

TAX GOVERNANCE CHECKLIST

High level questions for the Board

- What is your tax governance framework?
- What is the risk stance and structural tax settings of the company?
- Do you understand the current (and historic) relationship with the ATO?
- If profits are not fully taxed, why not?

Questions for the tax team

- Are there KPIs that supports the organisation's goals and stated tax risk appetite?
- Is the tax corporate governance clear, and is it 'lived'?
- Do you understand the relationship between financial reporting and tax, including GST and indirect taxes?
- Do you understand where you sit relative to your business peers?
- Do you have high levels of assurance over your tax 'infrastructure'?
- What is your conduct in resolution of tax disputes (including applying the LPP protocol)?
- Could you call yourself a transparency role-model?
- Have you received a high assurance rating previously? If not, why not?

Questions for significant transactions

- Is the position for significant transactions consistent with the risk appetite of the organisation?
- Is the ATO likely to dispute this position? Have you sought certainty from the ATO in the form of a ruling?
- What would happen to revenue collections if everyone did this?
- What is our level of confidence as compared with that required on our physical infrastructure (with like levels of economic exposure)?
- Has the adviser been given a full scope, or are there areas that have been scoped out that are relevant?
- Are the facts and assumptions underpinning the advice supportable and could be evidenced in Court proceedings? What happens if they are wrong / disproved?

Other

- Is there a documented tax strategy that is aligned with the overall business strategy? Is it regularly reviewed and updated as needed?
- Are there clear policies and procedures for tax compliance, including tax reporting and filing requirements, tax risk management, and internal controls?
- Are tax-related roles and responsibilities clearly defined and documented, with accountability assigned to specific individuals?
- Are employees and stakeholders trained on tax compliance requirements and expectations? Is there a process for communicating changes in tax laws or policies to relevant parties?
- Is there a process for identifying and managing tax risks, including regular tax risk assessments and the implementation of appropriate controls and mitigation strategies?
- Is there a process for timely and accurate tax reporting and filing, including the use of appropriate software and other tools?
- Is there ongoing monitoring and oversight of tax compliance, including regular reviews of tax filings and processes, as well as audits and assessments as needed?
- Is there a process for ongoing improvement of the tax governance framework, including regular reviews and updates based on changes in tax laws and regulations or business needs?