PR #\_\_\_\_\_\_\_

PROFESSIONAL ACCOUNTING FIRM NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

ADDRESS: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Board of the Chartered Professional Accountants of Alberta (CPA Alberta) has approved the review of tax engagements against a set of Tax Management Standards as a formal part of the CPA Alberta practice review program effective July 1, 2015 pursuant to section 5.2.2.2 of the Chartered Professional Accountants of Alberta Directives.

This Tax Management Questionnaire has been designed to obtain, from the professional accounting firm or professional service provider, subject to practice review, the nature and extent of firm internal quality controls with respect to tax services.

It is acknowledged that some of your procedures will be minimal, for others comprehensive. Not all questions will be applicable to all firms.

If additional space is required, please attach separate pages to this questionnaire.

|  |
| --- |
| Information completed by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

# TAX MANAGEMENT STANDARDS

##  *1. Professional Accounting Firm (PAF) and Professional Service Provider (PSP) Resources*

A. Briefly describe the training & experience of those who practice tax in the firm (e.g. completion of CPA Canada in-depth tax course, attendance at seminars, and Canadian Tax Foundation conferences, etc.).

If a **sole practitioner**, describe how you maintain the appropriate level of tax knowledge.

If a **multi-partner firm**, indicate whether designated tax personnel exist and the firm policy as to how the tax personnel maintain their current level of tax knowledge.

B. If the **multi-partner firm** does have a designated person, what is the firm policy/procedure as to how tax issues are referred to the designated person?

C. Does the PAF or PSP have access to and maintain an up-to-date tax service?

(e.g. CCH Tax Service)

 Yes [ ]  No [ ]

If yes, please describe

***2. Compliance with Filing Deadlines***

|  |  |  |  |
| --- | --- | --- | --- |
|  **T1** |  **T2** | **T4/T5** |  **OTHER** |

 Is there a system in place to ensure

compliance with filing deadline dates? Yes/No/N/A Yes/No/N/A Yes/No/N/A Yes/No/N/A

 [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]

Please explain each system:

 Is there a system in place to ensure follow-up

of CRA enquiries, correspondence, etc.? Yes/No/N/A Yes/No/N/A Yes/No/N/A Yes/No/N/A

 [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]

Please explain each system:

***3. CRA Form 183***

 Are client signed CRA Form T183 (authorization to electronically file T1) obtained and maintained on file?

 Yes [ ]  No [ ]  N/A [ ]

***4. Client Tax History –*** *New Tax Engagements*

 a) Is tax history obtained? Yes [ ]  No [ ]

 b) If “yes” indicate the nature/extent of history (CRA printout, copies of client returns, etc.)

***5. Tax Filings Documents Review***

|  |  |  |  |
| --- | --- | --- | --- |
|  **T1** |  **T2** | **T4/T5** |  **OTHER** |

a) Are tax filings reviewed? Yes/No/N/A Yes/No/N/A Yes/No/N/A Yes/No/N/A

 [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]

 b) Please indicate

1. Who is the reviewer?
2. What are the qualifications of the reviewer?
3. Describe the nature of the review.
4. ***Tax Software***

|  |  |  |  |
| --- | --- | --- | --- |
|  **T1** |  **T2** | **T4/T5** |  **OTHER** |

Is tax software being used? Yes/No/N/A Yes/No/N/A Yes/No/N/A Yes/No/N/A

 [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]

Indicate which software is being used for each type of return. If a manual system is used, provide a description of the preparation process.

***7. PAF and PSP Copies of Filed Returns***

|  |  |  |  |
| --- | --- | --- | --- |
|  **T1** |  **T2** | **T4/T5** |  **Other**  |

 a) Are copies of filed returns for existing

clients retained by the firm? Yes/No/N/A Yes/No/N/A Yes/No/N/A Yes/No/N/A

 [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]

 b) Are these copies:

Paper? Yes/No/N/A Yes/No/N/A Yes/No/N/A Yes/No/N/A

 [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]

Electronic? Yes/No/N/A Yes/No/N/A Yes/No/N/A Yes/No/N/A

 [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]

If electronic, can returns be accessed

and printed at a later date? Yes/No/N/A Yes/No/N/A Yes/No/N/A Yes/No/N/A

 [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]

 c) Are copies of supporting information

 utilized in the preparation of tax returns (slips,

financial information/statements, etc.)

retained by the firm or otherwise

readily available? Yes/No/N/A Yes/No/N/A Yes/No/N/A Yes/No/N/A

 [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]

 Please provide a brief description of the types of information retained in the file.

***8. Copies of Returns***

|  |  |  |  |
| --- | --- | --- | --- |
|  **T1** |  **T2** | **T4/T5** |  **Other** |

Are clients provided with copies of filings? Yes/No/N/A Yes/No/N/A Yes/No/N/A Yes/No/N/A

 [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]  [ ]

 Complete (C) or Summary (S) copies C/S C/S C/S C/S

(fill in the box with either a "C" or "S") [ ]  [ ]  [ ]  [ ]

***9. Tax Engagement Letters***

|  |  |  |  |
| --- | --- | --- | --- |
|  **T1** |  **T2** |  |  |

1. Are engagement letters or letters of

 understanding obtained for the following? Yes/No/N/A Yes/No/N/A

 [ ]  [ ]  [ ]  [ ]  [ ]  [ ]

1. Are engagement letters or letters of

 understanding obtained for special

 tax work? Yes/No/N/A

 [ ]  [ ]  [ ]

 ***10. Firm Address*** *- Correspondence with CRA*

 a) Is the PAF or PSP’s address used as the client mailing address? [ ]  Yes [ ]  No

b) If “yes” are clients provided with copies of relevant correspondence

to/from the CRA? [ ]  Yes [ ]  No

1. If item b) above is “no” indicate the nature of the correspondence NOT being provided to clients.

 ***11. Bonus/Dividends***

 Is there a system to ensure that bonuses and/or dividends are reported? [ ]  Yes [ ]  No

 Please describe the system, emphasizing the features being relied on to preclude errors/omissions.

 ***12. Carry-Forward Amounts***

 a) Indicate how the following carry forward amounts are identified for subsequent years.

 i) A.B.I.L

ii) Capital gains/losses

 iii) R.R.S.P.

1. Capital Dividend account

 v) Others (C.N.I.L and A.M.T)

 b) State whether software or manual schedules are being maintained. If manual, please describe the system used.

 ***13. Oral and Electronically Transmitted Tax Advice***

 Is oral and electronically transmitted tax advice documented as a memo to the file and/or as follow-up

 correspondence with the client?

 [ ]  Yes [ ]  No

 Please describe the system, particularly indicating the nature of the advice, on which the

 documentation is done.

 ***14. Risk Areas***

Are procedures in place to identify risk areas which should be referred to and undertaken by a tax specialist?

  [ ]  Yes [ ]  No

 If “yes”, please describe the procedures below and answer questions (a) – (c) below:

a) When a tax matter is referred to a tax specialist, describe the procedures in place to ensure referrals are performed as requested.

b) When a tax matter is referred to a tax specialist, what procedures are followed to provide communication with clients?

c) When a tax matter is referred to a tax specialist, what procedures are in place to ensure appropriate follow-up?

 ***15. Staff Checklists***

 Do checklists for professional staff exist? [ ]  Yes [ ]  No

***16. Client Checklists***

Are procedures in place to ensure that effective accumulation and completeness of information is

provided by clients for completion of tax engagements?

 [ ]  Yes [ ]  No

If yes, describe the procedures followed to ensure all relevant information is obtained.