

UNSW Accounting Procedure	
Linked UNSW Policy	Payables and Borrowings; Provisions and Employee Benefits
Responsible Officer	Director, Corporate Finance and Advisory Services and Shared Services
Contact Officer	Senior Group Statutory Reporting Manager, Corporate Finance and Advisory Services
Review	Every year
Effective Date	31 December 2013

1. Objective

This procedure outlines the process to account for unresolved insurance claims determined in accordance with AIFRS, at a departmental level (i.e. Faculties, Schools & Divisions) in NS Financials.

2. Basis of Accrual

A provision is only recognised when UNSW, (the University) has a present legal or constructive obligation as a result of past events, or it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

3. Accounting procedure

3.1 Risk Management Unit (RMU): Outstanding claims information

It is the role of the Risk Management Unit to assist the University community in the protection and promotion of the people, assets, reputation and opportunities through the provision of guidelines, tools and advice regarding the management of University risks.

The outstanding claims schedule is updated on an annual basis and forwarded to Corporate Finance and Advisory Services.

3.2 Corporate Finance and Advisory Services : Annual accrual

Corporate Finance and Advisory Services records a provision, through a manual journal, for the outstanding claims based on the schedule received from RMU at year end. The insurance expenses are charged through accounts 6644 (Insurance), and the provision account 8521 (Other Payables - Current) at a 'Central' level.

4. Operational aspects

4.1 Charges to Business Units (i.e. Faculties, Schools & Divisions)

The claims expenses are recorded at a 'Central' level, and not charged to the business units.