

# The Tax Man is getting tough ...are you covered?



## What are random tax and government audits?

Audits, reviews and investigations are conducted by the Australian Tax Office (ATO) and other state and federal government agencies to ensure business and tax payer compliance with various tax and legislative requirements such as Income, Land and Payroll Tax, GST, Workers Compensation, WorkCover, FBT, Employer Obligations and Self-Managed Superannuation Fund Compliance.

**An import/export business received a comprehensive GST review. Total accounting fees \$4,637, covered by the Audit Shield Service.**

## How likely am I to get a random audit, review or investigation?

The ATO, along with other federal and state agencies, now have unprecedented access to taxpayer records, allowing them to specifically target previously unreviewed tax returns. Now more than ever, Individuals, Businesses and Self Managed Superannuation Funds are at risk of being selected for a random audit or review.

## What are the costs to businesses and tax payers in the event of a random audit, review or investigation?

If your business or individual return is subjected to a random audit, review or investigation, you are responsible for the costs (fees) involved in providing the required information.

Even the simplest enquiry can require hours of work. In multiple years or multiple companies and trusts, thousands of dollars in accounting and legal fees can be incurred.

**A property developer subject to a client risk review. Total accounting fees \$17,550, covered by the Audit Shield Service.**

## What is the Audit Shield Service?

Our Audit Shield Service provides for the payment of professional fees incurred as a result of you being selected for an audit, review or investigation by the ATO or other Government body.

The cost of being properly represented in these matters can be quite considerable depending on the length of time involved. Our Audit Shield Service provides a fixed, cost effective solution to guard against these unbudgeted costs.

## What audits, reviews and investigations are covered?

- > Income Tax
- > GST & BAS
- > Superannuation Guarantee
- > PAYG Withholding
- > Fringe Benefits Tax
- > Payroll Tax
- > Land Tax
- > Stamp Duty
- > Work Cover
- > Self Managed Superannuation Funds
- > And many other lodged returns

**To find out more about our Audit Shield Service, speak to your accountant, manager or partner.**

## What costs are covered?

Our policy covers all professional fees up to the prescribed limit (with no excess) when you engage us to respond to or represent you in a review, audit or investigation. These include not only our fees, but also legal fees, bookkeeping fees and specialist professional advisor fees (e.g. quantity surveyors, valuers, and actuaries).

**A motor dealer received a BAS query which led to a comprehensive review. Total accounting fees cost \$13,991, covered by the Audit Shield Service.**

## Who is covered?

All of our clients can take advantage of the Audit Shield Service. Different levels of cover are available for:

- > Salary and wage earners;
- > Businesses or business groups with turnover under \$100 million;
- > Self managed superannuation funds;

In most cases, individuals and family entities can be covered by the same policy that covers the business entity – for no extra cost.

**A self managed superannuation fund received a compliance audit. Total accounting fees \$6,058, covered by the Audit Shield Service.**

## Is the cost tax deductible?

Yes, a tax deduction can be claimed.

**A salary and wage earner received an income audit. Total accounting fees \$6908.50, covered by the Audit Shield Service.**