

Concrete audit outcome in the case of missing tax files

Unless you've been living under a mushroom, you would know pretty well by now how the ATO has been aggressively targeting what they consider to be high-risk industries.

Part of ATO's strategy has been to target sectors that, in their view, are more likely to make excessive claims or who transact in cash and might be remiss in reporting the right amount in sales.

This is why Collins Hume client and then truck driver, Paul Pinnegar, found himself on the ATO's radar not because of any wrongdoing, but because he operated in a target industry.

The trouble was, after being selected for audit, Paul identified that his tax records and substantiation (essentially all his paperwork) for that year had been destroyed in error. He was resigned to thinking that he might not see any of his estimated tax refund and even be up for penalties!

Luckily Shane Bartrim worked with Paul and the ATO to produce an outcome that meant Paul neither gave up his refund nor incurred penalties.

"When it came to the audit, Collins Hume looked after everything and I had to do very little," says Paul. "Because Shane had been my accountant for five years, he knew everything about my business which meant he could be my advocate with the ATO. And he had had the good sense to set me up with audit insurance in case anything like this ever happened."

Paul had been around the houses searching for the right accountant

"I had dealt with a lot of tax agents before I was referred to Collins Hume," says Paul. "They're great – I'd never had an accountant look to maximise my refund as well as they do plus be so polite and easy to deal with."

"I wouldn't go anywhere else – despite now living in Brisbane I am still happy to make the trip to Ballina to meet with Shane."

With the ATO audit now well and truly behind him, Paul has the freedom to work on his new business, Re-flow Eco Drain Cleaning, which can boast some technology the competition lacks.

"It's high pressure water cleaning, concrete cleaning and CCTV camera for damaged pipes, servicing homeowners and trades – all totally mobile – covering Brisbane, the Northern Rivers, the Sunshine Coast and Ipswich."

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"I have all the latest equipment so can identify problems quickly and easily," says Paul. "And my 22-inch concrete cleaning *whirlaway* can clean a double driveway in only 20-30 minutes. Great timing for Christmas!"

As a sole trader, it's an exciting time; Paul is also talking with Shane about setting up Xero and having mobile access to his bookkeeping all from his iPhone.

Collins Hume's approach resulted in a very good outcome for Paul. As for Paul, he's just really happy that he didn't have to give any more money to the ATO! But there are some salient takeaways.

Audit insurance can save you a lot of money in the case of an ATO audit, particularly if things get a little complicated, like they did with Paul losing his tax records. Loss of substantiation to support claims, even accidental loss, can be very costly in the case of an audit, so Paul was very fortunate in this instance. Having your accountant assist you in the case of an ATO audit can greatly help reduce the stress normally associated with an ATO audit.

Read more about Re-flow Eco Drain Cleaning or to make a booking with Paul, please visit his [Facebook page](#). To find out more about getting insurance to cover you in the case of an audit or review, please visit the [Collins Hume website](#).



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