



Our Audit Shield Service - Your Opportunity For Protection

Our Audit Shield service provides for the professional costs associated with audit activity. It is an optional service we provide to ensure you do not incur unexpected costs.

Audit activity can be costly and time consuming.

The cost of additional fees incurred as a result of audit activity can be considerable depending on the length of time involved in the process, which can vary from a phone enquiry to a complete audit of lodged returns.

The Australian Taxation Office now has unprecedented access to data matching that makes it simpler and far more likely that they will pursue previously untargeted taxpayers. Our Audit Shield service is an effective mechanism to protect you against unplanned professional fees which can arise as a result of audit activity.

The benefits of our Audit Shield service:

- ✓ A cost effective way to avoid the stress and disruptions that can be imposed by audit activity.
- ✓ Professional fees associated with audit activity (up to a prescribed limit) are covered.
- ✓ Payment for your participation in our Audit Shield service is tax deductible.
- ✓ The cover is retrospective, so previously lodged returns are covered automatically.
- ✓ Audit Shield is optional, so you have a choice whether to participate or not.

Employer Obligations Audit case study:

An electrical contractor endured an ATO audit in respect of PAYG and superannuation obligations concentrating on payments to contractors which resulted in a number of contractors being deemed to be employees by the ATO.

Professional fees of \$6,641 were incurred, and fully covered by Audit Shield.

This case study shows how Audit Shield helps to put a participant's mind at ease during a stressful situation, and saves the participant from the significant costs which are associated with audit activity.

**For more information contact
our accounting firm on:
(07) 5448 8161**

**CMA Accounting & Taxation Services
926 David Low Way, Marcoola QLD 4564**

info@cmaccounting.com.au

Audit Shield Service - Frequently Asked Questions



What is the Audit Shield service?

The Audit Shield service provides for the payment of our professional fees otherwise payable by you when incurred as a result of our accounting firm being required to respond, on your behalf, to an audit, enquiry, investigation or review (audit activity) instigated by the Australian Taxation Office (ATO) or other Australian Government revenue agencies.



What is the benefit of the Audit Shield service?

Data matching becomes more sophisticated each year. This makes it simpler and far more likely for previously untargeted tax payers to encounter audit activity, despite compliancy. With the Audit Shield service, you can rest assured knowing that our professional fees will be covered, and the accounting and taxation work will be undertaken, in relation to the audit activity. Often these fees can be greater than those we may charge you for completing the return(s).



What is included under the Audit Shield service?

Professional fees otherwise payable to us, that have been incurred in responding to audit activity until the completion of the matter, or until the cover limit as stated on your *Client Acceptance Form* is exhausted, will be covered under the Audit Shield service. Fees of any other external specialist (e.g. taxation lawyers) or relevant consultant engaged or instructed by us to assist us in a response to audit activity are also covered. Both during (interim payments) and/or upon conclusion of the audit activity, we will present for payment our fees on your behalf to the insurer for recovery against the policy. Should a difference arise between our fees and the amount available to be covered against the policy, we may need to seek the shortfall payment of our fees from you. Your cover begins from the next business day after our receipt of your participation fee (see the attached *Client Acceptance Form* for further details).

Will my professional fees be covered?

Yes. Costs (professional fees) which are directly related to the work we are required to undertake as a result of audit activity will ordinarily be covered (up to the prescribed cover limit). The cost of these additional fees can be considerable depending on the amount of time required to attend to the audit activity. Standard fees associated with any typical compliance or other work conducted throughout the year are excluded.

What audits, enquiries, investigations and reviews are covered?

- > Capital Gains Tax
- > Employer Obligations
- > Fringe Benefits Tax
- > GST/BAS
- > Income Tax
- > Land Tax
- > Payroll Tax
- > PAYG
- > R & D Tax Incentive (ATO Only)
- > Record Keeping
- > SMSFs (cover available separately)
- > Stamp Duty
- > Superannuation Guarantee
- > WorkCover/Workers Compensation
- > Plus much more



What is not included?

We have carefully selected our Audit Shield policy to provide the widest possible coverage for us and our clients. However, we do remind our clients that such items or circumstances as listed below are not covered:

- > Actions in regard to any notices from the ATO or any other government revenue agency that are educational or advisory in nature or merely suggest, invite or propose actions to be taken by you; or act as a warning to you that you may be selected for audit activity at a future time; or do not compel you to take any action.
- > Any fine or penalties imposed or for any amounts payable pursuant to an amended notice of assessment or adjustment including but not limited to any additional tax, duty, government impost or similar payments.
- > If the ATO auditor imposes final culpability/shortfall penalties of 75% or more, and/or the return is deemed to have been fraudulently lodged.
- > Costs for work incurred which should have been undertaken prior to the audit activity (e.g. outstanding lodgements).
- > Any matter in relation to applications, assessments or reviews of government benefits or entitlements and any form of activity involving a review relevant to you maintaining industry status, licence compliance, membership or any form of application, registration or re-registration process.
- > Audit activity where notification was given prior to the inception of cover (i.e. prior to our receipt of your participation fee).



Is the cost tax deductible?

Yes. A tax deduction should ordinarily be claimable for your participation fees.

Who is Vero Insurance and how can they be contacted?

AAI Limited trading as Vero Insurance is a wholly owned subsidiary of Suncorp Group Limited.
Postal Address: GPO Box 3999, Sydney NSW 2001
Telephone: 13 18 13
Email: veroinformation@vero.com.au



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