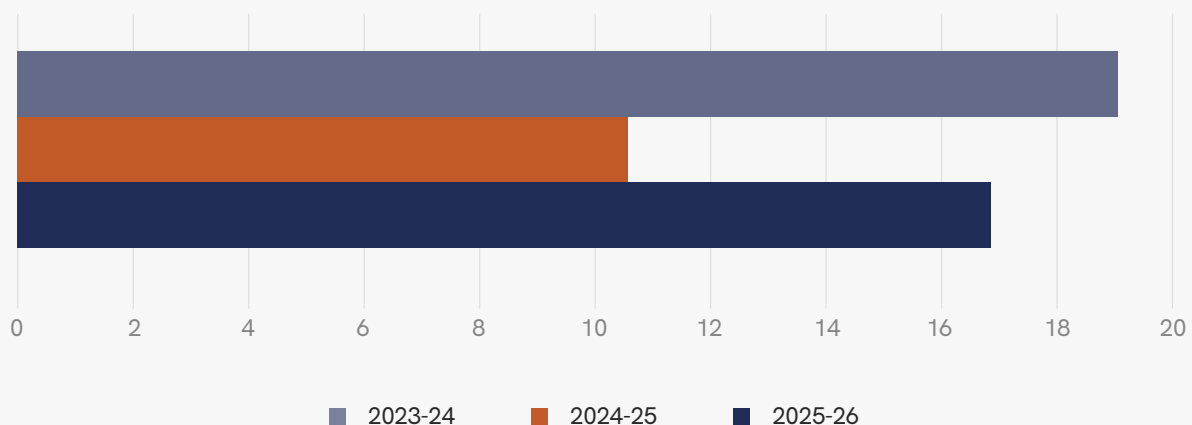
Key initiatives included the development of an Employee Value Proposition, advancement of career pathway mapping, implementation of a revised operating model, and commencement of a comprehensive policy framework review. Collectively, these initiatives strengthened workforce planning, career development, employee engagement and governance arrangements, while reinforcing Audit Tasmania's commitment to becoming an employer of choice. A formal Human Resources Framework remains a future priority.

Capability development remained a key focus during the year. Employee feedback indicated significant improvement in regular performance conversations with managers, while training and development remains an important priority. The results reinforce the value our employees place on coaching, feedback and career development opportunities, and highlight the importance of supporting workforce readiness for future roles.

Audit Tasmania maintained a strong focus on capability development during 2025-26. Average training days per FTE increased to 16.6 days, exceeding the organisational target and reflecting continued investment in workforce capability. While expenditure per FTE declined compared with previous years, this largely reflects the use of more cost-effective development approaches rather than a reduction in learning opportunities.

The initiatives delivered during 2025-26 strengthened the foundations required to attract, retain and develop a high-performing workforce. Through investments in leadership, capability development, employee experience and organisational systems, Audit Tasmania continued to build a resilient and engaged workforce capable of meeting current and future audit challenges.

Average training days per employee



INNOVATE

We constantly adopt new technology
and methods to drive efficiency and
effectiveness



03

We improved our approach through automation and innovation

Our 2025-28 Strategic Plan had several priorities and major deliverables aimed at improving the way we do things through automation or innovation. These were:

- Improve presentation, readability and clarity of recommendations in reports
- Utilise data analytic solutions
- Employ data driven and AI-enabled audit products including auditing and accounting large language models
- Develop sustainability report assurance methodology
- Implement and embed use of statement verification and data extraction tools
- Optimise audit methodology for small entities
- Automate practice management reports on fee recovery, finance and performance reporting
- Provide budget and efficiency measures at an organisation, business unit, audit and individual level

In 2025-26 we have been able to progress several initiatives to work towards these strategic priorities and major deliverables.

We advanced sustainability assurance across Tasmania

During 2025-26, we continued to strengthen our sustainability reporting and assurance capability to support the implementation of mandatory sustainability reporting by state entities operating under the *Corporations Act 2001*. We completed sustainability assurance engagements for three Tasmanian State entities and enhanced our methodologies to address emerging reporting requirements.

To support a consistent approach to quality management across Australian audit offices, we made a significant contribution by authoring the Quality Assurance Program for Sustainability (Limited) Assurance. We also developed sustainability assurance programs, standardised correspondence and reporting templates for Tasmanian State entities, improving the efficiency and consistency of assurance engagements.

Working closely with reporting entities, we assessed reporting readiness, provided tailored feedback on sustainability disclosures, including compliance with AASB S2 Climate-related Disclosures, and visited the operations of a Year 1 reporter to better understand emissions sources and reporting processes. We also maintained strong engagement with Treasury and audit agencies across Australia to share knowledge and monitor emerging developments.

In 2026-27, we will continue to improve sustainability assurance as we go, applying insights from Year 1 engagements and following updates to the Australian Sustainability Reporting Standards. As mandatory reporting expectations increase, we plan to deliver engagements for eight reporting entities in 2026-27. We will also prepare a Quality Assurance Program for Sustainability (Reasonable) Assurance, continuing our contribution and supporting the transition from limited to reasonable assurance. Along with this, we will continue to refine our approach in order to deliver high-quality sustainability assurance for Tasmania.

We delivered more efficient audits for smaller entities

During 2025-26, we expanded our audit approach to better align with the size, complexity, and risk profile of smaller entities. This allows us to work in a more streamlined way that is tailored to these entities, without compromising quality.

The benefits extend beyond our own teams. For smaller entities, this method reduces the administrative burden associated with the audit process, by limiting information requests and procedures to the ones that are most relevant. It reduces disruption to day-to-day activities, is less time consuming, and paves the way for more practical and meaningful engagement between auditors and auditees.

Additionally, we have completed audits more efficiently, improved timely reporting outcomes, and helped contain audit costs. This confirms that our new approach is a more effective process that greatly benefits all involved.

Our people value innovation: Lalith's story



"The introduction of the small audit methodology has given me an opportunity to look at auditing differently. Rather than applying the same approach to every audit, we can tailor our work to the size, complexity, and risk of the entity. From my experience, this has helped us identify opportunities to work more efficiently while still maintaining the quality and assurance expected.

For me, the most meaningful part of this innovation has been seeing the practical benefits, particularly cost efficiencies and reduced work in progress. By focusing our audit effort on the areas that matter most and avoiding unnecessary work, we can deliver audits more efficiently and make better use of our team's time and resources. It demonstrates that innovation does not always need to be a major technological change; sometimes it is about challenging the way we have traditionally done things and finding a smarter way to achieve the same, or a better, outcome. Ultimately, this matters because efficient auditing allows us to provide high-quality assurance while using public resources responsibly, contributing to better outcomes for Tasmania."

Mt Roland. Credit: Lusy Productions

We improved audit quality and efficiency with new technology

We reduced financial statement review time and improved accuracy through AI with CaseWare Validate

In 2025-26, Audit Tasmania implemented an AI-enabled tool to more efficiently review the accuracy and consistency of financial statements submitted by our auditees. We can now use Validate to compare the current year to the prior year, making it easier to verify comparative information. It also helps with adding data in tables horizontally and vertically, as well as internal consistency checks and tracking changes. Anything that needs further investigation is flagged by Validate.

Using this tool has simplified the process of reviewing financial statements. For our auditees, it provides a quicker turnaround and more efficient way to finalise changes to their financial statements, especially towards the end of the audit. This more efficient process has also helped to keep our audit fees lower than they would be otherwise.

Our people value innovation: Sam's story



"During my time in financial audit, I have been involved in the detailed review of countless sets of financial statements across a wide range of audit engagements. These reviews often involved assessing multiple versions of the same statements and could take anywhere from a few hours to a day or more to complete. The process required ensuring the accuracy and appropriateness of all disclosures, as well as reconciling the face of the financial statements to the corresponding notes. It is often a rite of passage for new auditors to perform the initial adds check, while the more detailed review of disclosures is left to senior members of the engagement team.

The introduction of the financial statement checking software, Validate, has been a welcome change, particularly given the more than 120 financial statements submitted throughout the year. Validate seamlessly performs many of the routine checks automatically, bringing to light issues such as prior-year inconsistencies, reconciliation differences, spelling errors, and other disclosure anomalies that would otherwise require significant manual effort to identify.

As a result, financial statement reviews can now be completed in around a third of the time previously required. What was once an arduous and repetitive task, especially when reviewing the third or fourth version of a set of financial statements, has become a far more streamlined process. This has allowed auditors to spend less time on mechanical checking and more time for the senior members of our audit teams to apply professional judgement to the matters that truly require attention."

We increased audit efficiency through automated data extraction with CaseWare Extractly

We have started to use CaseWare Extractly to automate data extraction, matching and analysis tasks that would otherwise require significant manual effort. As an Excel-based tool, Extractly allows us to gather information from a variety of PDF documents and quickly convert it into a format suitable for testing and analysis. By automating repetitive tasks and creating stronger links between documents, the tool improves the accuracy, traceability and consistency of our audit processes.

Our early use of Extractly has demonstrated opportunities to streamline audit testing, improve data reliability and strengthen links between audit evidence and documentation. The tool is intended to help us work more efficiently, and allow our team to spend more time applying professional judgement and analysing results. It will strengthen our audit trails by embedding supporting evidence and providing clear links between source data and audit documentation, making the review more effective and transparent.

Achieving more effective resource planning and workload management with Float

During 2025-26, we implemented Float, a resource scheduling and capacity management platform that has improved how we plan and deliver our audit program. Float provides greater visibility of audit schedules, staff availability and workload, supporting more informed planning and resource allocation decisions.

Better planning helps us deliver audits more efficiently, manage workloads more effectively and ensure the right people are assigned to the right work. The platform also replaces spreadsheet-based processes with a more efficient and scalable solution, helping to optimise workloads and support informed resourcing decisions.

As a low-risk, cloud-based application, Float requires minimal integration and strengthens operational efficiency. We will continue to embed Float into our business processes

Using audit intelligence to improve visibility with CaseWare Sherlock

We use CaseWare Sherlock for visibility over our audit engagements and to better understand what is happening across our audit portfolio. By drawing information directly from our audit files in the cloud, Sherlock provides dashboards and analytics that help us monitor audit progress, identify emerging risks, track key performance indicators and assess compliance with our methodology. Rather than relying solely on periodic manual reporting, we can quickly access information that helps us to identify issues earlier and take a proactive approach to fixing them.

The insights provided by Sherlock also support more informed decision-making. By highlighting trends, exceptions and flagging issues, the platform helps us allocate resources where they are most needed, and shows our performance and quality across multiple engagements. This leads to more consistency, makes it easier to identify areas for improvement, and supports a more risk-focused approach to managing our work. These insights help maintain high standards of audit quality by improving oversight of engagement progress and enabling earlier identification of emerging issues.

We prepared for an AI-enabled audit future

Artificial intelligence (AI) continues to evolve rapidly and is transforming how organisations operate, make decisions and manage information. At Audit Tasmania, AI presents an opportunity to improve how we work and is an emerging area of interest that will increasingly influence the way we deliver assurance services.

Internally, we are exploring how AI can enhance productivity and support our people in performing their work more efficiently. Our primary focus has been on Microsoft Copilot, reflecting its security features and integration with the systems and information we use every day. While our use remains in the early stages, AI is already helping employees research, summarise complex documents, analyse information and complete routine tasks more efficiently. These capabilities have the potential to reduce administrative effort, improve access to information and allow our people to spend less time on manual tasks, instead focusing on applying professional judgement, analysis and critical thinking.

At the same time, we recognise that the adoption of AI requires careful consideration of governance, security, confidentiality and quality assurance. As these tools become more advanced and widely used, we are continuing to develop our understanding of how they can be used responsibly within an audit environment, and how outputs can be appropriately reviewed and validated before they are relied upon.

AI is also becoming an increasingly important audit topic. Many of our auditees are beginning to explore or implement AI-enabled solutions within their own operations, decision-making processes and reporting environments. As auditors, we need to understand not only where AI is being used, but also the risks, controls and governance arrangements that support those systems. This includes understanding how management obtains assurance of the reliability, accuracy and completeness of AI-generated outputs and how human oversight is maintained when automated tools are used.

As AI adoption continues to accelerate, its impact on auditing is expected to grow. We will continue to build our capability, monitor emerging developments and consider how AI can support both the delivery of our work and our understanding of the organisations we audit. By doing so, we will be better positioned to leverage the benefits of new technology while maintaining the quality, independence and professional skepticism that underpin our role.

We demonstrated responsible use of AI

The use of AI in Audit Tasmania work must be transparent, appropriately disclosed and capable of explanation and review. An example of this is our AI transparency statement we already include in our reports to parliament:

“Certain audits, reviews, or assurance activities that contributed information to this report have utilised AI-enabled tools to support evidence gathering, data analysis, or administrative activities. Any such use occurred within the scope of the applicable audit methodology, governance framework, and quality control procedures. All findings presented in this report have been reviewed and accepted through the relevant audit and management oversight processes.”

We transformed data into insights for better reporting and decisions

During 2025-26, we continued the transition of Audit Tasmania's data analytics capability from a funded implementation project to an embedded organisational function. Over the last four years, the initiative helped build our understanding of how data analytics can support audit delivery, informed our future strategic direction, and laid foundations for more consistent use of data, reporting and AI across the organisation.

During the year, we established Audit Tasmania's Reporting and Insights function to strengthen how data and analytics support audit delivery and decision-making. Key initiatives included payroll analytics for financial audits, reporting and visualisations for the Auditor-General's Annual Plan, ACAG benchmarking, improvements to internal reporting, support for the responsible use of AI, and the development of core data models that will serve as a basis for future dashboards, automation and reporting solutions.

While significant progress has been made, our focus going forward is on embedding data analytics more consistently across the audit lifecycle and expanding the use of automation across the organisation. We will continue to strengthen data governance, quality assurance and AI oversight, while developing scalable tools and methodologies that support better decision-making, improved audit quality and more effective use of our resources.

