

## How To Avoid A Revenue Audit

It is the dread of many business owners – being audited by Revenue.

Unfortunately, Revenue Audits have become a regular feature of our tax system. Whilst the actual number of Revenue Audits has decreased in recent years, according to their recently published figures, Revenue's efforts are now focussed on conducting audits where there is the greatest chance of errors.

With the use of its computer-based profiling system REAP (Risk, Evaluation, Analysis & Profiling) and additional information it can access from returns filed on other systems such as the Motor Registration Database, Revenue now has the tools it needs to take this targeted approach.

This therefore places greater importance on business owners and company directors to calculate and file its taxes correctly and on-time.

Our expert in Revenue Audits, Sean O'Reilly outlines a number of simple steps your business can take to avoid a Revenue Audit:

### 1. File And Pay Deadlines

It may sound obvious but it is essential that you file and pay your tax returns on-time, every time. The Revenue publishes a Key Dates Calendar with a full list of all return and payment dates for all tax types to ensure that you stay compliant.

### 2. Intra-EU Acquisitions Transactions

Ireland has come under increased pressure from other EU member states to provide accurate Intra-EU Acquisition records. Revenue is now checking records supplied by other EU countries against Irish VAT 3 returns. Therefore, ensure that you accurately complete the E1, E2, E3 and E4 boxes on VAT 3 returns. Also obtain and verify EU customer VAT numbers.

### 3. Invoicing

Increasingly, inaccurate sales and purchase invoices are acting as a warning sign for Revenue to carry out checks. Check the accuracy of your invoices e.g. date, pricing and description of goods/services and also that the correct VAT rate is being used.

### 4. Company Vehicles

If you have a company vehicle(s), all records of Benefits in Kind (BIK) must be accurately recorded as Revenue is now checking the Motor Registration Database against P35 and CT1 returns to uncover discrepancies in BIK.

## 5. Compliance Review

As the saying goes, prevention is better than cure. That is why we recommend conducting a compliance review. A compliance review is a special review carried out by an accountant to check whether a company has calculated and filed its taxes correctly in accordance with Revenue's regulations.

In our compliance reviews for example we take a detailed look at your company's:

- Sales and purchase invoices to ensure you are returning VAT at the correct rate;
- Net wages records to ensure that you are filling accurate P35 returns;
- Bank lodgements to check VAT on sales;

And, for companies using computerised accounting and bookkeeping systems, we use our E-Audit software to check that you are using the correct VAT rate on all transactions.

This review provides business owners and company directors with peace of mind and the opportunity to deal with any non-compliance issues with Revenue sooner rather than later.

Facing an audit can be a complicated and expensive distraction for your business but with good bookkeeping and timely returns, a Revenue Audit can be avoided in many cases.

### Revenue Audit – Compliance Review

If you are a business owner or company director who would like to take preventative steps to avoid a Revenue Audit, talk to us today about our comprehensive Compliance Review service.

**Should you wish to discuss any of the topics highlighted in this article please do not hesitate to contact Sean O'Reilly in DBASS on 01- 849 88 00 were Sean or another member of our team will be delighted to assist you.**