



17 October 2013

To: Appointed Auditors, Chief Executive Officers and prudential contacts of general insurers

Audit certificate under *Prudential Standard GPS 310 Audit and Related Matters*

Paragraph 27 of *Prudential Standard GPS 310 Audit and Related Matters* (GPS 310) requires the Appointed Auditor of a general insurer to prepare a certificate relating to the general insurer's yearly statutory accounts on an annual basis.

The yearly statutory accounts are defined under the *Insurance Act 1973* (Insurance Act) as the reporting documents required under section 13 of the *Financial Sector (Collection of Data) Act 2001* (FSCOD Act) to be lodged with APRA in respect of a financial year.

Prior to 1 January 2013, APRA excluded the GRF 400 series of forms¹ from the yearly statutory accounts for the purposes of the audit certificate under GPS 310. That is, these forms were out of scope for the audit certificate.

When the reporting requirements for general insurers were amended in conjunction with the review of general insurance capital standards that was effective on 1 January 2013, the exemption for the GRF 400 series was inadvertently omitted. Consequently, the GRF 400 series were technically required to be included within scope in audit certificates for financial years ending from 1 January 2013 to 30 September 2013. However, APRA does not expect additional audit work to be undertaken and APRA does not intend to take any action in relation to these audit certificates.

APRA has determined that there is considerable value in two of the GRF 400 series forms (*Reporting Form GRF 410.0 Movement in Outstanding Claims Liabilities* (GRF 410.0) and *Reporting Form GRF 440.0 Claims Development Table* (GRF 440.0)) being included in the audit scope. As a result, from financial years ending 31 December 2013 onwards, the Appointed Auditor must include GRF 410.0 and GRF 440.0 within scope of the audit certificate.

¹ The GRF 400 series constitutes *Reporting Form GRF 400.0 Statement of Risk by Country*, *Reporting Form GRF 410.0 Movement in Outstanding Claims Liabilities*, *Reporting Form GRF 420.0 Premium Revenue by State and Territory of Australia*, *Reporting Form GRF 430.0 Claims Expense by State and Territory of Australia* and *Reporting Form GRF 440.0 Claims Development Table*.

APRA does not see a current need to have the remaining three GRF 400 series forms (*Reporting Form GRF 400.0 Statement of Risk by Country*, *Reporting Form GRF 420.0 Premium Revenue by State and Territory of Australia* and *Reporting Form GRF 430.0 Claims Expense by State and Territory of Australia*) included within audit scope. As a result, APRA has exempted these forms from the yearly statutory accounts for the purposes of the audit certificate under GPS 310 via a determination under the Insurance Act.

If you have any questions in relation to this matter, please contact Kate Bible, Senior Manager, Policy Development (kate.bible@apra.gov.au, 02 9210 3502).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Charles Littrell', is positioned above the printed name.

Charles Littrell
Executive General Manager
Policy, Statistics and International