Our people value innovation: Maddy's story



"It has been a rewarding opportunity to help shape a function from the ground up, while working across a diverse range of projects and continuously learning new skills, processes and perspectives. My audit background has been invaluable in this role because it helps me understand not only what colleagues are asking for, but why they need it and how it supports audit outcomes. For me, innovation is not about delivering the greatest number of projects. It is about investing in the right projects, challenging existing processes and creating solutions that can be reused, refined and built upon over time. While there is still a long way to go, it is rewarding to know that the capability we are building today will strengthen Audit Tasmania well into the future."

We used stakeholder feedback to drive continuous improvement

Our biennial survey of Parliament and auditees was facilitated by ORIMA, strengthening our understanding of how our work is experienced by all stakeholders. The structured feedback provided a valuable evidence base for assessing our performance and identifying opportunities to improve.

This approach moves beyond anecdotal feedback by providing measurable insights into stakeholder perceptions and expectations. These findings help inform our priorities for improvement and support our ongoing efforts to enhance the value we provide to auditees, Parliament and Tasmania as a whole.

We gained performance insights through benchmarking

Through ACAG benchmarking activities, we were able to compare our operations with other Australian public sector audit offices. This valuable comparison of our activities provides helpful insights into areas for improvement. This data collection is complex, and touches on several data sources. We have focused on improving this process with automation, which will provide us with a repeatable and efficient way to collect data, allowing our team to instead focus on analysing the data.

We enhanced reports to Parliament through better data and visualisation

We also supported the development of reporting and analytical capability that improves how information is presented both internally and externally. This includes reporting, analysis and visualisations for the Auditor-General's Annual Plan and other reports to Parliament.

By bringing together information from multiple systems and developing more consistent reporting approaches, we are improving the quality, accessibility and usefulness of information.

We built the foundations for a data-driven future

During the year, we began developing core data models, reusable reporting solutions, and analytical capabilities. These will support future dashboarding, automation and data-driven decision-making across the organisation.

While there are still significant opportunities ahead, these foundations are helping us make better use of data, reduce manual effort and provide more meaningful insights. As we continue to increase our capability, our focus will be on:

- Embedding data analytics more consistently across the audit lifecycle
- Strengthening governance and quality assurance
- Ensuring innovation translates into better audit outcomes, improved reporting and more informed decision-making

In doing so, we are supporting our purpose of Auditing for a Better Tasmania.

We improved auditee engagement

This year, we transitioned from a face-to-face Senior Management and Chairs of Audit Committees forum and multiple online Auditee Information Sessions into one single, fully online forum.

This online Auditee Information Session provided widespread access to audit-related information, as well as guidance for auditees and other stakeholders across Tasmania. The session gave auditees and other external stakeholders an opportunity to gain a clear understanding of audit requirements, timeliness, emerging issues and key areas of focus.

In addition to the format, our delivery approach changed too. We engaged professional broadcasting services to support the delivery of a high-quality and accessible online event. The key objective was to share our message with a wide variety of participants so more stakeholders could engage with us, understand audit expectations, and access information in a flexible and timely manner.

Feedback from auditees indicated that the presentation format and delivery enhancements were well received. However, some participants considered aspects of the content to be too internally focused on Audit Tasmania. We will continue to refine future sessions to better reflect the information needs and interests of auditees.

We invested in capability for future audit delivery

During 2025-26, we strengthened our practice management through initiatives that improved the quality, consistency and efficiency of our work.

Key achievements included:

- Establishing the Practice Management, Data and Quality Committee (Practice 360) to provide strategic oversight of practice management initiatives
- Enhancing our quality management and monitoring frameworks
- Expanding eLearning opportunities
- Increasing the use of data analytics in audits
- Improving the tools, guidance and resources that support audit delivery

We strengthened governance and quality management

Together with the establishment of Practice 360, we have been reviewing our quality monitoring processes for future enhancement to our quality management framework. This has strengthened governance, supported greater consistency in audit delivery and reinforced our commitment to continuous improvement.

An example of this was the implementation of a planning gate. Though only a small change, it means we now have a critical approval point before we move from the planning stage to the execution stage of the audit. This step verifies that the audit has been properly planned for efficiency, but still provides us with all the evidence we need to form an opinion.

We created a more contemporary and collaborative workplace

As part of our refurbishment program, we invested in contemporary workplace technology and enhanced collaboration spaces to better support employees working across the organisation, even while working remotely and at auditee sites. Upgrading our meeting rooms and implementing Microsoft Teams Rooms has improved connectivity, strengthened collaboration between teams and created a more flexible working environment. These improvements support how we work today, while providing a platform for the future.

We invested in future capability through strategic workforce planning

During the year, we also challenged the traditional approach of replacing roles on a like-for-like basis. When opportunities arose, we reassessed where capability would deliver the greatest value to the organisation and redirected investment accordingly towards reporting, insights and information capability.

These improvements have helped our team to work more effectively, supported the delivery of high-quality audits and assurance services, and strengthened our ability to provide trusted assurance to Parliament. While significant progress has been made, we will continue to build on these foundations in 2026-27 by further embedding these initiatives.

We smoothed peak workloads through improved audit planning

During 2025-26, we reconfigured our contracting model to better balance audit workloads throughout the year and improve the efficiency of audit delivery. This involved increasing the number of June year-end audits undertaken by Audit Tasmania, while contracting-out our December year-end audits. The change has seen us bring a larger volume of work forward, creating opportunities to complete planning, risk assessment and interim audit procedures earlier in the audit cycle rather than concentrating activity during the traditional peak period between July and October.

Together with the introduction of our new planning gate process, these initiatives have helped create a more sustainable audit delivery model, reducing pressure during peak periods while strengthening audit quality and consistency.

Measuring the impact of innovation and process improvement

Our Strategic Plan identifies a range of performance measures to assess progress against our innovation and process improvement priorities. These measures focus on the adoption of contemporary audit tools and practices, the use of data analytics, the efficiency gains achieved through automation, and stakeholder satisfaction. Collectively, they are intended to provide an indication of the extent to which innovation initiatives are strengthening audit capability, improving efficiency and supporting better outcomes. The measures are:

- Parliamentarian's satisfaction score >75%
- % of auditors using contemporary audit tools
- Use of data analytics in audit reports
- % time on audits saved through automated functions and reduction in manual tasks
- % of market-ready contemporary audit tools in use

Significant progress has been made in delivering these initiatives, enhancing our capability, systems and processes. The ongoing redevelopment of our KPI framework will provide an opportunity to review and strengthen performance measures, ensuring they continue to support meaningful assessment of progress and outcomes in this area.

King Island. Credit: Stu Gibson

IMPACT

We do meaningful work that has
a positive impact on Tasmania
and its people



04

We planned for impact at the strategic level

One of our four strategic priorities is 'Deliver impactful and insightful reports'. More broadly, Impact is one of our core values and sits at the heart of what we do and how we do it

This year we have paid particular attention to improving the presentation, readability and clarity of our audit reports. We engaged with Parliamentarians and asked what they were looking for from our reports. What we heard was:

- Parliamentarians have many calls on their time, and want to get important information as quickly as possible
- Our reports need to be clear—reduce the volume and increase the meaning.

In response, the actions we took in the presentation of 2025-26 audit reports included:

- Placing the Auditor-General's Foreword inside the front cover to enable the reader to find out why the audit was conducted, what the main findings were and why that mattered
- Reducing the overall length of the reports
- Increasing summary information and use of tables, graphic timelines, icons, graphs and data wherever possible
- Using active headings so the reader could understand the structure of the report more easily
- Placing our recommendations in a table stating to whom the recommendation was directed, whether it was accepted and the expected timeframe for completion
- Placing the independent audit report, transmittal letters, submissions and our role, mandate and standards applied in an appendix for reference if needed.

We built impact into the development of the 2026-27 Auditor-General's Annual Plan

Another strategic priority in our Strategic Plan was to broaden input into the identification of audit topics to focus on things that matter to Tasmanians. As a result, we further developed our methodology to deliver the Auditor-General's Annual Plan. In doing so, we sought to understand what key risks were facing Tasmania and Tasmanians. We analysed available data to identify where those risks were presenting. We gathered input from our parliamentarians, State entities, media and other stakeholders to inform our analysis. We then developed the Auditor-General's Annual Plan to address those key risks in our audit programs. In particular, we:

- Wrote to all Parliamentarians individually, inviting submissions of audit topics
- Thoroughly assessed significant risks facing the Tasmanian public sector
- Analysed the Productivity Commission's latest report on Government Services
- Included sustainability assurance for the first time
- Included a review of outcomes from financial audits and referrals to our office
- Analysed past audit or review coverage
- Applied our topic selection methodology which included a review of our mandate, the public interest, resources, risks and consequences
- Reviewed the follow-up of past audit recommendations

The Auditor-General's plan now relates the planned audit coverage to the risks identified in the above analysis.



We tabled the Plan in Parliament on 22 June 2026, which is available to read on our [website](#).

Our financial and sustainability audits

For each of our State entities in 2025-26, we developed a Financial Audit Strategy that outlined our risk-based approach to the audit. Among other things, each strategy sets out:

- Changes affecting the entity and its environment
- Risks arising from:
 - Use of information technology
 - Valuation of property and infrastructure assets
 - Completeness, existence and accuracy of Capital works in progress
 - Revenue recognition due to fraud
- Use of data analytics
- Materiality
- Reliance on experts and internal audit
- Responsibilities, process and engagement fees

For the first time, we also developed a separate Sustainability Audit Strategy for in-scope entities to highlight the audit approach to our sustainability audits. This strategy had a more qualitative focus on the areas of assessment.

Our performance audits

Every performance audit went through a detailed planning phase resulting in several key documents to guide the audit, including:

The Audit Plan

The overall plan outlined our audit lens and performance expectations (criteria) for the audit, and how we arrived at them. We focused on where the audit could examine effectiveness, efficiency and/or economy, and uncover root causes of any performance variations. This was designed to ensure our recommendations resulted in meaningful and impactful change.

The Impact and Engagement Strategy

We developed a strategy for each performance audit that mapped the audit rationale, key stakeholders, and their relative levels of interest and influence. It also listed engagement activities by audit phase, stakeholder and action type. The strategy was revisited throughout the audits in order to remain fit for purpose.

Strengthening how we measure impact

Understanding the impact of our audit work is central to our commitment to continuous improvement and public value. During the year, we commenced work to strengthen our approach to impact measurement, recognising that a clearer understanding of impact can help ensure our efforts remain focused on the issues that matter most to Parliament, State entities and the Tasmanian community.

While measuring impact is inherently challenging, we see it as an important part of our future development. Defining meaningful measures, understanding the contribution of audit to broader outcomes, and balancing qualitative and quantitative evidence all require careful consideration. We will continue to mature our approach so we can better understand, assess and communicate the difference our work makes.

Things we already measure

Addressing control weaknesses, gaps in expected performance and audit findings within State entities can contribute to stronger governance, accountability and public sector performance. One way we assess the influence of our audit work is by monitoring the implementation of recommendations arising from our audits.

In 2025-26, we raised 227 new matters through our financial and performance audits. During the year, 163 previously reported matters were resolved, contributing to strengthened governance and control frameworks across State entities. At year end, 264 audit matters remained unresolved.

For performance audits completed prior to 2025-26, 14 of 31 recommendations (45%) had been implemented by the relevant State entities.

These findings were reported to Parliament in the Auditor-General's Report to Parliament, Volume 1. We will continue to monitor and report on recommendations that remain outstanding until they have been addressed.

That said, we have seen evidence of the impact of our work

Although measuring impact in a systematic way remains a work in progress, we have already observed clear evidence that our work is making a difference.

Both Parliament and State entities have used our reports to inform their decision-making and oversight activities. Our reports have prompted further parliamentary inquiries and requests for briefings and committee appearances. State entities have implemented many of our recommendations, and we have confirmed the effectiveness of the actions taken. Through stakeholder engagement, we have also learned that some State entities are reviewing their practices against the findings in our reports to proactively identify opportunities for improvement.

Our people value impact: George's story



"Since joining Audit Tasmania, one of the things I've valued most about working here is seeing the positive impact our reports have on the State.

Much of the work we do happens behind the scenes, but it is rewarding to see our audit reports help inform public discussion, support parliamentary scrutiny, and contribute to improvements within government agencies.

As auditors, we often talk about 'efficiency' and 'effectiveness' of government services, which may seem like abstract concepts, but our focus is always on Tasmanians – as both the end user of these services, and as the ultimate owner of public resources. As a passionate Tasmanian, it is a privilege to be part of a small yet highly effective organisation that is focused on making this State stronger, more accountable, and better equipped to serve the community.

Impact is at the heart of everything we do. It shapes our approach at every step of the audit process, from planning through to how we write our reports. Our goal is not just to come up with findings, but to identify recommendations that make meaningful improvements to how things are run.

When we see our reports having an impact and leading to positive change, that's when we know we've succeeded."

INTEGRITY

We act with independence,
ethics, respect, transparency and
accountability to maintain the trust and
confidence of our stakeholders



05

We've built 200 years of trust through integrity

For 200 years, the Auditor-General has helped Parliament hold governments and public sector entities accountable for the use of public resources. The value of our work depends on trust. Parliament, audited entities and the Tasmanian community trust us to act independently, apply professional judgement objectively and report our findings without fear or favour. Integrity underpins everything we do, and is fundamental to maintaining confidence in the assurance we provide.

