



Typical questions in a Top 1000 combined assurance review

In a combined assurance review, we need to gather the evidence to assure that you are paying the right amount of tax.

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The list is not exhaustive and in some cases, we will ask additional or modified questions which may be relevant to your business.

Our reviews generally focus on 4 income years and 12 months reporting period for GST. Information is likely to be requested for this time period.

We encourage large multinational and public groups within the scope of the Top 1,000 Program to consider the questions and prepare for a Combined Assurance Review under the Top 1,000 Program before it starts.

Timely provision of information assists us in effectively obtaining confidence that you paid the right amount of income tax and there are no tax risks to be followed-up.

Alignment between accounting and tax results



Typical information we need to review about the alignment between your accounting and tax results.

Tax governance and risk management



Typical information we need to review about your governance and risk management.

Significant and new transactions



Typical information we need to review for your significant and new transactions.

Tax risks flagged to market



Typical information we need to review for your tax risks flagged to market.

GST governance and risk management



Typical information we need to review about your GST governance and risk management.

GST risks flagged to market



Typical information we need to review about your GST risks flagged to market.

Significant and new transactions for GST



Typical information we need to review for your significant and new transactions for GST.

Alignment between accounting and GST results



Typical information we need to review about the alignment between your accounting and GST results.

Alignment between accounting and tax results

Typical information we need to review about the alignment between your accounting and tax results.

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Financial information and tax reconciliation

Provide the following for the review period:

- statement of taxable income and any supporting working papers
- detailed trial balances
- reconciliation between the accounting profit before income tax (PBIT) per the financial statements and the PBIT in the tax return.

Supporting working papers to the tax return, schedules and disclosures

Provide the supporting working papers for the tax return, schedules and disclosures, including the:

- International dealings schedule

- Capital gains tax schedule
- Consolidated groups losses schedule / Losses schedule (as applicable)
- Capital allowance disclosures
- Franking account balance disclosure
- Taxation of financial arrangement (TOFA) gains and losses disclosure.

Tax effect accounting

Provide the following information (or tax effect working papers) which support the income tax note in the financial statements showing:

- a breakdown of the material non-temporary differences
- a breakdown of material items impacting deferred tax
- any amendments to current and deferred tax in respect of prior periods and the reasons for these amendments
- any significant unders or overs identified for the review period
- an explanation of why the effective tax rate (ETR) of the group is different to the headline corporate tax rate of 30% (where the ETR is calculated as current tax expense per the financial statements over PBIT per the financial statements).

Elections or choices

Provide details of any elections or choices made under the Australian income tax law (including any elections made during the review period and in earlier income years applicable to the review period).

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Tax governance and risk management

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Consideration of the ATO's Tax risk management and governance review guide

The ATO published an updated Tax risk management and governance review guide on 27 January 2017.

The guide sets out principles for board-level and managerial-level controls relating to income tax and what the ATO considers better practice for large public groups and multinationals.

Describe your approach to the ATO's guide including whether you have:

- conducted a gap analysis of current policies and procedures against the ATO's guide and identified compensating controls where applicable
- applied the self-assessment procedures to test and obtain evidence of the controls operating effectively.

If the self-assessment procedures have been applied, provide details of any control deficiencies and identified impact on the tax return, including actions taken to remediate the identified deficiencies.

Tax control framework

Provide the most recent documentation evidencing your tax control management including relevant policies, procedures, manuals, and other guidance made available to staff that include:

- key personnel and decision makers in the tax/finance team including their areas of responsibility and specialisation across tax advisory and tax compliance matters
- how tax compliance is incorporated into the business's governance structure, including the process for reporting to the board on tax matters
- an overview of the process for preparing the tax return including details of any tax return software used and any outsourcing arrangements
- an overview of the process for tax effect accounting including outsourcing arrangements, how often the process is undertaken, who is responsible and how the calculations are used within the tax return preparation process
- your approach to addressing tax risks in respect of significant transactions and the use of external advisors including the circumstances when external advice on a taxation issue is sought.

