

Tax audits can be expensive and are on the increase.

Our Audit Shield Master Policy provides cover for tax audits, so we bill the insurer not you.

Ask us how you can protect yourself.

Our Audit Shield Master Policy is the solution for Tax Audit Insurance



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

The Tax Man is getting tough.

Are you covered?



## What are random tax and government audits?

Audits, reviews and investigations are conducted by Inland Revenue (IR) and other government authorities to ensure business and tax payer compliance with various tax and legislative requirements.



An investor was selected for a review of their lodged Income Tax return in Auckland. This cost \$2,511.60 and was covered by Audit Shield.

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

IR, along with other government authorities, now have vast access to taxpayer records, allowing them to specifically target previously lodged tax returns. Now more than ever, individuals and businesses 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. For multiple years or multiple companies and trusts, thousands of dollars in accounting and legal fees can be incurred.



A business in Auckland was selected for a review of compliance risks which were identified within their industry and expenses claimed. The total of \$7,962.60 was covered by Audit Shield.

## What is the Audit Shield Master Policy?

Our Audit Shield Master Policy provides for the payment of professional fees incurred as a result of you being selected for an audit, review or investigation by IR or other government authorities.

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

## What audits, reviews and investigations are covered?

- Income Tax
- GST
- Recordkeeping
- Fringe Benefits Tax
- Employer Returns
- PAYE
- Computer Tax Audits
- Imputation Credit Account
- Resident Withholding Tax
- Dividend Withholding Tax
- And many other lodged returns

## What costs are covered?

Our policy covers all professional fees up to the prescribed limit (with no excess and no minimum amount) 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). Audit Shield also provides retrospective cover so that all previously lodged returns are covered.



## Who can be covered?

All of our clients can take advantage of the Audit Shield Master Policy upon payment of prescribed fees.

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

## Is the cost tax deductible?

Yes, a tax deduction should ordinarily be claimable for your payment if you are in business or self-employed.



A company based in Tauranga was investigated by IR and asked for copies of their Financial Statement, Tax Returns and Tax Reconciliation. The cost of \$11,282.42 was covered by Audit Shield.



A GST return review for a business in Wellington equated to \$11,500, which was covered by Audit Shield.