

Premium audits

All employers that have a WCB account, or those that may require one, are subject to a premium audit. Accounts are chosen through a selection process based on a number of potential factors including: the industry of operation, the size of operations, etc. If you are selected for a premium audit, it does not mean that you have done anything wrong. Instead, it provides the opportunity to verify that:

- the classification of your business is within the correct industry
- the correct claims costs have been charged to your account
- the calculation of your company's WCB insurable earnings is correct

A premium audit is a review of your financial reporting system, verifying the earnings you've reported to WCB. Through this process the audit will:

- evaluate your current reporting system and provide recommendations for improvements
- identify potential exposures within your company to uninsured risk such as:
 - directors/owners without Personal Coverage
 - subcontractors without WCB accounts
 - volunteers, etc.
- provide WCB information specific to your company's needs
- link you to the appropriate resource support for all WCB matters

How an audit works

Preparing - Ensure all your financial records are readily accessible for the auditor's review. This can include the following:

• financial statements	• invoices
• payroll records	• cancelled cheques and cheque stubs
• Any T4, T4A or T4 summaries	• synoptic journals
• tax returns	• computer listings/chart of accounts
• general ledgers	• WCB worksheets, etc.
• accounts payable ledgers	• T5018

Where and how long? - Audits are generally conducted at your place of business. This allows for convenient access to records with minimal disruptions. Whenever possible, audit appointments are set up in advance. If you prefer, auditors can review the records at the office of your accountant or bookkeeper. Depending on the size of your operations, the audit can take anywhere from several hours to several days to complete. However, auditors strive to minimize disruptions within your business.

Results - The results of the audit will be detailed in a confidential summary report that is mailed to you. The auditor will explain the results and provide recommendations where necessary. If you are in disagreement with the results of the audit, an appeal process is available up to one year from the audit's completion date.

For additional information regarding the Premium Audit process, contact the Premium Audit unit. Edmonton 780-498-7480 / Calgary 403-517-6120.