Internal and external reviews

Confirm whether you have a periodic program to test the operating effectiveness of your control framework by way of internal or external reviews. If so, provide details of the scope and outcome of the most recent review.

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Significant and new transactions

Typical information we need to review for your significant and new transactions.

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Group structure

Provide a diagram illustrating the worldwide group structure or its relevant parts, including all offshore entities you have had related party dealings with or investments in, and the direct and indirect ownership interests on a year-by-year basis.

The diagram should note:

- jurisdictions the entity undertakes economic activity in
- any changes during the review period, including entities that joined or exited the group (including relevant dates)
- entities that are part of the Australian income tax consolidated/multiple entry consolidated (MEC) group
- permanent establishments
- partnerships, trusts, joint ventures and co-ownership arrangements you are a party to.

New businesses and transactions

Provide details of any new business lines that have started or any significant new transactions undertaken during the review period.

Restructures

Confirm whether the economic group undertook any restructures or reorganisations during the review period. This includes transfers of functions, business operations, intellectual property or risks offshore.

If so, provide the following:

- description of the restructure or reorganisation including the resultant changes in the ownership structure and change in ownership percentage (whether direct or indirect)
- description of the steps and dates to effect the restructure or reorganisation, including a step plan if appropriate
- Australian income tax implications associated with each step of the restructure or reorganisation
- commercial rationale and reasons for undertaking the restructure or reorganisation
- description of any acquisition, disposal or change in the ownership or rights of intellectual property from Australia.

Acquisition of an interest in another entity

Confirm whether you acquired an interest in an entity (including a foreign entity) during the review period.

If so, provide the following in respect of each acquisition:

- name of the entity acquired and the ownership percentage acquired
- acquisition price and the form of consideration provided
- details of how the acquisition was financed (including the provider of the finance and whether it is a related party)
- share purchase agreement (or other transaction document, however described)
- the purchase price allocation for accounting purposes (if applicable) and an explanation of any differences between the accounting and tax cost bases (if applicable)

- a description of all expenditure incurred in relation to the transaction, including both the income tax treatment and the accounting treatment in relation to each category of expenditure.

If the acquisition resulted in an entity joining the consolidated/MEC group, then also provide:

- working papers for the consolidation entry calculations (the 'allocable cost amount' calculation and the 'tax cost setting amounts' working papers)
- completion accounts for each entity that joined the group just before the joining time
- valuation reports commissioned (if any).

Disposal of an interest in another entity / tax consolidated group

Confirm whether you disposed of an interest in another entity (including a foreign entity) or consolidated/MEC group during the review period.

If so, provide the following information in respect of each disposal:

- name of the entity and the ownership percentage disposed of
- details of the proceeds and consideration received
- relevant share sale agreement
- working papers which support the calculation of the capital gain or loss
- an explanation of how the deferred consideration (if any) has been treated for income tax purposes
- itemised description of all expenditure incurred in relation to the transaction, including both the income tax treatment and the accounting treatment in relation to each category of expenditure
- a calculation showing the accounting gain or loss recognised together with an explanation of why the accounting gain or loss differs from the gain or loss recognised for income tax purposes.

If the disposal resulted in an entity leaving the consolidated/MEC group, then also provide the working papers for the exit 'allocable cost

amount' calculation (including the balance sheet).

Controlled foreign entities (CFEs)

CFEs include:

- controlled foreign companies
- controlled foreign trusts
- controlled foreign partnerships.

Provide the following details regarding all CFEs

- a list of the CFEs including
 - name of the entity
 - type of CFE (company, partnership or trust)
 - ownership percentage
 - country of residence for income tax purposes
- a description of the activities undertaken by the CFE
- the calculation of the 'tainted income ratio', which includes details of any 'passive income', 'tainted sales income', 'tainted services income' and/or 'eligible designated concession income'
- standalone financial statements and trial balance.

