

# 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 several 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 usually engage external auditors to conduct the audits.

The purpose of an audit is to:

- verify all significant costs (including overheads and any non-cash costs/resources supplied by the platform or yourself) and ensure that all 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
- ensure that NZ On Air receives its contracted share of any income (including content sales, product placement, disposal of sets and costumes and bank interest), 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

The auditor will require time with management/the producer.

You will also 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. Your cost report is expected to meet our [budget expectations](#).

- Copy of the approved budget
- Cost reports, analysed against the approved budget with explanations provided for any significant variances
- 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 funded content at the time of our review
- Details of any third-party funding received
- Details of any arrangements made to sell the funded content
- Details of costs paid to the production company itself (e.g. charges to the funded content for using resources owned by the production company). We expect to see the working of how you determined your chargeable rate along with the internal invoices charged to the production.

## Health and Safety

The health and safety of the auditors is paramount. If their work takes place at your premises, you will be responsible for their safety while they are visitors to your site. It may be appropriate for your health and safety representative to hold a safety briefing at the beginning of the assignment for those involved regarding the hazards, provision of any appropriate equipment, awareness of accident reporting procedures and emergency protocols.

If you require more information please contact our Head of Operations, Partnerships and Culture, Raewyn Rasch [raewyn@nzonair.govt.nz](mailto:raewyn@nzonair.govt.nz).