

Annual Compliance checklist for Company				Sources (reference/link)				
	Yes	No	N/A	LodgeIT	Other Resources	QBO	XERO	MYOB AR Live
1. Organisation details and Settings								
ORGANISATION DETAILS								
Check the Legal/Trading name, ABN and postal address, postcode are correct and there is no change				https://help.lodgeit.net.au/support/solutions/articles/60000609169-client-settings	N/A	https://quickbooks.intuit.com/learn-support/en-us/your-business-information/change-your-business-name-contact-info-or-ein-in-quickbooks/00/186366	https://central.xero.com/s/article/View-organisations-you-have-access-to-in-My-Xero	https://help.myob.com/wiki/display/MP/Organisation
Check ANZIC Code				https://help.lodgeit.net.au/support/solutions/articles/60000609261-define-client-relationship	N/A	N/A	https://central.xero.com/s/article/Update-or-add-client-industries-in-Xero-HQ	https://help.myob.com/wiki/display/taxau2020/Searching+Occupation+Codes+and+ATO-ANZSIC+code
Check relationships. Both control relationships i.e. director or trustee and distribution relationships i.e. beneficiary or partner				https://help.lodgeit.net.au/support/solutions/articles/60000609241-company-tax-rates-for-small-business-entities	N/A	N/A	N/A	https://help.myob.com/wiki/display/MP/Trustees
Check if the company is a small business entity (SBE) (i.e., a business that meets the \$10 million aggregated turnover threshold)				https://help.lodgeit.net.au/support/solutions/articles/60000621042-depreciation-10a-deduction-for-certain-assets-for-company	N/A	https://quickbooks.intuit.com/au/resources/tax-accounting/2020-australian-tax-brackets/	N/A	https://help.myob.com/wiki/display/taxau2021/Applying+2021+changes+to+depreciation+in+tax#expand-DepreciationTable
Consider using simplified depreciation rules if SBE				https://help.lodgeit.net.au/support/solutions/articles/60000609241-company-tax-rates-for-small-business-entities	N/A	N/A	https://central.xero.com/s/article/How-Xero-calculates-pool-depreciation	https://help.myob.com/wiki/display/taxau2021/Item+10+-+Small+business+entity+simplified+depreciation
Check if its a base rate entity in 2021?				https://help.lodgeit.net.au/support/solutions/articles/60000688397-declining-tax-rates	N/A	N/A	N/A	N/A
Check Residency status of the company				https://help.lodgeit.net.au/support/solutions/articles/60000685293-australian-resident-and-non-resident	https://www.abr.gov.au/	N/A	N/A	N/A
check if the company is required to lodge a Reportable tax position schedule?						N/A	N/A	N/A
LODGEIT SETTINGS								
Ensure datafile is connected and password set				https://help.lodgeit.net.au/en/support/solutions/articles/60000702009-how-to-refresh-re-import-financials	N/A	N/A	N/A	N/A

