
PRIME PARTNERS

CHARTERED ACCOUNTANTS

AUDIT PROTECTION SERVICE – MOST COMMONLY ASKED QUESTIONS AND ANSWERS

What is the Audit Protection Service?

Audit protection service provides for the payment of the professional fees otherwise payable by you when incurred as a result of this firm being required to respond, on your behalf, to an Audit, Review or Investigation by the Australian Taxation Office (ATO) or other Government body (e.g. State Revenue Office). It provides our clients with a fixed, cost effective solution to guard against unbudgeted professional fees, which may be incurred as a result of such an audit, review or investigation.

Will my accounting fees be covered in the event of an Audit, Review or Investigation?

Yes, costs (fees) which are directly related to us attending an Audit, Review or Investigation by the ATO, or any other Government body will ordinarily be covered (up to the limited specified on your acceptance form). The cost of these additional audit fees can be considerable depending on the length of time involved to properly attend to the matter. Normal fees associated with any usual accounting work carried out throughout the year are excluded.

What Audits, Reviews and Investigations are covered?

Income Tax	Capital Gains Tax
GST/BAS	Payroll Tax
Fringe Benefit Tax (FBT)	WorkCover/Workers Compensation
Employer Obligation Review	Self-managed Superannuation Funds
Record Keeping	Many other lodged returns

What is the benefit of the Audit Shield Service?

As described above, the fees incurred for us to correctly respond and resolve an Audit, Review or investigation of your lodged returns can be considerable. Often these fees can be significantly greater than those we charge you for completing your annual return/s. The ATO now has unprecedented access to data matching that makes it simpler and far more likely they will audit or review previously untargeted taxpayers.

What professional fees are covered?

Fees normally payable by you to us up to the completion of your Audit, Review or Investigation, or until the cover limit as stated on your acceptance form are exhausted.

Upon conclusion of the audit, we will present for payment our fees and deduct an amount up to the level of cover that you hold. Should the level of cover be insufficient, 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.

Is the cost tax deductible?

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

We have structured our Audit Protection Service to provide the widest possible coverage for our clients. We do remind our clients however that such items or circumstances listed below are NOT COVERED:

- Audits, Reviews or Investigations where notification was given prior to the inception of cover or your confirmation of participation;
- Punitive costs such as penalty tax, costs interest or any fine;
- External experts if required (e.g. legal costs, appeal costs etc);
- 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 done prior to the Audit, Review or Investigation taking place;
- Marketed, Mass Marketed, or Tax Exploitation Scheme or arrangement without product ruling;
- Any matter in relation to Child Support or Child Support Agency; Actions in regards to letters from an authority that are educational or advisory in nature; or merely suggest, invite or propose actions be taken by you; or act as a warning to you that you may be selected for an audit at a future time; or do not compel you to take any action