



FINANCIAL REPORTING AND AUDIT

This operational instruction outlines the financial reports that a Scheme Agent is required to submit to the Nominal Insurer and the certifications that need to accompany these reports. Details of these report requirements including due dates for submission of the reports are outlined in the *Financial Reporting Manual*.

Accounting records

In order to prepare the necessary financial reports, a Scheme Agent is required to:

- (a) keep such accounting records and correctly record and explain the transactions and financial assets/liabilities managed by the Scheme Agent on behalf of the Nominal Insurer
- (b) keep its accounting records in such a manner as to enable the preparation of the financial reports and ensure that they can be conveniently and properly audited
- (c) retain the accounting records for a period of seven years after the completion of the transactions to which the records relate
- (d) keep the accounting records at the principle place of business of the Scheme Agent in NSW, unless the Nominal Insurer agrees to an alternate location
- (e) keep the accounting records in writing in the English language, or in a form in which they are readily accessible and readily convertible into writing in the English language.

Financial reports

A Scheme Agent is required to lodge with the Nominal Insurer the financial reports and certifications outlined in the *Financial Reporting Manual* by the due date(s) indicated in the Manual.

The Scheme Agent in preparing the financial reports must ensure that they are prepared in accordance with generally accepted accounting principles in Australia, Australian accounting standards and instructions issued by the Nominal Insurer.

Audit of annual financial reports

Under the Deed, a Scheme Agent is required to appoint an independent qualified auditor approved by the Nominal Insurer to oversee and audit the books, records and systems of the Scheme Agent. To be approved, the auditor must be a registered company auditor who is not a director, officer or employee of the Scheme Agent or a related organisation.

The Scheme Agent is to facilitate arrangements to enable the effective, efficient and timely audit of:

- (a) the 30 June financial returns, and
- (b) any additional audit activities undertaken by the Scheme's auditor, the Audit Office of NSW.

The auditor appointed by the Scheme Agent must provide the Nominal Insurer with a report on the annual financial statements in the required format and covering the issues set out in the *Financial Reporting Manual*.

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A copy of the financial reports, audit reports on these reports, and directors' declaration must be sent direct to the Audit Office of NSW by the Scheme Agent's auditor on or before the dates indicated in the Financial Reporting Manual.

The Scheme Agent must provide the Nominal Insurer with a copy of the audit management letter issued by the Scheme Agent's auditor, incorporating management responses. by the dates indicated in the Financial Reporting Manual

Year end reporting

The audited end of year financial returns lodged by Scheme Agents are used to prepare the accounts of the NSW Workcover Scheme. The NSW Workcover Scheme financial statements are audited by the Audit Office of NSW with an audit opinion given by the Auditor General. In auditing the Workcover Scheme financial statements, reliance is placed by the Audit Office on the audit procedures and audit report of Scheme Agents' auditors.

Therefore, Scheme Agents are requested to advise their respective auditors that a separate auditor's report, directors declaration and set of audited end of year financial returns be sent directly to the Audit Office on completion of their audit by the date indicated in the Financial Reporting Manual. The person in the Audit Office the accounts are to be sent to is provided in the Financial Reporting Manual.

PLEASE NOTE: Where the requirements of the Financial Reporting Manual differ to those in the Premium and Debt Collection Manual, the requirements in the Financial Reporting Manual are to apply.

References

Deed, clause 29.10

Financial Reporting Manual

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