Branches or Permanent establishments (PE)

Provide the following regarding each branch or PE:

- country of operation
- circumstances that gave rise to the branch or PE
- a description of the activities undertaken by the branch or PE
- working papers for the calculation of the 'active income test'
- trial balance
- working papers for the allocation of income and expenses.

Transfer pricing documents

Provide the transfer pricing documentation showing the basis for the pricing of the international related party transactions. If available, include a diagram of the global supply/value chain.

International agreements

Confirm whether you have any arrangements with international related parties including, for example:

- loan arrangements
- royalty arrangements
- service arrangements
- derivative transactions.

If so, provide a copy of the international agreement.

Parent entities

Provide the statutory accounts of the following offshore related parties:

- your ultimate holding company
- your immediate holding company.

Tax losses

In respect of losses (capital or revenue) utilised during the review period, provide the working papers and analysis performed which demonstrates that the continuity of ownership test or the same business test was satisfied.

In respect of transferred losses (capital or revenue) utilised during the period, or carried forward to later income years, provide:

- the analysis performed to transfer the losses into the consolidated/MEC group
- the calculation of the available fraction in respect of each bundle of loss transferred to the (provisional) head company of the

consolidated/MEC group (including any adjustments to the available fraction prior to or after joining the consolidated/MEC group)

- confirmation if there has been any apportionment of the transferred losses which were utilised in the joining/formation year.

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Tax risks flagged to market

Typical information we need to review for your tax risks flagged to market.

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Reportable tax positions (RTP)

Confirm whether you have a RTP as defined in the **Reportable tax position schedule** which is one or more of the following:

- Category A: tax uncertainty in your income tax return
- Category B: tax uncertainty in financial statements
- Category C: reportable arrangements.

Errors or omissions

Advise if there are any errors or omissions in the tax returns (within the amendment period) that have not yet been amended or otherwise disclosed. If so, please provide details of each error or omission.

Research & development (R&D) tax incentive

Provide the following regarding the R&D tax incentive claimed for the review period:

- the R&D tax incentive schedule working papers including
 - a breakdown of the expenditure for each of the registered R&D activities
 - the calculation of the notional R&D deductions
- a description of how expenditure is distinguished and apportioned between eligible and non-eligible R&D activities
- details of any expenditure incurred to an associate, affiliate or connected entity
- details of any R&D results disposed of, or payment received for the results of the R&D
- details of any feedstock adjustments.

Hybrid instruments

Confirm whether you had any instrument on issue which is classified differently for accounting or income tax purposes in an offshore jurisdiction other than in Australia. If so, provide:

- the legal agreement
- a summary of the instrument features
- how the instrument is treated by you and the counterparty for income tax purposes
- indicate if your treatment is different for income tax purposes and accounting purposes.

Indicate if some of the responses have already been provided above.

Hybrid entities

Confirm whether you had:

- any dealings with an international related party which is classified differently for income tax purposes in an offshore jurisdiction
- any interests in an entity which is classified differently for income tax purposes in an offshore jurisdiction.

If so, provide the name of the entity and the classification offshore and in Australia.

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GST governance and risk management

Typical information we need to review about your GST governance and risk management.

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We have published a **GST Governance, Data Testing and Transaction Testing Guide** on how the justified trust methodology is applied to help conduct a self-review of your tax control framework for GST purposes.

You should document your assessment of your tax risk management and governance framework, identifying any gaps. We will ask if you have undertaken a gap analysis against our published guidance or have applied the self-assessment procedures in our guidance and request evidence where you have.

GST fundamental controls

We will ask specifically about the 3 following controls, which are fundamental for GST.

BLC 4: Periodic internal control testing

We will request a copy of your documented tax control testing plan including:

- if the testing plan has been finalised and approved by the Board or delegate
- if any controls testing has been undertaken in the review period – if so, provide evidence of the controls tested, date, testing undertaken, results and any action taken to address any deficiencies.

