

**Submission
No 6**

EXAMINATION OF SELECTED AUDITOR-GENERAL'S FINANCIAL AUDIT REPORTS 2021

Organisation: icare
Date Received: 21 June 2022

21 June 2022
Our Ref: 00110/22
Your Ref: D22/24832

Mr Greg Piper MP
Chair
Public Accounts Committee
Legislative Assembly
PAC@parliament.nsw.gov.au

Dear Mr Piper

I refer to your correspondence to Mr John Robertson, Chair of the icare Board, requesting comments and progress on the icare related recommendations from the NSW Auditor General's Financial Audit report on Treasury 2021, as being examined by the Legislative Assembly Public Accounts Committee.

Please see our comments below:

As outlined in the report regarding its allocation of service fee costs to schemes, the Auditor-General recommended icare:

1. Ensure the new methodology is embedded correctly, by confirming that the most up to date inputs are used in the model.

Response:

The most up-to-date inputs were included in the model following the revamp of the service fee allocation process in FY2020/21. In addition, icare has simplified the allocation model ensuring appropriate allocations to respective schemes.

2. assess the reasonableness of the allocation of costs to the schemes (and especially the smaller schemes) by reviewing and explaining material movements in service fees compared to prior periods.

Response:

This was completed in FY2020-21. Any material changes will continue to be highlighted as and when service fee allocations are approved by the icare Board as part of the annual budgeting process.

Should the Committee require any further clarification, please contact [REDACTED]

Yours sincerely

[REDACTED]
Richard Harding
Chief Executive Officer and Managing Director
icare