

TPB REVIEWS AND INVESTIGATIONS

VINCENT LICCIARDI (PARTNER)

WORRELLS 2025 MELBOURNE CBD CONFERENCE

27 FEBRUARY 2025

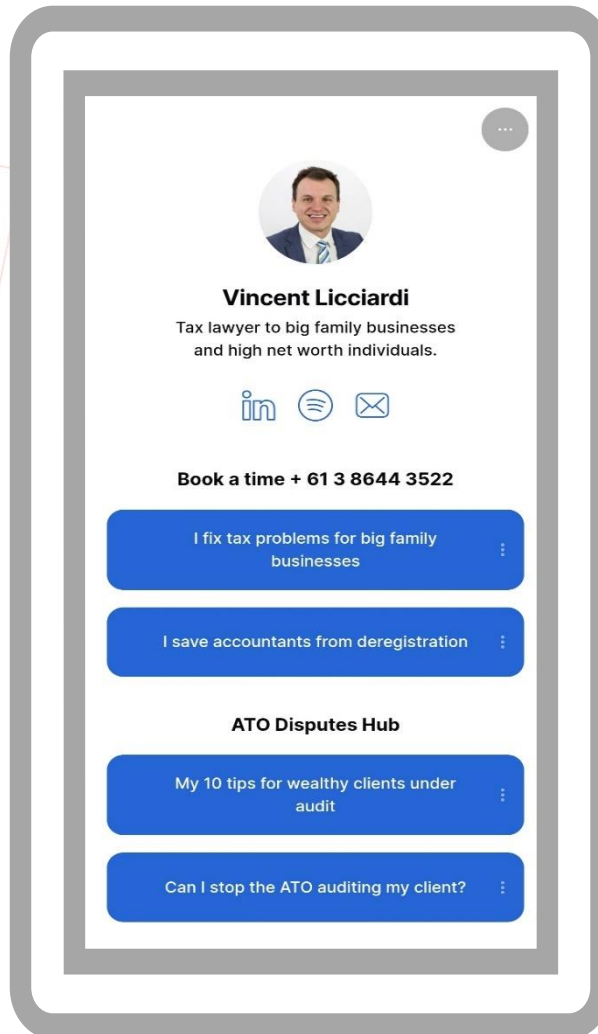


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TAX HUB AND CHECKLIST



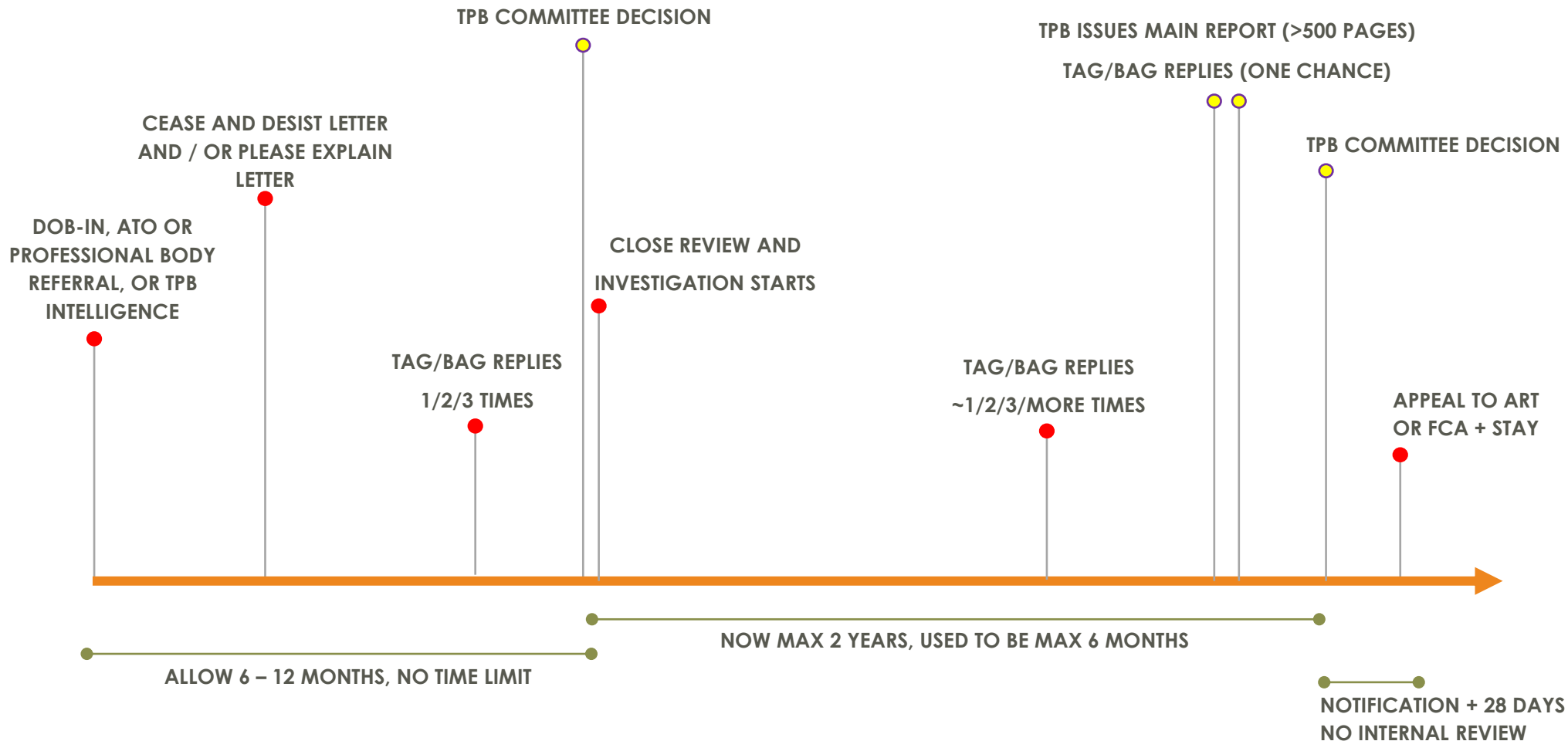
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OVERVIEW