MLC 4: Controls in place for data.

We will request the following in relation to your data controls:

- details of whether GST codes in the Accounts Payable (AP) / Accounts Receivable (AR) systems are automated via the use of a tax engine
- your documented AP / AR process which incorporates the application of GST codes, including a list of GST codes/rates
- your documented procedures in relation to GST tax codes including set-up, maintenance, changes, and review
- a systems architecture diagram identifying the systems / platforms used to capture transactions for GST reporting (if available)
- the documented procedures for the creation and maintenance of vendor and customer master data.
- details of any IT, internal audit or third party testing of controls that has taken place to ensure the accuracy and integrity of data input and processing

- procedures for processing manual transactions (entries) that occur outside the AR & AP systems – examples include journal entries for transactions that have not been invoiced; HR transactions (e.g., post-tax employee contributions)
- details of how your IT team interacts with your tax team to remedy any IT control breakdowns that may have an impact on GST reporting.

MLC 6: Documented control frameworks

We will request:

- a copy of your documented end to end BAS preparation procedures (this may include documents used by staff such as manuals, instructions, guides and flowcharts)
- details of any software package you use to prepare your BAS including circumstances where a third-party provider is involved in the BAS preparation.

Common controls for GST and Income Tax

In addition to these fundamental controls, we will request evidence for the following controls which are also requested in the income tax section of our information request:

- [Board level control 1](#)
- [Board level control 3](#)
- [Management level control 1](#)
- [Management level control 3](#)
- [Management level control 7](#).

Where a common control extends to GST, we will be largely relying on the evidence provided as part of the income tax component of the review where the results are equally applicable across income tax and GST. Additional evidence will need to be provided if the documentation submitted for these governance controls does not extend to GST. You can also refer to appendix 2 of the **GST Governance, Data Testing and Transaction Testing Guide**

The following are examples of the documents and evidence we will request.

BLC 1: Formalised tax control framework

Documents:

- that set out the formal tax strategy and details of how the organisation identified and manages income tax and GST risk
- that evidence that these tax strategy documents were approved by the Board or its delegated authority.

BLC 3: The board is appropriately informed

- The policy, procedure, and process that management follows to brief the board on tax matters.
- Where reporting templates are used when briefing the Board, copies of these templates. The minimum matters ('minimum board reporting matters') which are to be included for consideration by the Board, sub-committee or its delegate are
 - Effective tax rate, whether GST paid/refunds claimed aligns with business results, reasons for misalignment
 - Potential and actual GST risks arising from significant transactions or events
 - Transactions which require approval of the board or its delegate.

MLC 1: Roles and responsibilities are clearly understood

Evidence that the roles and responsibilities relating to tax compliance, tax advice and tax risk management are documented, including:

- role descriptions for tax compliance, administration, and tax risk management
- segregation of duties – for example, dual sign off
- roles and responsibilities for reporting of tax matters and escalation of tax risks.

MLC 3: Significant transactions are identified

Documentation evidencing the policy for managing risk relating to significant transactions such as a policy specifying the criteria for identification and referral of significant tax risks, transactions, or events to the tax area, escalated to senior management or the board and require independent external tax advice.

MLC 7: Procedures to explain significant differences

Your documented process to reconcile your BAS reported figures to the general ledger and financial statements – for example, using the GST Analytical Tool (GAT).

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GST risks flagged to market

Typical information we need to review about your GST risks flagged to market.

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We will confirm whether you have entered into arrangements the same or similar to that described in any Taxpayer Alerts, Public Rulings and Practical Compliance Guidelines. If so, we will ask for details of the processes and controls in place to provide us with confidence that you are paying the right amount of GST and for objective evidence to support your position.

