

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 2026/27 covering the following:

- a total of just over \$160 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 nearly \$25 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 \$7 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	2025/26		2026/27
	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.	148,350	148,350	152,927
Audit and Assurance Services (M78) (A1) This appropriation is limited to audit and related assurance services as required or authorised by statute.	7,940	7,940	7,123
Total Departmental Output Expenses	156,290	156,290	160,050
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.	1,252	1,252	1,252
Total Departmental Other Expenses	1,252	1,252	1,252
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.	3,295	3,295	7,159
Total Departmental Capital Expenditure	3,295	3,295	7,159
Multi-Category Expenses and Capital Expenditure			
Statutory Auditor Function MCA (M78) (A1) The single overarching purpose of this appropriation is to support Parliament and local government in ensuring accountability for the use of public resources.	23,726	23,726	24,919
Departmental Output Expenses			
Performance Audits, Inquiries, and other work on Public Sector Performance and Accountability This category is limited to undertaking performance audits, inquiries, and related work on performance and accountability of public entities (as defined in the Public Audit Act 2001), providing related reports, resources, and guidance, and making decisions under the Local Authorities (Members' Interests) Act 1968 about members' financial conflicts of interest.	15,442	15,442	15,578
Supporting Accountability to Parliament This category is limited to advising and assisting Parliament and others as appropriate on matters arising from audit and related assurance services, monitoring and advising on expenditure appropriated to the Crown, and assisting international agencies to strengthen public sector accountability and audit capability with a focus in the Pacific region.	8,284	8,284	9,341
Total Multi-Category Expenses and Capital Expenditure	23,726	23,726	24,919
Total Annual Appropriations and Forecast Permanent Appropriations	184,563	184,563	193,380

Capital Injection Authorisations

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Controller and Auditor-General - Capital Injection (M78) (A1)	-	-	-

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Alignment of remuneration benchmarks for the Office of the Auditor-General	Statutory Auditor Function MCA (M78) Departmental Output Expense	-	2,083	2,083	2,083	2,083
Total Initiatives		-	2,083	2,083	2,083	2,083

1.2 - Trends in the Vote

Summary of Financial Activity

	2021/22	2022/23	2023/24	2024/25	2025/26		2026/27			2027/28	2028/29	2029/30
	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	98,546	116,350	130,066	134,054	156,290	156,290	160,050	-	160,050	162,537	162,705	168,559
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,099	1,099	1,166	1,246	1,252	1,252	1,252	-	1,252	1,252	1,252	1,252
Capital Expenditure	2,283	2,818	2,559	3,860	3,295	3,295	7,159	-	7,159	8,828	1,227	700
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	16,073	18,608	19,158	19,331	23,726	23,726	24,919	-	24,919	24,944	23,944	23,944
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	118,001	138,875	152,949	158,491	184,563	184,563	193,380	-	193,380	197,561	189,128	194,455
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

The increase in total appropriations between 2024/25 and 2025/26 mainly reflects increased audit delivery costs, which were mostly cost recovered, as well as a buffer of just over \$7 million in 2025/26 to address potential deficits in the Audit and Assurance Service Revenue Dependant Appropriation.

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 financial years ended June 2024, June 2027, and June 2030 include the triennial audits of Local Authorities' long-term plans, which drive higher audit delivery costs and revenue.

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

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	148,350	148,350	152,927
Revenue from the Crown	-	-	-
Revenue from Others	148,350	148,350	152,927

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

	2025/26		2026/27
	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)	95%	90%	Discontinued from 2026/27
Percentage of auditors subject to quality assurance review during the year that achieve a rating of at least satisfactory	95%	90%	95%
Number of audit reports withdrawn (see Note 2)	No audit reports withdrawn	No audit reports withdrawn	Discontinued from 2026/27
Percentage of public entities that are satisfied with the overall quality of their audit service	At least 85%	77%	At least 85%
Percentage of audit reports due that are issued within statutory deadlines	At least 80%	68%	At least 80%
Number of entities with audit reports in arrears as at 30 June	495	750	Less than 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 (see Note 3)	95%	90%	Discontinued from 2026/27

	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of Ministerial letters on annual audits that are issued to Ministers and Parliamentary select committees within the expected time period: <ul style="list-style-type: none"> 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 2) 	100%	99%	Discontinued from 2026/27
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 (see Note 4)	Confirmed	Confirmed	Discontinued from 2026/27
The difference between actual and expected hours to complete an audit reduces over time (see Note 5)	New for 2026/27	New for 2026/27	Decreasing trend
Percentage increase in hourly audit rates does not exceed the percentage increase in a relevant external cost index (see Note 5)	New for 2026/27	New for 2026/27	Decreasing trend

Note 1 - This measure will be discontinued from 2026/27. The measure which immediately follows is preferred, as auditor performance is a key driver of audit file quality.

Note 2 - This measure will be discontinued from 2026/27. This information will be included in the Auditor-General's 2026/27 Annual Report as part of "Our year in numbers" reporting or similar.