Refresh accounts in LodgeiT to get the latest figures.				https://help.lodgeit.net.au/support/solutions/articles/60000702009-how-to-refresh-re-import-financials	N/A	N/A	N/A	N/A
Check ATO connection				https://help.lodgeit.net.au/support/solutions/articles/60000609248-connect-lodgeit-to-ato	N/A	N/A	N/A	N/A
COMPARATIVE BALANCES								
Check if the opening balances matches with the signed Financial report of previous year.				N/A	N/A	N/A	N/A	N/A
Lock the period in the accounting software at previous year end to avoid changes to the opening balances.				https://help.lodgeit.net.au/support/solutions/articles/60000668416-the-lodgeit-approach-to-preparing-special-purpose-financial-reports-spfr	N/A	https://quickbooks.intuit.com/learn-support/en-au/customer-company-settings/close-your-books-to-lock-past-transactions/01/263156	https://central.xero.com/s/article/Set-up-your-organisation-s-financial-details#UseLockdatestofcloseoffyouraccountsforaperiod	https://help.myob.com/wiki/display/ar/Lock+a+period?searchfacet=support:help&searchterm=lock%20your%20books&_ga=2.123876041.293931913.1628039133-1957612509.1623386795
CHART OF ACCOUNTS								
Review your account names and account codes for accuracy. Archive any old or unused accounts. Note that the same chart of account is imported in LodgeiT.				https://help.lodgeit.net.au/support/solutions/articles/60000609338-getting-started-with-mapping-accounts	N/A	https://quickbooks.intuit.com/learn-support/en-au/other-questions/account-and-detail-types/01/621037 https://quickbooks.intuit.com/learn-support/en-us/manage-fixed-assets/understand-the-chart-of-accounts-in-quickbooks/00/203681	https://central.xero.com/s/article/Chart-of-accounts-in-Xero	https://help.myob.com/wiki/display/ar/Set+up+accounts?searchfacet=support:help&searchterm=chart%20of%20account&_ga=2.180933732.293931913.1628039133-1957612509.1623386795
Check Chart of accounts in LodgeiT and correct the mapping wherever required.				https://help.lodgeit.net.au/support/solutions/articles/60000609338-getting-started-with-mapping-accounts	N/A	https://quickbooks.intuit.com/learn-support/en-au/other-questions/account-and-detail-types/01/621037 https://quickbooks.intuit.com/learn-support/en-us/manage-fixed-assets/understand-the-chart-of-accounts-in-quickbooks/00/203681	https://central.xero.com/s/article/Chart-of-accounts-in-Xero	https://help.myob.com/wiki/display/ar/Set+up+accounts?searchfacet=support:help&searchterm=chart%20of%20account&_ga=2.180933732.293931913.1628039133-1957612509.1623386795

CONTACTS								
Check that all customers and supplier details are entered and there are no duplicates. Merge duplicate contact records or archive records no longer in use.				https://help.lodgeit.net.au/support/solutions/articles/60000609139-archive-or-delete-client	N/A	https://quickbooks.intuit.com/learn-support/en-au/manage-customers/how-to-merge-accounts-customers-and-suppliers/01/263218	https://central.xero.com/s/article/Merge-duplicate-imported-clients	https://help.myob.com/wiki/display/ar/Conditional+formatting+in+the+Cards+List?searchfacet=support:help&searchterm=duplicate%20client&_ga=2.80273236.293931913.1628039133-1957612509.1623386795
2. Review Accounts								
BANK ACCOUNTS								
Check that all bank accounts have been reconciled and there are no unallocated transactions.				N/A	N/A	https://quickbooks.intuit.com/learn-support/en-au/statement-reconciliation/reconcile-an-account-in-quickbooks-online/01/263148 https://quickbooks.intuit.com/learn-support/en-au/eofy-and-reconciliation/quickcuppa-reconciling-bank-accounts-at-year-end/01/616633 https://quickbooks.intuit.com/learn-support/en-au/eofy-and-reconciliation/how-to-reconcile-prior-years-bank-accounts-of-the-current-year/01/684891	https://central.xero.com/s/article/Bank-reconciliation-in-Xero	https://help.myob.com/wiki/display/ar/Reconciling+your+bank+accounts
Compare your bank balance as per reconciliation report to bank statement. They should match.				N/A	N/A	https://quickbooks.intuit.com/learn-support/en-au/bank-transactions/match-and-categorise-bank-transactions-in-quickbooks-online/01/263289 https://quickbooks.intuit.com/learn-support/en-au/banking/how-to-set-and-use-banking-rules-for-downloaded-transactions/00/263139	https://central.xero.com/s/article/Compare-the-statement-balance-in-Xero-to-your-actual-bank-balance	https://help.myob.com/wiki/display/ar/Reconciling+out+of+balance+bank+reconciliation?searchfacet=support:help&searchterm=COMPARE%20BANK%20BALANCE&_ga=2.85553882.293931913.1628039133-1957612509.1623386795

