

Vote Audit

APPROPRIATION MINISTER(S): Speaker of the House of Representatives (M78)

DEPARTMENT ADMINISTERING THE VOTE: Controller and Auditor-General (A1)

RESPONSIBLE MINISTER FOR CONTROLLER AND AUDITOR-GENERAL: Speaker of the House of Representatives

Overview of the Vote

The Speaker of the House of Representatives is responsible for appropriations in the Vote for 2025/26 covering the following:

- a total of just over \$143 million for providing audit services to public entities, and other audit-related assurance services. This includes \$150,000 funded by revenue from the Crown for audits of smaller entities such as cemetery trusts and reserve boards
- a total of just over \$23 million for the Controller and Auditor-General supporting Parliament in ensuring accountability for the use of public resources. This includes providing advice to select committees and other stakeholders, carrying out the Controller function, and carrying out and reporting on performance audits and inquiries relating to public entities
- a total of just over \$4 million for the purchase or development of assets for the use by the Office of the Controller and Auditor-General, and
- a total of just over \$1 million for remuneration expenses for both the Auditor-General and the Deputy Auditor-General.

Details of these appropriations are set out in Parts 2-4.

Details of Appropriations and Capital Injections

Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2024/25		2025/26
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Audit and Assurance Services RDA (M78) (A1) This appropriation is limited to audit and related assurance services as required or authorised by statute.	138,058	138,058	135,502
Audit and Assurance Services (M78) (A1) This appropriation is limited to audit and related assurance services as required or authorised by statute.	11,960	11,960	7,940
Total Departmental Output Expenses	150,018	150,018	143,442
Departmental Other Expenses			
Remuneration of Auditor-General and Deputy Auditor-General PLA (M78) (A1) This appropriation is limited to remuneration expenses for both the Auditor-General and the Deputy Auditor-General as authorised by clause 5 of the Third Schedule of the Public Audit Act 2001.	1,246	1,246	1,246
Total Departmental Other Expenses	1,246	1,246	1,246
Departmental Capital Expenditure			
Controller and Auditor-General - Capital Expenditure PLA (M78) (A1) This appropriation is limited to the purchase or development of assets by and for the use of the Controller and Auditor-General, as authorised by section 24(1) of the Public Finance Act 1989.	4,362	4,362	4,525
Total Departmental Capital Expenditure	4,362	4,362	4,525
Multi-Category Expenses and Capital Expenditure			
Statutory Auditor Function MCA (M78) (A1) The single overarching purpose of this appropriation is to support Parliament in ensuring accountability for the use of public resources.	21,300	21,300	23,598
Departmental Output Expenses			
<i>Performance Audits, Inquiries, and other studies</i> This category is limited to undertaking and reporting on performance audits, inquiries, and other studies relating to public entities under the Public Audit Act 2001 and responding to requests for approvals in relation to pecuniary interest questions regulated by the Local Authorities (Members' Interests) Act 1968.	13,966	13,966	16,087
<i>Supporting Accountability to Parliament</i> This category is limited to reporting to Parliament and others as appropriate on matters arising from audits, inquiries, and other studies, reporting to and advising select committees, and advising other agencies in New Zealand and internationally to support Parliament and governing bodies in holding their executives to account for the use of public resources.	7,334	7,334	7,511
Total Multi-Category Expenses and Capital Expenditure	21,300	21,300	23,598
Total Annual Appropriations and Forecast Permanent Appropriations	176,926	176,926	172,811

Capital Injection Authorisations

	2024/25		2025/26
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Controller and Auditor-General - Capital Injection (M78) (A1)	7,355	7,355	-

Supporting Information

Part 1 - Vote as a Whole

This part provides trend information for the vote.

