

Workers Compensation Insurance Fund Audit

Report by: Grant Thornton Australia Ltd

Date: 21 December 2021

Addressed to: State Insurance Regulatory Authority
Levels 14-15, 231 Elizabeth St
Sydney NSW 2000

1 Executive Summary

- 1.1 This section summarises the key findings of this report. Because it is a summary, this section does not include all basis for the findings. As a result, this summary should be read in conjunction with the full report.

Background

- 1.2 We have been engaged by State Insurance Regulatory Authority (“SIRA”), the government agency responsible for regulating the workers compensation system in New South Wales, to perform: an audit of expenditure outflow from the WCIF for the NI and icare pursuant to s202 of the Workers Compensation Act 1987 and to assess the use of funds from the WCIF for compliance with s154CA and 154E of the Workers Compensation Act 1987.
- 1.3 The period of review is 1 July 2015 to 30 June 2020.
- 1.4 The Workers Compensation Nominal Insurer (“NI”) is a licensed insurer for the purpose of providing workers compensation insurance to citizens of the state of NSW. Insurance and Care NSW (“icare”) acts for the NI and any action taken by icare is an action taken to have been done by the NI.
- 1.5 However, in acting for the NI, icare is required to exercise its functions efficiently, ensuring appropriate premiums are collected for the payment of claims in accordance the Scheme legislation (s154CA of the Workers Compensation Act 1987).
- 1.6 The cost of operating the NI are drawn from the Workers Compensation Insurance Fund (“WCIF”). The WCIF is the subject of a statutory trust managed by the NI. The maintenance of the WCIF is borne by employers (see 154D(4) of the Workers Compensation Act 1987).
- 1.7 The assets of the WCIF may be used only for prescribed purposes provided by s154E of the Workers Compensation Act 1987.

Summary of Findings

Service cost charged by icare to WCIF

- 1.8 Expenses of the scheme fit into two broad categories the Enabling Services Fee which is charged by icare to schemes and scheme specific costs which are paid directly by a scheme.
- 1.9 The methodology for calculating Enabling Service Fee changed in FY21. The Enabling Service Fee before and after this change is as follows:
- Previous method, up to 30 June 2020: Enabling Services fee was based on a fixed fee charge to all schemes excluding NI. The remaining balance of icare expenditure is charged to the NI. The fixed fee charged to the other schemes was based on the annual budget for each respective scheme. The annual budgets were based on historical costs incurred in running the other schemes prior to the introduction of icare. icare has noted the limitation of this in board papers and audit committee reports. However the methodology was not changed until 1 July 2020.
 - Current method, from 1 July 2020: The Enabling Services fee was changed to a cost centre level charge where each scheme is charged a predetermined percentage for all expenditure of the cost centre. There are 34 cost centres and each has a different allocation percentage.
- 1.10 We selected five cost centres and conducted a review to determine how the scheme charge percentages were determined and the drivers behind them. Our review identified that icare conducted significant analysis and a thorough process in order to determine the allocation percentage. This methodology is an improvement on the previous allocation model, as it means that the cost allocations are based on the recent operations, rather than historical amounts from before the formation of icare.
- 1.11 Access to icare’s accounting system was not part of the audit, and as such, we are unable to trace how the service fee was spent by icare. We recommend further investigation into icare’s use of NI funds prior to and following their receipt in the icare bank account.

Supplier payments

Suppliers of Interest

1.12 For the following 13 suppliers (collectively, the “Suppliers of Interest”) we have been asked to determine:

- the amount paid by NI; and
- if the amount paid is for the benefit of the NI or other schemes managed by icare.

1.13 The 13 suppliers are:

- RSA Archer
- International Consulting Group
- Rubicon Consulting
- Capgemini
- Bridge International
- Customer Monitor (Perceptive)
- Comensura
- Korn Ferry
- Motor Traders Association
- Guidewire
- IVE Group
- [REDACTED] (Alexander Appointments Pty Ltd)
- [REDACTED] (Robert Walters Pty Ltd)

1.14 The following table details the amount paid to each of the Suppliers of Interest from the WCIF:

Supplier	Total payments per Cash GL Accounts	Total payments per Intercompany GL Accounts	Total	
Bridge International	1,831,411	-	1,831,411	
Capgemini	50,183,447	15,845,313	66,028,760	
Comensura Pty Ltd	146,865,699	4,370,795	151,236,494	
Robert Walters Pty Ltd	3,568,695	-	3,568,695	Refer to note below
[REDACTED]				
Guidewire	55,820,922	(4,961,757)	50,859,165	
International Consulting Group	31,125	-	31,125	
IVE Group	324,791	2,419,372	2,744,164	
Korn Ferry	-	44,478	44,478	
Alexander Appointments Pty Ltd (including [REDACTED])	509,389	-	509,389	Refer to note below
Motor Traders' Association of NSW - Motor Trades Cover	-	-	-	
Perceptive	5,731,573	(1,000)	5,730,573	
RSA Archer	-	-	-	
Rubicon Consulting	369,000	-	369,000	
Total	265,236,051	17,717,201	282,953,253	

Notes:

- [REDACTED] is paid wages via the agency Robert Walters. Transactions in SAP to Robert Walters do not distinguish between payments in relation to [REDACTED] and other staff paid via Robert Walters. According to invoice listings provided by icare, Robert Walters was paid \$654,613 in relation to [REDACTED].
- [REDACTED] is paid wages via the agency Alexander Appointments. Transactions in SAP to Alexander Appointments do not distinguish between payments in relation to [REDACTED] and other staff paid via Alexander Appoints. According to invoice listings provided by icare, Alexander Appointments was paid \$346,877 in relation to [REDACTED].

- 1.15 The supplier ledgers of Capgemini and Comensura detail the payments of rent and office fit-out. These amounts are summarised in the below table:

Supplier	Description	Total
Capgemini Australia Pty Ltd	Kent Street rent	(2,454,801)
Comensura Pty Ltd	Fit out	(1,872,526)
	Kent Street rent	(9,743,079)
	Wollongong rent	(1,465,359)
	Rent - location not specified	(5,226,174)
Total		(20,761,939)

- 1.16 The amounts paid to Comensura per the above table all appear to include a 5% fee which Comensura earns on top of their rent and fit out disbursement. This fee is \$871,768 based on amount paid to Comensura as detailed in the table.
- 1.17 We have been provided with the lease agreements between the landlord of the Wollongong office and Comensura. The agreement details monthly rent in 2018 of \$50,387.92. One invoice was provided for the Wollongong Office rent, this invoices covered rent for March to June 2018, and Comensura charged \$53,887.92 per month plus a 5% mark-up of \$2,694.396. This is an excess charge of \$6,194.40 being a 12.29% mark-up on rent of \$50,387.92.

Contractor payments

- 1.18 We identified 10 suppliers of the NI who appeared to be previous employees of icare. The highest paid of these was [REDACTED]
- 1.19 Prior to being engaged as a contractor [REDACTED] was the [REDACTED] at icare paid by \$300,000 per annum inclusive of superannuation. [REDACTED] annual salary (or salary equivalent) when engaged as a contractor, was over two and a half times [REDACTED] salary as [REDACTED]. The roles were described as follows:
- a. The [REDACTED] role is defined in [REDACTED] contract as having the follow purpose:
- The [REDACTED] develops and manages organisation aligned ICT strategies and solutions to enable the business to achieve strategic and operational goals and lead the organisation's ICT capability to maximise returns from ICT investments to improve operational effectiveness.*
- b. As a contractor [REDACTED] position was described as [REDACTED]. [REDACTED] services were described as ICT consultancy, program delivery and assurance. More specifically, [REDACTED] role was:
- The Services to be provided by the Contractor are primarily the provision of quality and performance management services over a 15 month period which must include a dedicated full time resource located at an icare office in Sydney. The dedicated resource will work with the icare SI to ensure that the NISP and associated programs are delivered on-time, on-budget with an emphasis on providing quality assurance and performance management services with the focus on ensuring a "Quality End-to-End Business Solution" is delivered.*
- 1.20 We have not seen any evidence as to why this new amount was agreed or reasonable, nor have we been provided with any documents or emails discussing the reason for the role change.

