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Australian Government
Australian Taxation Office

Top 1000 Assurance Program 2024 Findings Report

Megan Croaker

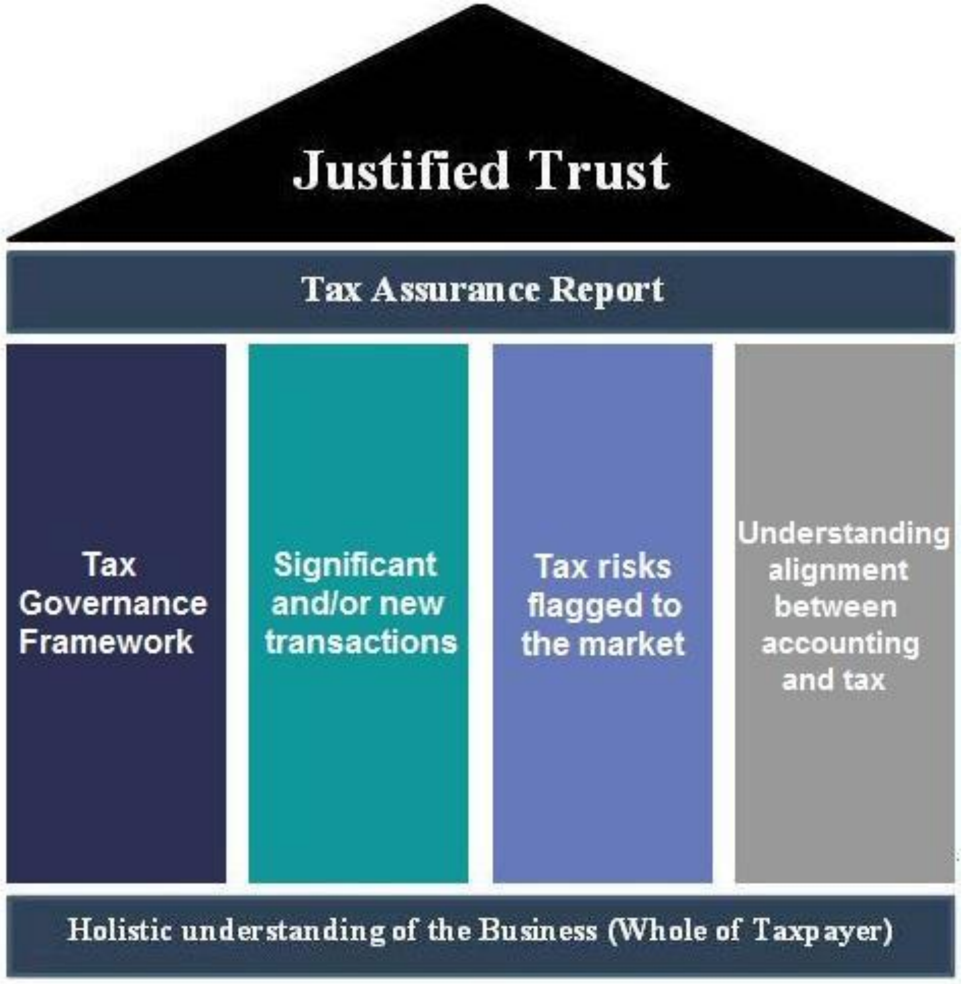
Justified Trust in Public Groups

Top 100

- Top 100 taxpayers are reviewed annually
- Take a tailored approach once taxpayers attain high assurance for income tax and high or medium assurance for GST
  - Monitoring and maintenance approach
  - Refresh review every 4 years

Top 1,000

- Combined assurance review
  - Assurance for both income tax and GST in the one review
  - Reviews cover 4 years for income tax and 1 year for GST
- Issues may be escalated for client next action or ATO next action



Tax Governance Approach

- The ATO considers the existence, design and operational effectiveness of tax control frameworks for income tax and GST.
- Specific board-level (BLC) and managerial-level (MLC) controls are reviewed with a focus on:
  - BLC 1: Formalised tax control framework
  - BLC 3: The board is appropriately informed
  - BLC 4: Periodic internal control testing
  - MLC 1: Roles and responsibilities are clearly understood
  - MLC 3: Significant transactions are identified
  - MLC 4: Controls in place for data (GST only)
  - MLC 6: Documented control frameworks
  - MLC 7: Procedures to explain significant differences

- A minimum Stage 2 rating is required to achieve an overall high assurance rating for justified trust.