The following are some of the tax alerts, public rulings and practical compliance guidelines that we will ask about in our information requests:

- *TA 2004/1: Non-arm's length arrangements using Goods and Services Tax (GST) cash/non cash accounting methods to obtain a GST benefit*
- *TA 2004/9: Exploitation of second-hand goods provisions to obtain Goods and Services Tax (GST) input tax credits*

- *TA 2005/4: Creation of Goods and Services Tax (GST) input tax credits by barter exchanges*
- *TA 2007/1: Lease by a charitable institution to an associated endorsed charitable institution designed to gain input tax credits*
- *TA 2008/17: Claims for GST refunds beyond four years arising from the reclassification of a previously taxable supply as GST free*
- *TA 2009/4: Land owner's use of a registered associate to maximise input tax credit entitlements and reduce Goods and Services Tax (GST) payable under the margin scheme*
- *TA 2009/5: Use of an associate to obtain Goods and Services Tax (GST) benefits on construction of residential premises for lease*
- *TA 2009/21: R&D offset abuse through registered research agencies*
- *TA 2010/1: GST - interposing an associated "financial supply facilitator" to enhance claims for reduced input tax credits for expenses incurred in the course of a company takeover*
- *TA 2010/7: GST - Retirement Village operators who on-sell services to residents in an attempt to claim greater input tax credits*
- *TA 2016/8: GST implications of arrangements entered into in response to the Multinational Anti-Avoidance law (MAAL)*
- *TA 2018/3: GST implications of certain development lease arrangements*
- *PCG 2016/7: GST Joint Ventures in the energy and resource industry*
- *PCG 2016/18: GST and countertrade transactions*
- *PCG 2017/15: GST and Customer Owned Banking Institutions*
- *PCG 2018/6: GST – Inbound Tour Operators and Agency*
- *PCG 2019/8: ATO compliance approach to GST apportionment of acquisitions that relate to certain financial supplies.*

Significant and new transactions for GST

Typical information we need to review for your significant and new transactions for GST.

Last updated 17 August 2022

The questions we have listed are indicative of the questions all taxpayers will be asked in a combined assurance review. This may assist you to prepare early for an assurance review.

We might ask additional questions about specific industry risks or significant issues which we identify may be relevant to your business – for example, financial supplies, GST on low value imported goods, digital supplies.

We have grouped these questions under the following headings:

- [General questions](#)
- [Supplies](#)
- [Acquisitions](#)
- [Adjustment events](#)
- [Special rules/specific issues](#)

General questions

Group structure

Provide details of all members of your GST Group and details of any changes to the membership of the GST group during the review period.

Provide a brief description of how you identify and track transactions between the GST group members (both supplies and acquisitions) and non-grouped entities (including non-resident GST registered entities) in your corporate group to ensure they are treated correctly for GST purposes. This will include covering where you report these in your BAS.

Provide details of related entities (Australian resident and/or non-resident) which are GST registered but are not part of your GST

group(s).

Nature of supplies

A description of the nature of the supplies you made and, if you are a member of a GST group, the nature of the supplies each entity in your GST group made. For example, headings for your responses could include:

- taxable supplies
- GST-free supplies
- input taxed financial supplies
- supplies that are out of scope of the GST regime
- mixed supplies
- nature of acquisitions.

A description of the nature of the acquisitions you made and if you are a member of a GST group, the nature of the acquisitions each entity in the GST group made. The following headings may assist your response preparations:

- creditable acquisitions
- financial acquisitions
- acquisitions that relate to making input taxed supplies (other than financial supplies)
- acquisitions that are of a private or domestic nature.

Business Activity Statements and Workpapers

In respect to your monthly BAS lodged during the review period, provide:

- a copy of all workpapers and reports used in the preparation of the GST disclosures on the BAS and evidence of the monthly approval process (this will usually be for 3 months only)
- for the last month of the review period, an electronic copy of all workpapers and reports extracted from your systems to calculate your GST obligations or manual spreadsheets including the GST general ledger transactional data used to support the amount reported at 1A and 1B.