Travel costs

- 1.21 We have been instructed to identify interstate and international travel paid by the NI. The NI is a NSW agency and all international travel needs to be disclosed in the icare annual financial report.
- 1.22 The following table sets out the categories of travel costs and the amount:

Expense type	2017	2018	2019	2020	Total
Interstate Travel	-	14,546	8,221	3,481	26,248
Lifetime Care & Support Authority	-	1,218	-	-	1,218
Overseas Travel	-	594	1,057	14,634	16,285
Travel within NSW	-	84,758	140,900	38,615	264,272
Unable to determine location	156	26,378	39,205	15,637	81,377
Total	156	127,494	189,383	72,368	389,400

- 1.23 Expenses included in *unable to determine location* category include expenses such as car hire, meals, services fees and booking fees. Based on the description of these expenses we have been unable to determine if they are interstate, overseas or within NSW.
- 1.24 A summary of our findings is as follows:
- All identified overseas travel was appropriately disclosed in icare's annual financial reports.
 - Interstate travel was \$26,248. This is unexpected given that NI is a NSW based workers compensation scheme.
 - We have identified travel expenses totalling \$1,218 which reference LTCSA, which stands for Lifetime Care & Support Authority and is a separate scheme to NI managed by icare. These expenses should not be paid from the WCIF.
- 1.25 Other than confirming the disclosure of overseas travel in icare's annual financial reports, we did not audit the compliance of travel costs against icare's travel policy.
- 1.26 From the invoices we were provided for the Suppliers of Interest we identified invoices from Guidewire that refer to "Billable Expenses" that appears to be related to travel. We requested and have been provided 42 invoices out of potentially 140 invoices based on invoice listings provided by icare. These 42 invoices include Billable Expenses totalling \$586,020.
- 1.27 "Billable Expenses" did not form part of the Travel Costs set out above and may not be subject to NSW Government Travel and Transport Policy.
- 1.28 Narrations in relation to the Billable Expenses include:
- Taxi/Train/Public Transit;
 - Meals (Breakfast, Lunch and Dinner);
 - Airfare (Domestic and International);
 - Hotel; and
 - Personal Mileage.

Broker payments in relation to the Protect Together program

- 1.29 The Protect Together ("P2") Program is an intervention and prevention pilot with the aim of working with NSW businesses to achieve better work health and safety practices for employees. Brokers were engaged by icare to conduct the engagements with NSW businesses.
- 1.30 We have been asked to determine if the Brokers:
- conducted the engagement and completed the agreed deliverable reporting; and
 - were paid the agreed amount.
- 1.31 icare advised us that there were 73 P2 Programs conducted for NSW businesses and we were provided documents for each of these 73 P2 Programs
- 1.32 Of these 73 P2 Programs, we were provided with sufficient evidence for 28 that all deliverables were met and the Broker was paid the correct amount.
- 1.33 Through consultation with SIRA, we selected five of the remaining 45 P2 Programs to ask icare for additional documents where information was initially missing.
- 1.34 For these five selected P2 Program, we received additional documents which evidenced that all deliverables were met and the Broker was paid the correct amount.

Contents

1	Executive Summary	1
2	Introduction	6
3	Service costs charge by icare to WCIF	9
4	Procurement	11
5	Travel costs	18
6	Payments to brokers in relation to the Protect Together Program	22
7	Other information about this report	23

2 Introduction

Background and scope of this report

- 2.1 We have been engaged by State Insurance Regulatory Authority (“**SIRA**”), the government agency responsible for regulating the workers compensation system in New South Wales, to perform an audit of expenditure outflow from the WCIF for the NI and icare pursuant to s202 of the Workers Compensation Act 1987 and to assess the use of funds from the WCIF for compliance with s154CA and 154E of the Workers Compensation Act 1987.
- 2.2 The Workers Compensation Nominal Insurer (“**NI**”) is a licensed insurer for the purpose of providing workers compensation insurance to citizens of the state of NSW. Insurance and Care NSW (“**icare**”) acts for the NI and any action taken by icare is an action taken to have been done by the NI.
- 2.3 However, in acting for the NI, icare is required to exercise its functions efficiently, ensuring appropriate premiums are collected for the payment of claims in accordance the Scheme legislation (s154CA of the Workers Compensation Act 1987).
- 2.4 The cost of operating the NI are drawn from the Workers Compensation Insurance Fund (“**WCIF**”). The WCIF is the subject of a statutory trust managed by the NI. The maintenance of the WCIF is borne by employers (see 154D(4) of the Workers Compensation Act 1987).
- 2.5 The assets of the WCIF may be used only for prescribed purposes provided by s154E of the Workers Compensation Act 1987.
- 2.6 The area scope of the audit were agreed with SIRA and covered in this report. These areas are:
- Determine how service cost are being charged by icare to the NI;
 - Investigation into the payment of suppliers from the WCIF;
 - Assessment of travel cost paid, with a comparison to amount disclosed in annual reports;
 - Occurrence and Protect Together Program
- 2.7 The period of review is 1 July 2015 to 30 June 2020.

Terminology

- 2.8 Throughout this Report the following definitions are used:

Term	Description
Comensura Agreement	Additional Capability and Hosted Services Agreement
Employee Suppliers	The 10 individuals whose names appear to be suppliers and claim to be employees of icare
icare	Insurance and Care NSW
NI	Nominal Insurer
P2	Protect Together – Program with brokers
SIRA	State Insurance Regulatory Authority
Suppliers of Interest	The 13 suppliers listed out at paragraph 4.6
Travel Costs	Consolidated spreadsheet created listing travel expenditure extracted from ledgers within SAP
WCIF	Workers Compensation Insurance Fund

Information

- 2.9 At commencement of the audit we requested access to the NI accounting system. On 23 March 2021 we were provided with icare laptops which provided access to accounting system, SAP. We were able to extract documents such as general ledger detailed listings and supplier listings from SAP.

- 2.10 Documents provided through the course of this audit were uploaded by icare to a data room operated by Ansarada Pty Ltd. Access to the data room was granted on 4 March 2021. Over the course of the audit the following documents were provided:
- Organisational chart;
 - List of staff roles paid by the NI;
 - Policies and manuals regarding accounts payable, procurement, outsourcing, travel, conflicts of interest and expense reimbursement;
 - Supplier contracts and service agreements;
 - Supplier invoices and invoice listings;
 - Employment records including employment agreement, contractor agreements and contract extensions;
 - P2 Program proposals and deliverables including training documents, WHS GAP Analysis, Safety culture report, action plan; and
 - Service charge costs, budgets and work papers.
- 2.11 During the audit the following meetings were held with SIRA and icare:
- 9 June 2021: A conference call to discuss the employment records requested and reporting disclosures in the annual reports.
 - 15 June 2021: Onsite meeting to view the employment records requested.
 - 16 June 2021: A conference call to discuss the process and calculation of service costs.
 - 16 July 2021: A conference call to discuss the employment records provided.
 - 3 August 2021: A conference call to discuss the purpose of contractor expenses incurred by icare.
- 2.12 During the audit there were delays which have been caused by lengthy periods waiting for icare to provide requested information and documents, and gaps in the information provided. The follow table provides examples of this delay:

Type	Detail	Date
Accounting system access	Requested	3-Feb-21
	SIRA Letter to icare regarding the WCIF audit	2-Mar-21
	Provided	26-Mar-21
Weeks from the request to the provision of system access		7.29 weeks
Supplier documents	For the Suppliers of Interest we requested all contracts, agreements and invoices	17-Feb-21
	SIRA Letter to icare regarding the WCIF audit	2-Mar-21
	icare provided 233 contacts/agreements and 29 invoices which is only a sample of the requested documents	9-Apr-21
	icare provided a listing of 2,362 invoices. It was agreed by SIRA and icare that we would select a sample from this list, rather than icare providing all initially requested documents.	26-May-21
	Grant Thornton sample selection provided to icare	10-Jun-21
	Requested document provided gradually between 25 June 2021 and 9 August.	9-Aug-21
	Weeks from the request to final provision of documents	24.71 weeks
Service charge	For the service costs charged by icare to WCIF we requested all previously prepared budgets forecasting service costs and workpapers and documents detailing the calculation of service costs charged.	17-Feb-21
	SIRA Letter to icare regarding the WCIF audit	2-Mar-21
	Documents provided regarding the service charge	18-May-21
	Meeting with icare to ask questions regarding the service charge	16-Jun-21
	Grant Thornton selected five cost centres and requested documents which detail how the cost centre percentage was determined	17-Jun-21
	Service charge cost centre documents provided	2-Jul-21
	Weeks from the request to final provision of documents	19.29 weeks

Annexures

2.13 The Annexures to this report are summarised as follows:

- a. [REDACTED] – Position description of [REDACTED] in his role as [REDACTED]
[REDACTED] and contract service description from when [REDACTED] was engaged as the [REDACTED]
[REDACTED]

Structure of this report

2.14 The structure of the remainder of this report is as follows:

Section	Description
1	Executive Summary
2	Introduction
3	Service costs charge by icare to WCIF
4	Procurement
5	Travel costs
6	Payments to brokers in relation to the Protect Together Program
7	Other information about this report

3 Service costs charge by icare to WCIF

Introduction

- 3.1 In this section of the report we respond to our instruction to determine how service cost are being charged by icare to the NI.
- 3.2 This area of scope resulted from the Audit Office's December 2020 finding that:

'Insurance and Care NSW (icare) allocates service costs to the Workers Compensation Nominal Insurer, and the other schemes it supports. The documentation supporting cost allocations does not demonstrate how these allocations reflect actual costs. There is a risk of the Workers Compensation Nominal Insurer being overcharged.'

Expense allocation process

- 3.3 We conducted two rounds of document requests and one interview to gain an understanding of how the service charge between icare and NI occurs. A summary of the expense payment and service charge process is detailed below.
- 3.4 Expenses of the scheme fit into two broad categories:
- Cost charged by icare - Enabling Services Fee / direct service fee:
 - The Enabling Services Fee is the cost of activities similar to those performed previously by Scheme Agents before the formation of icare. These are costs that icare incurs in managing the schemes and are paid for by the WCIF via a service charge; and
 - icare also charges a direct service fee to schemes for direct cost incurred via cost centres.
 - Scheme specific costs and scheme to scheme costs: Costs which are directly attributed to one or more schemes. These are paid for directly by each scheme. Where a cost is paid for by a scheme that relates in part to another scheme, payments between the scheme are made to the effect that schemes pay for their applicable portion of the cost.
- 3.5 The methodology for calculating Enabling Service Fee changed in FY21. The Enabling Services Fee before and after this change is as follows:
- Previous method, up to 30 June 2020: Enabling Services Fee was based on a fixed fee charge to all schemes excluding NI. The remaining balance of icare expenditure is charged to the NI. The fixed fee charged to the other schemes was based on the annual budget for each respective scheme. The annual budgets were based on historical costs incurred in running the other schemes prior to the introduction of the icare. icare has noted the limitation of this in board papers and audit committee reports. However the methodology was not changed until 1 July 2020.
 - Current method, from 1 July 2020: The Enabling Services fee was changed to a cost centre level charge where each scheme is charged a predetermined percentage for all expenditure of the cost centre. Each cost centre has a different allocation percentage.
- Refer to the below extract for three of the 34 cost centre. For example, costs which fall under the *Strategic Sourcing* cost centre are 60.20% charged to the NI:

GE/GM	%							
	DDA	LTC	CTP	Total IfNSW	Sport. Injuries	HBCF	WI / NI	Total
Actuarial Services	5.1%	8.6%	2.5%	42.5%	0.3%	4.7%	36.4%	100%
Financial Mgmt & Treasury	20.6%	24.7%	1.0%	14.7%	0.5%	2.1%	36.4%	100%
Strategic Sourcing	6.6%	13.8%	1.8%	15.7%	-	1.9%	60.2%	100%

- 3.6 During the set-up of the current method, each service line conducted analysis on the drivers which impact costs borne by each cost centre to determine percentage of total costs which should be charged to each scheme going forward.
- 3.7 For the following five cost centres we requested and reviewed documents which detailed how the scheme charge percentages were determined and the drivers behind them:

Cost centre name	Driver	Allocation %
Digital & Technology – Portfolio Optimisation	Projects	73.17%
Organisation Performance – Data & Analytics	Team effort to business units and business	67.02%
Strategy & Governance – Ministerial & Parl.	Team effort to business units and business	68.98%
Customer & Community – Customer	Number of CRM cases per Scheme	87.20%
Office of CEO	Team effort to business units and business	56.37%

- 3.8 Our review identified that icare conducted significant analysis and a thorough process in order to determine the allocation percentage. This methodology is an improvement on the previous allocation model, as it means that the cost allocations are based on the recent operations, rather than historical amounts from before the formation of icare.

- 3.9 The CFO Briefing extract below sets out the service fees in the NI from FY16 to FY20:

\$m	Business Plan Budget	Half Year Review Budget	Actual	Variance to Business Plan Budget	Variance to HYR
FY16	473.0	473.0	380.7	92.3	92.3
FY17	501.0	437.0	432.3	68.7	4.7
FY18	427.0	422.0	436.6	(9.6)	(14.6)
FY19	424.0	435.8	452.1	(28.1)	(16.3)
FY20	428.8	524.4	530.6	(101.8)	(6.2)
Favourable variance to budget				21.5	60.0

Source: 8.01.01 Service fee allocations, page 2

- 3.10 We have reviewed the actual amounts for FY17 to FY20 and agreed the amounts to the NI's accounting system. As the initial review was conducted around April 2020, we have not reviewed the actual service costs charged for FY21 which is outside the period of review.
- 3.11 Access to icare's accounting system was not part of the audit, and as such we are unable to trace how the service fee was spent by icare. We recommend further investigation into icare's use of NI funds prior to and following their receipt in the icare bank account.

4 Procurement

Introduction

- 4.1 icare facilitates the engagement of suppliers on behalf of the NI.
- 4.2 As identified at section 3 above, expenses of a scheme in relation to supplier are paid for directly by each scheme. Where a cost is paid for by a scheme that relates in part to another scheme, payments between the schemes are made to the effect that scheme pay for their applicable portion of the cost.
- 4.3 In this section of the report we provide the results of our review into suppliers paid from the WCIF.
- 4.4 This report does not include a review of procurement policies or compliance with these policies.