Stage 3	You provided evidence to demonstrate that a tax control framework exists; has been designed effectively and is operating effectively in practice.
Stage 2	You provided evidence to demonstrate that a tax control framework exists and has been designed effectively.
Stage 1	You provided evidence to demonstrate that a tax control framework exists.
	Not evidenced or concerns You have not provided sufficient evidence to demonstrate that a tax control framework exists, or we have significant concerns with your tax risk management and governance.

- Tax governance resources:
  - Tax risk management and governance review guide
  - GST Governance, Data Testing and Transaction Testing Guide
  - Governance over third-party data (income tax)
  - Top 1,000 - Income Tax Risk Management and Governance Guidance

Overall Assurance Ratings

🟢	High	We obtained assurance that you paid the right amount of Australian income tax for the income years reviewed. This means we are unlikely to contact you again in relation to the income years reviewed unless something new comes to our attention.
🟡	Medium	We obtained assurance in relation to some but not all areas reviewed. For those areas not yet assured, further evidence and/or analysis will be required before we obtain assurance that you paid the right amount of Australian income tax.
🟠	Low	We have specific concerns around your compliance with the Australian income tax laws and the amount of Australian income tax paid for the income year(s) reviewed.

7 qualifying criteria and quantitative threshold

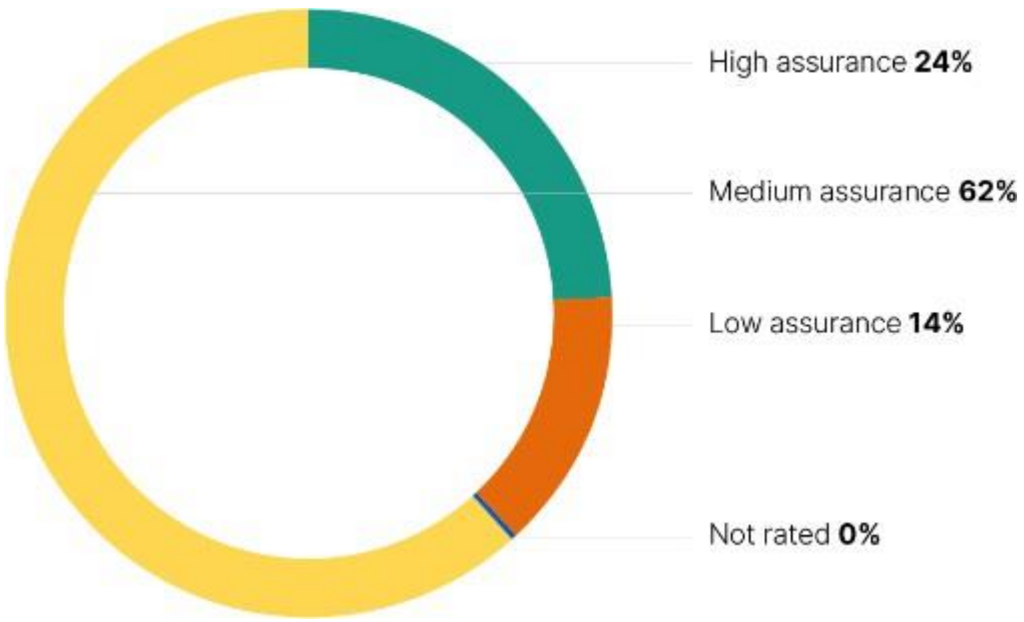
1. Governance – stage 2 or stage 3 ✅
2. Tax risks flagged to market – no further action ✅
3. IRPDs and CFCs – minimum medium assurance ✅
4. Losses – minimum medium assurance ✅
5. ETB – calculation and assumptions verified with taxpayer and no new tax risks identified in the ETB ✅
6. RTP schedule – no errors or omissions identified ✅
7. Cooperative and collaborative behaviour ✅

A provisional high assurance (justified trust) rating will still be possible where there is ongoing compliance activity depending on facts and circumstances.

