

# Palmers

Chartered Accountants

## Client Acceptance Form

D&J Suttie Superfund  
3 Cowpastures Rd  
BOWRAL NSW 2576

Client Code: SUTT44  
Invoice No: TAI-22262918  
Date: 11 August 2021  
ABN: 61 579 834 684

This *Client Acceptance Form* is your invitation to participate in the Palmers Chartered Accountants Audit Shield service.

Participation in the Audit Shield service is active the next business day upon receipt of payment.

This document serves as a tax invoice/receipt upon payment.

### Details

Expiry Date: 31 August 2022 at 4p.m.  
Level of Cover: \$ 10,000.00  
Turnover Category: Self-Managed Super Fund

Name of Entities / Individuals to be covered:

**D&J Suttie Superfund**



### Payment

Fee for Audit Shield service participation:	\$ 386.36
GST Added:	\$ 38.64
<u>Amount Due:</u>	\$ 425.00

### Privacy Statement

By paying this invoice, and in the event of any claims, you authorise us to provide reasonable personal/private information about you and/or any related entity to support the claim.

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### Remittance Advice - Please return with your payment

Date - 11 August 2021

Client Code: SUTT44

Invoice No: TAI-22262918

Total Amount Due: \$ 425.00

Client Name: D&J Suttie Superfund

For Direct Deposit: BSB: 062-155  
Account No: 1035-6240  
(Please quote TAI-22262918 and SUTT44 in reference)

**Please ensure payment for this remittance advice is made from your Super Fund only.**

P.O. Box 276 Dee Why NSW 2099 Ph: 9982 7200 Fax: 9971 9878 E-mail: [jco@palmers.com.au](mailto:jco@palmers.com.au)

Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees.

# Protect yourself from unexpected tax audit costs



There's nothing more frustrating than being selected for a review or audit of your lodged returns instigated by the Australian Taxation Office (ATO) or other government revenue authorities. The cost of being properly represented can be quite considerable depending on the circumstances. Even a simple inquiry can require hours of work.

**Audit activity can affect all taxpayers regardless of whether you are an individual, business or have a Self Managed Superannuation Fund. Below are just a few examples of recent focus areas:**



## **Single Touch Payroll (STP) & Superannuation Guarantee (SG)**

The ATO now knows every business that is registered for STP that has not met their PAYG and SG payment requirements. That enables greater compliance cross-checking which leads to more audit activity.



## **BAS Reviews (Pre & Post Assessment)**

BAS Reviews attract a lot of audit attention from the ATO and were noted as one of the most highly reviewed audit focus areas in the last financial year. The ATO are trying to stamp out errors in BAS submissions by introducing the online BAS check tool however this only reinforces that it is a key focus area.



## **Payroll Tax**

Payroll Tax continues to be a major focus area. Data sharing with other government authorities is assisting in raising red flags in this area, as well as in other related tax areas such as Land Tax and Stamp Duty.



## **Black Economy or Cash Economy**

Accepting cash as payment is legitimate however the ATO has benchmarks that it uses to determine if a business is not declaring all of their income. Businesses that do not comply may be audited.



## **Self Managed Superannuation Funds (SMSF)**

A SMSF is an excellent nest egg for the future but there are a lot of compliance issues related to the risk, return, and liquidity of the funds' investments that need to be fully addressed. One minor issue could flag attention from the ATO that will place the SMSF under scrutiny.



## **Work Related Expenses**

Many individuals have fully claimable work related expenses but the ATO has stated recently that individuals have been making excessive claims and this has led to the ATO scrutinising work related expenses much more closely.



## **Rental Properties**

The ATO intends to significantly increase the number of reviews and audits it conducts in relation to rental property claims with respect to capital works, capital assets, or other rental property related expense claims. The ATO also wants all taxpayers to be aware that if you earn income through sharing-economy services like Airbnb that this must be declared in your tax return.



## **Want to know more?**

If you would like to know more about our Audit Shield service, please contact us.

# Frequently Asked Questions - SMSFs



## What is our Audit Shield service?

Our 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, inquiry, investigation, review or examination (audit activity) of your lodged returns or your financial compliance obligations instigated by the Australian Taxation Office (ATO) or other government revenue authorities.