Suppliers of interest

- 4.5 For the following 13 suppliers (collectively, the **"Suppliers of Interest"**) we have been asked to determine:
 - a. the amount paid by NI; and
 - b. if the amount paid is for the benefit of the NI or other schemes managed by icare.
- 4.6 The 13 suppliers are:
 - RSA Archer
 - International Consulting Group
 - Rubicon Consulting
 - Capgemini
 - Bridge International
 - Customer Monitor (Perceptive)
 - Comensura
 - Korn Ferry
 - Motor Traders Association
 - Guidewire
 - IVE Group
 - [REDACTED] (Alexander Appointments Pty Ltd)
 - [REDACTED] (Robert Walters Pty Ltd)

Amount paid from the WCIF to the Suppliers of Interest

- 4.7 From a review of the WCIF cash and intercompany ledgers, we determined the amount paid to each of the Suppliers of Interest. The limitation of the amount calculated is that it includes only:
 - a. cash payments made directly from the WCIF; and
 - b. intercompany payments which are clearly distinguishable on the intercompany ledger.
- 4.8 The intercompany ledger is an account which records transfers between icare and the NI. Some of the transactions in the intercompany ledger reference a supplier name in the "Reference" or "Text" data field. For other transactions between icare and the NI, the purpose of the transaction is not as clear due to either not containing anything in these fields or containing a text such as "SOW OPERATE/RUN RUN PHASE IN-SCOPE APP" where the supplier is not distinguishable.
- 4.9 As the icare accounting systems are not part of the scope of this audit, we do not have information that allows us to identify payments made by icare to the Suppliers of Interest, then charged to the NI via the Enabling Services fee discussed at section 3 above.
- 4.10 The following table details the amount paid to each of the Suppliers of Interest from the WCIF:

Supplier	Total payments per Cash GL Accounts	Total payments per Intercompany GL Accounts	Total	
Bridge International	1,831,411	-	1,831,411	
Capgemini	50,183,447	15,845,313	66,028,760	
Comensura Pty Ltd	146,865,699	4,370,795	151,236,494	
Robert Walters Pty Ltd (including [REDACTED])	3,568,695	-	3,568,695	Refer to note below
Guidewire	55,820,922	(4,961,757)	50,859,165	
International Consulting Group	31,125	-	31,125	
IVE Group	324,791	2,419,372	2,744,164	
Korn Ferry	-	44,478	44,478	
Alexander Appointments Pty Ltd (including [REDACTED])	509,389	-	509,389	Refer to note below
Motor Traders' Association of NSW - Motor Trades Cover	-	-	-	
Perceptive	5,731,573	(1,000)	5,730,573	
RSA Archer	-	-	-	
Rubicon Consulting	369,000	-	369,000	
Total	265,236,051	17,717,201	282,953,253	

Notes:

- a. [REDACTED] is paid wages via the agency Robert Walters. Transactions in SAP to Robert Walters do not distinguish between payments in relation to [REDACTED] and other staff paid via Robert Walters. According to information provided by icare, Robert Walters was paid \$654,613 in relation to [REDACTED]. We note that this is broadly consistent with amounts reported in the press: In a Sydney Morning Herald article dated 29 September 2020, more than \$700,000 with GST was paid.¹
- b. [REDACTED] is paid wages via the agency Alexander Appointments. Transactions in SAP to Alexander Appointments do not distinguish between payments in relation to [REDACTED] and other staff paid via Alexander Appoints. According to information provided by icare, Alexander Appointments was paid \$346,877 in relation to [REDACTED]. The amount identified is significantly less than the \$772,524 reported in the 2020 Review of Workers Compensation Scheme – Questions on Notice from 24 August 2020 hearing.² Our review is limited as we were only provided access to the NI's accounting system. The remaining amounts could have been paid by icare and may be identified in icare's accounting system.

Service provided by the Suppliers of Interest

- 4.11 For the Suppliers of Interest we requested all contracts, agreements and invoices with the aim of determining if amounts paid by the NI were for the benefit of schemes managed by icare.
- 4.12 We have been provided with 233 contracts/ agreements and 279 invoices. This only a small subset of initially requested documents. However following discussions between icare and SIRA, it was agreed that the scope of the document request would be reduced to a sample selected by Grant Thornton.
- 4.13 For each invoice provided, we conducted the following procedure:
 - a. Reviewed the invoice and associated contracts and agreements identifying key details such as cost estimates/fees, scope of work and parties in order to determine which scheme the product / service was provided to; and
 - b. Matched the invoice to a payment from the WCIF.

¹ Accessed 14 October 2021: <https://www.smh.com.au/politics/nsw/perrottet-s-staffer-hired-under-a-sham-arrangement-20200923-p55yjjg.html>

² Accessed 14 October 2021: <https://www.parliament.nsw.gov.au/lcdocs/other/13627/AQON%20-%20icare%20board%20-%20AQON-%2024%20August%202020%20Hearing.pdf>

- 4.14 Based on contracts and invoices made available by icare, the service provided by the Suppliers of Interest are as follows:
- RSA Archer (EMC Global Holdings Company): Software licenses, software support services and software training.
 - International Consulting Group (Internal Consulting Group Australia Pty Ltd): Contractor recruitment, engage your peers search
 - Rubicon Consulting: Nominal Insurer System Platform (NISP) program outcomes review
 - Capgemini: Design, build and implement claims platform solution, Kent St rent, development of claims platform solution
 - Bridge International: Authorised provider operational review, return to work support services (RTWSS) operational review and organisational design program
 - Customer Monitor (Perceptive): Employee net promoter score, customer experience net promoter score
 - Comensura: Kent St rent, Wollongong fit out and rent, labour hire
 - Korn Ferry: HR capability review, external and internal recruitment
 - Motor Traders Association (Motor Trades Cover Pty Ltd): Develop and implement industry solutions including injury prevention and return to work services
 - Guidewire: Software subscription service: building and maintaining claims management system
 - IVE Group: Guidewire cloud migration, website changes, claims processing forms, design and print management services
 - ██████████: Temporary employment hired through agency Robert Walters. Role was Strategy Manager at icare. Based on the Parliamentary Hearings, ██████████ was hired to work for NSW Treasurer Dominic Perrottet
 - ██████████mer: Contingent worker hired through Alexander Appointments. Roles were Learning and Development and Capability Specialist.
- 4.15 Of the 279 invoices provided, 52 matched to payments from the WCIF and either didn't reference the applicable scheme and only stated "icare" or made reference to a scheme other than NI. For these we asked icare what the expense related to and why was it paid by the NI.
- 4.16 Explanations provided by icare are as follows:
- | Entity | Explanations provided by icare | Count | Amount |
|-------------------------------------|---|-----------|-------------------|
| Alexander Appointments Pty Ltd | Cost of staff building the Workers Insurance Guidewire and related systems | 4 | 18,515 |
| Capgemini Australia Pty Ltd | Cost of building the Workers Insurance Guidewire and related assets | 4 | 4,553,996 |
| Capgemini Australia Pty Ltd | Cost of developing the EDW for Workers Insurance | 1 | 99,377 |
| Capgemini Australia Pty Ltd | Cost of housing staff building the Workers Insurance Guidewire system | 2 | 207,142 |
| Capgemini Australia Pty Ltd | Cost of running the Workers Insurance Guidewire system | 13 | 6,842,966 |
| Guidewire Software Pty Ltd | Cost of building/running the Workers Insurance Guidewire system | 20 | 12,327,649 |
| Ive Group Australia Pty Ltd | Cost of running the Workers Insurance Guidewire system | 6 | 3,287,553 |
| Perceptive Customer Monitor | Cost of building the Workers Insurance Guidewire and related assets | 1 | 200,000 |
| The Bridge International Consulting | Cost of building out the Workers Insurance Authorised Provider program to allow external service providers access to the Guidewire Platform to manage Workers Insurance policies. These costs relate to Workers Insurance | 1 | 220,000 |
| Total | | 52 | 27,757,198 |
- 4.17 The other 227 invoices (279 less 52 discussed above), are comprised of:
- Invoices which did not match payments from the WCIF; and
 - Invoices which referenced work performed for the NI.
- 4.18 The limitation of our findings in this section is that we have had to rely on information shared and communicated by a small group of icare representatives. Direct access to conduct an onsite audit, access document servers directly, conduct interviews with staff working on projects with the Suppliers of Interest was not part of the scope of this project. Consequently, we are unable to independently verify the explanations provided by icare.