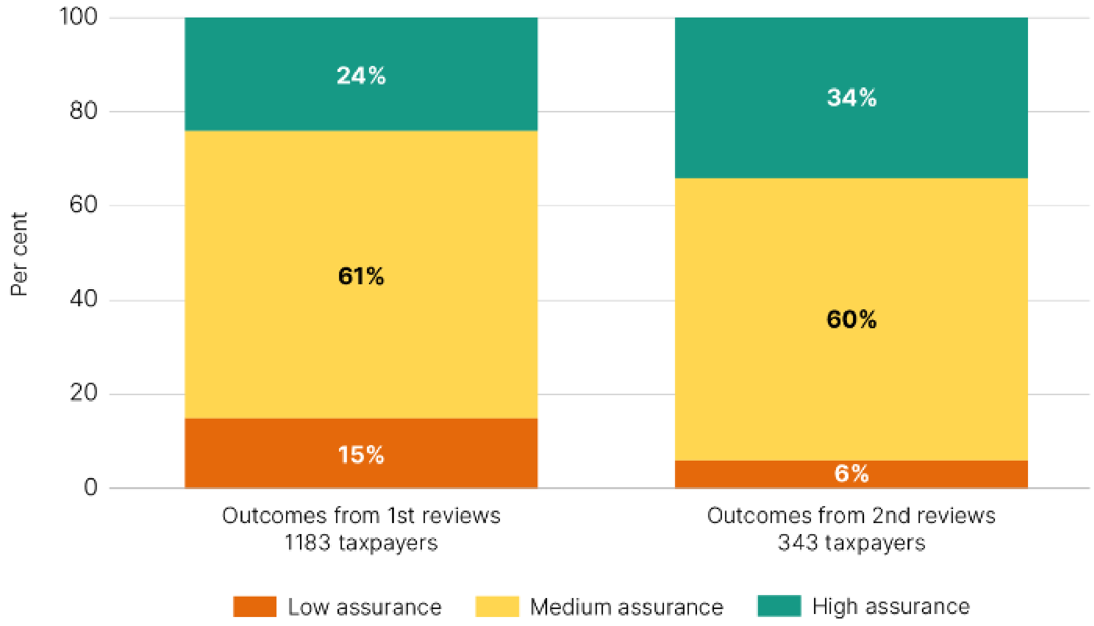
✓ **Top 1,000 combined assurance reviews: Where the ETB calculation has not been prepared by the taxpayer, a high assurance rating for alignment between accounting and tax results will be required.**

Top 1,000 Findings Report 2024 – Income Tax

Overall assurance ratings for all taxpayers in their most recent review as of 30 June 2024