1.2 - Trends in the Vote

Summary of Financial Activity

	2020/21	2021/22	2022/23	2023/24	2024/25		2025/26			2026/27	2027/28	2028/29
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Final Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	95,161	98,546	116,350	130,066	150,018	150,018	143,442	-	143,442	144,504	150,675	151,920
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,011	1,099	1,099	1,166	1,246	1,246	1,246	-	1,246	1,246	1,246	1,246
Capital Expenditure	1,389	2,283	2,818	2,559	4,362	4,362	4,525	-	4,525	3,304	2,194	820
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	16,253	16,073	18,608	19,158	21,300	21,300	23,598	-	23,598	21,153	21,178	21,178
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	113,814	118,001	138,875	152,949	176,926	176,926	172,811	-	172,811	170,207	175,293	175,164
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-

Note - where restructuring of the vote has occurred then, to the extent practicable, prior years information has been restated as if the restructuring had occurred before the beginning of the period covered. In this instance Total Appropriations for the Budgeted and Estimated Actual year may not equal Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations in the Details of Appropriations and Capital Injections.

Adjustments to the Summary of Financial Activity Table Due to Vote Restructuring

There have been no restructuring adjustments to prior year information in the Summary of Financial Activity table.

1.3 - Analysis of Significant Trends

Forecast increases in capital expenditure and operating expenses reflect future investment in technology to support the Office's work. Costs also vary with fluctuations in the amount of audit work completed each year. The increase in total appropriations between 2022/23 and 2024/25 reflected increased audit delivery, which was mostly cost recovered. The financial years ended June 2021, June 2024, and June 2027 include the triennial audits of Local Authorities' long-term plans, which drive higher costs and revenue. Some deferred LTP audits have also been recognised in 2024/25.

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Audit and Assurance Services RDA (M78) (A1)

Scope of Appropriation

This appropriation is limited to audit and related assurance services as required or authorised by statute.

Expenses and Revenue

	2024/25		2025/26
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	138,058	138,058	135,502
Revenue from the Crown	-	-	-
Revenue from Others	138,058	138,058	135,502

What is Intended to be Achieved with this Appropriation

This appropriation is intended to deliver audit services and other audit-related services to all public entities to provide Parliament and the public with independent assurance that public entities are accounting for their performance, in keeping with Parliament's intentions.

How Performance will be Assessed and End of Year Reporting Requirements

	2024/25		2025/26
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of audit files subject to quality assurance review during the year that achieve a rating of at least 'satisfactory' (see Note 1)	100%	80%	95%
Percentage and number of appointed auditors with a quality assurance grade of at least 'satisfactory', based on the most recent quality assurance review (see Note 2)	100%	85%	95%
Number of audit reports withdrawn	No audit reports withdrawn	No audit reports withdrawn	No audit reports withdrawn
Percentage of public entities that are 'satisfied' with the overall quality of their audit service (as determined by responses to our satisfaction survey) (see Note 3)	At least 85%	Not estimated	At least 85%
Percentage of audit reports that are signed by the applicable statutory deadline	At least 80%	70%	At least 80%
Number of entities with audit reports in arrears as at 30 June (see Note 4)	Below 495	850	Below 495
Percentage of finalised reports to governors about the audit (which incorporate responses from management) that are provided within 6 weeks of signing the audit report	100%	90%	95%

	2024/25		2025/26
Assessment of Performance	Final Budgeted Standard	Estimated Actual	Budget Standard
Percentage of Ministerial letters on annual audits that are issued to Ministers and Parliamentary select committees within the expected time period:- where the audit report statutory deadline is 31 October, within 15 weeks of signing the audit report- for all other audits, within 10 weeks of the signing of the audit report (see Note 5)	100%	95%	98%
Annual independent review confirms the probity and objectivity of the methods and processes we use to allocate and tender audits and to monitor the reasonableness of audit fees	Confirmed	Confirmed	Confirmed

Note 1 - It is the Office's expectation that all audit files should at least meet the 'satisfactory' standard. However, each year the Office does identify audit files which do not meet this expectation. The target has been revised to 95% to reflect this.

Note 2 - It is the Office's expectation that all appointed auditors should at least meet the 'satisfactory' standard. However, each year the Office does identify appointed auditors who do not meet this expectation. The target has been revised to 95% to reflect this.