Office fit-out and rent

- 4.19 The supplier ledgers of Capgemini and Comensura detail the payments of rent and office fit-out. This section details our analysis in these payments.
- 4.20 The table below sets out the amount paid:

Supplier	Description	Total
Capgemini Australia Pty Ltd	Kent Street rent	(2,454,801)
Comensura Pty Ltd	Fit out	(1,872,526)
	Kent Street rent	(9,743,079)
	Wollongong rent	(1,465,359)
	Rent - location not specified	(5,226,174)
Total		(20,761,939)

- 4.21 We have been provided with the agreements for both Capgemini and Comensura with icare on behalf of the NI for the rent of:
- Levels 8, 9 and 10, 321 Kent Street, Sydney;
 - Levels 9 and 10, 309 Kent Street, Sydney; and
 - Level 1, Suite 2, 60 Burelli Street Wollongong.
- 4.22 Kent Street Sydney Rent: As per the provided agreements
- Capgemini held leases on behalf of the NI for the period 1 July 2016 to 30 June 2018. NI agreed to reimburse Capgemini for all amounts expended by Capgemini for the lease including rent, outgoings and cleaning charges. We were unable to determine the amount Capgemini incurred for the lease and which amounts were passed on.
 - From 1 July 2018, Comensura held the leases on behalf of the NI. As per the lease agreement, the NI reimburses Comensura for any amounts incurred for the lease and pays a Supplier's Fee of 5% of the annual leasing spend by Comensura. The Kent Street rent amount in the table at paragraph 4.20 above would include Supplier's Fee of at least \$463,956.³
- 4.23 Burelli Street Wollongong rent:
- Rent for the Wollongong office is set out in the lease agreement between the landlord and Comensura at \$50,387.92 (1,457sqm times \$415 per sqm) per month with annual increases of 3%. The agreement between Comensura and icare on behalf of the NI includes a 5% mark-up on the annual leasing spend by Comensura.
 - We have been provided one invoice for rent from March 2018 to June 2018. The invoice included rent of \$215,551.68 (excluding GST) and Comensura fees of \$10,777.58 (excluding GST) which is 5% of the rent. Based on the provided agreement, rent should be \$50,387.92 per month however Comensura charged, for March to June 2018 \$53,887.92 per month plus a 5% mark-up of \$2,694.396. This is an excess charge of \$6,194.40 being a 12.29% mark-up.
- 4.24 We have identified Wollongong fit out in the amounts paid to Comensura. Transactions relating to fit out have the description 'WOLLONGONG FIT-OUT AGREEMENT AS PER EXEC' which suggests that there is an agreement in place. We were provided with the facilities order for the design and construction of the fit-out works for the Wollongong office. Two invoices have been provided with details as follows:

Invoice Number	Invoice Date	Invoice Description	Amount (excluding GST) \$	Amount (including GST) \$
400524	8 Jan 2019	Cost breakdown as per Progress Claim #2 Comensura fees 5%	1,419,893.14	1,561,882.46
400577	19 Mar 2019	Cost breakdown as per Progress Claim #3_Final claim Comensura fees 5%	69,995.10	76,994.61

³ Supplier's Fee is calculated as \$9,743,079 / 1.05 x 5% = \$463,956

- 4.25 It is unclear why the leases were held by Capgemini and Comensura on behalf of icare and if the additional cost (5%) could have been avoided if icare held the leases themselves. From our discussions with icare, the rental arrangements with Comensura are no longer in operation. We do not have information on who currently manages icare's rental arrangements.
- 4.26 We have been provided with an Allens Linklaters report dated 9 April 2021 regarding an external review of icare's engagement of Comensura in relation to the Additional Capability and Hosted Services Agreement ("**Comensura Agreement**").
- 4.27 Allens Linklaters in the report stated the limitation that:

The report has been prepared within a very limited timeframe. We have relied upon:

- *a set of documents provided to us by icare on 18 March 2021;*
- *an interview conducted by Allens with , Interim Group Executive, Personal Injury at icare (and former Chief Operating Officer at icare);*
- *an interview conducted by Allens with , Managing Director of Comensura and Chief Executive Officer (APAC) of Comensura's parent entity, Impellam Group plc (Impellam);*
- *discrete instructions from icare on factual matters; and*
- *discrete inquiries of Property NSW and NSW Treasury.*

- 4.28 The key findings of the report are:

There was credible commercial rationale for icare to seek a single holistic managed service provider for icare's contingent workforce needs, including premises, IT and associated services for the contingent workforce.

A competitive tender process was conducted with appropriate oversight and governance (including from the icare Board). The Comensura Agreement was negotiated, by all appearances, at arms-length with a substantial commercial counterparty.

Comensura has supplied a significant contingent workforce to icare (over 1400 roles since May 2018), which personnel have utilised the premises leased by Comensura.⁴

- 4.29 Allens Linklaters noted in the report, that based on information provided, they did not identify a compelling commercial narrative for the 5% mark-up and that some aspects of the lease arrangements with Comensura are not adequately explained.

We have not identified a compelling commercial narrative to explain icare's payment to Comensura of 5% mark-up on costs for the leases and design/fit-out works (even though some fee is unsurprising, and [redacted] recalled that the quantum of the fee was the subject of negotiation);

We have not identified any necessary connection between the amount of office space leased by Comensura and the number of workers to be provided under the Comensura Agreement. Over time, there seems to have been a gradual drift towards full-time icare staff being located on the leased premises; and

Negotiations for the Kent St leases suggest that the parties intended for Comensura to novate the leases to icare (or a nominated 3rd party) if the Comensura Agreement ended.⁵

- 4.30 In our review we did not assess whether the Wollongong Fit-out was value for money.

Contractor payments

- 4.31 A review of WCIF cash and intercompany ledgers was conducted to identify out of the ordinary expenditure. As a result of this review we identified payments to suppliers which contained only a supplier's name and no description of service.
- 4.32 Initial internet searches were conducted on the identified names found that these payments may have been made to 10 individuals who, based on LinkedIn and other online results, claim to be employees of icare. We refer to these 10 individuals as the "**Employee Suppliers**".
- 4.33 The LinkedIn and online searches were not relied upon in this report. They were performed to identify the individuals which lead to further information requested from icare. Results of this are detailed below.