- 1 Review and investigation continuum: what actually happens?
- 2 Common themes from matters we have run
- 3 Ethical conduct case studies from matters we have run
- 4 Q&A

REVIEW AND INVESTIGATION CONTINUUM



REVIEW AND INVESTIGATION CONTINUUM

COMMON THEMES

- Almost always starts from an ATO report or a client dob-in
- Outstanding tax obligations
- Not managing risks and oversight in the business
- The cream on the top is false annual declarations and PI
- Room for error is slim

REVIEW AND INVESTIGATION CONTINUUM

COMMON THEMES

- No regard for client deadlines. Rigorous and demanding process
- Administering broad laws with significant grey zones and little practical guidance: c.f. TPB administers the laws in a “black and white” way
- Referral on to professional body for another investigation
- Very tight timelines with little (regularly no) room for extensions
- Except at litigation, available sanctions are blunt with no room for negotiation

REVIEW AND INVESTIGATION CONTINUUM

EXAMPLES OF QQ

Key staff member resigned

In relation to supervision and control

Explain how, after [REDACTED] ceased as a supervising agent for the Company on [REDACTED], the Company has continued to meet the registration requirement that it has a sufficient number of individually registered tax agents to ensure it can:

- a. provide tax agent services to a competent standard
- b. undertake adequate supervision of tax agent services.

Accountant audited

You must provide a written response to the Board addressing:

1. Why you incorrectly reported your GST obligations for the period [REDACTED].
2. Why you incorrectly reported your PAYGW obligations for the period [REDACTED] to [REDACTED].
3. Why you incorrectly reported your income tax obligations for the years ended [REDACTED].
4. Have you complied with the Board's continuing professional education (CPE) requirements?
 - a. Please provide a copy of your CPE log for your last registration period from [REDACTED].
5. Are you covered by a current PII policy?
 - a. If yes, please provide the Board with details of your PII policy.

Accountant's client audited

Please address you, [REDACTED], in your capacity as a director of [REDACTED] (corporate trustee of the Trust) the following information concerning [REDACTED]:

- a. when did the Trust commence paying wages?
- b. what was the frequency of paying wages and provide evidence showing these payments for the periods [REDACTED]?
- c. provide a copy of any employment contract and/or agreement between [REDACTED] and the Trust.
- d. advise why wages were paid in the form of trust distributions for the 2018 and 2019 income years prior to the amendments made on [REDACTED].
- e. advise why the Trust originally did not declare any wages and withholdings for the period [REDACTED].
- f. advise why the Trust did not register for PAYG withholding until [REDACTED], and why the Trust requested the ATO backdate the PAYG withholding role to an effective start date of [REDACTED]?
- g. advise why you believe the changes made to the [REDACTED] were legitimate?