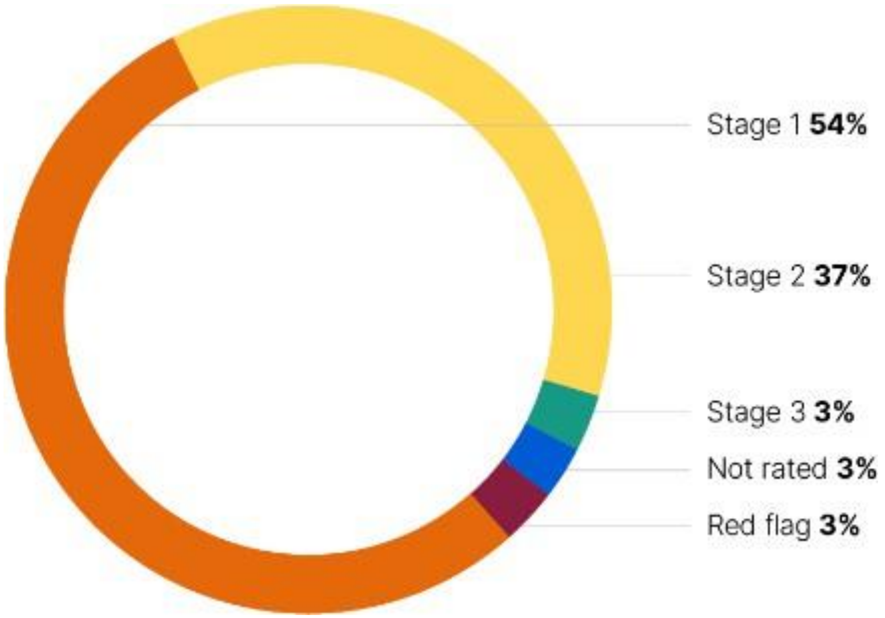


Overall assurance ratings for first reviews of all taxpayers and overall ratings for taxpayers after their second review as of 30 June 2024

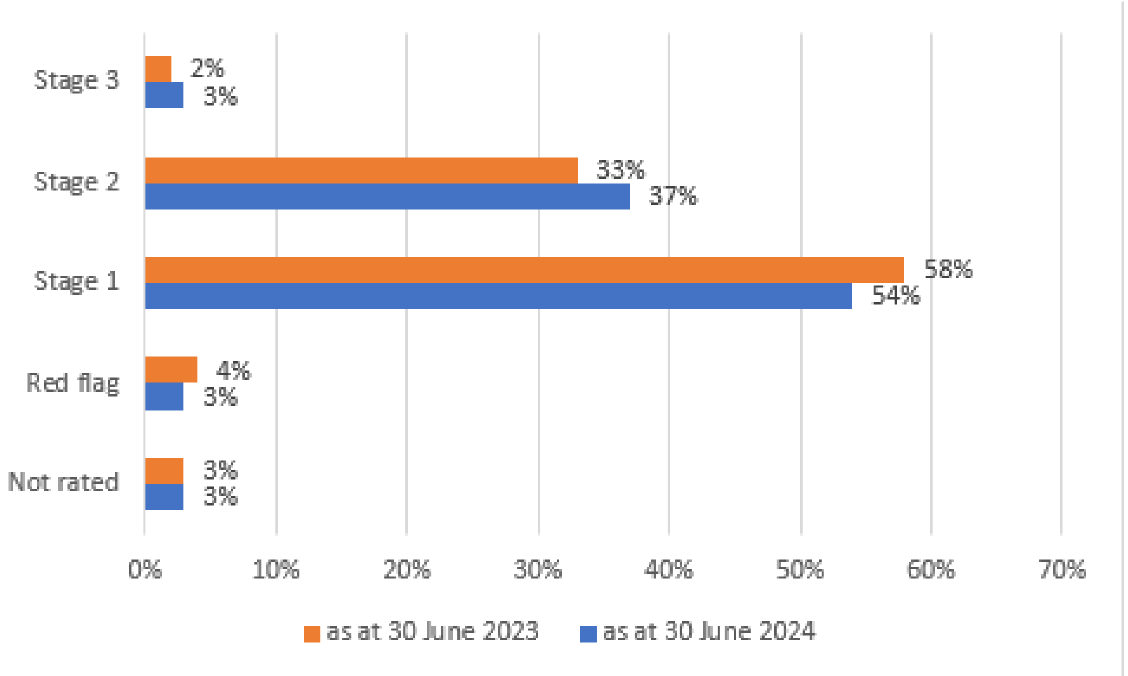


Top 1,000 Findings Report 2024 – Income Tax

Overall income tax risk management and governance ratings for taxpayers in their most recent review, as of 30 June 2024