⁴ Allens Linklaters Report dated 9 April 2021 paragraph 1.2

⁵ Allens Linklaters Report dated 9 April 2021 paragraph 1.2

- 4.34 The payments to Employee Suppliers were reoccurring and similar month to month with total paid to each Employee Supplier ranging from \$69,782 to \$1,772,100.
- 4.35 For the Employee Suppliers we were provided from icare:
- Contractor agreements;
 - Employment agreements – some of the Employee Suppliers transition from employee to contractor or vice versa.
 - Approval emails to engage supplier; and
 - Extension to contract letters.
- 4.36 The highest paid supplier was [REDACTED] We set out a summary of information we have regarding [REDACTED] below:
- Prior to being engaged as a contractor [REDACTED] was the [REDACTED] at icare and paid \$300,000 per annum inclusive of superannuation.
 - A proposal to engage [REDACTED] was signed by John Nagle and Rob Craig on 9 January 2017. He subsequently handed in his Notice of resignation as [REDACTED] on 13 January 2017.
 - As a contractor, [REDACTED] received \$1,772,100 between 29 August 2017 and 26 February 2019, based on daily rate of \$3,000 plus GST.
 - The first payment on 29 August 2017 was for \$381,150 and appears to relate to fees from commencement on 13 January 2017. Based on the amount paid from commencement to termination on 5 March 2019, [REDACTED] received an annual amount of approximately \$830,000.⁶
- 4.37 [REDACTED] annual salary (or salary equivalent) when engaged as a contractor, was over two and a half times [REDACTED] salary as [REDACTED]. The roles were described as follows:
- The [REDACTED] role is defined in [REDACTED] contract as having the follow purpose:
The [REDACTED] develops and manages organisation aligned ICT strategies and solutions to enable the business to achieve strategic and operational goals and lead the organisation's ICT capability to maximise returns from ICT investments to improve operational effectiveness.
 - As a contractor [REDACTED] position was described as [REDACTED]. [REDACTED] services were described as ICT consultancy, program delivery and assurance. More specifically, [REDACTED] role was:
The Services to be provided by the Contractor are primarily the provision of quality and performance management services over a 15 month period which must include a dedicated full time resource located at an icare office in Sydney. The dedicated resource will work with the icare SI to ensure that the NISP and associated programs are delivered on-time, on-budget with an emphasis on providing quality assurance and performance management services with the focus on ensuring a "Quality End-to-End Business Solution" is delivered.
- 4.38 The detailed job descriptions are attached at Annexure A
- 4.39 We have not seen any evidence as to why this new amount was agreed or reasonable, nor have we been provided with any documents or emails discussing the reason for the role change.
- 4.40 From a review of information provided in respect to the other nine Employee Suppliers, we found that they were contractors without prior employment at icare or at the NI. The following table lists their title and annual salary equivalent based on the period of payments made.

Employee Supplier	Title	Equivalent annual salary \$
[REDACTED]	[REDACTED]	80,859
[REDACTED]	[REDACTED]	43,211
[REDACTED]	[REDACTED]	280,825
[REDACTED]	[REDACTED]	406,358
[REDACTED]	[REDACTED]	310,010

⁶ There are 382 business days between these two dates. 365 days a proportion of 779 times by \$1,772,100 is \$380,316

██████████	██████████	299,428
████████████████████	██████████████████	606,671 ⁷
████████████████████	██████████	403,928
██████████	████████████████████	329,355

⁷ Equivalent annual salary for ██████████ is based on the date range from ██████ contract commencement on 11 October 2016 to last payment on 5 December 2017. The payment commencement date for ████████████████████ does not reflect that work commenced three months earlier.

5 Travel costs

Introduction

- 5.1 The NI is a NSW agency and all international travel needs to be disclosed in the icare annual financial report.
- 5.2 In this section of the report, we respond to our instruction to identify interstate and international travel paid by the NI.

Methodology

- 5.3 To assess travel costs paid by NI we extracted and consolidated the following travel general ledger listings for the period 1 July 2015 to 30 June 2020.
- a. 500643 Travel – Airfares Domestic
 - b. 500644 Travel Airfares Overseas
 - c. 500645 Travel – Taxi
 - d. 500646 Travel & Accommodation – Domestic
 - e. 500647 Travel & Accommodation – Overseas
- 5.4 To ensure all travel expenditure was included in the analysis we reviewed the Cash ledger and Intercompany ledgers of the NI for additional payments for travel expenses. These payments were identified as containing words such as “Travel”, “Taxi”, “Hotel”, “Accommodation”, “Flight”.
- 5.5 A consolidated spreadsheet was created listed travel expenditure from the above sources (“**Travel Costs**”).
- 5.6 Based on the journal “text” field, we categorised transactions with a focus of identifying any:
- a. Interstate travel;
 - b. Overseas travel; and
 - c. Travel paid by the NI but incurred by or for another scheme of icare.

Results

- 5.7 The following table sets out the categories of travel costs and the amount:

Expense type	2017	2018	2019	2020	Total
Interstate Travel	-	14,546	8,221	3,481	26,248
Lifetime Care & Support Authority	-	1,218	-	-	1,218
Overseas Travel	-	594	1,057	14,634	16,285
Travel within NSW	-	84,758	140,900	38,615	264,272
Unable to determine location	156	26,378	39,205	15,637	81,377
Total	156	127,494	189,383	72,368	389,400

- 5.8 Expenses included in *unable to determine location* category include expenses such as car hire, meals, services fees and booking fees. Based on the description of these expenses we have been unable to determine if they are interstate, overseas or within NSW.
- 5.9 A summary of our findings is as follows:
- a. All identified overseas travel was appropriately disclosed in icare’s annual financial reports.
 - b. Interstate travel was \$26,248. This is unexpected given that NI is a NSW based workers compensation scheme.
 - c. We have identified travel expenses totalling \$1,218 which reference LTCSA, which stands for Lifetime Care & Support Authority and is a separate scheme to NI managed by icare. These expenses should not be paid from the WCIF.
- 5.10 Other than confirming the disclosure of overseas travel in icare’s annual financial reports, we did not audit the compliance of travel costs against icare’s travel policy.
- 5.11 Our analysis was provided to icare who have responded that:

- a. Transactions sitting within the category "Unable to Determine Location" are comprised of:
 - i. Interstate travel totalling \$7,240; and
 - ii. Travel within NSW totalling \$74,137
- b. Regarding the transaction within the category "Lifetime Care & Support Authority":

The \$1,218 classified as LTCSA in the draft report relates to NI related spend that was incorrectly charged to an LTCSA Amex card – this was subsequently transferred to the NI through an intercompany journal to reflect it being an NI expense (not LTCSA). The category would be best suited in interstate travel

Supplier travel

- 5.12 In our review of the Supplier listings for the Suppliers of Interest, we identified four transactions totalling \$1,747 relating to travel expenses. These transactions included "travel" in the description. The table below lists out the supplier and the amount of travel expenses:

Supplier	Total
Guidewire Software Pty Ltd	1,341
Comensura Pty Ltd	406
Total	1,747

- 5.13 The above expenses do not form part of the Travel Costs set out above and may not be subject to NSW Government Travel and Transport Policy.
- 5.14 From the invoices we were provided for the Suppliers of Interest we identified invoices that refer to "Billable Expenses" that appears to be related to travel. These expenses were incurred by Guidewire. We requested and have been provided 42 invoices out of potentially 140 invoices based on invoice listings provided by icare and the sample approach agreed with SIRA as per paragraph 4.12 above. Of the 42 invoices provided, 23 invoices include Billable Expenses totalling \$586,020, across the period 8 January 2017 to 27 February 2020.
- 5.15 Narrations in relation to the Billable Expenses include:
 - a. Taxi/Train/Public Transit;
 - b. Meals (Breakfast, Lunch and Dinner);
 - c. Airfare (Domestic and International);
 - d. Hotel; and
 - e. Personal Mileage.
- 5.16 In the table below, we have set out the expenses by type. The majority of the Billable Expenses were for Accommodation and Airfares accounting for 50% and 28% of the total Billable Expenses respectively. The invoices do not provide detail on the location of where the expense was incurred. The table below sets out the Billable Expenses by expense type:

Expense Type	Total	% Total
Hotel	191,391	33%
Airfare - Domestic	72,373	12%
Airfare - International	61,275	10%
GM - Corporate Apart	58,518	10%
GM - Hotel	40,348	7%
Meals - Self - Dinner	33,752	6%
GM - Airfare International	28,317	5%
Taxi/Train/Public Transit	25,695	4%
Meals - Self - Lunch	20,492	3%
GM - Meals Self	18,970	3%
Meals - Self - Breakfast	13,264	2%
Personal Mileage	6,248	1%
Meals - GW Emp Only	2,814	0%
GM - Taxi/Train/Public Transit	1,974	0%
Corp Apartment	1,965	0%
GM - Car Rental	1,950	0%
Laundry/Dry Cleaning	1,902	0%
Parking/Tolls	1,363	0%
Taxi/Train/Public Transit	1,219	0%
Currency exch/bank fees	793	0%
GM - Taxi/Train/Public Transit	479	0%
Excess Baggage	340	0%
Meals - With 3rd Parties	131	0%
Telecom - Roaming	93	0%
Airfare - Domestic - Upgrade	65	0%

Tips/Gratuities	60	0%
Telecom - Mobile (Cell)	52	0%
GM - Relocation Expenses	50	0%
Misc Expenses - T&E	48	0%
Visas/Passport	42	0%
GM - Personal Mileage	36	0%
Total	586,020	100%

5.17 The top five individual expenses are as follows:

- The highest expense is International airfare for [REDACTED] of \$8,365 on 11 January 2017.
- The second highest is GM – Corporate apartment for [REDACTED] of \$7,268 which appears to be for the period 29 April 2018 to 31 May 2018.
- The third and fourth highest is GM – International airfare for [REDACTED] of \$6,012 on 12 March 2018 and of \$5,824 on 2 March 2018.
- The fifth highest expense is GM – Corporate apartment for [REDACTED] of \$5,698, which appears to be for the period 30 April 2018 to 31 May 2018.

5.18 The invoices do not provided any further details, such as the route flown for airfares or the type of corporate apartment.

5.19 The Billable Expenses were for 23 Guidewire employees. The top five employees contributed to 62% of the total Billable Expenses. The table below set out the Billable Expenses by Guidewire employee:

Employee Name	Amount	% Total
[REDACTED]	87,754	15%
[REDACTED]	84,106	14%
[REDACTED]	73,626	13%
[REDACTED]	60,552	10%
[REDACTED]	54,478	9%
[REDACTED]	35,185	6%
[REDACTED]	27,786	5%
[REDACTED]	23,026	4%
[REDACTED]	23,001	4%
[REDACTED]	19,754	3%
[REDACTED]	17,999	3%
[REDACTED]	15,518	3%
[REDACTED]	15,056	3%
[REDACTED]	12,911	2%
[REDACTED]	6,794	1%
[REDACTED]	6,436	1%
[REDACTED]	6,430	1%
[REDACTED]	4,925	1%
[REDACTED]	4,023	1%
[REDACTED]	3,612	1%
[REDACTED]	1,741	0%
[REDACTED]	1,063	0%
[REDACTED]	246	0%
Total	586,020	100%

5.20 Overall, Billable Expenses makes up 5% of the total invoice value of invoices with Billable Expenses (23 invoices) and 2% of the total invoice value (42 invoices). The table below sets out the Billable expenses by invoice the invoice total which is inclusive of billable expense:

Invoice Number	Billable Expense Total excl. GST	Invoice Total excl. GST	% Total
PS-003883	14,449	52,399	28%
PS-004891	15,892	333,067	5%
PS-004681	1,741	62,329	3%
PS-005347	38,110	962,507	4%
7160000031	5,770	150,870	4%
7160000026	5,466	148,966	4%
7160000036	82,152	1,292,874	6%
7160000029	47,682	1,271,254	4%
7160000048	33,082	911,370	4%
7160000041	47,881	1,092,075	4%
7160000095	154,461	1,946,268	8%
7160000122	6,852	64,852	11%
7160000137	11,040	444,090	2%
7160000164	14,012	405,212	3%
7160000159	5,788	22,588	26%
7160000158	4,800	59,900	8%
7160000175	23,392	383,967	6%

7160000168	20	214,789	0%
7160000177	13,667	330,842	4%
7160000192	20,904	362,054	6%
7160000179	4,905	185,455	3%
7160000216	16,427	296,691	6%
7160000226	17,528	327,288	5%
Total	586,020	11,321,705	5%

5.21 The above expenses did not form part of the Travel Costs as set out in paragraph 5.7 above.

6 Payments to brokers in relation to the Protect Together Program

Introduction

- 6.1 The Protect Together (“P2”) Program is an intervention and prevention pilot with the aim of working with NSW businesses to achieve better work health and safety practices for employees. Brokers were engaged by icare to conduct the engagements with NSW businesses.
- 6.2 In this section of the report we respond to our instruction to determine if the Brokers
 - a. conducted the engagement and completed the agreed deliverable reporting; and
 - b. were paid the agreed amount.

Methodology

- 6.3 We requested from icare in relation to the P2 Program:
 - a. Contracts with brokers
 - b. Budgets in relation to P2 program expenditure and forecast broker fees
 - c. Invoices or supporting documentation from brokers detailing the amount due to brokers for P2 associated services
 - d. Workpapers and reports detailing P2 completed deliverables
- 6.4 icare advised us that there were 73 P2 Programs conducted for NSW businesses and we were provided documents for each of these 73 P2 Programs.
- 6.5 The document provided were reviewed as follows:
 - a. The proposal for each P2 Program engagement was reviewed to identify:
 - i. Proposed fee; and
 - ii. Required deliverables;
 - b. Deliverable documents such as following were reviewed to ensure the required deliverables were met:
 - i. Training document;
 - ii. WHS Gap Analysis report
 - iii. Safety culture report;
 - iv. Action plan;
 - c. The invoices were reviewed and amount matched to budget in the proposal and actual paid to the broker.

Results

- 6.6 For the 73 P2 Programs, we were provided with sufficient evidence for 28 that all deliverables were met and the Broker was paid the correct amount.
- 6.7 Through consultation with SIRA, we selected five of the remaining 45 P2 Programs to ask icare for additional documents where information was initially missing.
- 6.8 For these five selected P2 Programs, we received additional documents which evidenced that all deliverables were met and the Broker was paid the correct amount.
- 6.9 In our review of P2 Programs, we did not review the quality of the deliverables.

7 Other information about this report

Disclaimer

- 7.1 This report has been prepared solely for the use of SIRA and prepared on the basis of information supplied to us and detailed herein.
- 7.2 As the intended user of our report, it is for you to assess both the procedures and our observations to determine whether they provide, in combination with any other information you have obtained, a reasonable basis for any conclusions which you wish to draw on the subject matter.
- 7.3 Any conclusions made in this report are based on factual findings, including any assumptions where stated and on information provided. Neither Grant Thornton nor any member or employee of Grant Thornton undertakes responsibility in any way whatsoever to any person in respect of any errors in this report arising from incorrect information provided to Grant Thornton. The terms of this engagement are such that we have no obligation to update this report because of events or transactions occurring subsequent to the date of the report unless subsequently agreed. However should further information be subsequently made available to us, which materially affects the findings and conclusion contained herein, we reserve the right to amend the report accordingly.
- 7.4 In accordance with normal professional practice, neither Grant Thornton nor any member or employee of Grant Thornton undertakes responsibility in any way what so ever to any person other than SIRA in respect of this report, and neither the whole of this report or any part thereof or any reference thereto may be published in any document, statement, media or circular nor in any communication with third parties without our prior written approval of the form and context in which it will appear. In no event, shall we assume any responsibility to any third party to which the report has been disclosed or otherwise been made available.
- 7.5 Under the terms of our engagement we have obtained financial data included in this report from the financial records of icare and the NI and other books and records which have not been audited by us. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.
- 7.6 All questions and enquiries should be directed to [REDACTED].

