

A woman with blonde hair, wearing a light blue button-down shirt, is sitting and smiling while holding a silver laptop. The background is a blurred office setting with large windows and modern furniture.

Premium Audit Guide

Preparing your business for audit

About

ReturnToWorkSA provides work injury insurance that protects South Australian businesses and their workers in the event of a work injury.

Each year employers pay an insurance premium for work injury protection which helps to fund the Return to Work scheme (the Scheme).

We support employers to accurately report all remuneration paid (or payable) to their South Australian workers each year within their Employer Remuneration Return.

Through premium audits we ensure that employers are paying the correct premium which helps the Scheme to be sustainable.

The information provided in this guide will help you to understand the audit process, your obligations and how an audit can progress with limited business disruption.

What is a premium audit?

A premium audit is a review of your business' financial and payroll records to ensure your work injury insurance premiums have been properly calculated.

We also verify that your employer registration details are correctly recorded and that the correct South Australian Industry Classification (SAIC) has been applied to your insurance premium based on your predominant business activity.

Why has my business been chosen?

Your business might be selected for an audit because of:

- your industry classification
- your risk profile and/or claims performance
- your reconciliation history or
- discrepancies identified between your declared remuneration and information obtained from other Government agencies.





What does an audit look like?

1

You (or your nominated business representative) will receive notification of an audit via email.

2

You will be required to provide your business records. Documents you may be asked to provide are listed on page 4.

3

The auditor will review the records provided and may request additional information or seek further clarification. Depending on the size and complexity of your business, the auditor may visit your business to discuss the audit further.

4

The auditor will advise you of the outcome by email. This may include a premium adjustment, further education or guidance.

What happens after the audit?

If there is a discrepancy that impacts the premium that you should have paid, a premium adjustment will occur. This will either be a refund because you have overpaid your premium or a bill if you have underpaid your premium. Fines and penalty interest may also be imposed.

If you disagree with the audit result, you may discuss this with the auditor and/or apply for a review pursuant to section 157 of the *Return to Work Act 2014* (the Act).

Tips for a smooth audit

- Have a person available who is familiar with your business' activities and financial records to answer any questions the auditor may have.
- Be prepared and ask the auditor questions if unsure about the process or records to provide.
- Be ready to provide additional information on subcontractors if required.

Documents you may be asked to provide

Use this checklist to support your document gathering

General

- ☐ Details of business activities at each operating location
- ☐ Your company director(s) contact details
(including working and non-working director(s))
- ☐ Number of workers
- ☐ Your Return to Work coordinator's contact details
(only applicable if you have 30 or more workers)
- ☐ Your authorised representative's contact details

Payroll and financial records

- ☐ Financial statements
(as prepared by your accountant)
- ☐ End of year remuneration calculations
(worksheet template available)
- ☐ RevenueSA annual reconciliation return – Payroll Tax (if applicable)
- ☐ Fringe benefit tax return
(if applicable)
- ☐ End of year payroll reports
(including payments of gross salaries and wages, superannuation, allowances, bonuses, commissions, leave payments, salary sacrifice, income support payments and termination payments)