We are safeguarding our independence

Independence is fundamental to effective public audit. It enables Parliament and the community to rely on our findings as objective, evidence-based and free from undue influence. Throughout 2025-26, we maintained solid independence arrangements, including annual independence declarations, conflict of interest management processes, engagement acceptance and continuance procedures, and engagement quality reviews. We also continued to support initiatives aimed at strengthening public sector audit arrangements and ensuring the Auditor-General is well-placed to meet the expectations of Parliament and the Tasmanian community.

These safeguards help ensure our work remains impartial, credible and trusted. By protecting our independence, we strengthen confidence in our audits, reports and recommendations, supporting better accountability across the Tasmanian public sector.

We continue to strengthen our quality and accountability

Integrity and quality go hand in hand. During the year, we continued to strengthen our quality management framework through monitoring and remediation activities, internal file reviews and ongoing professional development. We also progressed initiatives that support quality and consistency across Audit Tasmania, including improvements to practice management, guidance, audit tools and the use of data analytics.

These activities further prove the quality and consistency of our work, demonstrating our credibility to Parliament and the Tasmanian community. By maintaining high professional standards and embedding continuous improvement into our practices, we strengthen our ability to provide trusted assurance and contribute to our purpose.

We are building a culture of integrity

Integrity starts with our people. During 2025-26, we continued to promote a workplace culture based on respect, accountability and professionalism. We encouraged open communication, supported staff wellbeing and reinforced expectations regarding ethical conduct and professional behaviour.

By fostering an environment where people feel safe to speak up, share ideas and raise concerns, we strengthen both organisational performance and public trust. The way we work together influences not only the quality of our audits, but also the confidence stakeholders have in our team.

We demonstrate transparency in everything we do

Transparency is central to our role as an independent officer of Parliament. Through our reports, recommendations and engagement with audited entities, we provide information that supports informed decision-making and strengthens accountability across the Tasmanian public sector. We communicate our findings clearly, report openly on our activities, and seek opportunities to improve governance and public administration.

By being transparent in our own operations and reporting, we demonstrate the standards we expect from others. This helps maintain confidence in the integrity and independence of Audit Tasmania, and also increases trust across the public sector.

This is the reason we have our performance report in the next section independently reviewed by our external auditor.

Our people value integrity: Julie's story



"As the Senior Manager, Finance and Strategic Initiatives, for me integrity means ensuring Audit Tasmania operates with the same transparency, accountability and governance that it expects of the organisations it audits.

Drawing on extensive experience in the not-for-profit sector, I support the systems, processes and reporting that uphold Audit Tasmania's work. This includes overseeing financial management, strategic initiatives, policies and processes that support the delivery of financial audits, performance audits and reports to Parliament.

I champion constructive engagement with both internal and external auditors, recognising the important role independent review plays in maintaining strong governance. The findings and recommendations from these reviews are shared with the Risk and Audit Committee, Executive Committee and Senior Leadership Group, helping to strengthen financial stewardship and business practices across the Office.

By promoting transparency, accountability and continuous improvement, I help maintain confidence in the integrity and independence of Audit Tasmania, supporting the trust placed in us by Parliament and the Tasmanian community."

Tasman Peninsula, Pennicott Wilderness Journeys
Credit: Poon Wai Nang



Who audits the auditor?

One way we demonstrate integrity is by holding ourselves to the same standards of accountability that we expect from others.

During 2025-26, Audit Tasmania's governance, performance and operations were subject to independent scrutiny through:

- External audit of our financial statements
- Internal audit reviews
- Performance reporting
- ORIMA benchmarking
- Integrity Commission oversight
- Parliamentary scrutiny

Audit Tasmania is also subject to a periodic independent review of the efficiency, effectiveness and economy of its operations at least once in every period of 5 years. The most recent review was completed in 2024 and is available on our [website](#).

These mechanisms provide independent assurance over our operations, and help maintain confidence in the integrity, independence and effectiveness of Audit Tasmania.

Looking ahead

Integrity is not a destination. It requires ongoing commitment, vigilance and continuous improvement. As we celebrate 200 years of public audit in Tasmania, we remain committed to the independence, ethics, transparency and accountability that have been the foundation of our work for two centuries. By continuing to strengthen these foundations, we support our purpose of **auditing for a better Tasmania**, and help maintain the trust placed in us by Parliament and the Tasmanian community.

PERFORMANCE REPORT



06

Performance report

Our key performance indicators (KPIs) were independently assessed by Newton & Henry, with their review opinion published at the end of this section. The tables below detail our actual results with the following symbols indicating the assessment of each result.

✓ Performance achieved

✗ Performance not achieved

Nm – Performance not measured

Financial indicators

The KPIs in the below table relate to our Financial Statements for 2025-26, which are presented later in this report.

Key Performance Indicators	2021-22 actual	2022-23 actual	2023-24 actual	2024-25 actual	2025-26 target	2025-26 actual	2025-26 result
Positive net operating result, that is $\geq 1\%$ of turnover ¹	✓	✓	✗	✗	✓	-70	✗
Positive cash flows	✓	✗	✗	✓	✓	-245	✗
End of year cash balance $> \$600,000$	✓	✓	✓	✓	✓	1754	✓
Independent unmodified audit opinion on the financial statements of Audit Tasmania	✓	✓	✓	✓	✓	✓	✓
Extent to which the advice/information provided by the Auditor-General or their office addressed user needs	100%	Nm	90%	Nm	75%	77%	✓
Performance audit – overall performance (process, reporting, value)	72%	Nm	73%	Nm	80%	74%	✗
Financial audit – overall performance (process, reporting, value)	74%	Nm	75%	Nm	80%	78%	✗

Notes

1. Whilst a deficit was recorded in 2025-26, this was lower than that recorded for both 2023-24 and 2024-25, this being the result of various reviews completed and implemented relating to improvements in methodology along with reviews of the fees charged to our auditees.
2. All amounts are expressed in thousands of dollars (\$'000).

Operational and governance indicators

Key Performance Indicators	2021-22 actual	2022-23 actual	2023-24 actual	2024-25 actual	2025-26 target	2025-26 actual	2025-26 result
Audit opinion issued within 45 days of receiving financial statements from the accountable authority ¹	58%	61%	67%	75%	100%	74%	✗
Performance and compliance audits are completed on average within 10 months ¹	9.0	11.7	10.3	8.6	10	9.1	✓
Performance and compliance audits and special investigations tabled in Parliament	5	3	4	7	8	8	✓
Report of the Auditor-General on the outcomes of financial audits tabled in Parliament	2	2	2	3	4	4	✓
Annual independent assessment of a selection of audit files that concludes the Office is conducting audits in accordance with its audit methodology and Australian Auditing Standards							
Financial audits	Positive	Positive	Positive	Positive	Positive	Positive	✓
Performance audits	Nm	Positive	Positive	Positive	Positive	Positive	✓
Number of major findings with significant impact/ramifications (risk rating = high) reported to the Office's Risk and Audit Committee by the internal auditor	None	None	None	None	None	None	✓

Notes

The basis for reporting timeliness of audit completion is the audits completed during the financial year (for example, those entities with a balance date of December 2024/June 2025 that were completed during the 2025-26 financial year).

Benchmarking measures

Audit Tasmania is a member of the Australasian Council of Auditors-General (ACAG). Along with other ACAG audit offices in Australia, we participate in an annual macro-benchmarking survey.

We evaluate our performance on several benchmarked measures against the national average of other State and Territory audit offices.

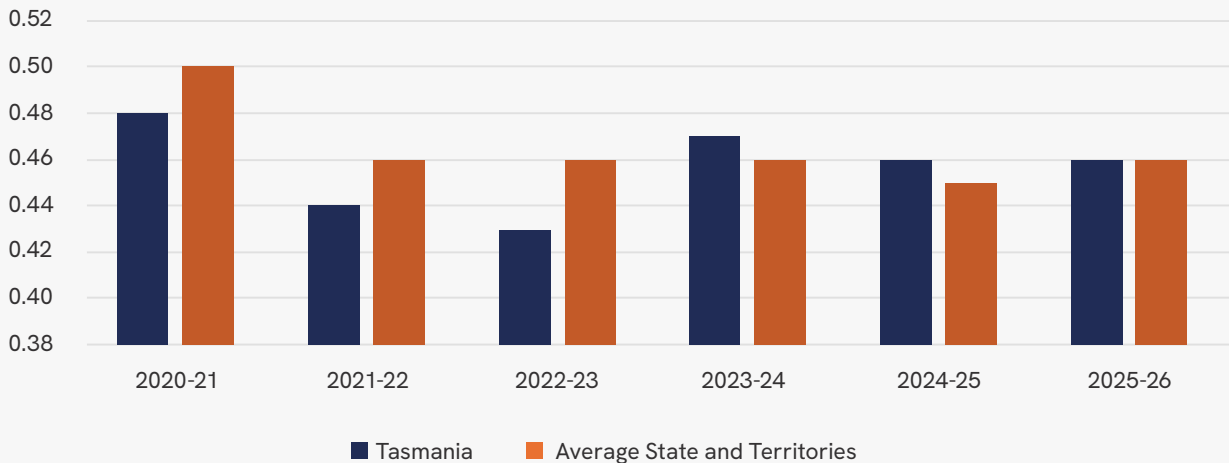
The results presented in this section cover the periods 2020-21 and 2025-26.

Productivity of our staff has a direct impact on operating results.

All auditors are expected to achieve a minimum level of productive hours after allowing for leave, professional development and administration. Total paid hours include those of our corporate staff as well as personal and recreation leave for all staff.

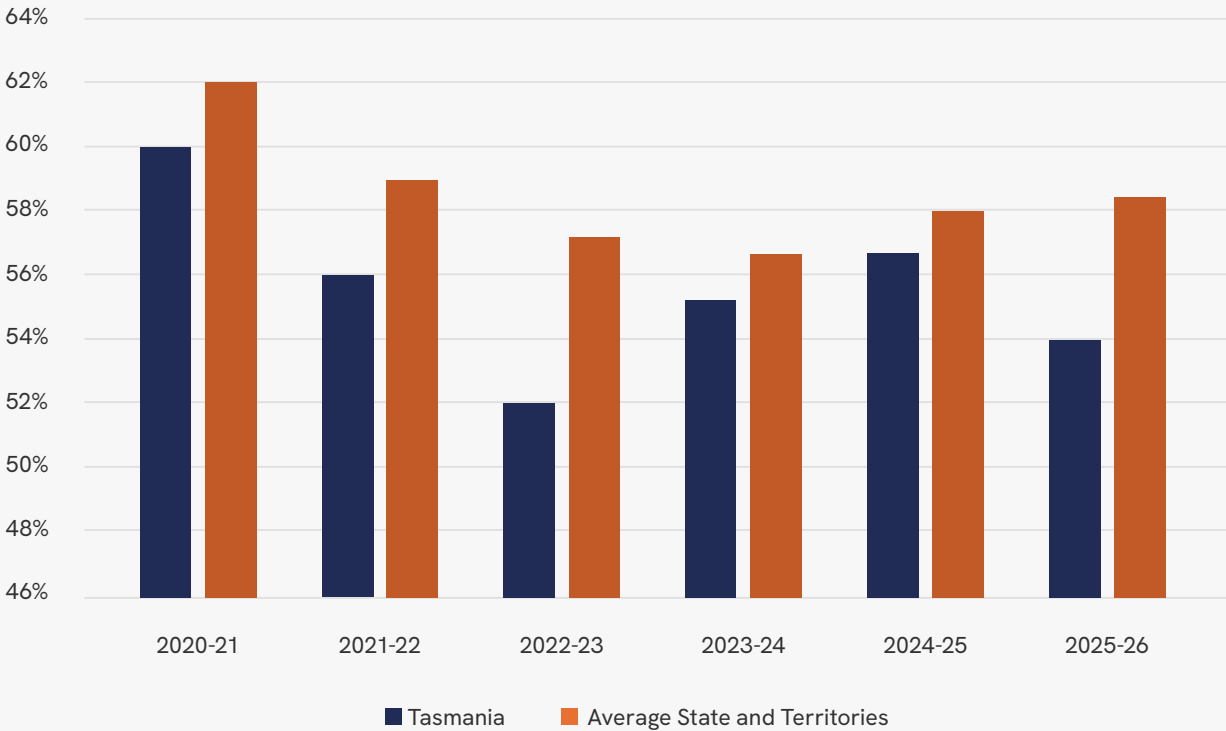
The percentage of total paid hours charged to audit activities remained relatively stable over the reporting period. While Audit Tasmania increased its workforce and brought a greater proportion of audit work in-house, this growth was accompanied by additional onboarding, training and capability development activities. During 2025-26, further investment was required to support emerging audit areas, including sustainability assurance. As a result, a greater proportion of paid hours was allocated to workforce development and professional capability building, contributing to a modest reduction in the proportion of hours charged directly to audit engagements.

