Navigating Audits from Both Sides
Audit Stages

- Scheduling
- Audit
- Requesting and Receiving Information
- Work Paper Review
- Informal Hearing
I. Scheduling

• Audit Selection

• Auditor Reviews Available Information

• Contacts Taxpayer
II. Audit

• Desk Audit
• Field Audit
  • Day one
  • Exit Conference
III. Requesting and Receiving Information

• Information Document Request

• Related Party Transactions
  • Identify parties to controlled transactions (org chart and description of functions performed, assets employed, and risks assumed by party and counter parties).
  • Obtain tax filings for audit years and for two prior years, including M or equivalent schedules.
  • Obtain GAAP financials of tested party, including P&L and balance sheet.
  • Obtain intercompany agreements supporting related party transactions.
IV. Work Paper Review

- Tax schedules for discussion purposes only.
- Preliminary work papers
- Final work papers
V. Informal Hearing

• Timing

• Requesting

• Next Step
Questions