

JUSTIFIED TRUST AND TAX GOVERNANCE

How can RSM help you?

Whether your business is in the Top 1000, Top 500 or Next 5000 program (as explained on page 2), the key elements comprising Justified Trust and a fit-for-purpose tax governance framework remain the same.

We can assist you in evidencing to the Australian Taxation Office (ATO) that your business is paying the right amount of tax through the following service offerings:



Key component	What ATO requires	How we can assist
Well designed GST governance and controls framework	<ul style="list-style-type: none">ATO requires assurance that your GST governance and controls have been designed effectively.	<ul style="list-style-type: none">Design, draft or review relevant policies and procedures including work instructions, templates, testing programs and process maps.
GST governance and controls operate effectively in practice	<ul style="list-style-type: none">ATO requires evidence of the re-performance of GST impacted processes and evidence that the controls work effectively. It also requires evidence of data and transaction testing.	<ul style="list-style-type: none">Process walkthroughs.End-to-end business processes mapping (e.g., order-to-cash; procure-to-pay and BAS reporting).End-to-end data and systems mapping.Risk identification analysis.GST training across key processes.
Comparison of accounting and GST figures	<ul style="list-style-type: none">Completion of the "GST Analytical Tool" (GAT), an Excel based file that compares revenue and expenses in your annual financial statements to those in your BAS.	<ul style="list-style-type: none">Complete GAT tool.Review populated GAT tool.Consider reasons for unreconciled differences.
Data and transaction testing	<ul style="list-style-type: none">Data analytics running a number of pre-determined analytical tests in a set of data.Transaction testing, including tracing a transaction through from source data to BAS to understand the root cause of discrepancies identified during analytical testing.	<ul style="list-style-type: none">Perform GST analytical tests which are materially similar to those of the ATO.Perform transaction walkthroughs with a focus on risks that the ATO has flagged to the market, significant transactions and new or large transactions.Consider underlying GST governance controls impacted.
Gap analysis	<ul style="list-style-type: none">ATO requires a self review of how your tax risk control framework compares to its best practice guidelines. Any gaps identified need to be addressed by compensating controls.	<ul style="list-style-type: none">Workshop to perform gap analysis.

OVERVIEW OF THE JUSTIFIED TRUST PROGRAM

Where do you fit in?

	1. Top 100 Justified Trust Program	1a. Top 100 GST Assurance Program	2. Top 1000 – Combined review	2a. Top 1000 – Income Tax	2b. Top 1000 – GST	Top 500 private groups	Next 5000 tax performance program	Medium & Emerging markets
Who?	<ul style="list-style-type: none"> Top 100 Taxpayers 	<ul style="list-style-type: none"> Top 100 Taxpayers 	<ul style="list-style-type: none"> Income Tax and GST turnover > \$250m Excludes top 100 	<ul style="list-style-type: none"> Top 1000 largest companies with turnover > \$250m Excludes top 100 	<ul style="list-style-type: none"> ~320 largest companies Excludes top 100 	Top 500 private groups based on: <ul style="list-style-type: none"> Turnover > \$350m; or Net assets > \$350m; or Turnover > \$100m AND net assets > \$250m; or Income > \$250m AND included in tax gap population; or Market leaders or group specific interests 	<ul style="list-style-type: none"> Control wealth of >\$50m 	Medium and emerging private groups: <ul style="list-style-type: none"> Groups linked to Au individuals that control wealth \$5m to \$50m; or Businesses, not elsewhere covered, with turnover >\$10m
What?	<ul style="list-style-type: none"> (Initially) Income tax focuses 	<ul style="list-style-type: none"> GST focused 	<ul style="list-style-type: none"> Income tax and GST review combined 	<ul style="list-style-type: none"> Income tax focused 	<ul style="list-style-type: none"> GST focused 	<ul style="list-style-type: none"> Income tax and GST review combined 	<ul style="list-style-type: none"> Income tax and GST review combined 	<ul style="list-style-type: none"> Income tax and GST review combined
General		<ul style="list-style-type: none"> GST and Income tax teams collaborate 	<ul style="list-style-type: none"> Replaces top 1000 "tax performance program" from 1/12/2020 Follow a risk-based analysis 		<ul style="list-style-type: none"> Only if material GST risks were identified during risk-based analysis 	<ul style="list-style-type: none"> Expansion of the "320 program" 		

For more information please contact

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