CARISMA SOLUTIONS

BK & OSS

FILM AUDIT



AGENDA

- About Film Audit
- Types
- Classification of Cost
- Documents
- Process

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FILM AUDIT

It is a type of special audit , where audit is done for film based such as TV series, discoveries, movies etc. in order to claim Producer Offset (subsidy) for the amount spend within Australia. It is also called as Expenses based Audit



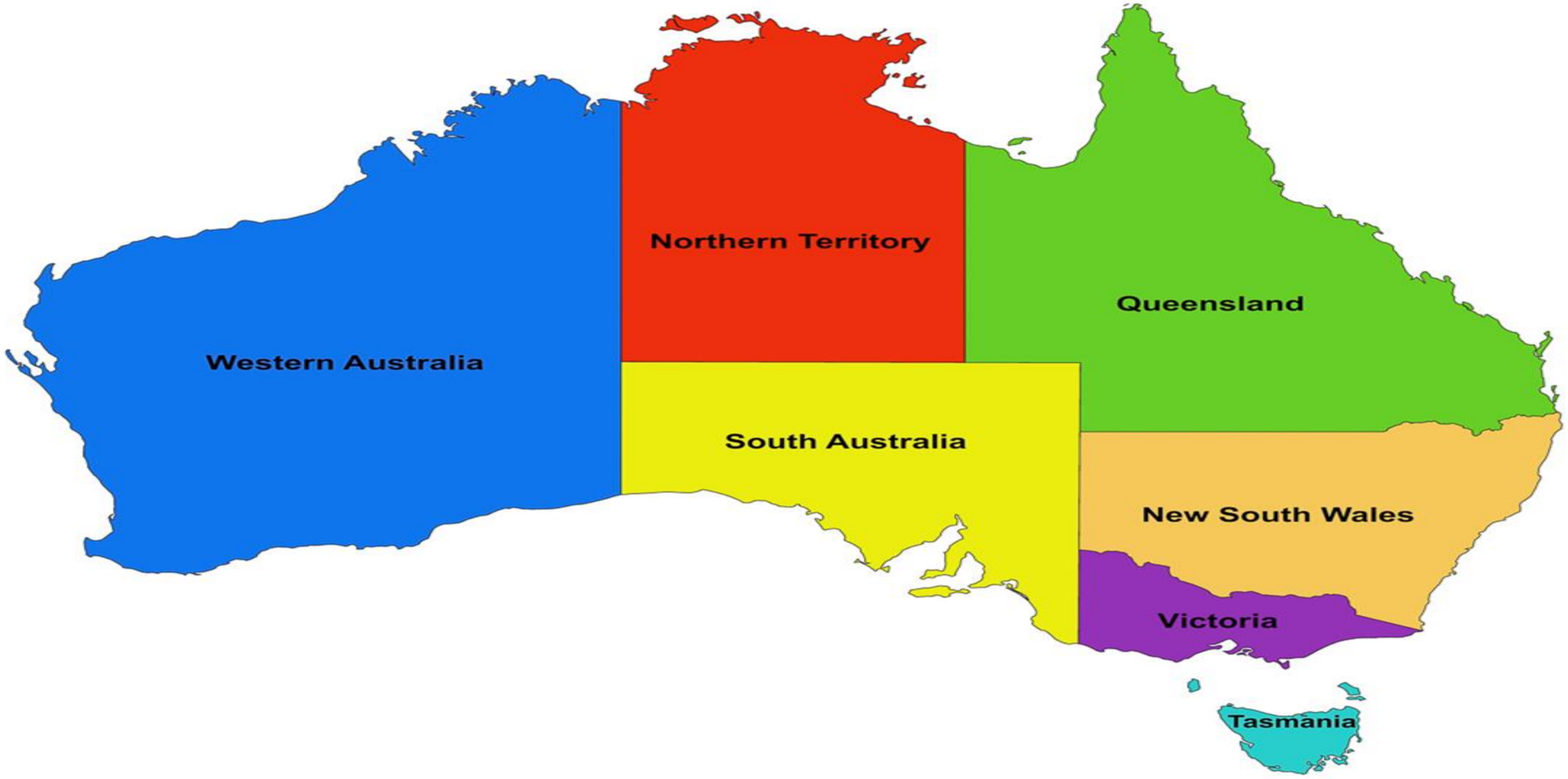
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TYPES OF FILM AUDIT