Note 3 - This measure will be discontinued from 2026/27. It will continue to be monitored internally.

Note 4 - This measure is discontinued from 2026/27. It is expected to be replaced by a more detailed independent report on the Office's stewardship of the public audit system, which will be reported in the Auditor-General's 2026/27 Annual Report.

Note 5 - This is a new measure from 2026/27, intended to indicate improvements in cost-effectiveness of annual audits.

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 2031, and in the context of the Auditor-General's Annual Plan 2026/27.

End of Year Performance Reporting

Performance information for this appropriation will be reported in the Auditor-General's Annual Report 2026/27.

Reasons for Change in Appropriation

The increase in this appropriation for 2026/27 is mainly due to the audits of Local Authorities' long-term plans.

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

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	7,940	7,940	7,123
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 2026/27.

Reasons for Change in Appropriation

The decrease in this appropriation for 2026/27 is mainly due to the improved forecasted Audit and Assurance Services operating deficit of \$3.123 million and the associated buffer to mitigate uncertainty in the timing of audit revenue and costs.

Memorandum Account

	2025/26		2026/27
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Name of Memorandum Account			
Opening Balance at 1 July	18,733	18,733	15,077
Revenue	148,500	148,500	153,077
Expenses	152,196	152,196	156,200
Transfers and Adjustments	-	-	-
Closing Balance at 30 June	15,077	15,077	11,954

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

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,252	1,252	1,252

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 2026/27.

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

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	1,980	1,980	3,257
Intangibles	1,315	1,315	3,902
Other	-	-	-
Total Appropriation	3,295	3,295	7,159

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 2026/27.

Reasons for Change in Appropriation

The increase in this appropriation by \$3.864 million to \$7.159 million is due to the timing and expenditure profile of the Office of Auditor-General's Information System Strategic Plan and office fitouts.

*Capital Injections and Movements in Departmental Net Assets***Controller and Auditor-General**

Details of Net Asset Schedule	2025/26 Estimated Actual \$000	2026/27 Projected \$000	Explanation of Projected Movements in 2026/27
Opening Balance	29,993	26,297	
Capital Injections	-	-	
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	(3,696)	(3,123)	The deficit in 2026/27 reflects the updated forecast for Audit and Assurance Services Memorandum Account.
Other Movements	-	-	
Closing Balance	26,297	23,174	

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 and local government in ensuring accountability for the use of public resources.

Scope of Appropriation

Departmental Output Expenses

Performance Audits, Inquiries, and other work on Public Sector Performance and Accountability

This category is limited to undertaking performance audits, inquiries, and related work on performance and accountability of public entities (as defined in the Public Audit Act 2001), providing related reports, resources, and guidance, and making decisions under the Local Authorities (Members' Interests) Act 1968 about members' financial conflicts of interest.

Supporting Accountability to Parliament

This category is limited to advising and assisting Parliament and others as appropriate on matters arising from audit and related assurance services, monitoring and advising on expenditure appropriated to the Crown, and assisting international agencies to strengthen public sector accountability and audit capability with a focus in the Pacific region.

Expenses, Revenue and Capital Expenditure

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	23,726	23,726	24,919
Departmental Output Expenses			
Performance Audits, Inquiries, and other work on Public Sector Performance and Accountability	15,442	15,442	15,578
Supporting Accountability to Parliament	8,284	8,284	9,341
Funding for Departmental Output Expenses			
Revenue from the Crown	21,818	21,818	23,501
Performance Audits, Inquiries, and other work on Public Sector Performance and Accountability	15,087	15,087	15,428
Supporting Accountability to Parliament	6,731	6,731	8,073
Revenue from Others	1,908	1,908	1,418
Performance Audits, Inquiries, and other work on Public Sector Performance and Accountability	355	355	150
Supporting Accountability to Parliament	1,553	1,553	1,268

What is Intended to be Achieved with this Appropriation

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

- Assisting Parliament - advising and assisting Parliament and others as appropriate on matters arising from audit and related assurance services.
- Controller function - monitoring and advising on expenditure appropriated to the Crown.
- International assistance - assisting international agencies to strengthen public sector accountability and audit capability with a focus in the Pacific region.
- Performance audits, inquiries, and related work on performance and accountability of public entities (as defined in the Public Audit Act 2001), and providing related reports, resources and guidance.
- Local Authorities (Members' Interests) Act 1968 - making decisions under the Local Authorities (Members' Interests) Act 1968 that relate to members' financial conflicts of interest.

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 2031, and the Auditor-General's Annual Plan 2026/27.