Reliance on ATO advice

We will ask if have advice from the ATO on the application of GST laws to a transaction or arrangement including a private binding ruling in the review period. We will request evidence that you followed the advice including if the facts and circumstances had changed from what the advice was provided for.

Systems for processing GST information

Provide the following information for the past 4 years for all information systems which capture GST information, including point of sale, enterprise resource planning, optical character recognition and expense management systems:

- name of system and the versions
- when each system was implemented/updated or ceased to be used
- who owns and maintains the GST master data (such as customer master files, product master files etc.) and the name of system where controlled
- frequency of archival process for transactional data such as sales and accounts payable
- how the files are protected or segregated
- if applicable, locations of any overseas accounting or processing systems, detailing how staff qualifications, systems and procedures meet Australian GST legislative requirements.

Document retention

Detail where and how the following information is retained and processes that are in place to ensure document retention requirements under the taxation laws are met:

- tax invoices, recipient created tax invoices, adjustment notes, expenses claims
- BAS
- objective evidence for tax governance.

Supplies

Cancellation Fees

Have you charged any fees to a customer when an intended supply does not eventuate?

If yes, provide a brief description, including the value and GST treatment.

Consignment Goods

Did you make any supplies by way of consignment (sale or return)?

If yes, provide a brief description of the supplies made, the value and the controls in place to ensure GST is correctly accounted for.

Deposits

Did you receive deposits or part payments?

If yes, we will ask for a description of the deposit or payments including details of how you treated it and sample invoices.

Employee contributions for Fringe Benefits

Did you receive any post tax contributions from employees for fringe benefits?

If yes, we will ask for a details including how they were treated for GST.

Exports

Did you export goods or services? If yes, we will ask for details of the goods or services including how you determine the treatment for GST and evidence you met the criteria for the GST treatment.

Intangibles

Have you acquired any services from an offshore entity (that is, located outside the indirect tax zone) or made any cross-border digital supplies and/or acquisitions?

If yes, provide a brief description including the value and how these transactions were treated for GST purposes.

Inbound intangible consumer supplies and low value imported goods

Are you part of a GST group that has non-Australian resident members?

If yes, did any non-resident group member supply from offshore to Australian consumers any inbound intangible supplies (such as digital products & services) and/or any low value imported goods (<\$1,000)? If yes, we will ask for details of the entity, the supplies and how they were treated for GST.

Lay-by sale

Did you make supplies under lay-by arrangements?

If yes, provide a brief description of the scheme, the value and GST treatment including when GST is accounted for and what occurs if a lay-by is cancelled.

Mixed Supplies

Did you make mixed supplies during the review period?

If yes, we will ask for details of the supplies, how you characterise them and how your accounting system is configured to calculate the GST.

Property

Did you make any supplies or acquisitions of real property during the period of review? For example:

- commercial or residential land
- unimproved land – potential residential land
- farmland
- student accommodation
- social housing
- community housing
- affordable housing
- build to rent
- commercial residential premises
- retirement villages.

If yes, we will ask for details of the transactions and how they have been treated for GST.

Significant business transactions / events (supplies and/or acquisitions)

Did any entity in the GST group make any significant or new transactions including, but not limited to:

- sale or acquisition of land
- acquisition or disposal of any business entities (include any share and/or asset transactions)
- mergers or restructures (equity structure)
- international dealings
- new products, services, business lines
- other financial supplies – for example, financing (including related party)?

If yes, provide a brief description of those transactions including the value of those transactions and how they were treated for GST purposes.

Vouchers / reward cards

Did you supply vouchers/gift or reward cards during the review period?

If yes, we will ask for details of the vouchers, volume and value of the cards and what controls are in place to ensure GST is reported correctly.

Warranty services

Did you provide a warranty on any goods sold during the review period?

If yes, provide a brief description of the warranty services, including the value and the GST treatment. For example, free-of-charge warranty repairs or replacements, extended warranty services, payments to disgruntled customers (ex gratia payments), discounted prices on replacement goods.