- Qualified Australian Production Expenditure (QAPE) Audit
- State Spend Audit
- Post, Digital and Visual Effects (PDV) Audit:
- Production Audit
- Cost Report Audit

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States of Australia



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DOCUMENTS

PROVIDED BY CLIENT

- General Ledger
- Cost Report
- Invoices & Contract
- QAPE Spreadsheets - Rebate %
- State Agreement - Minimum spend

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COST REPORT

BYU BROADCASTING					
SUMMARY COST REPORT					
TEMPLATE VERSION 2021_04_28					
PRODUCTION TITLE:					
PRODUCTION END DATE:					
PRODUCTION COMPANY:					
PREPARED BY:					
Report Type (Interim or Final):					
COST REPORT TOP SHEET					
ACCOUNT DESCRIPTION	**COST TO DATE**	**ESTIMATE TO COMPLETE**	**ESTIMATED FINAL COST**	**BUDGET**	**OVER/ UNDER**
TOTAL STORY AND SCREENPLAY	$0.00	$0.00	$0.00	$0.00	$0.00
DEVELOPMENT	$0.00	$0.00	$0.00	$0.00	$0.00
TOTAL PRODUCERS	$0.00	$0.00	$0.00	$0.00	$0.00
TOTAL DIRECTION	$0.00	$0.00	$0.00	$0.00	$0.00
TOTAL CAST	$0.00	$0.00	$0.00	$0.00	$0.00
TOTAL ABOVE THE LINE	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
TOTAL PRODUCTION	$0.00	$0.00	$0.00	$0.00	$0.00
TOTAL EXTRAS	$0.00	$0.00	$0.00	$0.00	$0.00
TOTAL SET DESIGN	$0.00	$0.00	$0.00	$0.00	$0.00
TOTAL SET CONSTRUCTION	$0.00	$0.00	$0.00	$0.00	$0.00
TOTAL SET OPERATIONS	$0.00	$0.00	$0.00	$0.00	$0.00
TOTAL SPECIAL EFFECTS	$0.00	$0.00	$0.00	$0.00	$0.00
SET DRESSING	$0.00	$0.00	$0.00	$0.00	$0.00
PROPERTY	$0.00	$0.00	$0.00	$0.00	$0.00

Complete Report of all the expenses met during the production of film are maintained by the client. Such report are called Cost Report