Subcontractors

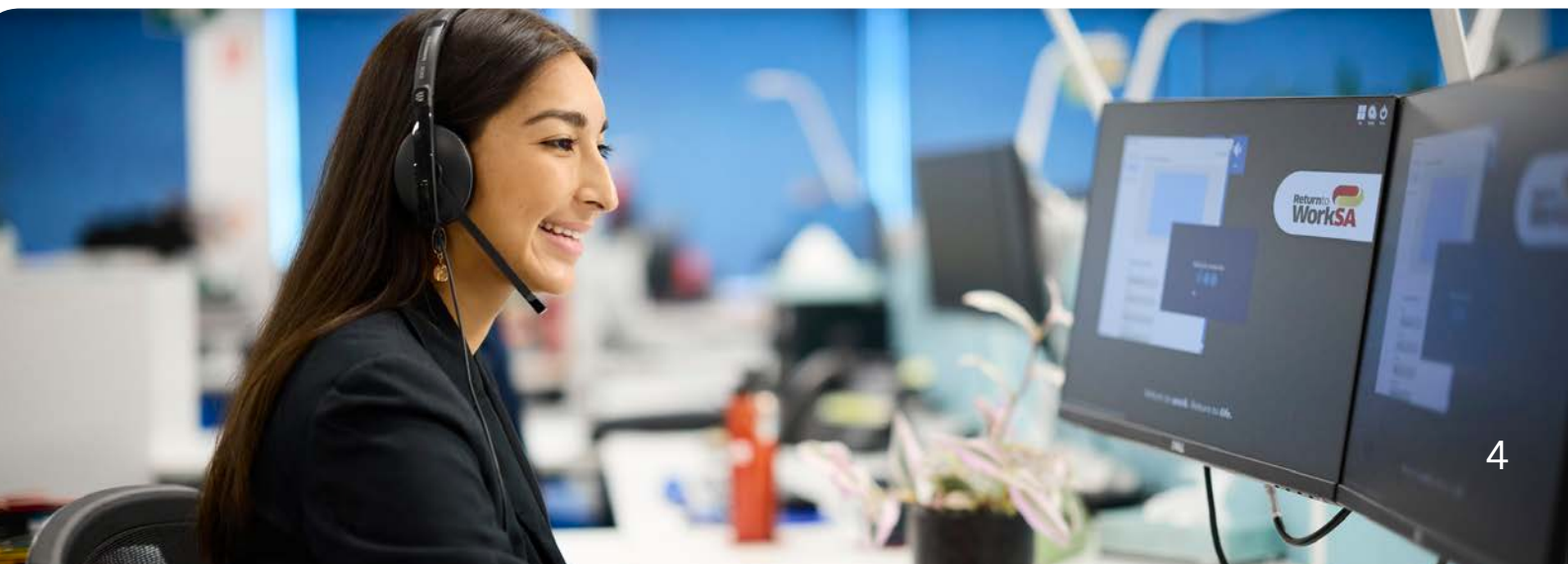
- ☐ Taxable payments annual report
(as submitted to the Australian Taxation Office (ATO))
- ☐ General ledger
(detailing subcontractor name(s), ABN number, payments made (excl. GST) for each financial year)
- ☐ Supplier listing
(showing subcontractor/consultant names, ABN number and contact details)
- ☐ Details of subcontractor registration with ReturnToWorkSA
(including employer registration number)
- ☐ Subcontractor invoices

Apprentices

- ☐ Copy of training contracts
- ☐ Remuneration payments
(details of remuneration paid to each apprentice for each financial year)

Workers Compensation

- ☐ Income support payments
(details of income support payments made to injured workers each financial year)



Frequently asked questions



What if I pay my employees in cash?

Cash payments made to workers are part of remuneration and should be included in your declared remuneration.



Do I need to include payments to family members?

Yes, payments made to family members who are workers of your business must be included in your declared remuneration.



Do I need to give all the documents listed in the checklist?

No, the checklist shows only what you might be asked for. The auditor will let you know exactly what you need to provide. Ask the auditor if you are unsure.



I have workers in other states. Do I still need to give financial records?

Yes, if those records contain information related to South Australian workers. Further information on how to determine a worker's state of connection, including a guide titled '[Insurance cover for cross border workers](#)', is available on our website.



What if I can't provide the documents by the due date?

Discuss your circumstances and any request for an extension of time with the auditor.



Is my financial information private?

Yes. Section 185 of the Act requires confidentiality to be maintained except in certain limited circumstances (for example, when disclosure is required by a court or tribunal or is made under the authorisation of the Minister).



What happens if I don't provide the documents or answer questions?

Premium auditors have powers under section 183 of the Act to enter and inspect a workplace and may compel you to provide information. You may commit a criminal offence if you do not comply with a request made under section 183. The maximum penalty for this offence is \$10,000.



I'm a busy small business owner. Can my accountant handle the audit?

Yes, your accountant can liaise directly with the auditor (on your behalf) if they are listed as an authorised contact. However, the obligation to provide information remains with you as the employer and not your accountant.



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