

Audit Protection Service – Most Commonly Asked Questions & Answers

What is the Audit Protection Service?

Audit Protection Service provides for the payment of professional fees otherwise payable by you to Asparq Accounting and Advisory when incurred as a result of this firm being required to respond, on your behalf, to audit, review or investigation by the ATO or other Government body. 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, normal fees associated with any usual work carried out throughout the year are excluded, but any additional cost, which is related to attending to the audit, review or investigation by the ATO, or any other Government body, will ordinarily be covered up to the specified limit. The cost of these additional audit fees can be quite considerable depending on the length of time involved to properly attend to an audit.

What audits, reviews and investigation are covered?

Any Audits conducted by:

- a) the Australian Taxation Office; or
- b) any other Australian (Federal, State or Territory) government authority or agency which has the statutory responsibility to conduct **Audits** in relation to taxation, duties, levies or other such statutory imposts in connection with a **Return** (i.e. Any documentation legally required to be lodged with the Australian Taxation Office, or any other Australian (Federal, State or Territory) government authority or agency including a nil return for Stamp Duty, Payroll Tax and/or Land Tax liabilities only).

Are existing audits, reviews and investigation covered?

No. Audits, notice of which or other facts, circumstances or information as to the likely conduct of Audit, are not covered if received prior to date your cover commences. If you are aware of such circumstance **and** currently hold Audit insurance through another provider, we strongly recommend you maintain your existing cover until such time as any Audit is completed to avoid any gaps in cover.

What is the benefit of the Audit Protection Service?

If you are faced with an audit, review or investigation of lodged returns, our professional fees incurred should ordinarily be covered. The Australian Taxation Office have increased access to numerous external sources of data to verify and review lodgements. As a result, there has been increased audit compliance initiatives undertaken by the ATO in recent years resulting in many billions of dollars in additional taxes and penalties being collected. The Audit activity of the ATO will continue to increase each year, therefore the risk of being audited will also increase.

What professional fees are covered?

Fees normally payable by you to Asparq Accounting and Advisory up to the completion of the audit, review or investigation or until the cover limit as stated on your acceptance form are exhausted. Fees of any other outside person or relevant consultation engaged by Asparq Accounting and Advisory (e.g. taxation lawyers) are also covered.

Is the cost tax deductible?

Yes, a tax deduction is claimable for your participation fees.

What if I choose to engage another Accounting Firm?

This service only covers fees payable by you to Asparq Accounting and Advisory and any other relevant outside consultant they engage (e.g. taxation lawyers etc.). If you choose to engage another Accounting firm the fees payable to them are not covered. The participation fee you pay for this service is not refundable.



Who is CGU?

CGU Insurance Limited (www.cgu.com.au) is an Australian insurance company backed by IAG – the largest general insurer in Australia and New Zealand, with a growing presence in Asia.

Privacy Collection Statement

At Asparq we are committed to protecting your privacy in accordance with the Privacy Act 1988 (Cth) and the Australian Privacy Principles. We only collect information that is necessary for the proper performance of our tasks or functions. In order to provide the service/s you have requested, we will be required to pass on the information we collect to the Insurer. Under these circumstances, the Insurer is also regulated by the Privacy Act. For more information please refer to the following link to our website: <https://asparq.com.au/privacy-policy/>

As part of our Audit Insurance policy, we remind our clients that such items, as listed below, are NOT covered:

Audits conducted by the Australian Prudential Regulatory Authority (APRA)

- Audits, reviews or investigations where notification was given prior to the inception of cover or your confirmation of participation
- Any fraudulent, dishonest, criminal or malicious acts/omissions or criminal prosecutions
- Punitive costs such as penalty tax, costs, interests or any fines
- Audits by the ATO resulting in final culpability penalties at greater than 75% of the tax payable
- Work performed outside of Commonwealth of Australia
- Audits commenced when client is in liquidation, administration or has been declared bankrupt
- Returns lodged more than three months after the due lodgement date, or authorised extension of time;
- Failure to produce documentation or furnish information to the Taxation Office or Government agency;
- Costs incurred after the audit, review or investigation has been completed;
- Costs for work incurred which should have been done prior to the audit, review or investigation taking place
- An appeal to reconsider a Reviewable Decision
- Audits directly or indirectly caused by any act of Terrorism