Primary Documents required for the process of film audit

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QAPE SPREADSHEETS

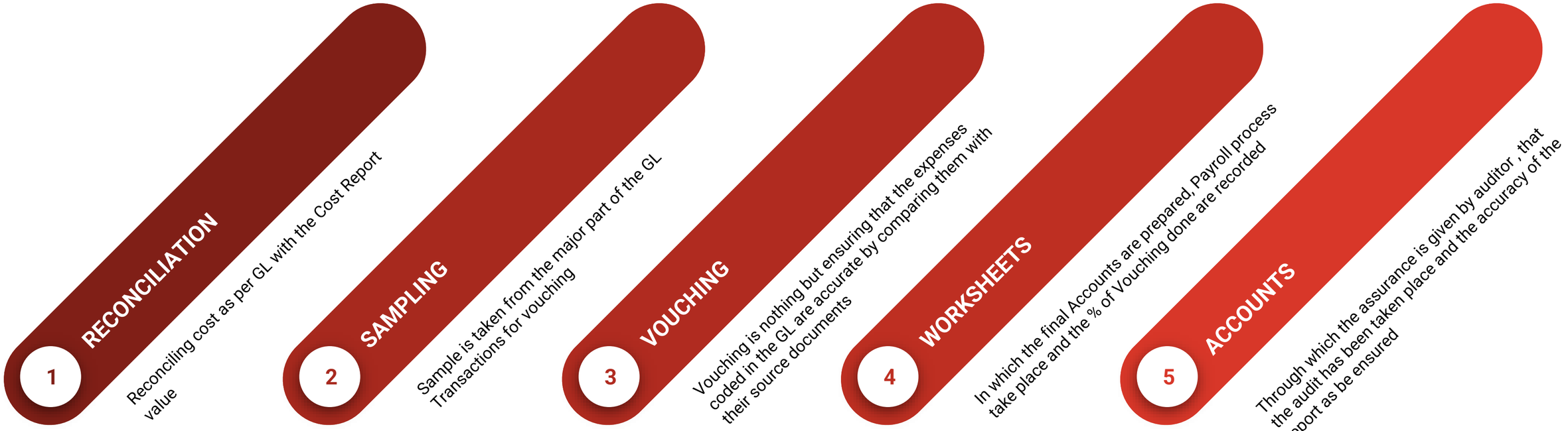
	Format:	Season of a series - documentary				
	Season Number:	8	Please Select the SEASON number of the SERIES for this application			
		You MUST complete Worksheet (c)				
	$1,445,624.70	Total Film Expenditure				
	N/A	20% ATL	(A)	(B1)	(B2)	(C)
CODE	ALL IN AUD	COMMENT ON COST	TOTAL FILM EXPENDITURE	PLEASE IGNORE COLUMN	AUSTRALIAN APPLICANT EXCLUSIONS	TOTAL QAPE
	STORY		12,000	-		12,000
	PRODUCERS		216,080	-		216,080
	DIRECTOR		111,848	-		111,848
	PRESENTER & PARTICIPANTS		170,000	-	-	170,000
	FRINGES		52,490	-		52,490
	TOTAL ATL	*N/A*	562,418	-	-	562,418
	PROD MANAGEMENT		122,545	-		122,545
	PROD ACCOUNTING		35,315	-		35,315
	CAMERA		37,302	-		37,302
	SOUND		5,044	-		5,044
	MAKEUP		4,950	-		4,950
	TOTAL WAGES		205,155	-	-	205,155
	FRINGES & WORK.COMP.		88,583	-		88,583
	COSTUMES		2,000	-		2,000
	TRAVEL & TRANSPORT		23,859	-		23,859
	HOTEL, LIVING,CATERING		17,949	-	1,353	16,596
	INSURANCES		3,000	-		3,000
	OFFICE EXPENSES		19,998	-	535	19,463
	TOTAL PRODUCTION		275,453	-	7,787	267,666
	POST: CREW WAGES		111,224	-		111,224
	POST:OFFICE & RENTALS		57,149	-		57,149
	DELIVERY		4,840	-		4,840
	TOTAL POST PRODUCTION		226,650	-	-	226,650
	TOTAL BELOW THE LINE		707,258	-	7,787	699,471
	LEGAL					
	- Audit		5,800	-		5,800
	- Cashflow/Interest		24,561	-	24,561	-
	- Bank Fees		249	-	43	206
	- Production Legals		11,825	-		11,825
	OVERHEAD		130,373	-	58,092	72,281
	SUB TOTAL		172,808	-	82,696	90,112
	LEVIES		3,141	-		3,141
	SUB TOTAL		3,141	-	-	3,141
	GRAND TOTAL		1,445,625	-	90,483	1,355,142
			(A)	(B1)	(B2)	(C)

Distinguish the amount spend within the Australia and outside the Australia among total expenses.