Percentage of total (whole of office) paid hours charged to audit activities



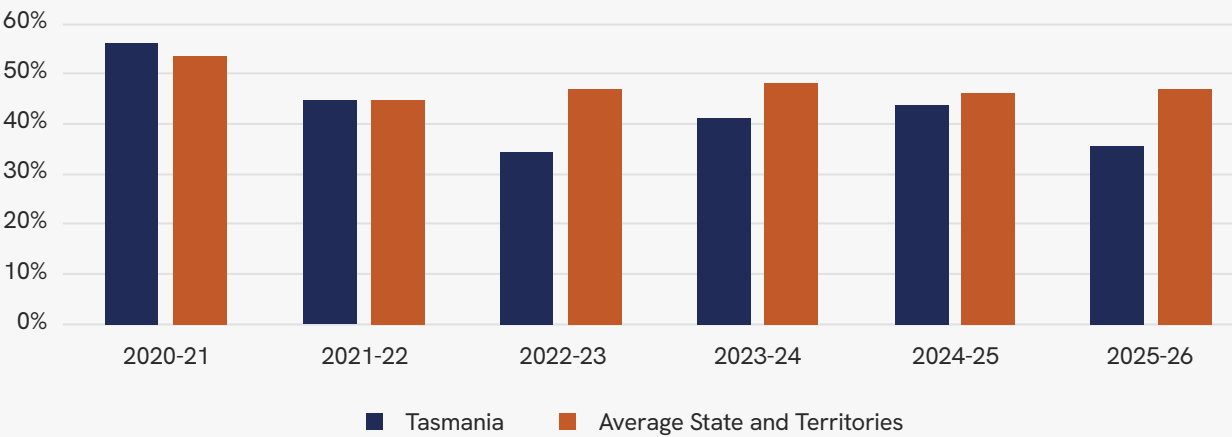
The next measure gauges the percentage of time attest audit staff, being Audit Tasmania's financial auditors, charge to audit activities, rather than other activities such as administration and training. The result for 2025-26 decreased by 3 percentage points from 2024-25 and was 4 percentage points below the State and Territory average. This reflects continued investment in strengthening Audit Tasmania's financial audit capability and expertise, including induction and technical training for new staff and professional development for existing employees. While these activities reduce chargeable time in the short term, they support the long-term capability, expertise and quality of Audit Tasmania's financial audit function.

Percentage of total attest audit staff paid hours charge to attest audit activities



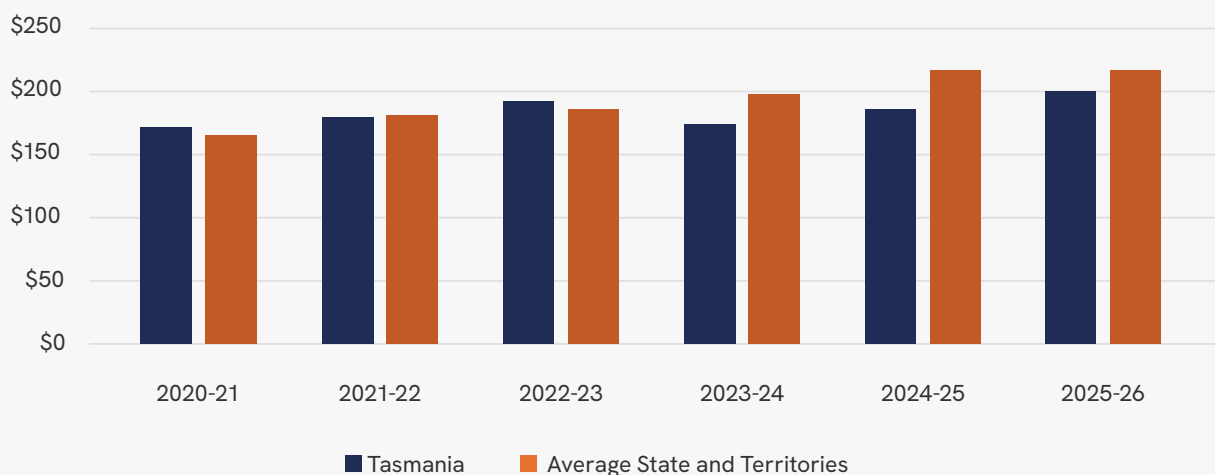
The measure below shows a slight increase compared to previous years. This reflects the staffing profile of audit engagements and the commencement of sustainability audits in 2025-26, which increased the volume and scope of audit activity undertaken

Percentage of total paid hours of non-attest audit staff charged to non-attest audit activities



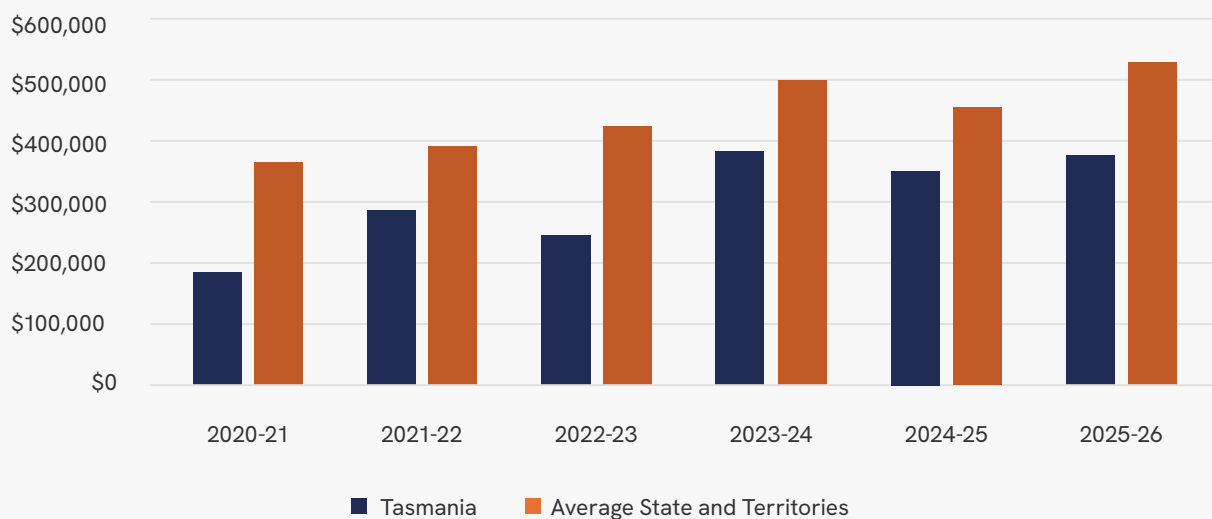
The measure below shows a slight increase to the previous year, this reflects the number and level of staff being utilised on audits. The audit activities have also increased in 2025-26 as the requirement to carry out sustainability audits has begun.

Cost per audit hour charge to audit activities



The table below shows the average cost per audit has increased in recent years as Performance Audit Services has shifted its focus towards delivering a greater number of comprehensive performance audits. Full performance audits are typically more resource-intensive than follow-up audits and compliance reviews, which contributed to lower average costs in earlier years. This investment in capability aims to support the ongoing delivery of at least six full performance audits to Parliament each year.

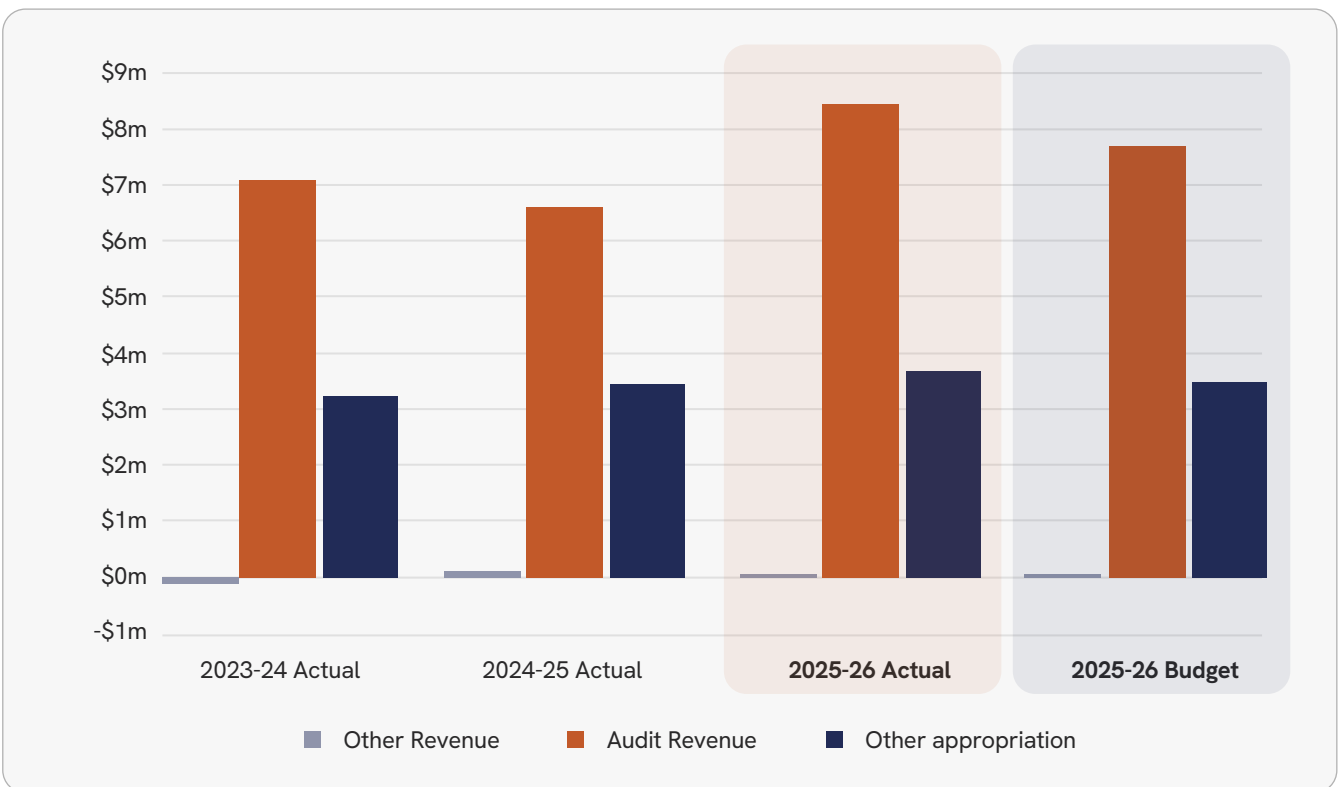
Cost per performance audit



Income and expenditure

Income summary

Audit Tasmania has two principal sources of income:

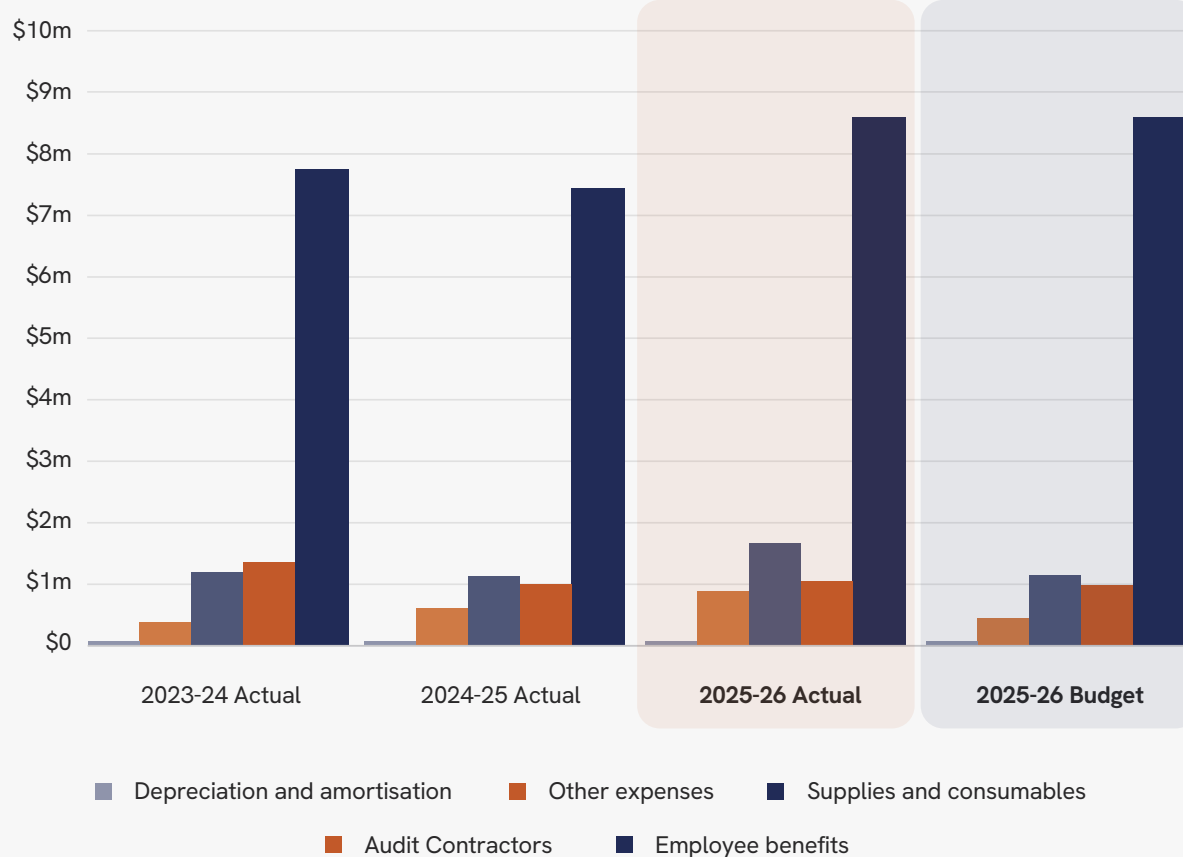


Detailed information about these sources of income, as well as explanations for variation from budget are provided below. You can find more detail in our Financial Statements.

1. Audit revenue, being fees charged to auditees to recover the cost of our financial audit services, returned to 70% of total revenue in 2025-26, following a review of audit fees during 2024-25 and a reduction in the number of financial audits completed externally. This follows a decrease to 66% in 2024-25.
2. 2025-26 also marked the commencement of sustainability audits for the corporate entities we audit. The number of these audits is expected to increase in 2026-27. Revenue from Government includes appropriations, unexpended appropriations rolled over under section 23 of the Financial Management Act 2016, and items reserved by law. From time to time, we also receive funding for specific initiatives. This included a four-year program to implement data analytics within our audit services, with funding concluding at the end of the 2025-26 financial year.
3. Contributions received and Other Revenue includes contributions from staff towards certain benefits such as parking.

