



ATO welcomes ANAO audit report on Governance of AI

The ATO welcomes the release of the ANAO audit report on the Governance of Artificial Intelligence at the ATO.

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The Australian Taxation Office (ATO) welcomes the release of the Australian National Audit Office's (ANAO's) report on the Governance of Artificial Intelligence (AI) at the ATO. The ANAO's report provided 7 recommendations, which the ATO agrees with in full, supporting our commitment to managing taxpayer data with integrity and ensuring ethical decision making in everything we do.

Noting the rapidly changing nature of data and analytics, the ATO recognises the importance of robust governance, oversight, and accountability to support the development and use of analytical models that are ethical, safe and deliver fit for purpose outcomes.

We take our responsibility around data ethics and data stewardship extremely seriously. The ATO only uses AI technologies in limited ways that recognise the importance of security, privacy, transparency and the ethical use of data with appropriate human oversight.

The ATO appreciates the opportunity to assist the ANAO benchmark its approach to conducting similar AI use and governance audits in the future, as well as providing insights to other Australian Public Service (APS) agencies.

We acknowledge what is considered leading practice for AI use and governance is still evolving and we will continue to not only strive to achieve leading practice, but also assist the broader APS. We are expanding our policies and guidance to reference AI more explicitly, noting our existing data and analytics (including data governance and ethics) and IT policies already broadly apply to our use of AI.

Our approach will always focus on ensuring we have human oversight over our use of AI, and decision making that adversely impacts taxpayers is always made by a human.

The ANAO report includes 7 recommendations which will assist the ATO in further strengthening our AI governance. The ATO has agreed to all 7 recommendations in full, and will continue to enhance our AI frameworks, focusing on:

1. Improving alignment between our automation and AI (A&AI) strategy to meet enterprise-wide program and project management requirements.
2. Clearly defining and communicating enterprise-wide organisational structures and governance arrangements supporting our adoption of AI, including defining accountabilities and responsibilities at the model and system level.
3. Reviewing our 'misuse of data and analytics' enterprise risk and the associated controls, and explicitly incorporating controls relating to the impact of AI on this risk.
4. Improving our arrangements in support of the design, development, deployment and use of AI that aligns with ethical principles.
5. Progressing the development and implementation of AI specific policies and guidance to support the effective design, development, deployment and assurance of AI models.
6. Establishing performance measurement and evaluation arrangements for our automation and AI strategy.
7. Ensuring our approach to managing information supports transparency and accountability with respect to its adoption of AI.

We will continue to implement and build on the recommendations identified to help us evolve and remain current in the face of rapidly advancing AI capability, and ensure we leverage AI in a safe way to create a better tax system for all Australians.

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