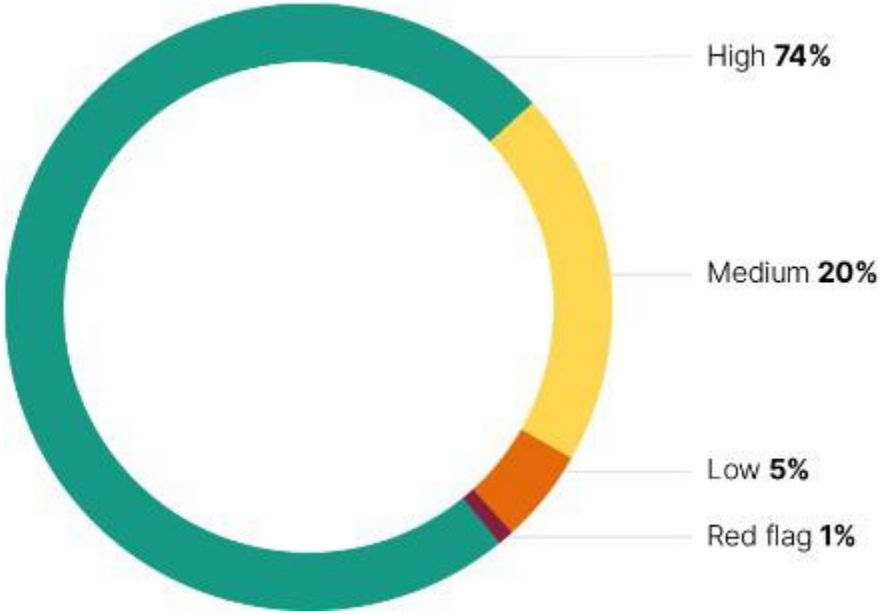
Overall income tax risk management and governance ratings for taxpayers in their most recent review, comparing outcomes as at 30 June 2023 with outcomes as of 30 June 2024



Top 1,000 Findings Report 2024 – GST

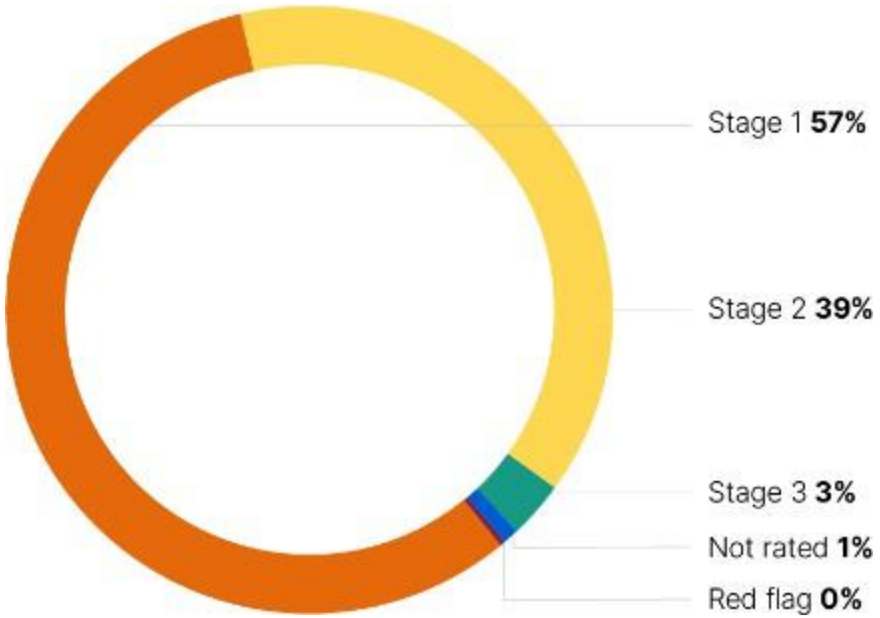
Overall assurance ratings for all GST assurance reviews in their most recent review as of 30 June 2024

GST alignment between accounting and tax assurance ratings for the most recent assurance review completed, as of 30 June 2024