Expenditure Summary

Audit Tasmania's main expense is salaries for our staff, making up 69% of total expenditure in 2025-26. Payments to audit contractors, or service providers engaged to undertake audits on our behalf or provide specialist assistance, make up 9% of expenses, followed by supplies and lease expenses. Expenditure on both ICT and training was slightly up in 2025-26 as we endeavour to utilise up to date technology to assist in our auditing, both financial and performance based, to provide timely and accurate reports with the appropriate insights to both Parliament and our auditees.





Independent Auditor's Review Report to the Governor of Tasmania in relation to the Tasmanian Audit Office

Report on the Performance Report

We have reviewed the accompanying performance report, included within the annual report, which comprises the key performance indicators for the year ended 30 June 2026.

Auditor-General's Responsibility for the Performance Report

The Auditor-General is responsible for the preparation of the performance report. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the performance report to ensure that the report fairly represents the key performance indicators of efficiency and effectiveness.

Auditor's Responsibility

Our responsibility is to express a conclusion on the performance report based on our review. We conducted our review in accordance with Standard on Review Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the performance report does not present fairly the key performance indicators of efficiency and effectiveness. As the auditor of the entity, ASRE 2405 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

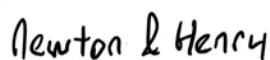
A review of a performance report consists of making enquiries, primarily of persons responsible for financial and accounting matters and applying other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the performance report does not present fairly the key performance indicators of efficiency and effectiveness for the year ended 30 June 2026.



Newton & Henry

20 October 2026
Launceston



Andrew Gray
Director



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Mt Geryon & Perrins Bluff
Credit: Luke Tscharke

FINANCIAL REPORT

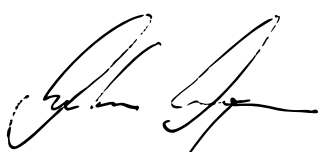


07

Statement of certification

The accompanying financial statements of the Tasmanian Audit Office are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016* to present fairly the financial transactions for the year ended 30 June 2026 and the financial position as at the end of the year.

At the date of signing, I am not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.

A handwritten signature in black ink, appearing to read 'Martin Thompson'.

MARTIN THOMPSON
Auditor-General

14 August 2026



Independent Auditor's Report

To the Governor of Tasmania in relation to the Tasmanian Audit Office operating as Audit Tasmania

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Tasmanian Audit Office operating as Audit Tasmania (the Office), which comprises the statement of financial position as of 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement of certification.

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Office as at 30 June 2026 and of its financial performance and its cash flows for the year then ended in accordance with the *Australian Accounting Standards* and the *Treasurers Instructions* issued under the provisions of the *Financial Management Act 2016*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report.

We are independent of the Office in accordance with the auditor independence requirements and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Those Auditor-General is responsible for the other information. The other information comprises the information included in the Office's annual report for the year ended 30 June 2026 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. The annual report is expected to be made available to us after the date of this independent auditor's report.



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Auditor-General's responsibility for the financial report

The Auditor-General is responsible for the preparation and fair presentation of the financial report in accordance with *Australian Accounting Standards* and the *Treasurers Instructions* issued under the provisions of the *Financial Management Act 2016*, and for such internal control as the Auditor-General determines is necessary to enable the preparation of the financial report that is free from misstatement, whether due to fraud or error.

In preparing the financial report, the Auditor-General is responsible for assessing the Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Auditor-General either intends to liquidate the Office or to cease operations, or has no realistic alternative but to do so.

The Auditor-General is responsible for overseeing the Office's financial reporting process.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of those charged with governance's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Office to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Newton & Henry

Newton & Henry

A handwritten signature in black ink, appearing to read 'Andrew Gray'.

Andrew Gray
Director

Dated: 14 August 2026

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Statement of comprehensive income

	Notes	2026 Budget \$'000	2026 Actual \$'000	2025 Actual \$'000
Income from continuing operations				
Revenue from Government				
Appropriation revenue – Recurrent	4.1	2,727	2,882	2,604
Appropriation revenue – Reserved by law	4.1	566	599	561
Appropriation revenue – Rollover	4.1	147	147	136
Financial and sustainability audit services	4.2	7,737	8,472	6,618
Other revenue	4.3	33	39	57
Total revenue from continuing operations		11,210	12,139	9,976
Total income from continuing operations		11,210	12,139	9,976
Expenses from continuing operations				
Employee benefits	5.1(a)	8,385	8,480	7,322
Depreciation and amortisation	5.2	86	87	85
Audit contractors	5.3	1,016	1,112	1,044
Supplies and consumables	5.4	1,187	1,645	1,184
Other expenses	5.5	428	885	540
Total expenses from continuing operations		11,102	12,209	10,175
Net result from continuing operations		108	(70)	(199)
Net result		108	(70)	(199)
Comprehensive result		108	(70)	(199)

This Statement of comprehensive income should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2.1 of the accompanying notes.

Statement of financial position

	Notes	2026 Budget \$'000	2026 Actual \$'000	2025 Actual \$'000
Assets				
Financial assets				
Cash and deposits	2.2(a), 10.1	2,223	1,754	1,999
Receivables	6.1	419	327	243
Contract assets	2.2(b), 6.2	837	597	558
Non-financial assets				
Leasehold improvements, plant and equipment	6.3	508	606	590
Intangibles	6.4	1	2	5
Other assets	6.5	98	108	102
Total assets		4,086	3,394	3,497
Liabilities				
Payables	7.1	171	112	92
Employee benefit liabilities	2.2(c), 7.2	1,475	1,671	1,283
Contract liabilities	7.4	432	417	868
Other Liabilities	7.5	-	18	8
Total liabilities		2,078	2,218	2,251
Net assets		2,008	1,176	1,246
Equity				
Contributed capital		1,168	1,168	1,168
Accumulated surplus	2.2(d)	840	8	78
Total equity		2,008	1,176	1,246

This Statement of financial position should be read in conjunction with the accompanying notes.

The budget is formulated without regard to the actual financial position at any one point in time.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2.2 of the accompanying notes.

Statement of cash flows

	Notes	2026 Budget \$'000	2026 Actual \$'000	2025 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities				
Cash inflows				
Appropriation receipts – Operating	4.1	2,727	2,882	2,604
Appropriation receipts – Reserved by law	4.1	566	599	561
Appropriation revenue – Rollover	4.1	147	147	136
User charges		7,960	7,863	7,395
GST receipts	2.3(a)	672	1,092	1 051
Other cash receipts		33	39	63
Total cash inflows		12,105	12,622	11 810
Cash outflows				
Employee benefits		(8,570)	(8,095)	(7,393)
GST payments	2.3(b)	(672)	(1,070)	(1 036)
Audit contractors		(1,016)	(1,107)	(1,170)
Supplies and consumables	2.3(c)	(1,186)	(1,656)	(1,155)
Other cash payments	2.4(d)	(428)	(840)	(513)
Total cash outflows		(11,872)	(12,768)	11,267
Net cash from/(used by) operating activities	10.2	233	(146)	543
Cash flows from investing activities				
Cash outflows				
Payments for acquisition of non-financial assets		(9)	(99)	-
Total cash outflows		(9)	(99)	-
Net cash from/ (used by) investing activities		(9)	(99)	-
Net increase/(decrease) in cash and cash equivalents held		224	(245)	543
Cash and cash equivalents at the beginning of the reporting period		1,999	1,999	1,456
Cash and cash equivalents at the end of the reporting period	10.1	2,223	1,754	1,999

This Statement of cash flows should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2.3 of the accompanying notes.

Statement of changes in equity

	Contributed Equity \$'000	Accumulated Surplus \$'000	Total Equity \$'000
Balance as at 1 July 2025	1,168	78	1,246
Total comprehensive result	-	(70)	(70)
Balance as at 30 June 2026	1,168	8	1,176
	Contributed Equity \$'000	Accumulated Surplus \$'000	Total Equity \$'000
Balance as at 1 July 2024	1,168	277	1,445
Total comprehensive result	-	(199)	(199)
Balance as at 30 June 2025	1,168	78	1,246

This Statement of changes in equity should be read in conjunction with the accompanying notes.

Note 1. Output schedules

1.1 Output group information

Audit Tasmania only has a single Output Group called Public Sector Performance and Accountability to fulfil its purpose to Provide Parliament with insightful reports to improve public sector performance and accountability. The summary of budgeted and actual revenues and expenses for this Output Group are the same as in the Statement of comprehensive income. Therefore, the inclusion of a separate Output Group Schedule is not necessary.

Explanations of material variances between budget and actual outcomes are provided in Note 2 below. A reconciliation of the net result of the Output Group to the net surplus on the Statement of comprehensive income is not necessary as Audit Tasmania only has one Output Group. For the same reason there is no separate reconciliation between the total net assets deployed for the Output Group to net assets on the Statement of financial position.

Note 2. Explanations of material variances between budget and actual outcomes

Budget information refers to original estimates as disclosed in the 2025-26 Budget Papers and is not subject to audit. The following are brief explanations of material variances between the original budget estimates and actual outcomes. Variances are considered material where the variance exceeds 10 per cent of budget estimate and \$100,000. The Statement of comprehensive income Note 2.1 and Statement of cash flows Note 2.3 include a revised budget column which depicts a change in allocation from the original budget as published in the Budget Papers where applicable. These changes were made to reflect actual anticipated cost allocations. The variance explanations are based upon original budget compared with actuals.

2.1 Statement of comprehensive income

	Note	2026 Budget \$'000	2026 Actual \$'000	Variance \$'000	Variance %
Financial and sustainability audit services	(a)	7,737	8,472	735	9
Supplies and consumables	(b)	1,187	1,645	458	39
Other expenses	(c)	428	885	457	107

- (a) Audit Tasmania has recognised more income in the 2025-26 financial year by bringing forward audit work, which in the previous year would have been completed after balance date. This includes work such as assessment of early hard close, and early valuation of assets. Income was also higher than included in the published budget papers as the estimate for those papers was determined prior to the setting of fees for that financial year.
- (b) Supplies and consumables include corporate overheads and expenses relating to travel, training and technology platforms supporting the efficient delivery of audits.
- (c) Other expenses reflect costs associated with labour-hire and developing methodology, including for sustainability audits.

2.2 Statement of financial position

Budget estimates for the 2025-26 Statement of financial position were compiled prior to the completion of the actual outcomes for 2024-25. As a result, the actual variance from the original budget estimate is impacted by the difference between estimated and actual opening balances for 2025-26. The following variance analysis therefore includes major changes between 2025-26 Budget to Actual balances and between the 30 June 2025 and 30 June 2026 actual balances.

	Note	Budget \$'000	2026 Actual \$'000	2025 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(a)	2,223	1,754	1,999	(469)	(245)
Contract assets	(b)	837	597	558	(240)	39
Employee benefit liabilities	(c)	1,475	1,671	1,283	196	388
Accumulated surplus	(d)	840	8	78	(832)	(70)

Notes to Statement of financial position variances

Statement of financial position budget is formulated without regard to the actual financial position at any one point in time. It has historically understated the changes in cash and equity.

- (a) The decrease in cash and deposits compared to the prior year and budget is mainly due to timing differences in receipts and payments. It also reflects unspent funds at year-end along with effective cash flow management.
- (b) The movement in Contract Assets and Contract Liabilities year on year reflect the timing of audit work and associated billing.
- (c) Employee benefit liabilities were higher than budgeted due to increased headcount required to ensure the delivery of both financial, sustainability and performance audits in accordance with legislation and parliamentary requirements.
- (d) The actual result for 2026 reflects a small operating deficit during the year in order to fund the improved methodology approaches across Audit Tasmania to deliver our strategic goals.

2.3 Statement of cash flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
GST receipts	(a)	672	1,092	420	63
GST payments	(b)	672	1,070	398	59
Supplies and consumables	(c)	1,186	1,667	481	41
Other cash payments	(d)	428	840	412	96

- (a) The variance to budget is due mainly to the review of fees charged to Auditees and is in line with the outcome reported in 2025.
- (b) The variance primarily reflects the timing of cash payments and is in line with the outcome reported in 2025.
- (c) The increase in payments during 2026 is primarily attributable to investment in training and technology platforms to support the efficient delivery of audits.
- (d) The increase in payments reflects higher expenditure on labour-hire and developing methodology, including sustainability auditing capabilities.

Note 3. Underlying result

	2026 Budget \$'000	2026 Actual \$'000	2025 Actual \$'000
Net result from continuing operations	108	(70)	(199)
Underlying Net result from continuing operations	108	(70)	(199)

Note 4. Revenue

Income is recognised in the Statement of comprehensive income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15.

4.1 Revenue from Government

Appropriations, whether operating or capital, are recognised as revenues in the period in which Audit Tasmania gains control of the appropriated funds as they do not contain enforceable and sufficiently specific obligations as defined by AASB 15. Except for any amounts identified as carried forward, control arises in the period of appropriation.

Revenue from Government includes revenue from appropriations, unexpended appropriations rolled over under section 23 of the Financial Management Act 2016 and items Reserved by law.

Section 23 of the Financial Management Act allows for an unexpended appropriation at the end of the financial year, as determined by the Treasurer, to be issued and applied from the Public Account in the following financial year. The amount determined by the Treasurer must not exceed five per cent of an Agency's appropriation for the financial year.

The Budget information is based on original estimates and has not been subject to audit.

Appropriation Revenue	2026 Budget \$'000	2026 Actual \$'000	2025 Actual \$'000
Recurrent	2,727	2,882	2,604
Reserved by law – Auditor-General's salary and associated allowances	566	599	561
Appropriation Rollover under section 23 of the <i>Financial Management Act 2016</i>	147	147	136
	3,440	3,628	3,301

4.2 Financial and sustainability audit services

Revenue recognition relating to the provision of financial and sustainability audit services is recognised over time as the services are performed and performance obligations satisfied. Recognition is in accordance with the terms of the client services agreement or engagement strategy, adjusted for any time that may not be recoverable with reference to the hours incurred. The *Audit Act 2008* provides an enforceable right to payment for audit and assurance services provided.