BANK LOANS								
Reconcile the balances with bank statement				N/A	N/A	https://quickbooks.intuit.com/learn-support/en-au/banking/fix-beginning-balance-issues-during-your-first-reconciliation-in/01/263130	https://central.xero.com/s/article/Compare-the-statement-balance-in-Xero-to-your-actual-bank-balance	https://help.myob.com/wiki/display/ar/Resolving+out+of+balance+bank+reconciliation?s=searchfacet=support:help&searchterm=COMPARE%20BANK%20BALANCE&_ga=2.85553882.293931913.1628039133-1957612509.1623386795
Check if Interest expense agree to bank statement				N/A	N/A	https://quickbooks.intuit.com/learn-support/en-au/eofy-and-reconciliation/transactions-not-in-banking-or-in-history-but-show-in-expenses/00/360447	https://central.xero.com/s/article/Reconcile-a-bank-statement-line-using-Find-Match	https://help.myob.com/wiki/display/ar/Bank+interest+and+charges?s=searchfacet=support:help&searchterm=Interest%20expense%20agree%20to%20bank%20statement&_ga=2.88661976.293931913.1628039133-1957612509.1623386795
RECONCILE - ACCOUNTS PAYABLE								
Check that all bills have been entered and the payments have been allocated correctly.				N/A	N/A	https://quickbooks.intuit.com/r/bookkeeping/accounts-payable-process/	https://central.xero.com/s/article/Record-payment-of-a-bill#Web	https://help.myob.com/wiki/display/ar/Adding+a+record?s=searchfacet=support:help&searchterm=how%20to%20record&_ga=2.81474388.293931913.1628039133-1957612509.1623386795
Check credit notes have been allocated to the relevant bill or invoice.				N/A	N/A	https://quickbooks.intuit.com/learn-support/global/customer-refunds-and-credits/enter-and-apply-credit-notes-and-delayed-credits-in-quickbooks/00/382995	https://central.xero.com/s/article/Apply-a-sales-invoice-to-a-bill	https://help.myob.com/wiki/display/ar/How+matching+works?s=searchfacet=support:help&searchterm=BILL%20AND%20INVOICE&_ga=2.14212212.293931913.1628039133-1957612509.1623386795

Check outstanding purchase orders and copy to a bill or invoice where applicable.				N/A	N/A	https://quickbooks.intuit.com/learn-support/global/manage-customers-and-income/how-to-track-your-prepaid-inventory/01/383179	https://central.xero.com/s/article/Add-and-approve-bills#Web https://central.xero.com/s/article/Creating-bills-from-purchase-orders	https://help.myob.com/wiki/display/ar/Sales+and+purchases+information?searchfacet=support:help&searchterm=PURCHASE%20ORDER%20AND%20OUTSTANDING%20INVOICE&_ga=2.26860286.293931913.1628039133-1957612509.1623386795
Run the Aged Payable Summary report to check outstanding amounts you owe suppliers.				N/A	N/A	https://quickbooks.intuit.com/learn-support/enterprise/reports-and-accounting/ap-aging-reports/00/792518	https://central.xero.com/s/article/Aged-Payables-Summary-report-New	https://help.myob.com/wiki/display/ar/Purchases+reports?searchfacet=support:help&searchterm=Aged%20Payable%20Summary%20report%20AND%20OUTSTANDING&_ga=2.113932100.293931913.1628039133-1957612509.1623386795
Check the balance in Aged Payable summary report, matches with Aged Payable General Ledger (on Balance Sheet) and there is not out of balance. Out of balance appears when the payment is not allocated to invoice and directly debited to Aged Payable ledger.				N/A	N/A	https://quickbooks.intuit.com/learn-support/enterprise/reports-and-accounting/ap-aging-reports/00/792518	https://central.xero.com/s/article/Aged-Payables-Detail-report-New	https://help.myob.com/wiki/display/ar/Sales+reports?searchfacet=support:help&searchterm=Aged%20Payable%20Summary%20report%20AND%20ledger&_ga=2.60035950.293931913.1628039133-1957612509.1623386795
RECONCILE - ACCOUNTS RECEIVABLE								
Check that all invoices have been entered and the payments have been allocated correctly.						https://quickbooks.intuit.com/learn-support/enterprise/manage-invoices/create-an-invoice-in-quickbooks-desktop/00/186058	https://central.xero.com/s/article/Invoicing-in-Xero-GL	https://help.myob.com/wiki/display/ar/Receivables%2C+payables+or+inventory+out+of+balance