Note 3 - This survey will be finalised in July to generate the results for end of year reporting.

Note 4 - In setting a target of below 495, the Office acknowledges the challenges small organisations face compiling financial statements on time and the consequential challenges for appointed auditors. It also notes the large number of school audits that need to be completed in a tight timeframe with statutory deadlines close to our financial year end of 30 June.

Note 5 - The 15-week timeline for audits with a 31 October deadline reflects the delays associated with the holiday period which makes it more difficult to get feedback on letters from agencies and these issued to Ministers within the expected 10-week timeline.

Performance for this appropriation will be assessed by the performance measures listed above. The measures need to be considered in the context of the high-level outcomes outlined in The Auditor-General's Strategic Intentions to 2028, and in the context of the Auditor-General's Annual Plan 2025/26.

End of Year Performance Reporting

Performance information for this appropriation will be reported in the Auditor-General's Annual Report 2025/26.

Reasons for Change in Appropriation

The decrease in this appropriation for 2025/26 is mainly due to non-Local Authorities' long-term plans audit year.

Audit and Assurance Services (M78) (A1)

Scope of Appropriation

This appropriation is limited to audit and related assurance services as required or authorised by statute.

Expenses and Revenue

	2024/25		2025/26
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	11,960	11,960	7,940
Revenue from the Crown	150	150	150
Revenue from Others	-	-	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide for audit and related assurance services. Audits of smaller entities such as cemetery trusts and reserve boards are funded by the Crown.

How Performance will be Assessed and End of Year Reporting Requirements

Performance for this appropriation will be assessed through the performance measures listed under the Audit and Assurance Services RDA.

End of Year Performance Reporting

Performance information for this appropriation will be reported in the Auditor-General's Annual Report 2025/26.

Reasons for Change in Appropriation

The decrease in this appropriation for 2025/26 is mainly due to the improved forecasted Audit and Assurance Services operating deficit in 2025/26 and the associated buffer to mitigate uncertainty in the timing of audit revenue and costs.

Memorandum Account

The improved forecast of the Audit and Assurance Services memorandum account enables us to forecast a repayment of \$7 million of the capital injections received to address the business disruption caused by COVID-19. Repayment is subject to economic conditions in 2025/26.

	2024/25		2025/26
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Audit and Assurance Services			
Opening Balance at 1 July	11,329	11,329	15,764
Revenue	138,207	138,207	135,652
Expenses	140,772	140,772	139,592
Transfers and Adjustments	7,000	7,000	(7,000)
Closing Balance at 30 June	15,764	15,764	4,824

2.2 - Departmental Other Expenses

Remuneration of Auditor-General and Deputy Auditor-General PLA (M78) (A1)

Scope of Appropriation

This appropriation is limited to remuneration expenses for both the Auditor-General and the Deputy Auditor-General as authorised by clause 5 of the Third Schedule of the Public Audit Act 2001.

Expenses

	2024/25		2025/26
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,246	1,246	1,246

What is Intended to be Achieved with this Appropriation

This permanent appropriation provides remuneration payments to the Auditor-General and Deputy Auditor-General as determined by the Remuneration Authority.

How Performance will be Assessed and End of Year Reporting Requirements

The Auditor-General and Deputy Auditor-General lead the performance of the Office. The performance of the Office's activities, including the above payment, is reflected in the information for departmental output and multi-category appropriations.

End of Year Performance Reporting

Performance information for this appropriation will be reported in the Auditor-General's Annual Report 2025/26.

2.3 - Departmental Capital Expenditure and Capital Injections

Controller and Auditor-General - Capital Expenditure PLA (M78) (A1)

Scope of Appropriation

This appropriation is limited to the purchase or development of assets by and for the use of the Controller and Auditor-General, as authorised by section 24(1) of the Public Finance Act 1989.

