



NZ On Air's Funding Compliance Audits – their purpose and what you need to know

NZ On Air has an internal and external audit programme to ensure public funds are allocated and used appropriately and responsibly. Every year we conduct a number of compliance audits of productions and activities we have funded. Funding recipients selected for auditing are generally chosen at random (of course we may also audit if we have any concerns about the use of funds). We engage external auditors to conduct the audits.

The purpose of an audit is to:

- verify all significant costs (including resources supplied by the broadcasters) and ensure that all of these costs are reasonable
- verify that all third party income (cash, contra or resources) has been received in accordance with the funding contract
- verify that a high standard of record keeping and reconciliation is being maintained and that reporting to NZ On Air has been accurate
- understand how the production company will ensure that NZ On Air will receive its contracted share of any income, review the process for accounting for such income, and verify that NZ On Air has been provided with the correct amount
- ensure that all other terms and conditions of the funding contract have been adhered to.

Audit Information requirements

You will need to provide our external auditors with the following information. It is likely that, ahead of the audit, they will also ask you for a detailed transaction listing to be sent to them and the final/latest cost report.

- Cost reports, preferably analysed against budget with explanations provided for any significant variances
- Copy of the approved budget
- Report showing producer's realised profit margin (if applicable)
- Access to supporting documentation including invoices, contracts and agreements, insurance cover, production records, daily call sheets, bank statements etc.
- Details of cash and resources (in whatever form) paid or provided by the broadcaster (including value of resources provided)
- Details of funding provided by NZ On Air
- Details of creditors and debtors for the programme at the time of our review
- Details of any third party funding received
- Details of any arrangements made to sell the programme/series
- Details of costs paid to the production company itself (e.g. charges to the programme for using resources owned by the production company)

The auditor will require time with management/producer.

If you require more information please contact our Chief Financial Officer.