	2026 \$'000	2025 \$'000
Financial and sustainability audit services user charges	8,472	6 618
	8,472	6 618

4.3 Other revenue

Miscellaneous revenue primarily represents salary recoupments for a seconded employee, as well as staff reimbursements for car parking expenses incurred by Audit Tasmania.

	2026 \$'000	2025 \$'000
Miscellaneous	39	57
	39	57

Note 5. Expenses

Expenses are recognised in the Statement of comprehensive income when a decrease in future economic benefits, related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

5.1 Employee benefits

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(a) Employee expenses

	2026 \$'000	2025 \$'000
Wages and salaries	6,375	5,522
Annual Leave	574	445
Long service leave	122	145
Sick leave	160	195
Superannuation – defined contribution scheme	1,123	851
Superannuation – defined benefit scheme	28	30
Other employee expenses	98	134
	8,480	7,322

Superannuation expenses relating to defined benefits schemes relate to payments into the Public Account. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.95 per cent (2024-25: 12.95 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 12 per cent (2024-25: 11.5 per cent) of salary, which is the Superannuation Guarantee rate set by the Australian Government. In addition, Audit Tasmania is also required to pay into the Public Account a "gap" payment equivalent to 3.45 per cent (2024-25: 3.45 per cent) of salary in respect of employees who are members of the contribution schemes.

(b) Remuneration of key management personnel

2026	Short-term Benefits		Long-term Benefits		Termination Benefits	Total
		Other Benefits		Other Benefits and Long Service Leave		
	Salary		Superannuation			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Key management personnel						
M Thompson, Auditor-General	494	27	59	20	-	600
J Wassell, Deputy Auditor-General	249	26	30	11	-	316
D Bond, Assistant Auditor-General FAS (to 29/04/2026)	156	8	20	(2)	-	182
D Burns, Assistant Auditor-General FAS (to 29/04/2026)	141	-	18	(16)	-	143
S Morrison, Chief Financial and Sustainability Auditor	195	19	27	3	-	244
J McGuinness, Chief Performance Auditor	183	-	22	(4)	-	201
	1,418	80	176	11	-	1,685

2025	Short-term Benefits		Long-term Benefits		Termination Benefits	Total
	Salary	Other Benefits	Superannuation	Other Benefits and Long Service Leave		
	\$'000	\$'000	\$'000	\$'000		
Key management personnel						
M Thompson, Auditor-General	477	27	54	15	-	573
J Wassell, Deputy Auditor-General	234	25	27	3	-	289
D Bond, Assistant Auditor-General FAS	191	-	22	22	-	235
D Burns, Acting Assistant Auditor-General FAS (from 31 March 2025)	44	-	4	2	-	50
S Morrison, Assistant Auditor-General FAS (from 22 January 2025)	85	3	10	5	-	103
J McGuinness, Assistant Auditor-General PAS	180	-	21	7	-	208
	1,211	55	138	54	-	1,458

Total remuneration of individual key management personnel can be negative on separation. This is because of long service leave benefits accrued during their employment not being paid out on separation due to the employee not having sufficient length of service to realise their accrued benefit.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Audit Tasmania, directly or indirectly.

Remuneration during 2025-26 for key management personnel is set by the *Audit Act 2008* for the Auditor-General, and the *State Service Act 2000* for all other personnel.

Remuneration and other terms of employment are specified in employment contracts and awards.

Short-term benefits include salary, motor vehicle and car parking fringe benefits in addition to any other short-term benefits. Long term employee expenses include superannuation and movements in annual and long service leave provisions.

Fringe benefits have been reported at the grossed up reportable fringe benefits amount. The Fringe Benefits Tax (FBT) year runs from 1 April to 31 March each year, and any FBT attributable to key management personnel is reported on that basis.

It should be noted that because annual and long service leave liabilities are calculated by discounting future cashflows (detailed in Note 7.2), the termination payments received by any key management personnel may not necessarily correspond with the leave liability associated to that individual.

Acting arrangements

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for a consecutive period of more than one month.

Terminations

Termination benefits include all forms of benefit paid or accrued as a consequence of termination, including Annual leave and long service leave paid out on termination.

(c) Related party transactions

There are no material related party transactions requiring disclosure.

5.2 Depreciation and amortisation

All applicable non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential.

The depreciable amount of improvements to or on leaseholds is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is reasonably certain.

Depreciation is provided for on a straight-line basis, using rates which are reviewed annually.

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset's future economic benefits are expected to be consumed by Audit Tasmania. Major amortisation periods are:

Computer equipment – software 10 years

The cost of improvements to or on leased properties is amortised over the unexpired period of the lease or the estimated useful life, whichever is the lesser. Major depreciation periods are:

Leased buildings – Level 2, 144 Macquarie Street, Hobart 10 years

Leased buildings – Launceston 10 years

	2026 \$'000	2025 \$'000
Amortisation - intangibles (computer software)	3	3
Depreciation - leasehold improvements	84	82
	87	85

5.3 Audit contractors

	2026 \$'000	2025 \$'000
Audit contractors	1,112	1,044
	1,112	1,044

5.4 Supplies and consumables

	2026 \$'000	2025 \$'000
Audit fees – financial audit and review of key performance report	24	23
Audit fees – internal audit	24	48
Lease expense (operating lease costs)	527	495
Consultants and contractors	238	14
Property services	118	102
Communications	6	3
Information technology	281	219
Travel and transport	246	171
Plant and equipment	7	6
Office requisites	14	8
Personnel expenses	39	44
Other supplies and consumables	121	51
	1,645	1,184

Audit fees paid or payable to Newton & Henry for the audit of Audit Tasmania's financial statements were \$23,795 (2024-25 \$22,800).

Lease expense includes lease rentals for short-term leases, lease of low value assets and variable lease payments. Refer to Note 6.3 for breakdown of lease expenses and other lease disclosures.

5.5 Other expenses

Expenses, including accruals not yet invoiced, are recognised when the Audit Tasmania becomes obliged to make future payments or because of a purchase of goods and/or services.

	2026 \$'000	2025 \$'000
Workers' compensation insurance	91	70
Service level agreements	370	351
Other expenses	424	119
	885	540

Service level agreements include payments to the Department of Justice for the provision of corporate services (including finance, HR and IT support).

Note 6. Assets

Assets are recognised in the Statement of financial position when it is probable that future economic benefits will flow to Audit Tasmania and the asset has a cost or value that can be measured reliably.

6.1 Receivables

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price. Receivables are recorded inclusive of GST (where applicable).

Receivables are held with the objective to collect the contractual cash flows and are subsequently measured at amortised cost using the effective interest method. Any subsequent changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Audit Tasmania maintains a strong accounts receivable management program whereby all outstanding receivables are followed up in a timely fashion. In addition, the nature of Audit Tasmania's receivables has also led to Audit Tasmania recording minimal impairments of receivables for a number of years.

For ageing analysis of the financial assets past due but not impaired, refer to Note 11.1.

	2026 \$'000	2025 \$'000
Receivables - Financial audit services	374	256
Less: Expected credit loss	(20)	(20)
GST receivable / (payable)	(26)	7
	327	243
Settled within 12 months	327	243
Settled in more than 12 months	-	-
	327	243

Reconciliation of movement in expected credit loss for receivables	2026 \$'000	2025 \$'000
Carrying amount at 1 July	20	20
Amounts written off during the year	-	-
Increase/(decrease) in provision recognised in profit or loss	-	-
Carrying amount at 30 June	20	20

6.2 Contract assets

A Contract Asset is Audit Tasmania's right to consideration in exchange for goods or services that Audit Tasmania has transferred to the customer, but not billed as at the reporting date as all conditions have not been fulfilled. Contract assets become receivable when the rights to receive payment become unconditional on satisfactory completion of performance obligations.

Contract assets represents costs incurred and profit recognised on financial audit engagements that are in progress and have not yet been invoiced at reporting date. Contract assets are valued at net realisable value after providing for any impairment. Contract assets are recognised in the Statement of financial position and the movement recognised in the Statement of comprehensive income.

	2026 \$'000	2025 \$'000
Contract assets (work in progress)	597	558
Balance at 1 July	597	558
Add, Costs related to financial and sustainability audit services provided	8,472	6,618
Less, Transfers to receivables	(8,883)	(7,256)
Add Movement in revenue in advance	450	422
Balance at 30 June	597	558

6.3 Leasehold improvements, plant and equipment

(i) Valuation basis

All non-current physical assets, including any work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses. All assets within a class of assets are measured on the same basis.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self constructed assets include the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of leasehold improvements, plant and equipment have different useful lives, they are accounted for as separate items (major components) of relevant assets.

(ii) Subsequent costs

The cost of replacing part of an item of leasehold improvements, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to Audit Tasmania and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day to day servicing of leasehold improvements, plant and equipment are recognised in the Statement of comprehensive income as incurred.

(iii) Asset recognition threshold

The asset capitalisation thresholds adopted by Audit Tasmania are:

Office equipment, furniture and fittings	\$5,000
Leasehold improvements	\$5,000

Assets valued at less than \$5,000 are charged to the Statement of comprehensive income in the year of purchase. Assets valued at less than these thresholds are charged to the Statement of comprehensive income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(a) Carrying amount

	2026 \$'000	2025 \$'000
Leasehold improvements		
At cost	918	819
Less: Accumulated depreciation	(312)	(229)
	606	590
Plant, equipment and vehicles		
At cost	11	11
Less: Accumulated depreciation	(11)	(11)
	-	-
Work in progress (at cost)	-	-
Total leasehold improvements	606	590

(b) Reconciliation of movements

Reconciliations of the carrying amounts of each class of leasehold improvements, plant and equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation.

2026	Leasehold improvements \$'000	Total \$'000
Carrying value at 1 July 2025	590	590
Additions	99	99
Depreciation expense	(83)	(83)
Carrying value at 30 June 2026	606	606

2025	Leasehold improvements \$'000	Total \$'000
Carrying value at 1 July 2024	672	672
Depreciation expense	(82)	(82)
Carrying value at 30 June 2025	590	590

6.4 Intangible assets

An intangible asset is recognised where it is probable that an expected future economic benefit attributable to the asset will flow to Audit Tasmania and the cost of the asset can be reliably measured.

Intangible assets held by Audit Tasmania are reported at cost less any accumulated amortisation and any accumulated impairment loss. The carrying amounts of intangibles are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

(a) Carrying amount

	2026 \$'000	2025 \$'000
Intangibles with a finite useful life		
Software at cost	32	32
Less: Accumulated amortisation	(30)	(27)
	2	5
Work in progress (at cost)	-	-

(b) Reconciliation of movements

	2026 \$'000	2025 \$'000
Carrying amount at 1 July	5	9
Net movement in Work in progress	-	-
Transfer	-	-
Amortisation expense	(3)	(4)
Carrying amount at 30 June	2	5

6.5 Other assets

Other assets comprise prepayments. Prepayments relate to actual transactions that are recorded at cost with the asset at balance date representing the unutilised component of the prepayment.

	2026 \$'000	2025 \$'000
Other assets		
Prepayments	108	102
Total other asset	108	102
Utilised within 12 months	108	102
Total other assets	108	102

Note 7. Liabilities

Liabilities are recognised in the Statement of financial position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

7.1 Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when Audit Tasmania becomes obliged to make future payments as a result of a purchase of assets or services.

	2026 \$'000	2025 \$'000
Creditors and accruals	112	92
	112	92
Settled within 12 months	112	92
	112	92

Settlement is usually made within 30 days.

7.2 Employee liabilities

Key estimates and judgements

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid.

Other employee entitlements are measured as the present value of the benefit at 30 June, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material. Audit Tasmania assumes that all staff annual leave balances less than 20 days will be settled within 12 months, and therefore valued at nominal value, and balances in excess of 20 days will be settled in greater than 12 months and therefore calculated at present value.

A liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Audit Tasmania makes a number of assumptions regarding the probability that staff who have accrued long service leave, but are ineligible to take it, will remain with Audit Tasmania long enough to take it. For those staff eligible to take their long service leave, Audit Tasmania assumes that they will utilise it on average, evenly over the following ten years.

All long service leave that will be settled within 12 months is calculated at nominal value and all long service leave that will be settled in greater than 12 months is calculated at present value.

	2026 \$'000	2025 \$'000
Accrued salaries	302	217
Annual leave	476	368
Long service leave	710	532
Superannuation	183	166
	1,671	1,283
Expected to settle wholly within 12 months	781	594
Expected to settle wholly after 12 months	890	689
	1,671	1,283

7.3 Superannuation

(i) Defined contribution plans

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they fall due.

(ii) Defined benefit plans

A defined benefit plan is a post employment benefit plan other than a defined contribution plan.

Audit Tasmania does not recognise a liability for the accruing superannuation defined benefits of employees. This liability is held centrally and is recognised within the Finance General Division of the Department of Treasury and Finance.

7.4 Contract liabilities

Audit Tasmania invoices for financial and sustainability audit services on an agreed instalment basis. Where services have been invoiced but work has not been undertaken, an amount is recognised as revenue in advance.

	2026 \$'000	2025 \$'000
Revenue received in advance	418	868
Revenue recognised during the year that was included in the contract liability balance at the beginning of the year	868	446
Revenue recognised during the year from performance obligations satisfied (or partially satisfied) in previous years	-	-

7.5 Other liabilities

	2026 \$'000	2025 \$'000
Employee benefit liabilities – on-costs		
– Workers compensation premiums	18	8
	18	8
Expected to settle wholly within 12 months	6	3
Expected to settle wholly after 12 months	12	5
	18	8

Note 8. Commitments

8.1 Schedule of commitments

Commitments represent those contractual arrangements entered by Audit Tasmania that are not reflected in the Statement of financial position.

