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Participating Advisor Transparent tax governance

Deloitte is proud to be an approved Participating Advisor for GST, FBT, and Payroll reviews

What is a Participating Advisor review?

An initiative that aligns a Deloitte tax review with Inland Revenue's intervention so it can be presented and used to satisfy Inland Revenue.

The review remains **valid for four years** provided there are no significant organisational changes.

Who can undertake a Participating Advisor review?

A company or a group of companies with more than **50 employees** or more than **\$30m turnover**.

Do I have to be issued with an audit notification or receive a review request from Inland Revenue?

No, you may choose to **participate voluntarily** in a review as part of good tax governance. The findings can then be used in the future if Inland Revenue commence a review or audit, however it is up to you whether you want to share it with Inland Revenue.



What does the process involve?

- Subject matter experts collaborate with you using a tailored questionnaire and undertake a workshop to understand systems and processes.
- A traffic light report highlights the key risks and opportunities and empowers your people to move forward with confidence.
- You retain the report, and you decide whether you would like to present it to Inland Revenue or go through their normal review process.

What are the benefits?

- Reduced time pressure there is often time pressure once Inland Revenue contacts you, however Deloitte can fit in with you and your timeframe.
- A living document actions taken from review findings are included to show remediation steps.
- Expertise on hand subject matter expertise.
- Voluntary Disclosures penalty reduction where an audit has not commenced.
- **M&A** great for presenting in a due diligence to show governance and low risk.
- Traffic light report both risks and opportunities identified.

Participating Advisor Success Story

Inland Revenue's Participating Advisor programme is a pioneering example of how tax authorities can work with professional services firms to promote tax governance and compliance.



One of Deloitte New Zealand's clients is operating in an industry with a number of complexities from a tax perspective.



Across GST and payroll, a material error was identified which resulted in the client undertaking an exercise to quantify the exposure and make a voluntary disclosure to Inland Revenue.



Following completion of the Participating Advisor reviews, the client provided the reports as part of a tax due diligence project. The reports were instrumental in demonstrating the controls and processes in place for the client from a tax perspective, but also providing comfort to the potential purchaser that an Inland Revenue equivalent review had taken place, that would also be able to be used in the future.



Deloitte was engaged under the Participating Advisor programme to carry out GST, FBT and Payroll Participating Advisor reviews.



More than 12 months following completion of the reviews, Inland Revenue notified the client of its intention to place the client under audit. In response to this, we were able to advise Inland Revenue of the Participating Advisor reviews that had already been completed. Inland Revenue accepted this and ceased its intervention activities.



The client recently commented that the Participating Advisor reviews have been worth their weight in gold, particularly in light of being able to bring a speedy closure to the audit.

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Deloitte has been working alongside Inland Revenue to help develop the programme, and now our clients have the unique opportunity to be part of this world leading programme.

If you would like to find out more, please contact one of our team members below, or your usual Deloitte advisor.

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