



**Australian Government**  
**Inspector-General of Taxation**

**PROPOSED WORK PROGRAM  
FOR THE 6 MONTHS TO DECEMBER 2004**

On 27 July 2004, the Inspector-General consulted representatives from selected industry, business, accounting, legal practitioner and tax organisations about the prioritisation of his work program for the next 6 months. Key issues discussed during this consultation were tax audits and penalties, compliance costs, tax agent support and litigation management. However, the most significant theme emerging related to the Tax Office's conduct in dealing with taxpayers subject to a tax audit and the consequences arising from those audits.

On the basis of this strong feedback, the Inspector-General will undertake a series of reviews around the theme of Tax Office audit/verification activity. It is expected that the following taxpayer concerns raised during consultation will be considered, as appropriate, in developing specific terms of reference for each review:

- The time taken by the Tax Office to advise and commence audits;
- The elapsed time in completing an audit;
- The incidence of 'technical' timing adjustments generating penalty and interest liabilities;
- The incidence of an inappropriate revenue bias in determining contentious issues;
- The Tax Office governance processes for managing audits, and the professional skills and experience of Tax Office auditors, having particular regard to the Taxpayers Charter;
- The approach to imposition of penalties and interest resulting from audit activity;
- The incidence of inappropriate use of incentives to settle audit adjustments by, for example, use of the General Anti-Avoidance Provisions and penalty remission.

While a number of initial review topics have been canvassed, specific topics and their terms of reference will be developed as part of the next stage of detailed scoping.

The consultative process in determining the forward work program promotes the spirit in which the office of the Inspector-General continues to operate. The Inspector-General will continue to review work program priorities on a month to month basis.

The Inspector-General consults with the Commonwealth Auditor-General and the Commonwealth Ombudsman in setting his work program.