Multiple alleged breaches of TASA

Other matters

Provide reasons as to why you had not notified the Board, within 30 days of the event occurring, that [REDACTED] two nominated supervising agents had ceased to be a supervising agent as at [REDACTED].

Provide reasons as to why you think your conduct does not breach the TASA and why your registration, and your companies' registrations, should not be terminated.

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REVIEW AND INVESTIGATION CONTINUUM

DO ME A FAVOUR!

- Go home today and check
 - Are all tax lodgments in? If no, get it done or a formal deferral asap
 - Are all taxes paid? If no, pay or get a payment plan asap
 - Is your PI current and notified to the TPB? If no, get it done
 - Were previous declarations accurate and fulsome? If no, disclose
 - Do you do letters of engagement for all clients? If no, start
- Prevention is better than cure
- Review my investigation checklist



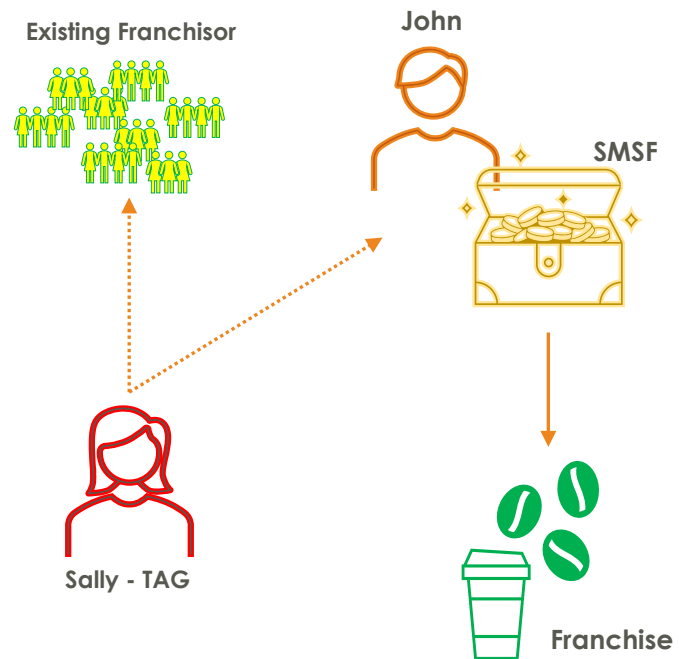
QUESTIONS?



ETHICAL CASE STUDIES



ETHICAL CASE STUDIES (SALLY)

