

Audit Insurance – Client Application

Please note that 'What is included?' and 'What is excluded?' needs to be read in conjunction with 'What are your obligations?' (under FAQs below).

What is included? Professional Fees incurred (up to the 'shared' Sum Insured) to manage any audit initiated by a Government Agency against You or on any previously lodged returns or declarations and that arises during the Period of Insurance. Professional Fees incurred must be fair and reasonable for the type of audit being conducted. Government Agencies are primarily those that administer any form of tax, duty, superannuation, workers compensation, social security and the like. You, being those names listed under Step 1 below, will be liable for any Professional Fees incurred over the 'shared' Sum Insured selected. The Period of Insurance is the 12 month period from the date Audit Services Pty Ltd receives this Client Application and payment of the premium. Before the end of 12 months, Audit Services Pty Ltd will invite renewal.

What is excluded? (1) where a return or declaration has been prepared or lodged recklessly or fraudulently; (2) a return is lodged more than 3 months outside the prescribed date for lodgement; (3) any verbal or written advice or notice of a pending audit has already been received by You or your adviser(s); (4) additional Professional Fees incurred because You have failed to maintain and retain proper records as stipulated by the various government agencies You deal with; (5) any activity that involves the maintenance of any operating licenses, memberships, registrations, workplace practices, regulatory or industry processes and the like; (6) education, training, implementation etc., due to a change in government or industry policies, regulations and by-laws; (7) an audit that relates to the deduction, rebate or claim for tax or duty relief arising out of a mass marketed product or scheme unless the product or scheme has received prior written approval from the relevant Government Agency; (8) activities involving money laundering, failure to declare foreign income or the use of trusts, tax havens or the like to avoid tax obligations; (9) any amended assessments, fines or penalties imposed; (10) Professional Fees incurred for any legal proceedings taken against You or initiated by You; (11) You have entered into any form of bankruptcy, administration, receivership, liquidation, insolvency (voluntary or otherwise), winding up, deregistering a company or a similar process. Please refer to the policy wording located on this website; or (12) where the audit is to purely substantiate a refund of tax or duty.

STEP 1. Name of your accountancy firm: _____ Suburb: _____ State/Territory: _____

STEP 2. List the names of Individuals, Trusts, Superfunds, Operating or other entities (*entities must have common majority ownership*) to be insured. PLEASE PRINT CLEARLY AND SEPARATE THE NAMES WITH A COMMA.

STEP 3. Tick the 'shared' Sum Insured of professional fees required. The '\$x,xxx /' is the 'shared' Sum Insured and '/ \$xxx', the annual premium to be paid. Refer the FAQs for guidance. The premium includes GST, stamp duty and an administration fee. Please refer FAQs next page that provides guidance as to the recommended Sum Insured, however, you are free to select the Sum Insured you wish.

Individual Only (including spouse/partner)	<input type="checkbox"/> \$5,000 / \$155	SMSF Only	<input type="checkbox"/> \$10,000 / \$275	
Individual Only (including spouse/partner/trust/SMSF, Self Employed)	<input type="checkbox"/> \$10,000 / \$190 or <input type="checkbox"/> \$15,000 / \$275			
Client Group & others	<input type="checkbox"/> \$10,000 / \$420	<input type="checkbox"/> \$15,000 / \$635	<input type="checkbox"/> \$20,000 / \$760	<input type="checkbox"/> \$25,000 / \$975
	<input type="checkbox"/> \$30,000 / \$1,315	<input type="checkbox"/> \$35,000 / \$1,590	<input type="checkbox"/> \$50,000 / \$2,880	Above \$50,000, contact us on 1300 595 615

STEP 4. If paying by EFT: BSB: 484 799; Acct: 030397326; Name: Underwriting Australia Trust Account; Reference used: _____

If paying by Credit Card: Name of card: _____ Card number: _____ CVC: _____ Expiry Date: ____/____

(Note – additional 2% merchant fee for Visa and MasterCard and 3% for Amex and Diners)

If paying by cheque, please make your cheque in favour of Audit Cover Pty Ltd

STEP 5. Please mail the completed form to Audit Services Pty Ltd, PO Box 7100, McMahon's Point NSW 2060. After we receive both the completed form and payment, we will send a Tax Invoice and Certificate of Insurance. For assistance, please phone 1300 595 615 or email audit@auditservices.com.au.

STEP 6. Sign: _____ Date: ____/____/____ Contact number: (____) _____

Your postal address: _____ Email address: _____

Frequently Asked Questions

Why should we consider Audit Fees Paid?

Irrespective of how well your financial affairs are managed, you are not immune to being randomly selected for an audit. With Government Agencies and business entities increasing surveillance to ensure parties are compliant and meeting their statutory obligations, the chances of being audited are high. Also, few parties fully appreciate the amount of time required to prepare for an audit, so that any irregularities can be volunteered upfront, thus reducing or avoiding any fines and penalties that may otherwise be imposed. For a nominal amount, you can be financially protected for what is typically an unexpected and unbudgeted cost.

When does Audit Fees Paid kick in?