Acquisitions

Allowances

During the review period did you pay allowances to staff and/or contractors versus reimbursement for expenses incurred on your

behalf, such as a daily per diem when they are away from home on business or cents per kilometre for business use of their private vehicle?

If yes, we will ask for details of the allowances and any input tax credits claimed.

Financial Acquisitions Threshold

During the review period did you undertake any transactions which gave rise to the issue, sale or purchase of shares in a company or units in a trust, or any other financial supplies (e.g. hedging, currency/forex, swap contracts, debt raising etc)?

If yes,

- provide a copy of any advice obtained and workpapers which show reviews undertaken in respect of the GST treatment of supplies and acquisitions made as part of the transaction
- describe how you monitored the costs that related to making the financial supplies, including any element of general overheads – provide any relevant documented policies and procedures that were in place to support your response
- describe how you monitored whether you exceeded the financial acquisitions threshold, and what was the result – provide a copy of your FAT testing workpapers for the review period (if available)
- did you recover any input taxed credits or reduced input tax credits on the costs that related to making financial supplies – if so, what were the type and amount of costs and for reduced input taxed credits, under what item of GST subsection 70-5.02(1) of the GST Act were these claimed under?
- did you incur any costs from overseas in relation to the transaction and if so, did you consider how these should be included in the financial acquisitions threshold test and if the reverse charge under Division 84 of the GST Act should be applied? Provide a copy of relevant workpapers to support your response (if available).

Finance lease and hire purchase

During the review period did you enter into any finance lease and hire purchase arrangements?

If yes, provide the value of these transactions and a description of how you treated those transactions for GST purposes.

Imports and deferred GST

During the review period did you import any goods?

If yes, provide:

- a brief description of the goods you imported and the value of the imports
- details of the entity or entities listed as the importer as per the customs documentation.

Is the entity listed as importer approved under the deferred GST scheme?

If yes, detail any checks undertaken of the amounts pre-populated at Label 7A of the BAS.

Input Tax Credit (ITC) Estimator

Did you use any form of an input tax credit estimator to bring forward the claiming of input tax credits on unprocessed tax invoices at month end or quarter end during the review period?

If yes, detail the methodology used to determine your input tax credit entitlement for the review period, such as on actual invoices received but not processed, monthly average and the controls in place to ensure that input tax credits are not claimed twice after the invoices are processed in the next month.

Material or unusual transactions

Did you undertake any unusual, material, or one-off acquisitions such as capital acquisitions undertaken during the review period?

If yes, provide a brief description of these transactions.

Non-deductible expenses - entertainment

During the review period did you claim any input tax credits on entertainment expense items that are not otherwise deductible under income tax law?

If yes, we will ask for details on what method you used to determine your non-deductible entertainment and an outline of the volume and value of these expenses and your GST controls for ensuring you only claim input tax credits for the eligible portion.

Recipient Created Tax Invoices (RCTIs)

Did you issue or receive any RCTI as part of your business operation during the review period?

If yes:

- confirm there is a written agreement in place between the parties
- provide a description of the arrangements including the value and volume of transactions and how they are treated for GST purposes
- provide a sample of RCTIs
- describe how you monitor the GST registration status of any suppliers to whom you issue recipient created tax invoices.

Second-hand goods

Have you claimed any input tax credits throughout the review period on second-hand goods acquired from unregistered suppliers?

If yes, provide a brief description of the items acquired and the amount of input tax credits claimed.

Staff expenses

Did you use a corporate credit card or reimburse staff for out of pocket expenses?

If yes:

- confirm if these expenses include items which are not subject to GST such as international travel and accommodation overseas
- confirm whether staff process their own expense claims and the evidence required for each item
- confirm whether local accommodation was booked through online platforms
- outline the volume and value of these expenses and your GST controls for ensuring you only claim input tax credits for expenses subject to GST.

Adjustment events

This includes discounts, rebates, returns and incentive payments.