	2026 \$'000	2025 \$'000
Commitments by type		
Contract audits	1,753	1,301
Service level agreement with Department of Justice	-	360
Office rent and motor vehicle fleet agreements	1,604	1,824
Other commitments	643	143
Total commitments	4,000	3,628

	2026 \$'000	2025 \$'000
Commitments by maturity		
One year or less	1,664	1,532
From one to five years	2,033	1,544
Over five years	303	552
Total commitments	4,000	3,628

(a) Office rent and motor vehicle fleet agreements

For office accommodation leased in Launceston the remaining commitment is 1 year. For office accommodation leased in Hobart the remaining term is 6 years as a new agreement was entered into in June 2022. Both of these leases are held by the Department of Treasury and Finance.

The motor vehicle commitments are governed by the Government's contract held by the Department of Treasury and Finance. Motor vehicle commitments have been calculated based on the agreements entered into as at 30 June 2026 and the value and remaining term of the outstanding commitment payments. All amounts shown are exclusive of GST.

(b) Other Commitments

Commitments exist for the payments under contract/agreement for future auditing services, audit software licensing and the multi-function device lease.

Note 9. Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Statement of financial position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation. Audit Tasmania does not have any contingent assets or liabilities.

Note 10. Cash flow reconciliation

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in Specific Purpose Accounts, being short term of 3 months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

10.1 Cash and Deposits

Cash and cash equivalents includes the balance of the Specific Purpose Accounts held by Audit Tasmania, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2026 \$'000	2025 \$'000
Special Purpose Account - S644	1,754	1,999
Total cash and deposits	1,754	1,999

10.2 Reconciliation of net result to net cash from / (used in) operating activities

	2026 \$'000	2025 \$'000
Net result from transactions	(70)	(199)
Depreciation and amortisation	87	85
Decrease (increase) in Receivables	(117)	154
Decrease (increase) in Contract assets	(40)	216
Decrease (increase) in Prepayments	(6)	(4)
Decrease (increase) in Tax receivable	(55)	1
Increase (decrease) in Tax liabilities	87	-
Increase (decrease) in Employee entitlements	388	(55)
Increase (decrease) in Payables	21	(85)
Increase (decrease) in Contract liabilities	(450)	422
Increase (decrease) in Other liabilities	9	8
Net cash from / (used in) operating activities	(146)	543

10.3 Reconciliation of liabilities arising from financing activities

Audit Tasmania does not have any liabilities arising from financing activities.

Note 11. Financial instruments

11.1 Risk exposures

(a) Risk management policies

Audit Tasmania has exposure to the following risks from its use of financial instruments: :

- credit risk
- liquidity risk and
- market risk

The Auditor-General has overall responsibility for the establishment and oversight of Audit Tasmania's risk management framework. Risk management policies are established to identify and analyse risks faced by Audit Tasmania, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) Credit risk exposures

Credit risk is the risk of financial loss to Audit Tasmania if an auditee or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables and work in progress	<p>Audit Tasmania's receivables are reviewed monthly for recoverability and investigation, particularly for those at 90+ days by the Engagement Leader. At 30 June 2026, 10.18 per cent of debtors were 90+ days outstanding. With one exception, debtors are deemed receivable at 30 June 2026.</p> <p>Audit Tasmania's work in progress is reviewed monthly for recoverability. Work in progress drives the budget for Financial and sustainability audit services user charges. Recoverability was set at 88 per cent for 2025-26. This target was met at 30 June 2026 at 88.5 per cent.</p>	Normal credit terms are 14 days as dictated by the Treasurer's Instruction.
Cash and deposits	<p>The Office's financial indicators for support of sustainability published in our annual report as follows:</p> <p>End of year cash balance greater than \$600,000. This target was met at 30 June 2025.</p>	Cash means notes, coins and any deposits held at call with a bank or financial institution.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents Audit Tasmania's maximum exposure to credit risk without taking into account of any collateral or other security.

There has been no change to credit risk policy since the previous reporting period.

Past history and the fact that user charges are a debt to the Crown, indicate there is low risk to the credit quality of these financial assets.

Except as detailed in the following table, the carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents Audit Tasmania's maximum exposure to credit risk without taking into account of any collateral or other security:

	2026 \$'000	2025 \$'000
Financial and sustainability audit services receivables	374	256
Expected credit loss	(20)	(20)
Total	354	236

Expected credit loss analysis of receivables

The simplified approach to measuring expected credit losses is applied, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June are as follows:

2026	Not Past Due	Past due 1-30 Days	Past Due 31-60 Days	Past Due 61-90 Days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate (A)	0%	0%	0%	54%	5%
Total gross carrying amount (B)	246	90	-	38	374
Expected credit loss (A x B)	-	-	-	20	20

2025	Not Past Due	Past Due 1-30 Days	Past Due 31-60 Days	Past Due 61-90 Days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate (A)	0%	0%	0%	32%	8%
Total gross carrying amount (B)	116	65	12	63	256
Expected credit loss (A x B)	-	-	-	20	20

(c) Liquidity risk

Liquidity risk is the risk that Audit Tasmania will not be able to meet its financial obligations as they fall due. Audit Tasmania's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Audit Tasmania, as part of its risk management plan, manages liquidity risk through processes that ensure effective audit operations, timely billing of work in progress and recovery of debtors and effective cash flow management. This includes managing annual and long service leave arrangements to minimise potential negative cash flow impacts.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial liabilities Payables	<p>Audit Tasmania's financial indicators for support of sustainability published in our annual report as follows:</p> <p>Maintaining a positive cash balance of \$600,000, in order to have sufficient liquidity to meet its liabilities when they fall due. This target was met at 30 June 2026.</p>	As per Treasurer's Instruction FC-7 Audit Tasmania pays within suppliers' credit terms. Where there are no credit terms specified policy is to pay within 14 days of receipt of a correctly rendered tax invoice.

Maturity analysis for financial liabilities

The following tables detail the undiscounted cash flows payable by Audit Tasmania by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of financial position:

2026	Maturity analysis for financial liabilities		
	1 Year	Undiscounted Total	Carrying Amount
	\$'000	\$'000	\$'000
Financial liabilities			
Payables	112	112	112
Total	112	112	112

2025	Maturity analysis for financial liabilities		
	1 Year	Undiscounted Total	Carrying Amount
	\$'000	\$'000	\$'000
Financial liabilities			
Payables	92	92	92
Total	92	92	92

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. As of 30 June 2026, Audit Tasmania does not have any interest-bearing assets or liabilities. As a result, its exposure to market risk is minimal.

11.2 Categories of financial assets and liabilities

Amortised Cost	2026 \$'000	2025 \$'000
Financial assets		
Cash and cash equivalents	1,754	1 999
Receivables	327	243
Total	2,081	2,242
Financial liabilities		
Payables	112	92
Total	112	92

11.3 Comparison between carrying amount and net fair value of financial assets and liabilities

	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	2026	2026	2025	2025
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash in Special Deposits and Trust Fund	1,754	1,754	1,999	1,999
Receivables	327	327	243	243
Total financial assets	2,081	2,081	2,242	2,242
Financial liabilities (recognised)				
Payables	112	112	92	92
Total financial liabilities (recognised)	112	112	92	92

11.4 Net fair values of financial assets and liabilities

2026	Amortised Cost	Net Fair Value Level 1	Net Fair Value Level 2	Net fair Value Level 3	Net Fair Value Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and deposits	1,754	-	-	-	1,754
Receivables	327	-	-	-	327
Total financial assets	2,081	-	-	-	2,081
Financial liabilities					
Payables	112	-	-	-	112
Total financial liabilities	112	-	-	-	112

2025	Amortised Cost	Net Fair Value Level 1	Net Fair Value Level 2	Net fair Value Level 3	Net Fair Value Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and deposits	1,999	-	-	-	1,999
Receivables	243	-	-	-	243
Total financial assets	2,242				2,242
Financial liabilities					
Payables	92	-	-	-	92
Total financial liabilities	92	-	-	-	92

The recognised fair values of financial assets and financial liabilities are classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements. Audit Tasmania uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 the fair value is calculated using quoted prices in active markets;
- Level 2 the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Note 12. Events occurring after balance date

There have been no events subsequent to balance date which would have a material effect on Audit Tasmania's financial statements as at 30 June 2026.

Note 13. Other significant accounting policies and judgements

13.1 Objectives and funding

The *State Service Act 2000* Schedule 1 Part 1 Division 2 establishes the legislative entity, the Tasmanian Audit Office. The State Budget appropriated funds to the Tasmanian Audit Office, as outlined in the 2025-26 Budget Paper No. 2, Volume 2, Chapter 22. Under the Strategic Plan 2025-2028, the Tasmanian Audit Office adopted an operating name of Audit Tasmania. All mentions of Audit Tasmania in this financial report refer to the legislative entity, the Tasmanian Audit Office.

Audit Tasmania is structured to provide audit assurances to Parliament concerning the Financial Statements of the Treasurer, and all state entities, and the economy, efficiency and effectiveness of those entities, and more recently assurance over sustainability reports of entities under the *Corporations Act 2001*.

Audit Tasmania charges fees for financial and sustainability audit services. Since 1 July 2008, Audit Tasmania has been funded by a direct Parliamentary appropriation for undertaking performance and compliance audits, special investigations and the publishing of statutory reports to Parliament. Audit Tasmania is also funded through a Parliamentary appropriation for the Auditor-General's salary and associated allowances.

These financial statements encompass all funds through which Audit Tasmania controls resources to carry on its functions.

13.2 Basis of accounting

The financial statements are a general-purpose financial report and have been prepared in accordance with:

- Australian Accounting Standards (AAS) and Interpretations issued by the Australian Accounting Standards Board (AASB); and
- The Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016*.

The financial statements were signed by the Auditor-General on 14 August 2026.

Compliance with AAS may not result in compliance with International Financial Reporting Standards (IFRS), as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. Audit Tasmania is a not-for-profit entity and may adopt some accounting policies under the AAS that do not comply with IFRS.

The financial statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. Material accounting policy information is consistent with the previous year except for those changes outlined in Note 14.5.

The financial statements have been prepared on the basis that Audit Tasmania is a going concern. The continued existence of Audit Tasmania in its present form, undertaking its current activities, is dependent on Government policy and partially on continuing appropriations by Parliament for Audit Tasmania's performance and compliance audits and reporting to Parliament.

Audit Tasmania has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

13.3 Reporting entity

The financial statements include all the controlled activities of Audit Tasmania and is a single reporting entity.

13.4 Functional and presentation currency

These financial statements are presented in Australian dollars, which is Audit Tasmania's functional currency.

13.5 Changes in accounting policies

(a) Impact of new and revised Australian Accounting Standards and Interpretations

There were no new or revised Standards and Interpretations issued by the Australian Accounting Standards Board that have a material impact on the reporting of Audit Tasmania's operations for the current annual reporting period.

(b) Impact of new and revised Australian Accounting Standards and Interpretations yet to be applied

Audit Tasmania has considered the new accounting standards and assessed that they will not have a material impact on the financial statements once adopted in future reporting periods.

13.6 Comparative figures

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of changes in accounting policy on comparative figures are at Note 13.5.

Where amounts have been reclassified within the financial statements, the comparative statements have been restated. The comparatives for external administrative restructures are not reflected in the financial statements.

13.7 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. As a consequence, rounded figures may not add to totals. Where the result of expressing amounts to the nearest thousand dollars would result in an amount of zero, the financial statements include a note expressing the amount to the nearest whole dollar.

13.8 Taxation

Audit Tasmania is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax.

13.9 Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the ATO is recognised as an asset or liability within the Statement of financial position.

In the Statement of cash flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

Note 14. Auditor's remuneration

The Governor, on recommendation of the Treasurer, in accordance with the Audit Act 2008, appoints the auditor of the Tasmanian Audit Office. Newton & Henry were appointed for 3 years commencing 30 June 2024, with the option for an additional 3 years.

	2026 \$'000	2025 \$'000
Financial audit fees	24	23
Total	24	23

Note 15. Principal address and registered office

Level 2
144 Macquarie St
Hobart TASMANIA 7000

COMPLIANCE

In accordance with Section 36 of the State Service Act 2000, the Financial Management Act 2016, and the Audit Act 2008, we maintained robust internal control, integrity, and workforce governance frameworks, meeting all statutory obligations, Treasurer's Instructions, and binding Employment Directions during the 2025-26 reporting period.



08

Dashboard

Obligation	Governing framework	2025-26 status	Chapter
Audit mandate	<i>Audit Act 2008</i> (including Section 44 operational reviews)	Compliant (All statutory audits delivered)	2
Financial management	<i>Financial Management Act 2016</i> and Treasurer's Instructions	Compliant (0 breaches)	7
Asset management	Strategic Asset Management Framework and Treasurer's Instructions	Compliant	7
Risk management	Treasurer's Instructions	Compliant	8
Right to Information	<i>Right to Information Act 2009</i>	100% within statutory deadlines	8
Public Interest Disclosures	<i>Public Interest Disclosures Act 2002</i>	0 disclosures received	8
Privacy and personal information	<i>Personal Information Protection Act 2004</i>	0 privacy breaches or complaints	8
Work Health, Safety and Wellbeing	<i>Work Health and Safety Act 2012</i>	0 notifiable incidents	3, 8
Conduct and ethics	Employment Directions	1 formal investigation initiated	3, 8
Diversity and inclusion	State Service Diversity and Inclusion Policy	Policy endorsed and framework fully supported	3, 8
Gifts, benefits and hospitality	Whole-of-Government Gifts, Benefits and Hospitality Policy	Register maintained and published quarterly	8
Child and Youth Safe Organisation	<i>Child and Youth Safe Organisations Act 2023</i>	0 child safety concerns raised	8
Anti-Discrimination	<i>Anti-Discrimination Act 1998</i> (Equal Opportunity Tasmania)	0 complaints lodged	3, 8
Information Security and Cyber Governance	Tasmanian Government Cyber Security Policy	Compliant (Essential 8 aligned)	8
Continuity	<i>Emergency Management Act 2006</i>	Triennial testing and review of plans completed	8
Superannuation	<i>Superannuation Guarantee Act 1992</i>	100% statutory contributions met	8

Financial management

Chapter 7 contains details of our financial position at 30 June 2026.