## What is the benefit of our 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 our 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 our 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 level of cover as stated on your Client Acceptance Form is exhausted, will be covered under our 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 protection 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.

## Is the cost tax deductible?

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

## Important information:

Please note that any ATO or other government revenue authorities official inquiries, investigations, reviews or examinations that subsequently change or increase in scope or continue, progress, expand, escalate or evolve into an official audit are always considered to be the one claim matter under our Audit Shield service that commenced on the date of first contact made by the ATO or other government revenue authorities to either our clients or to us.

## Is it possible to arrange a pro rata fee for our Audit Shield service?

Yes, depending on your date of payment a pro rata fee may be available. Please speak with us to discuss the specifics of this option.

## What could the ATO target via audits, inquiries, investigations, reviews and examinations of lodged SMSF returns?

- > Asset Valuations
- > Capital Gains Tax
- > Contributions Tax
- > GST/BAS (if applicable)
- > In House Asset Rules
- > Overseas Assets
- > Ownership of Assets
- > Preservation Rules
- > Related Party Assets
- > Sole Purpose Test
- > Borrowing Rules (LRBAs)
- > Conditions of Release
- > Disqualified Trustees
- > Income Tax
- > Investments in Non Listed Entities
- > Non Arms-Length Transactions
- > Pension/Benefit Payments
- > Record Keeping
- > SIS Contraventions
- > 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 or communications from the ATO or any other government revenue authorities 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 ATO audit (with the exception of an audit of compliance with the *Superannuation Guarantee (Administration) Act 1992*) where the auditor has imposed a final shortfall or culpability penalty of 75% or more, and any ATO audit of compliance with the *Superannuation Guarantee (Administration) Act 1992* where the auditor has imposed a final shortfall or culpability penalty of more than 100% of the superannuation guarantee charge.
- > Any matter in relation to applications, assessments or reviews of government benefits, entitlements, grants, and/or subsidies 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.
- > 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.
- > Costs for work incurred which should have been undertaken prior to the audit activity (e.g. outstanding lodgements).
- > Audit activity where notification was given prior to the inception of cover (i.e. prior to our receipt of your participation fee).
- > Excess superannuation contribution tax issues are not included in the SMSF specific cover as these issues are directed at the individual member, not the SMSF.

## Who is Vero Insurance and how can they be contacted?

Audit Shield is underwritten by AAI Limited (trading as Vero Insurance), a subsidiary of Suncorp Group Limited.  
Postal Address: GPO Box 3999, Sydney NSW 2001  
Telephone: 13 18 13  
Email: [veroinformation@vero.com.au](mailto:veroinformation@vero.com.au)

## Dispute Resolution

In the event that you are dissatisfied with this service, please contact Ronald Palmer on Tel (02) 9982 7200 or in writing to Palmers Chartered Accountants, PO Box 276, DEE WHY NSW 2099.

## Want to know more?

If you would like to know more about our Audit Shield service, please contact us.

**Client Decline Form**

D&J Suttie Superfund  
Client Code: SUTT44

Should you choose not to participate in our Audit Shield service, please sign this form and return to our office via either one of the following methods:

1. Fax (02) 9971 9878
2. Email jco@palmers.com.au
3. Mail PO Box 276 DEE WHY NSW 2099

**By signing this form, you confirm that you have been offered participation in Palmers Chartered Accountants Audit Shield service and do not wish to participate. You acknowledge that you will be excluded from the coverage the service provides and will be charged separately for any professional fees and/or costs that may occur in the event of any audit activity by the Australian Taxation Office (ATO) or any other government revenue authorities.**

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Signature: \_\_\_\_\_



Print Name: \_\_\_\_\_



**Payment submitted**



**Paid \$425.00 to Palmers Chartered Ac**

062-155 1035 6240

**Receipt no**

N283019458977

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**From**

Super Acct

062-511 1025 9589

**Description on your statement**

Audit shield fee

**Description on recipient's statement**

SUTT44

**On**

Mon 30 Aug 2021 at 08:43 AM (Syd/Melb)

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Pay faster. Set a default account to pay from and we'll automatically choose it when you make payments.

[Set default account](#)