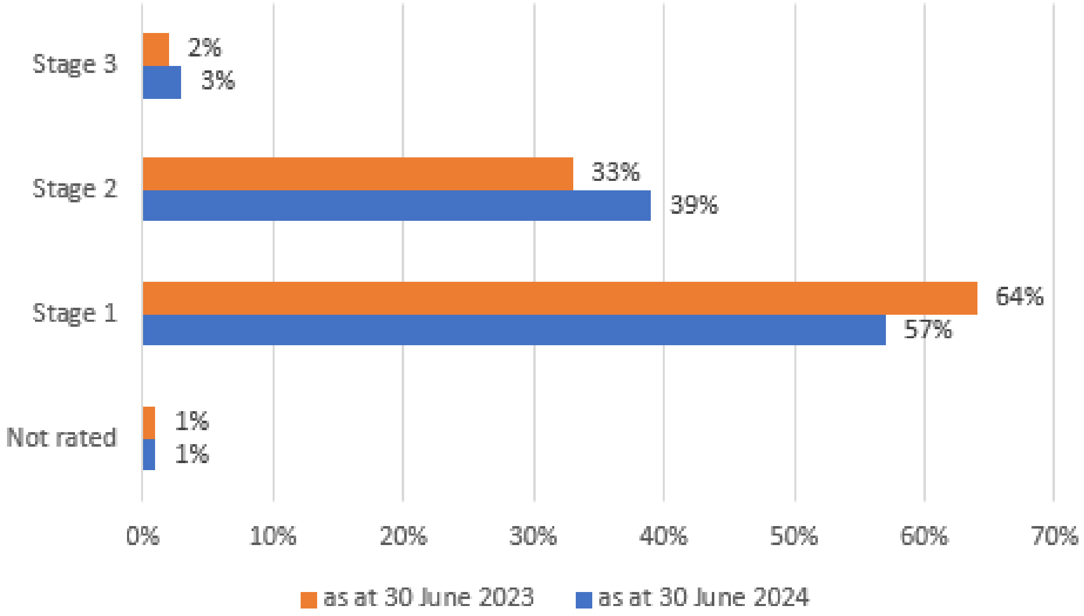


Top 1,000 Findings Report 2024 – GST

GST governance assurance ratings for all GST assurance reviews based on most recent review as of 30 June 2024



Overall GST tax risk management and governance ratings for taxpayers in their most recent review, comparing outcomes as at 30 June 2023 with outcomes as of 30 June 2024



Top 1,000 Differentiated Approach

Income tax

Significant taxpayers
(approx. 300 entities with TBI >$1billion)

All 4 years assured

General taxpayers
(approx. 700 entities with TBI <$1billion)

Last year of economic activity assured plus significant, atypical and new transactions in earlier years

Taxpayers who received Stage 2/3 TRMG & overall medium/high will benefit from a more tailored approach and reduced intensity

GST

Taxpayers unassured

Last year assured as per existing approach

Taxpayers assured (GST SAR or CAR)

Consider Supplementary annual GST return responses to tailor engagement

Supplementary Annual GST Return

- All taxpayers who received a GST assurance review report by 30 June 2024 will need to lodge annually from the 2024-25 financial year, according to the due dates below:

Financial year end	Due date
December 2024	21 August 2025
January, February, March 2025	21 November 2025
April, May, June 2025	21 February 2026
July, August, September 2025	21 May 2026
October, November 2025	21 August 2026

- More information is available on our website at www.ato.gov.au/SAGR. A dedicated email address for questions is at SAGR@ato.gov.au.

Useful Links

Top 1,000 webpages

- Justified trust | Australian Taxation Office (ato.gov.au)
- Top 100 justified trust program | Australian Taxation Office (ato.gov.au)
- Top 100 GST assurance program | Australian Taxation Office (ato.gov.au)
- Top 100 population | Australian Taxation Office (ato.gov.au)
- Top 1,000 combined assurance program | Australian Taxation Office (ato.gov.au)

Tax governance

- Tax risk management and governance review guide | Australian Taxation Office (ato.gov.au)
- GST Governance, Data Testing and Transaction Testing Guide | Legal database (ato.gov.au)
- Tax risk management and governance | Legal database (ato.gov.au)

Findings report

- Findings report top 100 income tax and GST programs | Australian Taxation Office (ato.gov.au)
- Findings report – Top 1,000 income tax and GST assurance programs | Australian Taxation Office (ato.gov.au)
- Findings report – Reportable tax positions| Australian Taxation Office (ato.gov.au)

Supplementary Annual GST Return

- Supplementary annual GST return | Australian Taxation Office (ato.gov.au)

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