



Mr Kevin Hogan MP
Chair
Standing Committee on Tax and Revenue
Sent by email: TaxRev.reps@aph.gov.au

Dear Mr Hogan

Standing Committee on Tax and Revenue report, *External scrutiny of the Australian Taxation Office*

I am writing in response to the Standing Committee on Tax and Revenue report, *External Scrutiny of the Australian Taxation Office*, which made two recommendations directed at the Australian National Audit Office (ANAO). The recommendations and the ANAO's responses are set out below.

Recommendation 1: To increase transparency, the Committee recommends that the Auditor-General, Commonwealth Ombudsman, and Inspector-General of Taxation examine ways to increase the profile of their co-ordination activities—potentially through their websites, annual reports, and consultations undertaken for work programs.

ANAO Response: The ANAO has worked to increase the profile of its coordination activities with the Inspector-General of Taxation and the Commonwealth Ombudsman. The ANAO included the following text in its Annual Report 2015–16: 'In developing potential performance audit topics for taxation, the ANAO consulted with the Inspector-General of Taxation about the topics in relation to that entity's work program. More broadly, the ANAO also consulted with the Commonwealth Ombudsman about a wide range of potential audit topics.'

In addition, the ANAO included the following text in its *Annual Audit Work Program 2016*: 'In developing the potential performance audit topics for taxation, the ANAO also consulted with the Inspector-General of Taxation about potential topics in relation to that entity's work program. Further information on the work of the Inspector-General of Taxation is available from www.igt.gov.au.'

The ANAO's Annual Audit Work Program and Annual Report are available on the ANAO's website, www.anao.gov.au.

Recommendation 2: To increase transparency, the Committee recommends that the Auditor-General, Commonwealth Ombudsman, and Inspector-General of Taxation improve the explanation in their reports of why each review was conducted and how the review fits in with past and other current reviews.

ANAO Response: The ANAO is updating its internal Performance Audit Manual to advise staff preparing performance audits of the requirement to:

- reference relevant reports published by other external scrutineers, such as the Inspector-General of Taxation, and
- explain how the audit relates to other relevant reviews.

Yours sincerely



Grant Hehir
Auditor-General of Australia

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