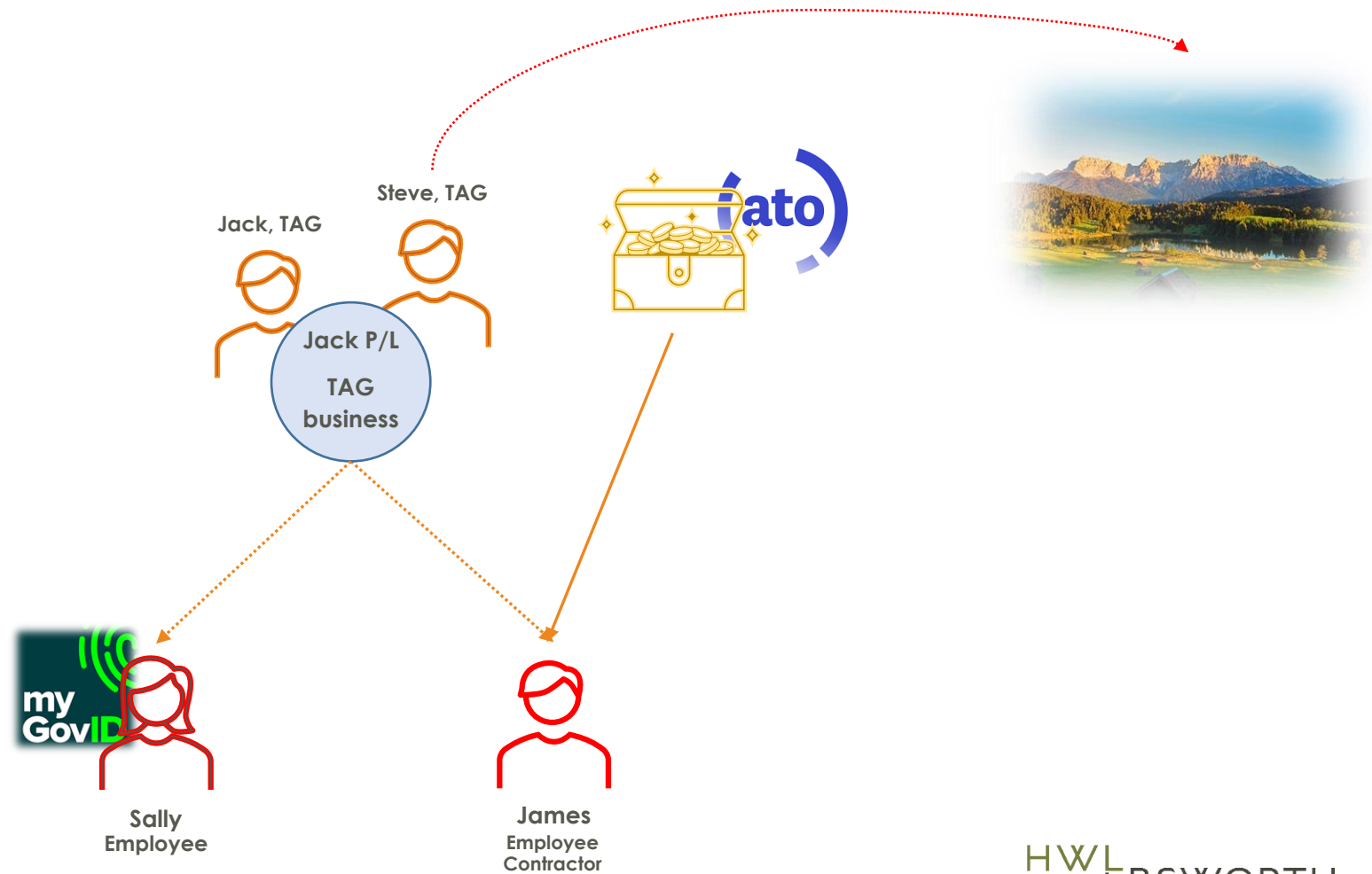


CASE STUDIES (SALLY)

Lessons from Sally's case

- On-boarding clients
- Conflicts of interest, applies at the beginning and throughout engagement

CASE STUDIES (JACK)



CASE STUDIES (JACK)

Tax accountant James Redmond Burrows jailed for stealing to fund gambling addiction

