

New Zealand Case Studies

- Inland Revenue initially undertook a client risk review of an Auckland based financial services business which was expanded into a full audit in respect of income tax and GST compliance issues related primarily to overseas transactions and property developments being undertaken over the past 3 years. A claim payment of \$17,850 was made at the conclusion of the audit.
- Following a review of financial data obtained from banks, Inland Revenue undertook an audit of a Christchurch based business group in respect of Income Tax, GST & PAYE compliance for the last 4 years as Inland revenue considered that the net profit and / or salaries being declared by the shareholders were too low and the audit primarily focussed on cash sales that may not have been reported. A claim payment of \$9,280 was made at the conclusion of the audit.
- As part of Inland Revenue's Property Compliance Programme, a Waikato based property developer was selected for an audit of 10 different entities and over 25 different property related transactions over recent years to ensure compliance with income Tax & GST. Whilst the audits for some entities are yet to be completed interim claim payments of over \$20,000 have been made to date.
- As part of the Inland Revenue's Focus of Community Compliance Programme, a wine producer in the Marlborough region was visited by Inland Revenue and an official review of the books & records was undertaken in respect of compliance with the PAYE and withholding requirements regarding employees, contractors & subcontractors. The accountant attended the meeting to assist his client and additional information was required to be provided post the meeting. No further action was taken by Inland Revenue as the business was fully compliant and a claim payment of \$4190 was made.
- Inland Revenue undertook an audit of a Napier based businessman and his related entities primarily in respect of residency and foreign income / offshore transactions from an income tax perspective which resulted in the taxpayer being deemed to have been a NZ resident for income tax purposes for the past 5 years, despite initially declaring to be a NZ tax resident for only the past 2 years which resulted in a significant taxation liability despite objections being lodged by the Accountant. A claim payment of \$14,960 was made at the conclusion of the audit.

Case Study 1

A company based in Tauranga was investigated by Inland Revenue and asked for copies of their Financial Statement, Tax Returns and Tax Reconciliation.

End result: All of the \$11,282.42 of costs were covered by Audit Shield.

Case Study 2

A business in Auckland was selected for a review of compliance risks which were identified within their industry and expenses claimed.

End result: The total of \$7,962.60 was covered by Audit Shield.

Case Study 3

An investor was selected for a review of their lodged Income Tax in Auckland.

End result: The complete amount of \$2,511.60 was covered by Audit Shield.

Case Study 4

A GST return review for a business in Wellington equated to \$11,500.

End result: Every cent of the \$11,500 was covered by Audit Shield.