



# IS YOUR TAX CONTROL FRAMEWORK READY FOR REVIEW BY THE ATO?

**Tax governance for private groups is on the ATO's agenda.**

How ready is your organisation for the ATO to review your tax control framework?

Get ready with KPMG Tax Governance Assist and accelerate your tax governance journey.



## Effective tax governance is one of the four key areas of the ATO as part of their Justified Trust (JT) methodology.

Our experience suggests that many organisations are not really ready for a review by the ATO on tax governance.

### Many groups early on in their tax governance journey

- Policies and procedures are not documented
- Gaps in framework, processes and procedure documentation
- Limited testing of tax controls



## What are the ATO's expectations on the governance of tax for private groups?



The ATO's JT methodology based reviews on tax governance for the Top 100, Top 1000, Top 500 private and Next 5000 organisations/groups all consider alignment with the ATO Tax Risk Management and Governance Review Guide (ATO Guide). Principles in the ATO Guide are demonstrated across 13 areas and are expected to be in place and operational within a broader tax control framework.

The depth of the ATO consideration concerning tax governance does vary understandably for the different segments. For the Top 500 Private and Next 5000 ATO segments, the ATO consider how the seven principles of effective tax governance have been applied in the context of an organisation, with greater emphasis on the first four principles.

Effective tax governance for these organisations is demonstrated by having a framework, processes and procedures in place to achieve compliance with lodgement, reporting and payment obligations.

### Getting baseline tax governance elements in place

For the Top 500 private groups and Next 5000 organisations, they need to demonstrate that an effective framework exists to achieve a higher rating for tax governance as part of the ATO's JT methodology. This evidence can be demonstrated by:

- board endorsed tax policy document describing how the organisation identifies and manages tax risk, or
- documented procedures for preparing the income tax return and other key processes.



### How KPMG Tax Governance Assist can help

Your online answers to a self-guided information gathering app will generate a tailored Tax Governance Policy document, with content representative of better practice for Top 500 private groups and Next 5000 organisations.

The Tax Governance Policy document will cover at a high-level:

- overall tax governance and strategy across the organisation
- key roles and responsibilities with respect to tax
- overarching tax risk appetite
- approach to tax risk identification, assessment and escalation
- definition for significant transactions
- tax reporting obligations
- relationship with the tax authorities.



**Fast and simplified**



**You choose the level of KPMG support**



**Put your mind at ease**

# KPMG Tax Governance Assist

An easy-to-use online information gathering app to help develop your tax control framework, starting with a baseline Tax Governance Policy document.

## GET READY FOR THE ATO with KPMG Tax Governance Assist.

KPMG Tax Governance Assist automates the generation of tailored draft tax governance documentation through an easy to use online information gathering app.

Guidance is provided throughout KPMG Tax Governance Assist, including details on what each tab will incorporate into the draft document, commentary on ATO better practice and links to the seven principles of tax governance and the ATO Guide.

## YOU CHOOSE THE LEVEL OF SUPPORT YOU NEED

You then have various options to engage with our KPMG Tax Governance specialists depending on the level of support you need – for further input, tailoring, and to raise any questions prior to getting the document endorsed by your Board.

Fast and simplified	You choose the level of KPMG support	Put your mind at ease
<ol style="list-style-type: none"> <li>1. Complete an easy-to-use online information gathering app</li> <li>2. Automatically generates a tailored draft document</li> <li>3. Access dedicated KPMG Tax Governance specialists to further tailor the document</li> </ol>	<ol style="list-style-type: none"> <li>1. Discuss draft document with a KPMG Tax Governance specialist</li> <li>2. Access updates to document for key enhancements</li> <li>3. Access high-level review of existing tax governance and risk management documents</li> </ol>	<ol style="list-style-type: none"> <li>1. Be ready for the ATO with baseline documentation in place</li> <li>2. Start your organisation's tax governance journey</li> </ol>

Fast and simplified	
<b>Blue</b>	<ol style="list-style-type: none"> <li>1. Easy online submission of key information</li> <li>2. Draft shared and discussion with a KPMG specialist</li> <li>3. You finalise</li> </ol>   
<b>Silver</b>	<ol style="list-style-type: none"> <li>1. Easy online submission of key information</li> <li>2. Draft shared and discussion with with a KPMG specialist</li> <li>3. Key enhancements updated by KPMG (one iteration)</li> <li>4. KPMG email with suggestions to finalise</li> <li>5. You finalise</li> </ol>    
<b>Platinum</b>	<ol style="list-style-type: none"> <li>1. Easy online submission of key information</li> <li>2. Draft shared and discussion with a KPMG specialist</li> <li>3. Key enhancements updated by KPMG (two iterations)</li> <li>4. High-level review of existing key documents</li> <li>5. KPMG email with suggestions to finalise</li> <li>6. You finalise</li> </ol>     

## Want to learn more?

Contact our KPMG Tax Governance specialists to learn more about KPMG Tax Governance Assist and how we can support your organisation on its tax governance journey.

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