Capital Expenditure

	2024/25		2025/26
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	2,442	2,442	2,184
Intangibles	1,920	1,920	2,341
Other	-	-	-
Total Appropriation	4,362	4,362	4,525

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the replacement and creation of assets that support the delivery of the Controller and Auditor-General's operations.

How Performance will be Assessed and End of Year Reporting Requirements

Expenditure is in accordance with the Controller and Auditor-General's capital asset management plan.

End of Year Performance Reporting

Performance information for this appropriation will be reported in the Auditor-General's Annual Report 2025/26.

Capital Injections and Movements in Departmental Net Assets

Controller and Auditor-General

	2024/25 Estimated Actual \$000	2025/26 Projected \$000	
Details of Net Asset Schedule			Explanation of Projected Movements in 2025/26
Opening Balance	22,192	26,982	
Capital Injections	7,355	-	
Capital Withdrawals	-	(7,000)	The improved forecast enables a repayment of \$7 million of the capital injections received during COVID-19 to address business disruption. Repayment is subject to economic conditions in 2025/26.
Surplus to be Retained (Deficit Incurred)	(2,565)	(3,940)	The deficit in 2025/26 reflects the updated forecast for Audit and Assurance Services Memorandum Account.
Other Movements	-	-	
Closing Balance	26,982	16,042	

Part 4 - Details of Multi-Category Expenses and Capital Expenditure

4 - Multi-Category Expenses and Capital Expenditure

Statutory Auditor Function (M78) (A1)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to support Parliament in ensuring accountability for the use of public resources.

Scope of Appropriation

Departmental Output Expenses

Performance Audits, Inquiries, and other studies

This category is limited to undertaking and reporting on performance audits, inquiries, and other studies relating to public entities under the Public Audit Act 2001 and responding to requests for approvals in relation to pecuniary interest questions regulated by the Local Authorities (Members' Interests) Act 1968.

Supporting Accountability to Parliament

This category is limited to reporting to Parliament and others as appropriate on matters arising from audits, inquiries, and other studies, reporting to and advising select committees, and advising other agencies in New Zealand and internationally to support Parliament and governing bodies in holding their executives to account for the use of public resources.

Expenses, Revenue and Capital Expenditure

	2024/25		2025/26
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	21,300	21,300	23,598
Departmental Output Expenses			
Performance Audits, Inquiries, and other studies	13,966	13,966	16,087
Supporting Accountability to Parliament	7,334	7,334	7,511
Funding for Departmental Output Expenses			
Revenue from the Crown	19,982	19,982	22,818
Performance Audits, Inquiries, and other studies	13,451	13,451	16,087
Supporting Accountability to Parliament	6,531	6,531	6,731
Revenue from Others	1,318	1,318	780
Performance Audits, Inquiries, and other studies	515	515	-
Supporting Accountability to Parliament	803	803	780

What is Intended to be Achieved with this Appropriation

This appropriation is intended to support Parliament in ensuring accountability for the use of public resources through:

- Services to Parliament - assistance and assurance to select committees and other stakeholders.
- Controller function - assurance to Parliament that government spending has been properly authorised by Parliament.
- Reports, Studies and Inquiries - reporting on the results of annual audits, performance audits and other studies and inquiring into a public entity's use of resources.

How Performance will be Assessed for this Appropriation

Performance for this appropriation will be assessed through the performance measures listed below. The measures need to be considered in the context of The Auditor-General's Strategic Intentions to 2028, and the Auditor-General's Annual Plan 2025/26.