Government procurement

We ensure procurement is undertaken in accordance with the mandatory requirements of Treasurer's Instructions relating to procurement. This includes Tasmanian businesses being given every opportunity to compete for our business.

The following table summarises the level of participation by Tasmanian businesses for contracts and procurement processes valued at \$50,000 or more (excluding GST).

Procurements over \$50,000 (ex. GST) (excluding consultancy contracts)

The following table gives detailed information on contracts valued at \$50,000 (excluding GST) or more.

Name of contractor	Location	Description of contract	Period of contract	Value of contract (initial period)	Value of option to extend
Resonance Consulting Pty Ltd	Hobart, Tasmania	Review of Audit Tasmania Policy and Procedure Framework	4 months	\$84,690	N/A
GHD Advisory	Melbourne, Victoria	Provision of expert advice to support a performance audit on port infrastructure management	9 months	\$64,060	N/A
RSM Australia Pty Ltd	Melbourne, Victoria	University of Tasmania and associated entities	3 years	\$1,028,770	\$811,490
RSM Australia Pty Ltd	Melbourne, Victoria	Valuation of derivatives and hedging instruments of the Hydro Electric Corporation	3 years	\$195,000	N/A
RSM Australia Pty Ltd	Melbourne, Victoria	Provision of audit services for the review of key valuation models used by Hydro-Electric Corporation)	10 months	\$96,450	\$76,100
Bentleys	Hobart, Tasmania	Financial attest audit of The Theatre Royal Management Trust, The Board of Architects and The Solicitors Trust	2 years 8 months	\$82,500	N/A

Consultancies over \$50,000 (excluding GST)

There were no consultancies over \$50,000 (excluding GST) during 2025-26.

Additional procurement disclosures

Confidentiality provisions

No additional procurement disclosures were required for 2025-26.

Limited tender procurement

There were no limited tenders in 2025-26.

Contract extensions

We did not exercise any contract extension options during the reporting period. While some contracts included extension provisions, none were activated during 2025-26.

Summary of participation by Tasmanian businesses (for contracts and procurement processes valued at \$50,000 or more)¹

Total number of contracts awarded	6
Total number of contracts awarded to Tasmanian businesses ²	2
Value of contracts awarded	\$1,551,470
Value of contracts awarded to Tasmanian businesses	\$181,140
Total number of procurement processes run	6
Total number of submissions (bids) received	15
Total number of submissions (bids) received from Tasmanian businesses	8

¹ The values in this table do not include the value of options to extend or GST.

² A Tasmanian business is a business operating in Tasmania that has a permanent office or presence in Tasmania, and which employs Tasmanian workers.

Pricing policies

Fees for financial audits are determined by the Auditor-General pursuant to section 27 of the *Audit Act 2008*.

The basis for setting fees is to be described in a report to Parliament dealing with the results of financial audit of State entities. The latest basis was detailed in the Report of the Auditor-General No.2 2025-26: Auditor-General's Report on the Financial Statements of State Entities, Volume 1, Audit of State entities and audited subsidiaries of State entities 30 June 2025, available from Audit Tasmania's [website](#).

Procurement complaints

We received no complaints regarding our procurement practices or procedures during 2025-26

	2023-24	2024-25	2025-26
Procurement complaints received	0	0	0

Procurement Complaints Officer

Jonathan Wassell
admin@audit.tas.gov.au

Asset management

Chapter 7 contains details of our assets and financial position at 30 June 2026.

Risk management

We maintain an enterprise risk management framework aligned with AS/NZS ISO 31000:2018. The framework supports the identification, assessment, treatment and monitoring of strategic and operational risks and is integrated into planning, decision-making and governance processes. Executive Committee and the Risk and Audit Committee oversee the framework and Audit Tasmania's risk profile.

During 2025-26, we updated our enterprise risk register to align with our 2025-2028 Strategic Plan, completed internal audits of people management, information and records management and strengthened risk ownership and accountability through changes to our operating model and leadership structure. We also continued active oversight of key risks relating to information security, workforce capability, independence, audit quality, compliance and fraud and corruption control.

Right to information

We supported transparent access to our administrative information in accordance with the *Right to Information Act 2009*. While the Auditor-General is exempt from providing information relating to audit functions and internal working information, administrative information remains accessible unless subject to a statutory exemption. We received no Right to Information requests during 2025-26.

Decision outcome	2023-24	2024-25	2025-26
Provide in full	0	0	0
Provided with exemptions/redactions	0	1	0
Refused (statutory exemptions)	0	0	0
Withdrawn by applicant	0	0	0
Total	0	1	0

Right to Information Officer

Janelle Tamlyn
admin@audit.tas.gov.au

Public interest disclosures

We promoted transparency, accountability and ethical conduct across our operations and supported the objectives of the *Public Interest Disclosures Act 2002* (PID Act). We encourage the reporting of improper conduct and protect individuals who wish to make disclosures from reprisal.

We received no public interest disclosures during 2025-26, and no matters were referred to or from the Tasmanian Ombudsman. We did not undertake any investigations under the PID Act during the reporting period

	2023-24	2024-25	2025-26
Disclosures received directly	0	0	0
Disclosures referred by the Ombudsman or Integrity Commission:	0	0	0
Investigations initiated or completed	0	0	0
Total	0	0	0

Our procedures are accessible on our website, www.audit.tas.gov.au, or available upon request by email to PID@audit.tas.gov.au.

In accordance with the requirements of section 86 of the PID Act, we advise that in the 2025-26 financial year:

- No disclosures of public interest were made to us.
- No public interest disclosures were investigated by us.
- No disclosed matters were referred to us by the Tasmanian Ombudsman.
- No disclosed matters were referred by us to the Tasmanian Ombudsman to investigate.
- No investigations of disclosed matters were taken over by the Tasmanian Ombudsman from us.
- There were no disclosed matters that we decided not to investigate.
- There were no disclosed matters substantiated on investigation as there were no disclosed matters.
- The Tasmanian Ombudsman made no recommendations under the PID Act that relate to us.

Public Interest Disclosure Officer

Janelle Tamlyn
admin@audit.tas.gov.au

Privacy and personal information

We protected personal information in accordance with the *Personal Information Protection Act 2004* (PIP Act) and managed personal information responsibly when collecting, using and disclosing it. We received no requests under the PIP Act during 2025-26.

	2023-24	2024-25	2025-26
Requests	0	0	0

Personal Information Contact Officer

admin@audit.tas.gov.au

Work Health, Safety and Wellbeing

We maintained a safe, healthy and supportive workplace and met our obligations under the *Work Health and Safety Act 2012 (Tas)*. We identified and managed physical and psychosocial risks and promoted staff wellbeing through ergonomic assessments, annual influenza vaccinations, wellbeing education initiatives, discounted health insurance and confidential Employee Assistance Program services.

During 2025-26, our wellbeing program focused on promoting healthy workplaces, early intervention and staff awareness. We maintained an annual wellbeing events calendar and participated in a broader Tasmanian State Service Wellbeing Network, providing staff with access to whole-of-government wellbeing initiatives, training, events and support services. These activities contributed to a continued focus on prevention, health and wellbeing across Audit Tasmania.

The table below summarises our workplace health and safety outcomes for 2025-26.

	2023-24	2024-25	2025-26
Notifiable Incidents	0	0	0
Lost Time Injuries	0	0	0
Workers' Compensation Claims	0	0	0

Leave management

We monitor leave patterns to support employee wellbeing, workforce sustainability and operational effectiveness. Regular oversight of leave balances helps us encourage appropriate leave utilisation and manage potential wellbeing and fatigue risks.

	2023-24	2024-25	2025-26
Average sick leave days taken during the year per staff member	7.8	7.1	4.67
Staff with more than 40 days accrued recreation leave at 30 June	0	0	1
Staff with more than 100 days accrued long service leave at 30 June	0	0	0

Conduct and ethics

Employment Directions

We maintained a professional, respectful and accountable workplace by complying with the *State Service Act 2000*, the State Service Code of Conduct and relevant Employment Directions. During 2025-26, we managed workplace matters through established investigation, grievance and performance management processes while promoting appropriate workplace behaviour and accountability.

	2023-24	2024-25	2025-26
Employment Direction 5	0	0	1 (Open)
Employment Direction 6	0	1 (Closed)	0
Grievances	0	0	0

Performance management

We supported a culture of high performance, accountability and continuous improvement through our performance management framework. We aligned individual goals with organisational objectives and completed performance planning and review activities in accordance with Employment Direction No. 26.

These activities supported employee development, capability building and organisational performance.

	2023-24	2024-25	2025-26
Number of employees that participated in performance discussions or had performance plan in place	70	69	68

Our 2026 engagement pulse survey of all staff indicated that 82% of staff reported having regular conversations with their manager that helped improve their performance, and 73% of staff were supported to improve their skills and capabilities.

Artificial intelligence

We use artificial intelligence (AI) carefully and purposefully to improve internal efficiency. AI supports our work but does not replace human judgement. We are committed to the safe, transparent, and accountable use of AI, ensuring professional judgement, accountability and public trust are maintained. Our approach aligns with Australian and Tasmanian Government policy and guidance and takes a low risk approach to managing sensitive and confidential information. Further information is available in our AI Transparency and Strategic Position Statements.

Diversity and inclusion

Further information about diversity and inclusion initiatives are provided in Chapter 3.

Staff profile

	2023-24	2024-25	2025-26
Size of the workforce at 30 June (full-time equivalent)	56.1	51.8	64.6
Size of the workforce at 1 July (head count)	60	59	56
Staff on secondment or leave without pay at 1 July	1	1	2
Staff commencing during the year	11	16	23
Staff who left during the year	(11)	(20)	(10)
Staff on secondment or leave without pay at 30 June	(2)	(2)	(3)
Size of the workforce at 30 June (head count)	59	56	68
Permanent part-time staff at 30 June	2	10	8
Fixed-term part-time staff at 30 June	0	3	1
Fixed-term staff at 30 June	3	4	4
Average age of workforce at 30 June	40	36.5	38.6
Women (% of total workforce)	40.7%	41.1%	42.6%

Employment flexibility

	2023-24	2024-25	2025-26
Full-time staff working reduced hours	8	4	8
Approved remote work arrangements in place at 30 June	57	46	49

Gifts, Benefits and Hospitality

We maintained transparent processes for managing gifts, benefits and hospitality and required staff to declare relevant interests in accordance with our policy and State Service requirements. As an independent integrity body, we applied a low declaration threshold to support transparency and protect public confidence in our independence.

We recorded all declared gifts, benefits and hospitality in our public register and published the register on our website.

	2023-24	2024-25	2025-26
Gifts, benefits or hospitality accepted	6	5	2
Gifts, benefits or hospitality provided	0	0	0

Managing Conflicts of Interest

We actively identified, managed and monitored actual, potential and perceived conflicts of interest across the organisation. We required all staff to complete an annual declaration of interests and confirm compliance with Audit Tasmania policies, values and the State Service Code of Conduct.

We also required recruitment panel members and other participants in recruitment processes to declare conflicts before undertaking recruitment activities. Where conflicts arose, we implemented appropriate management strategies to ensure decisions were made fairly, transparently and on merit.

Child and Youth Safe Organisation

We continued to strengthen our approach to child and youth safety during 2025-26. We drafted a Child and Youth Safe Organisations Policy, introduced a register to monitor Working with Vulnerable People registrations and maintained pre-employment conviction checking for all positions.

These measures strengthened organisational awareness, supported compliance with legislative requirements and reinforced our commitment to safeguarding children and young people.

Anti-Discrimination

We maintained a safe, inclusive and respectful workplace and met our obligations under anti-discrimination, workplace and equal opportunity legislation. We promoted respectful workplace behaviours and supported a workplace free from discrimination, harassment, victimisation and offensive conduct.

We received no internally or externally initiated complaints alleging discrimination, harassment or victimisation during 2025-26.

	2023-24	2024-25	2025-26
Matters referred to Equal Opportunity Tasmania	0	0	0
Externally instigated complaints	0	0	0

Information Security and Cyber Governance

We strengthened our cyber security maturity throughout 2025-26 by maintaining preventative and detective controls, supporting staff awareness and progressing implementation of the Tasmanian Protective Security Policy Framework.

We continued to apply multi-factor authentication, reviewed privileged access arrangements, monitored security incidents and continued to assess information assets and cyber security risks. We also reinforced staff responsibilities through annual declarations and mandatory cyber security awareness training.

Executive Committee and the Risk and Audit Committee oversaw cyber security risks as part of our broader risk management framework. Together, these measures protected information entrusted to Audit Tasmania and supported confidence in our systems and services.

Continuity

We maintained and reviewed our Business Continuity and Critical Incident Plan during 2025-26 to support the continued delivery of statutory audit services during disruptive events and emergencies. We monitored business continuity arrangements through existing governance processes and continued planning for the next formal testing and review cycle scheduled for 2027.

These activities support organisational resilience, protect critical records and help safeguard the wellbeing of our people during disruptions.

Superannuation declaration

I, Martin Thompson, hereby certify that the Tasmanian Audit Office has met its obligations under the *Commonwealth Superannuation Guarantee (Administration) Act 1992* for those staff of the Office who are members of complying superannuation schemes to which the Office contributes.



Martin Thompson
Auditor-General

14 August 2026



Audit
Tasmania