FREE WITH MASTERING TAX

SARS Audit Checklist

Build an indexed audit file during the year, so a SARS letter becomes a routine task.

1 Index

One page that lists every section of the file and where to find it.

- [ ] List all nine sections with page or folder references
- [ ] Update the index at every year-end
- [ ] Keep a copy of the index with your adviser

2 Return and assessment

The return as filed, the assessment, and any SARS correspondence about it.

- [ ] Return as submitted (PDF copy)
- [ ] Notice of assessment (ITA34) for the year
- [ ] Any request for relevant material, with your reply
- [ ] Proof of submission date

3 Income reconciliation

Bank statements, IRP5 or IT3 certificates, invoices and the return totals, reconciled.

- [ ] Every income source listed with its supporting document
- [ ] Bank deposits matched to invoices or certificates
- [ ] Return totals agree to the reconciliation
- [ ] Differences explained in a short note

4 Deductions

One page per deduction: the document, the proof of payment and the purpose.

- [ ] Invoice or receipt for each deduction claimed
- [ ] Proof of payment attached
- [ ] One line on the business or tax purpose
- [ ] Logbook or records where the claim needs them

5 Assets and capital gains

Purchase files, improvements, valuations and sale documents.

- [ ] Purchase agreement and transfer documents
- [ ] Costs of improvements, with invoices
- [ ] Valuations used for base cost
- [ ] Sale documents and the capital gain working

6 Loans and trusts

Agreements, interest calculations and minutes.

- [ ] Signed loan agreements
- [ ] Interest calculations and payment records
- [ ] Trust deed, resolutions and minutes
- [ ] Distribution records

7 Payroll and VAT

Returns, reconciliations and invoices.

- [ ] Employee tax and payroll returns with reconciliations
- [ ] VAT returns with the supporting invoices
- [ ] Proof of payments made to SARS
- [ ] Registration certificates and status letters

8 Decision notes

Dated notes of significant decisions and the reasons for them.

- [ ] Date of the decision
- [ ] What you decided and why
- [ ] Which documents you relied on
- [ ] Who advised you, if anyone

9 Correspondence log

Dates, references, names and outcomes of every SARS contact.

- [ ] Date and method of each contact
- [ ] SARS reference number
- [ ] Name of the person you dealt with
- [ ] What was agreed and by when

Tick each box as you complete it. Keep copies, not originals, for anything you send to SARS.

THE ROUTINE

Ten Minutes a Month

Make the audit file the output of your routines.

Every month

- ☐ Scan and file new invoices, receipts and statements into the right section
- ☐ Add any SARS contact to the correspondence log
- ☐ Write a dated decision note for anything significant

Every quarter

- ☐ Reconcile bank statements to income and deductions
- ☐ Check payroll and VAT returns against their supporting documents
- ☐ Note any difference and the reason for it

Every year-end

- ☐ Update the index so it lists every section and its contents
- ☐ Confirm that every figure on the return points to a document in the file
- ☐ Ask your adviser to review the file once a year

When a SARS letter arrives

- ☐ Note the date on the letter and the date by which SARS wants your reply
- ☐ Read exactly what SARS has asked for, and send what was asked
- ☐ Send copies with a short index, and keep the originals
- ☐ Log the reference number, the date and who you spoke to
- ☐ If the matter is complicated, ask a registered practitioner to respond for you

The SARS test

Does every figure on the return point to a document in the file? If the answer is yes, you are ready.

Need help with a SARS matter?

Book a call. The first 30 minutes are free.

www.jansenvanrensburgincorporated.com

This checklist is general information, not personal tax advice. Peter J.A. Jansen van Rensburg is a Chartered Business Accountant in Practice, registered with CIBA.