Check credit notes have been allocated to the relevant invoice.						https://quickbooks.intuit.com/learn-support/global/customer-refunds-and-credits/enter-and-apply-credit-notes-and-delayed-credits-in-quickbooks/00/382995#:~:text=Create%20and%20apply%20a%20credit%20note&text=Select%20Receive%20payment,notes%20you%20want%20to%20apply.	https://central.xero.com/s/article/Common-scenarios-for-credit-notes	
Check outstanding quotes and copy to an invoice where applicable.						N/A		
Run the Aged Receivables Summary report, to check outstanding customer amounts. Followup with customer having long overdue balances.						https://quickbooks.intuit.com/learn-support/en-us/accounts-receivable-reports/run-an-accounts-receivable-aging-report/00/185766		
Identify and write off any bad debts where applicable. Usually to review outstanding balance for more than 90 days and to confirm if they are still current and recoverable.						https://quickbooks.intuit.com/learn-support/global/service-items/write-off-bad-debt-in-quickbooks-online/00/383018		
Check the balance in Aged Receivable summary report, matches with Aged Receivable General Ledger (on Balance Sheet) and there is not out of balance. Out of balance appears when the payment is not allocated to invoice and directly credited to Aged Receivable ledger.						https://quickbooks.intuit.com/learn-support/en-us/accounts-receivable-reports/run-an-accounts-receivable-aging-report/00/185766		
INVENTORY								
Review Inventories if applicable. Resolve shrinkage and check inventory report matches General Ledger.						https://quickbooks.intuit.com/learn-support/global/manage-stock/set-up-and-track-your-inventory/00/383067		
Check Closing stock figures agrees with closing stock in Profit and Loss account.						https://quickbooks.intuit.com/learn-support/global/manage-stock/set-up-and-track-your-inventory/00/383067		
Valuation method (Cost, market or replacement)						https://quickbooks.intuit.com/learn-support/global/manage-stock/set-up-and-track-your-inventory/00/383067		

FIXED ASSETS								
Check any addition during the year is supported by purchase invoice and is added to correct ledger. Finance taken, if any, should be supported by Finance document.						https://quickbooks.intuit.com/learn-support/global/help-articles/set-up-an-asset-account-in-quickbooks-online/00/450280		
Dispose or sell any assets as required.						N/A		
Run Depreciation and generate Depreciation report on "Actual" and process depreciation entries in datafile.						N/A		
For additions during the year: - Consider the rules both pre- and post-6 October 2020. - Consider accelerated depreciation rules - Should you consider opting out of temporary full expensing and/or accelerated depreciation? <i>(Note the opt-out is not available to SBEs using simplified depreciation)</i>						N/A		
GST								
Check the registration status and applicability					https://abr.business.gov.au/			
If Registered, perform reconciliation between accounts and lodged BASs. Note the variance, if any, and its amendments.					https://quickbooks.intuit.com/learn-and-support/quickbooks-online/video-tutorials/gst-and-bas/	https://quickbooks.intuit.com/ca/resources/ca_qrc/uploads/2020/04/Reconciliations-Reporting-Sales-Tax-in-QuickBooks-Online.pdf		
Check the income reported in the BASs reconcile with income on accounts.						https://quickbooks.intuit.com/ca/resources/ca_qrc/uploads/2020/04/Reconciliations-Reporting-Sales-Tax-in-QuickBooks-Online.pdf		
HIRE PURCHASE (HP)								
Check HP's have appropriate accounts setup and repayments are being processed to a single liability account						https://quickbooks.intuit.com/learn-support/en-uk/help-articles/how-to-record-a-hire-purchase-agreement-in-quickbooks-online/00/579641		
Any HP's have been settled OR refinanced during the year.								
LOAN BALANCES WITH RELATED PARTIES								
Ensure interentity balances agree with each other								
check the debt and equity rules applicability in respect of shareholders' loan's (relevant where turnover exceeds \$20 million).								
Check Division 7A applicability for the related parties loans having debit balance in previous years.								

