

Audit insurance

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Managing cashflow risk and providing peace of mind

The Australian Taxation Office (ATO) has publicly advised that their audit focus over the next few years will be small to medium sized enterprises. As such, we wish to bring to your attention the benefits of audit insurance. This may be particularly relevant to your business if you have undertaken any large transactions in the last few years.

Audit insurance typically covers the external professional fees incurred to defend or respond to an audit. Some policies also provide cover for reviews and audits undertaken by other government agencies in addition to the ATO, such as the State Revenue Office (payroll tax, stamp duty) and WorkCover Authority.

The time commitment to prepare for and manage a review or audit should not be underestimated. The question you should ask yourself is, **“Would you have the surplus cashflow to engage the professional services required to respond to an audit?”** Audit insurance can provide you with financial comfort and put you in a better position to challenge any review or audit findings, should this become necessary.

It is worth noting that, as with any insurance, it is important that you take the time to understand the fine print. For example, some insurers will not cover the “review period”. They will only cover professional fees if a full audit is undertaken.

Should you have any further queries please do not hesitate to contact one of our Fordham Motor Dealer Services team:

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