

FIELD AUDIT INVESTIGATION FORM:

TAXAUDITORS INTIAL INTERVIEW AND TOUR OF PREMISES REPORT

TAXPAYER'S NAME \_\_\_\_\_ SIN # \_\_\_\_\_

REGISTRANT'S NAME \_\_\_\_\_

GST ACCOUNT NO : \_\_\_\_\_ CORPORATION ACCOUNT NO \_\_\_\_\_

I) BUSINESS HISTORY:

When and how was the business started or acquired?

Type of Organization:    \_\_\_ Sole proprietorship  
                                  \_\_\_ Partnership  
                                  \_\_\_ Incorporation

Changes to business structure and/or ownership during the audit period are as follows:

\_\_\_\_\_

List of Shareholders & Directors (and % shares) or partners (and % interest):

\_\_\_\_\_

List of any related or associated businesses or persons:

\_\_\_\_\_

Does your business have a permanent establishment including an office, a branch or a warehouse, in more than one province?

(If so, which province?): \_\_\_\_\_

Most common activity or product sold currently and in the audit period:

\_\_\_\_\_

Main Goods/Services

Sold/Provided

Major Customers

i) 6% taxable                                    \_\_\_\_\_

ii) 0% taxable                                    \_\_\_\_\_

iii) Exempt                                        \_\_\_\_\_

\_\_\_\_\_

iv) Major Suppliers                            \_\_\_\_\_

Days and hours of operation: \_\_\_\_\_

Are operations seasonal?  Yes  No

Peak and slack periods of operation: \_\_\_\_\_

What tue taxpayer does in off-season? (Where applicable): \_\_\_\_\_

Does your business have an Internet website? (If so, what is the URL?): \_\_\_\_\_

C) Has there been any change in the goods and services provided in recent years?

D) Major business asset acquisitions and dispositions:

Acquisitions/Dispositions	Item acquired/ disposed of	Cost/Proceeds	Percentage Commercial Use	Date
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

## 2. MAINTENANCE OF BUSINESS BOOKS AND RECORDS:

A) List and describe the books and records maintained.

Business fiscal year end: \_\_\_\_\_

Bookkeeping System:

Manual  Computerized  Type of software used: \_\_\_\_\_

### Source Documents:

- i) Bank statements, cancelled cheques, duplicate deposit books
- ii) Sales invoices, sales contracts and delivery slips:
- iii) Cash register tapes
- iv) Price lists /quotations (how does taxpayer establish the prices);
- v) Purchase orders/contracts / invoices:
- vi) Expense vouchers and petty cash vouchers:
- viii) Daily cash reconciliation / summaries:

### Books of Account:

- i) General ledger:
- ii) General journal
- iii) Sales/purchases journals;
- iv) Receipts/disbursements journals;
- v) Payroll journals and T4 summaries;
- vi) Provincial sales tax summaries and returns:
- vii) GST summaries and returns:

B) Vending Licenses, municipal and/or provincial: \_\_\_\_\_

**C) Who maintains the books and records?** \_\_\_\_\_

Frequency of visits to the accountant: \_\_\_\_\_

Personal portions and how determined: \_\_\_\_\_

Travel/Promotion expenses: \_\_\_\_\_

Vehicle expenses : \_\_\_\_\_

Personal Consumption: \_\_\_\_\_

How involved is the owner in the handling of cash in the business? \_\_\_\_\_

What controls are in place in owner's absence?

\_\_\_\_\_

**D) Preparation of Income Tax and GST Returns:**

Are the GST returns/elections prepared and filed by the taxpayer, staff (bookkeeper or controller) or an external accountant?

\_\_\_\_\_

**E) Accounting for Sales/Revenue and GST on Taxable Supplies**

How are sales and accounts receivable recorded in the books and records? (Where practical, have the client demonstrate his/her recording of a sales transaction from origin through the records to the financial statements?).

\_\_\_\_\_

How are sales and receivables recorded in the books and records?

\_\_\_\_\_

How is GST and receivables recorded in the books and records?

\_\_\_\_\_

How is GST calculated?

\_\_\_\_\_

Is GST collected on all sales/services?

\_\_\_\_\_

Are credit cards accepted? \_\_\_\_\_ Are cheques accepted? \_\_\_\_\_

What is the percentage (%) of credit card sales? \_\_\_\_\_ (%) of cash sales? \_\_\_\_\_

Does the cash register total the GST collected? \_\_\_\_\_

What is the basis of the gross revenues income reported on the financial statements - i.e. is gross reported revenue net of or does it include GST and PST?

\_\_\_\_\_

How is GST reported on the GST tax returns - i.e. received or receivable?

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**F) Accounting for Expenses and GST input Tax Credits**

How are purchase and expense transactions recorded in the books and records? (Where practical, have the client demonstrate his/her recording of an expense or purchasing transaction from origin through the records to the financial statements)?

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How are purchases and expenses - paid and payable - recorded in the books and records?

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How is GST paid and payable - recorded in the books records in respect of expenses?

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What purchases make up regular input tax credits (ITC's)? \_\_\_\_\_

Who are your major suppliers? \_\_\_\_\_

Is an adjustment made for personal portions of Travel/Promotion expenses, Vehicle Expenses and Personal Consumption? \_\_\_\_\_

Is an adjustment made for personal portions of Provincial Sales Tax paid on 'Travel/Promotion' expenses, 'Vehicle' expenses and 'Personal Consumption'? \_\_\_\_\_

Do cheques, cash or both pay purchases/expenses? \_\_\_\_\_

Estimate the percentage (%) of cash purchases/expenses. \_\_\_\_\_

What is the basis of purchases and expenses claimed on the financial records \_\_\_\_\_

**G) Was a physical inventory count taken and how is the inventory valued?**

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**3. BUSINESS BANKING**

What are the business bank accounts and their location for the audit period and current year? Provide details)

Financial Institution	Acct Numbers	Type of Account	Signing Authority
_____	_____	_____	_____

Who prepares the deposits? \_\_\_\_\_

How often are the deposits made? \_\_\_\_\_

Are all receipts deposited to the business account? \_\_\_\_\_

In which bank account(s)? \_\_\_\_\_

Any deposits to the business accounts other than sales ` i.e. personal fund/loans etc.?

