

ANAO Audit: AI-Linked Medicare Fraud Risk Went Unaddressed for 12+ Months Despite A\$5.2 Million in Flagged Cases

AI in the Public Sector · Good practice · Australia

Quality score: 60/100

Evidence strength: Moderate

Summary

Australia's national auditor found 8 AI-enabled 'prompted billing' Medicare fraud cases worth A\$5.2 million that Services Australia and DHDA knew about for over a year without acting, exposing gaps in AI-compliance governance despite otherwise sound enterprise AI arrangements.

Key dimensions

Dimension	Score
Evidence of impact / measured public value	2/3
Transparency, fairness & accountability	3/3
Transferability / demonstrated replication	2/3
Scalability beyond pilot	1/3
Governance, capability & sustainability	1/3

Evaluated by C-NAPSE

Data sources

C-NAPSE web research — accessed 2026-09-24

Australian National Audit Office (ANAO); audited: Department of Health, Disability and Ageing (DHDA) and Services Australia — accessed 2026-09-24

ANAO audit report — accessed 2026-09-24

The Mandarin coverage — accessed 2026-09-24

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