Based on the above segregation, subsidies are claimed on the amount spent within the Australian

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PROCESS OF FILM AUDIT



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RECONCILIATION

COST REPORT VS GENERAL LEDGER

Row Labels	Sum of C/D	Cost Ledger
1110	9000	ATL
1112	70496	ATL
1114	3839	ATL
1116	10177.27	ATL
1120	1965	ATL
1132	5400	ATL
1140	4900	ATL
2102	67260	SAL
2104	31490	SAL
2106	9395	SAL
2108	18360	SAL
2110	13160	SAL
8330	27410	OTH
8410	33000	OTH
8420	6600	OTH
9814	5000	IC
10010	200000	IC
10110	36612	IC
Grand Total	**11629981.57**	

	As per GL	AS Per CR	Diff
ATL	1,759,651	1,759,651	0
SAL	2,334,694	2,334,694	0
OTH	6,404,694	6,404,694	0
IC	1,130,943	1,130,943	0
	11,629,982	**11,629,982**	**0**

Using pivot table Difference between cost as per GL and cost as per Cost report are ascertained . Usually such difference will be the purchase order value

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SAMPLING

Description	Amount	Invoice	Contract	Payroll Test	Request	Total	Coverage
ATL	1,759,651	-	1,246,650	-	510,001	1,756,651	100%
SAL	2,334,694	-	1,361,654	-	101,943	1,463,597	63%
OTH	6,404,694	-	1,231,396	-	3,195,047	4,426,444	69%
IC	1,130,943	10,000	84,632	-	1,023,068	1,117,700	99%
Total	**11,629,982**	**10,000**	**3,924,333**	-	**4,830,059**	**8,764,392**	**75%**
					Total	**11,629,982**	
					Subtotal	**11,629,982**	

Acct No	Acct Name	Cost Ledger	Loc	Doc Date	Creditor/ Debtor Name	Description	Reference	Curr	C/D	Sample	State
1020	Writers Fees - WT	ATL	Q	25-10-2022	THE PRINCE OF DARKNESS	WRITERS FEES FINAL BALANCE -N	wt2022/1	AUD	174,100	Request	
1110	Producer	ATL	NQ	06-01-2023	SCARLETT PICTURES	DEVELOPMENT - PRODUCER FEES	DEV DFT1-3	AUD	3,000	Request	
1110	Producer	ATL	NQ	06-01-2023	SCARLETT PICTURES	DEVELOPMENT - PRODUCER FEES	DEV DFT1-3	AUD	2,400	Request	
1110	Producer	ATL	NQ	06-01-2023	SCARLETT PICTURES	DEVELOPMENT - PRODUCER FEES	DEV DFT1-3	AUD	600	Request	
1110	Producer	ATL	Q	06-01-2023	SCARLETT PICTURES	DEVELOPMENT - PRODUCER FEES	DEV DFT1-3	AUD	3,000	Request	
1112	Writer Fees	ATL	Q	23-12-2022	SCARLETT PICTURES	DEVELPOMENT EXPENSE - WRITTI	DEV PART 1	AUD	30,000	Request	
1112	Writer Fees	ATL	Q	23-12-2022	SCARLETT PICTURES	DEVELPOMENT EXPENSE - WRITTI	DEV PART 1	AUD	200	Request	
1112	Writer Fees	ATL	NQ	06-01-2023	SCARLETT PICTURES	DEVELOPMENT - WRITER FEES 1S	DEV DFT1-3	AUD	14,000	Request	

The following points to be consider while select samples

- 100% taken for Music relating transactions
- ATL & IC transactions 90% to be taken

Majority of the transactions with larger amount are taken as sample (which is entered as request in the sale column) for carrying out the vouching process . Sample should be taken at the below %

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VOUCHING

Description	Amount	Invoice	Contract	Payroll Test	Request	Total	Coverage
ATL	1,759,651	1,000	1,296,050	-	459,601	1,756,651	100%
SAL	2,334,694	-	1,361,654	-	101,943	1,463,597	63%
OTH	6,404,694	-	1,231,396	-	3,195,047	4,426,444	69%
IC	1,130,943	10,000	84,632	-	1,023,068	1,117,700	99%
Total	**11,629,982**	**11,000**	**3,973,733**	-	**4,779,659**	**8,764,392**	**75%**
					Total	**11,629,982**	
					Subtotal	**11,629,982**	