\_\_\_\_\_

Is there any cash withheld from the deposits? \_\_\_\_\_

For what purpose? (i.e. cash expense/owner's draws). ) \_\_\_\_\_

Is a daily cash reconciliation done? \_\_\_\_\_

Is a cash float maintained? How much? \_\_\_\_\_

How are credit card receipt deposits handled? \_\_\_\_\_

Were there any business loans or lines of credit outstanding during the audit period?

Get details. \_\_\_\_\_

**4. PERSONAL BANKING** (Optional depending on file selection criteria, review of Internal control, adequacy of books and records end/or review of taxpayer/registrants lifestyle etc.)

A) Personal bank accounts:

What are all the personal bank accounts, types and location for the period under audit and the current year?

Financial Institution	Acct Numbers	Type of Account	Signing Authority
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\_\_\_\_\_

What is the nature and source of deposits to personal accounts? Drawings/wages/sale of personal assets

\_\_\_\_\_

Spouse's personal bank accounts:

Financial Institution	Acct Numbers	Type of Account	Signing Authority
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\_\_\_\_\_

Nature and source of deposits to spouse's personal accounts? Drawings/wages/sale of personal assets

Any non-taxable sources of Funds?                      Inheritances/lottery winning/gifts/gambling

Cash on hand \_\_\_\_\_

How much cash do you maintain outside of your personal and business bank Accounts? \_\_\_\_\_

Have you ever maintained any extraordinary `cash` amount outside of your Personal or business bank accounts?

\_\_\_\_\_

If an extraordinary `cash amount exists or existed:

- Where?
- When?
- What denominations?
- What is the source of these funds?
- Do you maintain one or more safety deposit boxes?
- Where?
- What's in it?

**B) Other Personal investments:**

Determine existence of and details of the following:

- Term deposits
- Stocks/Bonds /Mutual Funds
- Canada Saving Bonds or Gov't treasury bills
- Life Insurance (monthly premiums/proceeds)

Have you lent or given money personally - i.e. family/friends etc? \_\_\_\_\_

List real property bought/sold or owned currently and during the audit period

Principal /Primary Residence \_\_\_\_\_

Cottage/Time Shares/Vacation Properties \_\_\_\_\_

Rental Properties \_\_\_\_\_

Development Property  
\_\_\_\_\_

Vacant Land \_\_\_\_\_

Farm Land \_\_\_\_\_

List vehicles bought, sold or owned during the audit period? (Obtain details)

i.e.:

Automobiles \_\_\_\_\_

Boats/ Yachts/Plans \_\_\_\_\_

Motorbikes/All terrain vehicles \_\_\_\_\_

Recreations Vehicles/Trailers \_\_\_\_\_

Other personal asset acquisitions/disposition:

- Furniture/Appliances/stereo/video/ TV
- Antiques or Collectibles
- Works of Art/Coins etc.

Any individual or family vacations taken during the audit period? (Obtain details)

\_\_\_\_\_  
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**C) Children's bank accounts:**

Number and ages of children: \_\_\_\_\_

Financial Institution	Acct Numbers	Type of Account	Signing Authority
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\_\_\_\_\_  
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What is the nature and source of deposits to children's personal accounts and nature and purpose of any withdrawals? \_\_\_\_\_

**D) Personal Loans/Mortgage/Lines of Credit** (note in each case, determine the disposition of funds for all new borrowings during the audit period and source of funds for any repayments):

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Were there any personal (non -business) institutional loans or lines of credit made or outstanding during the audit period? (Obtain details).

- Mortgages (principal residence or rental property)
- Vehicle Loans
- Personal Loans
- Line of Credit

Were there any non-institutional loans made or outstanding during the time of the audit period?

- i.e. to family/friends etc.(Obtain details). \_\_\_\_\_

Have you received any money from family/friends etc? (Obtain details). \_\_\_\_\_

Do you or have you ever held any money in trust for others? (Obtain details). \_\_\_\_\_

**E) Bank Authorizations:**

Get signed where banking information is not available directly from the client.

Have spouse sign bank authorizations (for joint bank accounts and spouse's bank accounts).

Also have bank authorizations signed by parents for children's bank accounts where appropriate .

Consider requesting that bank authorizations be signed during the initial interview.

*Note: Bank authorizations are often used only to confirm the list of bank accounts provided by the taxpayer.*

**F) Summary of Personal Expenditures**

WHERE A NET WORTH IS TO BE UTILIZED FOR VERIFYING INCOME AND NET TAX REPORTED.

Consider review of statement of Personal Living Expenses with client or leaving form with client for his/her completion. \*

**5. TOUR OF BUSINESS PREMISES**

Date: \_\_\_\_\_

Note advertisements, price lists, menus, cash register tapes, invoices on counter etc.

Note location of cash registers and type used (request demonstration of register and sales categories utilized, examination of most current sales tapes and summaries, and/or operations manual)

Note types and size of inventory and location.

Note exterior and interior signs/hours of operation/permits/licenses on premises etc.

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\* See sample Personal Expenditures Worksheet supra.

Observe fixed assets acquired during the audit period. Note any fixed assets utilized providing an exempt supply or personal use.