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

Assessment of Performance	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
Departmental Output Expenses			
Performance Audits, Inquiries, and other work on Public Sector Performance and Accountability			
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 performance audits that substantially meet the Auditor-General's process and reporting quality criteria (as determined by quality assurance review) (see Note 1)	100%	100%	Discontinued from 2026/27
Percentage of audited entities that rate our performance audits as at least 'satisfactory' (see Note 2)	At least 85%	77%	Discontinued from 2026/27
Percentage of performance audit work that was concluded and had findings reported within six months (see Note 3)	At least 10%	38.5%	Discontinued from 2026/27
Percentage of performance audit work that was concluded and had findings reported within ten months (see Note 3)	At least 70%	84.5%	Discontinued from 2026/27
Percentage of performance audit work that was concluded and had findings reported within twelve months (see Note 3)	100%	92.5%	Discontinued from 2026/27
Percentage of performance audits delivered within expected timeframe (see Note 4)	New from 2026/27	New from 2026/27	80%

	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Average cost of a performance audit (see Note 4)	New from 2026/27	New from 2026/27	Baseline to be established
Percentage of performance audit recommendations accepted (see Note 5)	New from 2026/27	New from 2026/27	85%
Percentage of inquiries that meet the Auditor-General's process and reporting quality criteria (as determined by quality assurance review) (see Note 1)	100%	100%	Discontinued from 2026/27
Percentage of pieces of inquiry work (except major inquiries) that are concluded within 6 months (see Note 6)	At least 90%	91%	Discontinued from 2026/27
Percentage of major inquiries that are concluded and their findings reported within the expected time period (see Note 6)	At least 75%	100%	Discontinued from 2026/27
Average time to carry out an inquiry (see Note 4)	New from 2026/27	New from 2026/27	Baseline to be established
Average cost of an inquiry (see Note 4)	New from 2026/27	New from 2026/27	Baseline to be established
Percentage of inquiry recommendations accepted (see Note 5)	New from 2026/27	New from 2026/27	85%
Percentage of Parliamentary select committees that rate our reports on inquiries, performance audits, and other studies as at least 'satisfactory' (see Note 7)	100%	100%	Discontinued from 2026/27
Percentage of Parliamentary select committees that are very satisfied with our performance audits, inquiries, and other work on public sector performance and accountability	New from 2026/27	New from 2026/27	Improving trend
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 8)	100%	100%	Discontinued from 2026/27
Percentage of Parliamentary select committees that are very satisfied with our advice, including committee briefings and scrutiny assistance	New from 2026/27	New from 2026/27	Improving trend
Percentage of briefing papers that are submitted to select committees by the agreed deadline (see Note 9)	100%	98%	Discontinued from 2026/27
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 (see Note 9)	All 9 reports	All 9 reports	Discontinued from 2026/27
We issue reports to Parliament and the public on the Auditor-General's exercise of the Controller function	Achieved	Achieved	Achieved
Average time to deliver a written briefing (see Note 4)	New from 2026/27	New from 2026/27	Baseline to be established
Average cost of a written briefing (see Note 4)	New from 2026/27	New from 2026/27	Baseline to be established

Note 1 - This measure will be discontinued from 2026/27. It will continue to be monitored internally.

Note 2 - This measure will be discontinued from 2026/27 as the survey source is under review. Related information will be included in the Auditor-General's 2026/27 Annual Report.

Note 3 - This measure will be discontinued from 2026/27. It will be replaced by the measure "Percentage of performance audits delivered within expected timeframe".

Note 4 - This is a new measure from 2026/27 to indicate efficiency.

Note 5 - This is a new measure from 2026/27 to indicate effectiveness.

Note 6 - This measure will be discontinued from 2026/27. It will be replaced by the measure "Average time to carry out an inquiry".

Note 7 - This measure will be discontinued from 2026/27 and replaced by the following measure "Percentage of Parliamentary select committees that are very satisfied with our performance audits, inquiries, and other work on public sector performance and accountability" which sets a higher threshold to show improving performance over time and clearer phrasing.

Note 8 - This measure will be discontinued from 2026/27 and replaced by the following measure "Percentage of Parliamentary select committees that are very satisfied with our advice, including committee briefings and scrutiny assistance" which sets a higher threshold to show improving performance over time and clearer phrasing.

Note 9 - This measure will be discontinued from 2026/27. This information will be included in the Auditor-General's 2026/27 Annual Report as part of "Our year in numbers" reporting or similar.

End of Year Performance Reporting

Performance information for this appropriation will be reported in the Auditor-General's 2026/27 Annual Report.

Reasons for Change in Appropriation

The increase in this appropriation for 2026/27 is due to:

- an increase of \$2.083 million to align the remuneration benchmarks for the Office of the Auditor-General following a restructure.

This increase is partially offset by reduced expenditure as follows:

- a net decrease of \$400,000 reflecting an expense transfer \$1 million from 2024/25 to 2026/27, partially offset by an expense transfer of \$2.400 million from 2024/25 into 2025/26, to recognise the latest profile and expenditure of the Controller and Auditor-General's Information Systems Strategic Plan
- a decrease of \$205,000 in 2026/27 to reflect a revised forecast of recoverable costs for performance audits
- a decrease of \$152,000 to reflect a revised forecast of assistance and support to the Pacific Association of Supreme Audit Institutions, which is funded by the Ministry of Foreign Affairs and Trade, and
- a decrease of \$133,000 in 2026/27 to reflect a revised forecast of recoverable costs for the provision of technical assistance to Supreme Audit Institutions.