When you or your accountant receives notice of a pending 'compliance audit' or 'audit'. A 'compliance audit' is where you are audited to ensure compliance with a Government Agency or business entity. An 'audit' includes a questionnaire (pre or post lodgement) or an enquiry, examination, investigation, review or audit subsequent to documents being lodged.

How do we determine the level of 'Shared' Sum Insured?

No two situations are the same, so it's impossible to provide a precise answer. However, over the many years, claims history does provide some guidance. If the sum insured selected isn't ultimately sufficient for one or more audits that may occur during the period of insurance, comfort can be taken that the majority of professional fees incurred will be paid. The selected sum insured is shared by the 'Names to be insured' and is inclusive of GST. The 'Names to be insured' includes you and/or your spouse or partner; any trust; self managed super fund; partnership (not less than 50%); business and trading name or entities (must be common majority owned); or an association, organisation, not for profit and similar type entities.

As a guide: *(there may be more than one option. Some Individuals may have more investments or several trusts or a larger member SMSF. Some businesses may have several trading entities. If in doubt, we'd recommend the higher sum insured. Note that 'Individuals' are same family or directors of the same business and listed businesses are common majority owned.)*

		Shared Sum Insureds							
		\$5K	\$10K	\$15K	\$20K	\$25K	\$30K	\$35K	\$50K
1.	Individual x 1	✓							
2.	Individuals x 2	✓	✓						
3.	Individuals x 3		✓						
4.	Individuals x 4		✓	✓					
5.	Individuals + Trust		✓	✓					
6.	Individuals + Trust + SMSF		✓	✓					
7.	SMSF only		✓						
8.	Self employed	✓	✓						
9.	Self employed + Trust and/or SMSF		✓	✓					
10.	1. to 6. above + business up to <\$500K turnover		✓	✓					
11.	1. to 6. above + business up to <\$1.5M turnover			✓	✓				
12.	1. to 6. above + business up to <\$2.5M turnover				✓	✓			
13.	1. to 6. above + business up to <\$5M turnover				✓	✓			
14.	1. to 6. above + business up to <\$10M turnover					✓	✓		
15.	1. to 6. above + business up to <\$15M turnover					✓	✓		
16.	1. to 6. above + business up to <\$20M turnover						✓	✓	
17.	1. to 6. above + business up to <\$30M turnover						✓	✓	
18.	1. to 6. above + business up to <\$50M turnover							✓	✓

Is the insurance premium tax deductible?

Yes.

Who's the insurer?

QBE Insurance (Australia) Limited ('QBE'), Level 6, 2 Park Street Sydney NSW 2000.

What are your obligations?

- With respect to 'known circumstances', you acknowledge that none of the named insured, staff or your accountancy or financial advisers are aware of or have been notified of any circumstances that could lead to a claim under this insurance or have had any form of contact with a Government Agency or business entity seeking additional clarification about your personal or business affairs, including information previously supplied or you are deemed by the ATO as a High Wealth Individual (i.e., having directly or indirectly assets above \$3 million); are aware of circumstances (such as having recently sought or are planning to seek a refund of tax or duty) that increases the likelihood of being exposed to an audit; or have received verbal or written notice of a pending audit.
- With respect to 'compliance', You acknowledge that you (being the various names listed) (a) are fully compliant and registered with relevant government & non-government agencies / bodies / entities you should be lodging or submitting returns, declarations or the like; (b) have lodged or submitted all such required documentation by the prescribed / required dates; and (c) have paid all taxes, duties, levies, Workers compensation premiums, employee entitlements (including superannuation contributions) and other statutory type payments that are due. If not, you must bring this to our attention for further consideration, including our possibly amending or declining cover depending on the circumstances. Failure to bring to our attention will be considered a breach of your Duty of Disclosure (see below).
- With respect to 'duty of disclosure', before entering into this Audit Insure Policy, you have a duty, under the Insurance Contracts Act, to disclose to QBE every matter that you know, or could reasonably be expected to know, to be a matter relevant to QBE's decision whether to insure you and, if so, on what terms. You have the same duty to disclose those matters to QBE before you renew, extend, vary or reinstate this Audit Insure Policy. You are not required to tell QBE about a matter that (a) diminishes the risk to be undertaken; (b) is of common knowledge; (c) QBE know or should know in the ordinary course of their business; or (d) QBE has waived the requirement for you to advise. If you do not comply with this duty of disclosure, QBE may reduce or refuse to pay a claim, or we may cancel the Audit Insure Policy. If you fraudulently fail to comply with your duty of disclosure, QBE may refuse to pay a claim and treat the Audit Insure Insurance Certificate as never having been in existence.

When does the audit insurance cover commence?

Cover commences when we receive this Client Acceptance Form and we have received and processed your payment. Once processed, we'll email your Tax Invoice / Insurance Certificate to the email address you have provided.

What if we aren't happy with the service?

There are several parties that can assist. There's Audit Services Pty Ltd (1300 595 615 or audits@auditservices.com.au); Underwriting Australia Pty Ltd, that manages this specialist audit insurance facility (1300 595 615 or team@underwriting.com.au); and QBE Insurance (Australia) Pty Ltd (02 8275 9999 or complaints@qbe.com.au).