OTHER ADJUSTMENTS - INCOME AND EXPENSES								
check if any Cash income or expenses that may have to be included.								
Agree investment income e.g., dividends, interest with relevant supports / statements.								
Consider FBT reimbursement where applicable.								
Reconcile Jobkeeper payments and Cash Flow Boost with ATO records. Tag Cash Flow boost as non-assessable income								
Check if the company made/received an allocation of profits from a professional firm? If TRUE, consider ATO former guidance 'Assessing the risk: allocation of profits within professional firms'								
Review Profit and Loss accounts, compare with previous year for significant increase / decrease. Compare GP ratio.								
Accounting fees – check against billings.								
Legal Fees paid if any, check if business related								
Consider Prepayments adjustment for any expenses paid in advance for the next financial year. Also adjust opening prepayment balance to current year expenses.								
Entertainment expenses to be added back, unless FBT reimbursement is considered.								
check for othe non deductible expenses.								
Consider other provisions adjustments like provisions for annual leave and long service leave								
Check if the company paid the required superannuation guarantee contributions for employees? If "NOT", ensure that a Superannuation guarantee charge statement has been lodged with the ATO.								
Check Superannuation payments and deductibility for tax purpose.								
Reconcile Wages, PAYGW and superannuation with Payroll report and lodged activity statements.								
Check payment summary information been lodged with the ATO (where required)								
For single touch payroll purposes, has a finalisation declaration been performed for each employee?								
Did the company fail to meet its PAYGW obligations to withhold or notify the Commissioner? If this is the case, a deduction will be refused unless the taxpayer voluntarily discloses the issue to the ATO.								
Check applicability of workers compensations and its payments								
Check Payroll tax applicability. If applicable, reconcile the tax and wages reported to the Authorities.								
check if the company may be eligible for the R&D tax incentive? (Check the changes in the rules, if any)								
Check Losses carried over from past years.								
PSI								
Check for Personal services income received, if any.								
Calculate its attribution to an Individual								

Capital gains								
Any capital assets sold/ disposed during the year?								
If yes, details of asset, its purchase and sale values with dates, other incidental expenses occurred, if any with supports								
Consider exemptions, reductions and rollovers								
Check for Pre-CGT assets (acquired prior to 20/09/1985). Check if any significant changes to the ownership since 20/09/1985								
Dividends and franking								
Check if there are enough retained earnings to propose the Dividend (as per section 254T of the Corporation Act)								
Check if benchmark franking rules are satisfied								
Check if base rate tax apply for imputation credit								
Prepare Franking account								
Check if there is any Franking account deficit at year end								
International								
Consider transfer pricing rules for any transactions with international related parties.								
Complete international dealings schedule								
Consider foreign exchange rules In case of Bank account in another country or buy/sell products offshore?								
3. Finalise reports								
Generate the Special purpose report, check mapping of accounts is correct, Check Signatories.								
Mark the report as completed and publish once signed copy is received								
Lock the data file at year end to avoid changes to finalised balances.								