What is Intended to be Achieved with each Category and How Performance will be Assessed

Assessment of Performance	2024/25		2025/26
	Final Budgeted Standard	Estimated Actual	Budget Standard
Departmental Output Expenses			
Performance Audits, Inquiries, and other studies			
This category is intended to provide Parliament with assurance about how well public entities use resources and manage a range of matters and programmes, making recommendations where we consider improvements can be made.			
Percentage of Parliamentary select committees that rate our reports on inquiries, performance audits, and other studies as at least 'satisfactory' (see Note 1)	100%	Not assessed	100%
Percentage of performance audits that substantially meet the Auditor-General's process and reporting quality criteria (as determined by quality assurance review) (see Note 2)	100%	100%	100%
Percentage of audited entities that rate our performance audits as at least 'satisfactory'	At least 85%	100%	At least 90%
Percentage of performance audit work that was concluded and had findings reported within six months	At least 10%	56%	At least 20%
Percentage of performance audit work that was concluded and had findings reported within ten months	At least 70%	81%	At least 70%
Percentage of performance audit work that was concluded and had findings reported within twelve months (see Note 3)	100%	88%	100%
Percentage of other publications concluded and their findings reported within the expected time period (see Note 4)	At least 75%	47%	Discontinued measure
Percentage of inquiries that meet the Auditor-General's process and reporting quality criteria (as determined by quality assurance review) (see Note 5)	100%	100%	Not assessed
Percentage of requests for inquiries or self-initiated issues which are considered and a view is reached within 4 weeks (see Note 4)	At least 90%	90%	Discontinued measure

	2024/25		2025/26
Assessment of Performance	Final Budgeted Standard	Estimated Actual	Budget Standard
Percentage of pieces of inquiry work (except major inquiries) that are concluded within 6 months	At least 90%	85%	At least 90%
Percentage of major inquiries that are concluded and their findings reported within the expected time period	At least 75%	100%	At least 75%
Percentage of requests under the Local Authorities (Members' Interests) Act 1968 for approval of contracts that are responded to within the expected time period (see Note 4)	At least 90%	95%	Discontinued measure
Supporting Accountability to Parliament			
This category is intended to provide advice and assistance to Parliament and our other stakeholders to assist them in their work to improve the performance and accountability of public entities. Our Controller function provides independent assurance to Parliament that public money has been spent within authority and lawfully.			
Percentage of Parliamentary select committees that rate our advice (committee briefings and scrutiny assistance) as at least "satisfactory" (see Note 6)	100%	Not assessed	100%
Percentage of briefing papers that are submitted to select committees by the agreed deadline	100%	98%	100%
The monthly Controller reports (for the months of September to May) are provided to the Treasury within 5 working days of receiving the Treasury's monthly reports and statements	All 9 reports	All 9 reports	All 9 reports
We issue a report to Parliament on the Auditor-General's exercise of the Controller function for each financial year	At least annually	Achieved	Discontinued measure
We issue reports to the public on the Auditor-General's exercise of the Controller function	Two per year	Two	Discontinued measure
We issue reports to Parliament and the public on the Auditor-General's exercise of the Controller function (see Note 7)	New measure	New measure	Achieved

Note 1 - This survey is carried out every two years. The most recent Stakeholder survey was carried out in 2023/24 and will next be assessed in 2025/26.

Note 2 - To ensure the continuing quality of performance audit work, this review is either carried out externally by the Australian National Audit Office (the last external review was in 2024/25 with the next planned for 2026/27) or internally by a separate function within the Office (the last internal review was 2023/24, and the next is planned for 2025/26).

Note 3 - It is estimated that for 2024/25, two audits will take longer than 12 months to publish. All other work is expected to be completed within 12 months.

Note 4 - This measure has been discontinued as it relates to internal processes which are not meaningful to users of external reporting. Results will continue to be monitored as part of internal management reporting.

Note 5 - A quality assurance review will not be assessed in 2025/26.

Note 6 - To clarify the intended work covered by the measure, the wording has been amended to include '(committee briefings and scrutiny assistance)'.

Note 7 - This new measure combines the two discontinued measures in the table above.

End of Year Performance Reporting

Performance information for this appropriation will be reported in the Auditor-General's 2025/26 Annual Report.

Reasons for Change in Appropriation

The increase in this appropriation is mainly due to an expense transfer from 2024/25 to 2025/26 to reflect the profile and timing of operating expenditure related to the Controller and Auditor-General's Information Systems Strategic Plan.