By Manika Champ

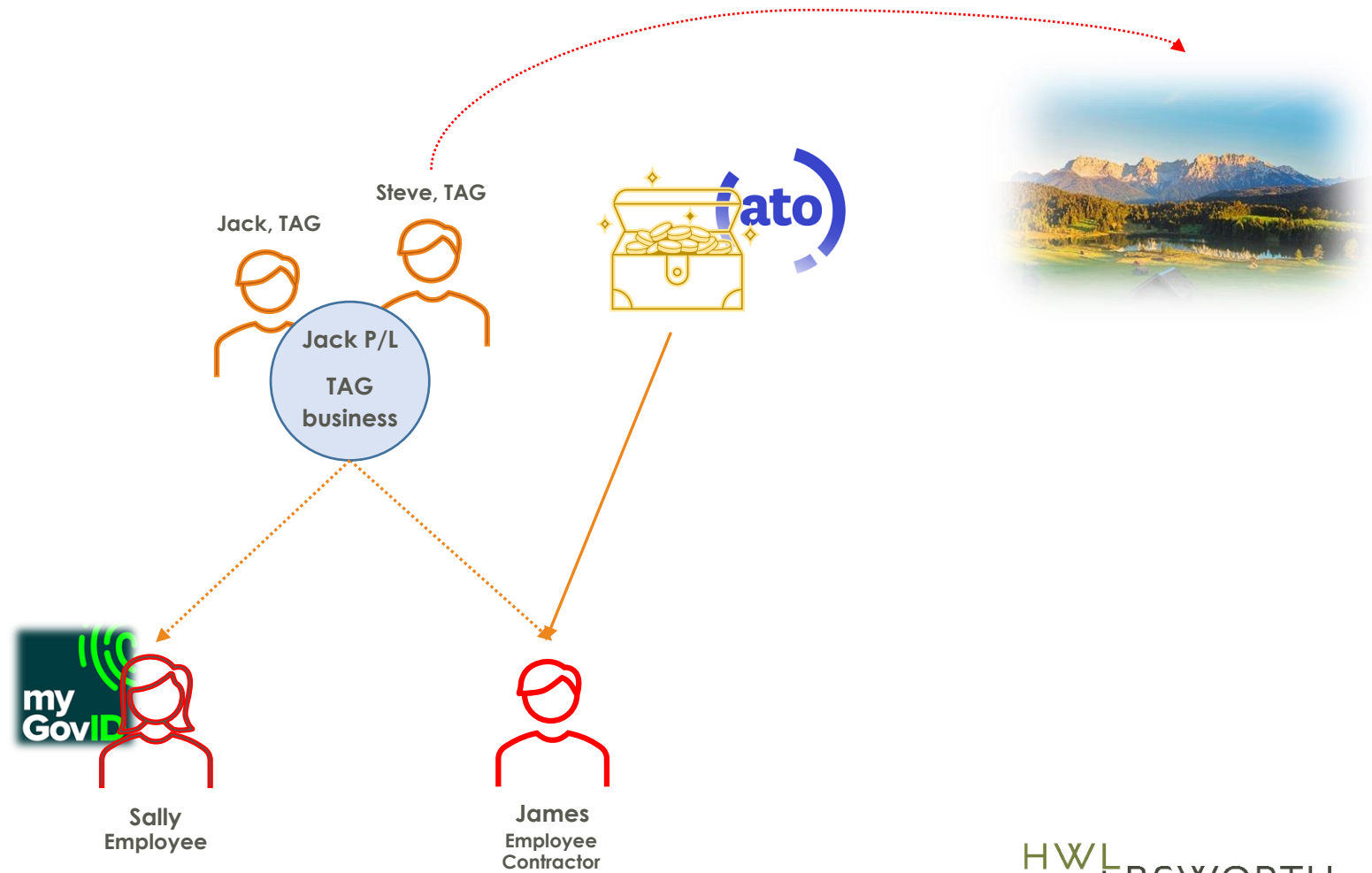
Courts and Trials

Fri 11 Aug 2023



James Redmond Burrows has repaid "none of the almost \$1.5 million" he defrauded his clients and the ATO. (ABC News: Erin Cooper-Douglas)

CASE STUDIES (JACK)



CASE STUDIES (JACK)

Lessons from Jack's case

- On-boarding staff - new disqualified person rules
- Security and processes in the business – who has access to ATO systems?
 - Do you have a plan if your business is hacked?
- Rip the band-aid off – feels counter intuitive, but disarms the situation

CASE STUDIES (MARY)



CASE STUDIES (MARY)

Lessons from Mary's case

- Personal circumstances can come into play for your TASA registration (eg, fit & proper)
 - Get advice on whether you need to notify
- Your declarations / disclosures must be spot on, don't just tick and flick

CASE STUDIES (BRENDAN)

[GSXZ and TPB](#)



CASE STUDIES (BRENDAN)

Lessons from Brendan's case

- Don't bury your head in the sand
- Your declarations / disclosures must be spot on, don't just tick and flick

CASE STUDIES (ALEX)



TAG

CASE STUDIES (ALEX)

Lessons from Alex's case

- How do you ensure that what is ultimately lodged with the ATO is correct?
- Supervision and oversight in the business (adequate controls, checklists, etc)
 - What you say to the ATO is shared with the TPB

QUESTIONS?



CONTACT US

RECENT INVESTIGATIONS

- **Multiple breaches of the TASA/Code:** in this case, a person who the accountant engaged in his business accessed ATO systems and records. Over \$200,000 was allegedly stolen. There were also issues in respect of failing to comply with tax obligations and dishonestly engaging with the TPB. We saved the business and the accountant was terminated for 1 year.
- **Outstanding DPNs exceeding \$3m:** in this case, the accountant was identified during the renewals process by the TPB for outstanding DPN's owing to the ATO exceeding \$3m and other outstanding tax obligations. The TPB reviewed the situation and terminated the accountant's registration for 2 years. We appealed the case to the AAT and won.




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- **Criminal conviction:** in this case, the accountant was convicted for family violence and completed a period of community service and good behaviour. The TPB investigated the matter, including for the failure to make adequate disclosure. We had the matter thrown out and the accountant continues to run their business.

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