Acct No	Acct Name	Cost Ledger	Loc	Doc Date	Creditor/ Debtor Name	Description	Reference	Curr	C/D	Sample	State
1020	Writers Fees - WT	ATL	Q	25-10-2022	THE PRINCE OF DARKNESS	WRITERS FEES FINAL BALANCE -N	wt2022/1	AUD	174,100	Request	NSW
1110	Producer	ATL	NQ	06-01-2023	SCARLETT PICTURES	DEVELOPMENT - PRODUCER FEES	DEV DFT1-3	AUD	3,000	Contract	NSW
1110	Producer	ATL	NQ	06-01-2023	SCARLETT PICTURES	DEVELOPMENT - PRODUCER FEES	DEV DFT1-3	AUD	2,400	Contract	NSW
1110	Producer	ATL	NQ	06-01-2023	SCARLETT PICTURES	DEVELOPMENT - PRODUCER FEES	DEV DFT1-3	AUD	600	Contract	QLD
1110	Producer	ATL	Q	06-01-2023	SCARLETT PICTURES	DEVELOPMENT - PRODUCER FEES	DEV DFT1-3	AUD	3,000	Contract	NSW
1112	Writer Fees	ATL	Q	23-12-2022	SCARLETT PICTURES	DEVELPOMENT EXPENSE - WRITT	DEV PART 1	AUD	30,000	Contract	QLD
1112	Writer Fees	ATL	Q	23-12-2022	SCARLETT PICTURES	DEVELPOMENT EXPENSE - WRITT	DEV PART 1	AUD	200	Contract	QLD
1112	Writer Fees	ATL	NQ	06-01-2023	SCARLETT PICTURES	DEVELOPMENT - WRITER FEES 1S	DEV DFT1-3	AUD	14,000	Request	QLD
1112	Writer Fees	ATL	NQ	06-01-2023	SCARLETT PICTURES	DEVELOPMENT - WRITER FEES 2N	DEV DFT1-3	AUD	1,000	Invoice	NSW
1112	Writer Fees	ATL	NQ	06-01-2023	SCARLETT PICTURES	DEVELOPMENT - WRITER FEES 2N	DEV DFT1-3	AUD	2,000	Contract	QLD

Ensure each transactions selected as sample has their respective source documents . If the source documents is in the form of contract ,change the request entered as contract . same in case, if the source documents is in the form of invoice

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WORKSHEET

STATEMENT OF NET PRODUCTION COSTS
FOR THE PERIOD ENDED 19TH JUNE 2020

	NOTE	$ TOTAL	EXCLUSIONS NON-QAPE	TOTAL QAPE	TOTAL FINAL COSTS
ABOVE THE LINE COSTS					
Story		12,000	-	**12,000**	12,000
Producers		216,080	-	**216,080**	216,080
Director		111,848	-	**111,848**	111,848
Presenter & Interview Guests		170,000		**170,000**	170,000
Fringes		-	-	-	-
TOTAL ABOVE THE LINE COSTS		**509,928**	**-**	**509,928**	**509,928**
BELOW THE LINE COSTS					
Unit fees and salaries	1	346,226	-	**346,226**	346,226
Other below the line costs	2	413,522	7,787	**405,735**	413,522
TOTAL BELOW THE LINE COSTS		**759,748**	7,787	**751,961**	**759,748**
INDIRECT COSTS					
Legal		42,434	24,604	**17,830**	42,434
Overhead		130,373	58,092	**72,281**	130,373
TOTAL INDIRECT COSTS		**172,807**	**82,696**	**90,111**	**172,807**
MISCELLANEOUS EXPENSES					
Levies		3,141	-	**3,141**	3,141
TOTAL MISCELLANEOUS EXPENSES		**3,141**	-	**3,141**	**3,141**
NET PRODUCTION COSTS		**1,445,624**	90,483	**1,355,141**	**1,445,624**
		1	-	1	-