Did you provide any of the following or receive the following payments from your suppliers:

- settlement discounts
- volume rebates
- advertising rebates
- promotional rebates
- sales returns and allowances
- purchase returns and allowances
- reward cards.

If yes, we will ask for information for each type including:

- a description of the arrangements including the value and volume of transactions and how they are treated for GST purposes, with a particular focus on whether you treat them as a discount to the invoiced price, adjustment event or as a separate supply of services and the label they are reported in the BAS
- details of the controls you have in place to ensure that any adjustments to an earlier acquisition price or selling price are processed correctly for GST purposes
- a sample of the tax invoices and adjustment notes.

Special rules and specific issues

Agency arrangements

During the period of review did you undertake any transactions where you act either as agent or principal under an agency arrangement or a principal and intermediary under Division 57 or Division 153B of the GST Act?

If yes:

- confirm there is a written agreement in place between the parties
- provide a description of the arrangements including the value and volume of transactions and how they are treated for GST purposes
- include a sample of tax invoices and adjustment notes.

Associates – related party transactions

During the review period were there any related party transactions with associates outside of the GST group?

If yes:

- provide a brief description, including the value and GST treatment of the transactions
- confirm whether any transactions were provided free-of-charge or at a reduced value to an entity which is not registered for GST or would not be entitled to claim an input tax credit had the supply been subject to GST – for example, it makes input taxed financial supplies.

Government grants

Were you in receipt of any government grants or financial assistance payments during the review period?

If yes, provide a brief description including the value and how this is treated for GST purposes, including details of any paperwork that is issued such as tax invoices, RCTIs etc."

Insurance claims

Have you received any monies relating to an insurance claim during the review period?

If yes, for each premium paid to which a claim applies, specify the amount of the claim and what entitlement to input tax credits was communicated to the insurer and when.

Joint ventures

Have any economic group members participated in, been operator for or entered into joint venture arrangements or transactions during the review period?

If yes:

- provide a brief description (including if those joint ventures are registered as GST joint ventures) and the GST treatment of transactions
- if you or a member of your GST group is a joint venture operator:
 - provide a copy of the joint venture agreement and any supporting documents; and

- advise if the joint venture operator is lodging BAS and if so, provide details of the GST registration.

Non-monetary consideration

During the review period were you a party to any transactions where non-monetary consideration was used?

If yes, provide a brief description of the arrangements including the value and volume and outline the GST controls in place to ensure they are correctly treated for GST purposes.

Settlement payments/damages

During the period of review were you a party to any transactions concerning a settlement or damages payment?

If yes, provide a brief description including the value and how this was treated for GST purposes.

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Alignment between accounting and GST results

Typical information we need to review about the alignment between your accounting and GST results.

Last updated 17 August 2022

We use the GST Analytical Tool (GAT) to understand the reconciliation between your BAS and financial statements. The GAT helps us understand variances between your financial and GST performance.

The GAT is now a mandatory component of the Combined Assurance Review, for all taxpayers other than those with predominantly input taxed supplies. For banking, finance and insurance taxpayers, we will undertake tailored data testing instead of the GAT in the review.

Refer to the links below for information regarding the GAT:

- [GST Analytical Tool \(GAT\) FAQ](#)
- [GST Analytical Tool - Top 1000 example.](#)

We will provide a GAT spreadsheet template for you to populate.

To support the alignment between accounting and GST results we will also ask for:

- Details of the process in place to reconcile GST figures reported on your BAS to the audited financial statements. If conducted, provide the reconciliation for the review period.
- How you monitor BAS reporting trends, including changes in the mix of supply classification and reconciliation of unexpected variances.
- A description of the process to escalate any significant deviations, trends or unexpected variances to senior management.
- A copy of the audited financial statements.
- An electronic copy of the detailed trial balances for the year end month mapped to financial statements
- If readily available, a statement of taxable income and any supporting working papers.

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Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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