SIGNED
GRANT THORNTON AUSTRALIA LIMITED



Alex Bell
Partner - Forensic Consulting

[Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389]

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions.

In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities.

Liability limited by a scheme approved under Professional Standards Legislation.

© 2019 Grant Thornton Australia Ltd. All rights reserved.



Employment agreement

Insurance and Care NSW

dust diseases care / builders warranty / lifetime care / self insurance / workers insurance

icare is the brand of Insurance & Care NSW, and acts for the Workers Compensation Nominal Insurer and provides services to Workers Compensation (Dust Diseases) Authority, Lifetime Care and Support Authority, Sporting Injuries Authority and NSW Self Insurance Corporation.

THIS EMPLOYMENT AGREEMENT is made on 19/11/2015

BETWEEN Insurance and Care NSW
of Level 1, 60 Elizabeth Street, Sydney NSW 2000
(ICNSW)

AND [REDACTED]
(Executive)

RECITALS

- A. ICNSW has offered the Executive employment on the terms set out in this Agreement and the Executive has accepted that offer.

OPERATIVE PROVISIONS

1. DEFINITIONS AND INTERPRETATION

See Schedule 1.

2. APPOINTMENT, POSITION AND TERM

2.1 Position

The Executive is employed in the position of [REDACTED]

2.2 Operation

The parties acknowledge that the employment of the Executive is affected by statutory instruments, including the State Insurance and Care Governance Act 2015 (NSW) (the **SICG Act**).

2.3 Location

The Executive will be based in Sydney, although the Executive may be required to travel and may be required to be based at a different location.

2.4 Commencement and term

The employment will commence on 9 October 2015 and will continue for an indefinite period unless terminated in accordance with clause 13.

2.5 Probation

As you are an existing Executive transferred to ICNSW a probationary period does not apply.

3. EXECUTIVE'S DUTIES

3.1 Duties Executive must perform

The Executive must:

- (a) perform to the best of the Executive's abilities and knowledge the duties assigned to the Executive, in accordance with the general policies and specific directions of ICNSW. The duties initially assigned include those listed in Schedule 2;

Schedule 2 – Duties

The duties initially assigned include:

Primary purpose of the role:

The [REDACTED] develops and manages organisationally aligned ICT strategies and solutions to enable the business to achieve strategic and operational goals and leads the organisation's ICT capability to maximise returns from ICT investments to improve operational effectiveness.

Key accountabilities

- Provide vision, leadership and governance of the ICT strategy and architecture, ensuring alignment with the NSW Government ICT Strategy and industry best practice.
- Manage the provision of secure and stable ICT services to support organisational outcomes through effective risk management strategies.
- Identify and evaluate opportunities for innovation and development to deliver ICT solutions that meet internal and external customer needs.
- Create and maintain highly professional, customer oriented, agile, innovative and future-focused ICT capability within the organisation.
- Establish and maintain value-based stakeholder and strategic supplier relationships which meet business requirements.
- Building a shared sense of direction and a culture of performance, accountability and service across a large, multidisciplinary team of professionals and support staff.
- Providing independent, high-level, strategic advice, problem resolution and reporting to senior management, government and oversight bodies on high priority issues that impact the organisation.
- Being the principal authoritative source of advice and the end escalation point on complex matters connected with ICT services.
- Negotiate and provide persuasive, commercially sound, professional advice and solutions in a complex and dynamic environment of time pressure, divergent views and agendas, legislative requirements and conflicting priorities.
- Anticipate and assess changes which impact the business, considering emerging trends, formulating and re-formulating strategies, plans and priorities, exercising judgement in the absence of precedent and making decisions with enduring and/or far-reaching impact.



Agreement

Title: NISP Program Director – Quality & Assurance

Agreement No:

Insurance and Care NSW on behalf of the Workers Compensation Nominal Insurer
(Nominal Insurer)

Jackstar Consulting Services Pty Ltd
(Contractor)

KEY DETAILS

1 **Commencement Date** 16th January 2017

2 **Parties**

Nominal Insurer

Name

Insurance and Care NSW on behalf of the Workers Compensation
Nominal Insurer
ABN 16 759 382 489

Address

321 Kent St, Sydney NSW 2000

Nominal Insurer

Representative

Rob Craig

Email

Rob.craig@icare.nsw.gov.au

Contractor

Name

Jackstar Consulting Services Pty Ltd
ABN 53 616 828 801

Address

Attention

Phone:

Email

3 **Initial Term** Commencement Date to 15 April 2018

4 **Extended Period** Up to 12 months, to be exercised at the sole discretion of the
Nominal Insurer

Schedule 1 - Services

Services

The Services to be provided by the Contractor includes ICT consultancy, program delivery and assurance.

Key accountabilities include:

The Services to be provided by the Contractor are primarily the provision of quality and performance management services over a 15 month period which must include a dedicated full time resource located at an icare office in Sydney. The dedicated resource will work with the icare SI to ensure that the NISP and associated programs are delivered on-time, on-budget with an emphasis on providing quality assurance and performance management services with the focus on ensuring a “Quality End-to-End Business Solution” is delivered.

In addition, the Contractor is expected to:

Support the broader Information Technology build out of icare ICT strategy and implementation through participation in Steering and working groups including, but not limited to:

- the Architecture Review Board
- the Design Authority
- the Data and Analytics Steering Committee
- Represent icare Management at the Board and Board Committee with respect to NISP and associated programs
- Represent NISP and associated programs within icare
- Provide support and direction on the selection and acquisition of ICT products and services
- Represent the interests of icare with partners, vendor, suppliers and third parties including media (noting that any media comment must be approved by icare) and Government Agencies.
- Represent the Sponsors, NISP and associated programs at icare Management meetings and planning events

Deliverables

- Perform the role of Program Director Quality and Assurance, Nominal Insurer System Platform (NISP) Program reporting to John Nagle, Executive General Manager, Workers Insurance and Rob Craig, Chief Strategy and Transformation Officer.
- Lead the icare resources to support the implementation of the program on behalf of the Program Sponsors and Steering Committee, providing direction to program leads charged with design, delivery, change management and business integration.

- Ensure appropriate information reporting and recommendations to the Sponsors and other relevant program governance committees to support effective decision making.
- Direct the delivery of the program in a manner that understands and considers stakeholder interest, accommodating their requests as and when reasonable.
- Support appropriate co-ordination of program roles and responsibilities, and sourcing of resources to ensure delivery program management, governance and implementation expectations
- Provide direction and advice and take a key leadership role in supporting the direction of the Transformation Agenda and ensure effective integration of the different foundation system components.
- Develop strong stakeholder relationships to enable the effective delivery of the programme ensuring full support of other business areas of icare, 3rd party vendors and other relevant business partners
- Ensure through effective planning and management of the program and program leads that all information, documentation and other key program material is handed over to BAU at the end of the program in an effective manner

Key Personnel (clause 7.1)



Key Performance Indicators (clause 4.5)

No.	KPI
1	Positive feedback from Group Executive Workers Insurance, measured 3 monthly on and from 16 Jan 2017
2	Positive feedback from and Chief Operating Officer, measured 3 monthly on and from 16 Jan 2017