Among the total expenditure Incurred for the production , the amount spend with Australia (Total QAPE) , Amount spend outside Australia (Exclusion non QAPE) shown Separately

The above split up is necessary to claim rebate on the amount spend only within Australia

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AUDIT COVERAGE

Entering % of sample taken for each GL code

TOTAL PRODUCTION COSTS
FOR THE PERIOD ENDED 19TH JUNE 2020
AUDIT LEAD SCHEDULE

	WP REF	ACTUAL	BUDGET	BUDGET VARIANCE
Above the line costs	7	509,928	579,000	(69,072)
Below the line costs				
Unit fees & salaries	8	346,226	397,732	(51,506)
Other	9	413,522	496,237	(82,715)
Indirect costs	10	172,807	196,286	(23,478)
Miscellaneous costs	10	3,141	8,822	(5,681)
Total film production costs		1,445,624	1,678,076	(232,452)

TOTAL AUDIT COVERAGE

Above the line costs	7	459,688
Below the line costs		
Unit fees & salaries	8	225,575
Other	9	269,607
Indirect & miscellaneous costs	10	156,349
Total film production costs tested $		1,111,419
Total film production costs tested %		77%

Description	Amount	Invoice	Contract	Payroll Test	Request	Total	Coverage
ATL	509,928	114,000	345,688	-		459,688	90%
SAL	346,226	53,127	149,155	35,893	7,400	225,575	65%
OTH	413,531	179,168	1,700	-	89,618	270,485	65%
IC	175,949		130,273	-	25,976	156,249	89%
Total	1,445,626	326,294	626,916	35,893	122,994	1,112,098	76.9%
					Total	1,445,626	
					Subtotal	122,994	

PAYROLL TAB :

Ensuring wages as per payroll report and wages as per cost report are same

PAYROLL TAX AND SUPER REASONABLENESS TEST
FOR THE PERIOD ENDED 20TH SEPTEMBER 2023

PAYROLL REPORT

	WP	GROSS	TOTAL	TAX	NET
All Employee Payroll		786,017	786,017	224,321	561,696
		786,017	**786,017**	**224,321**	**561,696**
				12/4-1	

PAYROLL PER GENERAL LEDGER

	NOTE				
BLC-UNIT FEES & SALARIES					1,179,354
Less:					
LESS CONTRACTOR PAYMENTS					
Production Management		- 337,838			
Production Accountancy		- 44,394			
Tuition and Technical Advisers		- 6,675			
Overtime & Loadings		- 115,693			
					- 504,600
ADD PAYROLL IN BLC - OTHER					
Post- Production Crew		81,900			
					81,900
					756,654
					786,017
					- 29,363
					-4% (immaterial)

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AUDIT REPORT

Report on the Statement of Production Expenditure

As required under the PDV Offset Rules 2008 (the Rules), we have audited the accompanying Statement of Production Expenditure on the Production entitled 'Lego FCFC'.

We confirm that the Auditor responsible for the preparation of this Report is a Registered Company Auditor within the meaning of the *Corporations Act* 2001 and is not an officer, employee or partner of the Applicant, or of a related body corporate of the Applicant.

Responsibility of the Applicant for the Statement of Production Expenditure

The Applicant is responsible for the preparation and fair presentation of the Statement of Production Expenditure and has determined that the accounting policies prescribed in the Statement of Production Expenditure are appropriate to meet the Rules.

The Applicant's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the Statement of Production Expenditure that is free from material misstatement; whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

We conducted our Audit in accordance with Australian Auditing Standards. These Auditing

This report is to confirm that as per the audit Total amount , actually amount spend within the Australia / respective state as the case May be . And his eligibility to claim certain % of amount on the total cost as a subsidy.

It is a conclusive evidence , that this report has been audited and eligibility has been ascertained

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