



# Operational Analytics and Computer Assisted Verification

This factsheet outlines how the Office of State Revenue (OSR) will use Computer Assisted Verification (CAV) techniques during our audit and investigation activities.

If you maintain electronic financial records, OSR will consider the use of CAV techniques to analyse these records when conducting audits and investigations. These techniques will not be appropriate in every case.

## What are the benefits of CAV?

The benefits of using CAV when conducting audits and investigations include:

- cheaper and more efficient to provide information electronically
- fewer requests to supply paper copies of transactions and reports
- reduces the time OSR investigators spend on your premises, minimising disruption to your regular business activities.

An OSR investigator skilled in CAV techniques will be able to analyse your electronic information more efficiently, accurately and thoroughly than through traditional manual processes.

## The CAV process – how does it work?

### Accessing your records

Using formal access powers<sup>1</sup>, OSR is permitted to copy documents required for the purposes of the Acts it administers. 'Documents' include electronically stored information<sup>2</sup>.

We will usually seek access to your information through a cooperative approach, consulting with you on the records required.

### Supplying electronic information

When we identify a need for electronic information to be provided, an OSR investigator will schedule a meeting with you to understand the:

- accounting system(s) you use
- format and extent of electronic records available
- electronic records required
- documentation available to assist in our analysis, e.g. your chart of accounts, reference tables and/or data dictionary.

<sup>1</sup> Section 72 of the *Taxation Administration Act 1996*

<sup>2</sup> Section 3 of the *Taxation Administration Act 1996*

Your tax adviser and/or information technology specialists are welcome to attend this meeting.

We will request that you download a copy of the agreed electronic information from your system to a virus-free CD, DVD, or other agreed medium. We can provide blank disks for this purpose if requested.

We recommend you keep a copy of the electronic information you supply to us for your own records. We will also provide a letter confirming receipt of the requested information.

## Data review and analysis

We use specialised CAV software to verify that the electronic information you provide is accurate and complete. We then conduct a series of tests on your data to ensure you comply with the relevant tax laws. Tests conducted depend upon the nature of the audit or investigation being undertaken.

Our CAV software will read the electronic information provided but does not allow any changes to be made to the data you have supplied.

### There is no risk to your computer system

The CAV process involves you downloading a copy of the required electronic information. OSR investigators will not operate your computer system.

### What happens when the audit or investigation is completed?

The original electronic information will be stored securely as part of a case file kept as a record of the audit or investigation.

### Your information is secure

Electronic and paper records you provide for the audit or investigation are protected by law.

Your information is maintained in accordance with:

- confidentiality provisions contained in the *Taxation Administration Act 1996* and/or *First Home Owner Grant Act 2000*
- Information Privacy Principles (for personal information) contained in the *Privacy and Personal Information Protection Act 1998*.

Read more information on privacy at [www.osr.nsw.gov.au](http://www.osr.nsw.gov.au)

## Your rights

The *Taxation Administration Act 1996* and other legislation administered by OSR permits our investigators to:

- gain access to buildings and property
- inspect, examine, copy and seize books, documents or records
- require you to answer questions and provide information
- require you to give reasonable assistance.

OSR aims to provide an environment where you and the investigator can work together with mutual understanding and cooperation. With this in mind, OSR has a framework in place which outlines your rights and obligations and the level of service you will receive when dealing with us.

Before an investigation, you have the right to:

- ask for reasonable time to produce your records
- negotiate an appropriate time and place for the initial interview with the investigator
- receive written confirmation of the investigation arrangements.

## MORE INFORMATION



[www.osr.nsw.gov.au](http://www.osr.nsw.gov.au)

### Compliance Information Line



1800 806 592\*



(02) 9689 6323



[compliance@osr.nsw.gov.au](mailto:compliance@osr.nsw.gov.au)

### Payroll tax



1300 139 815\*



(02) 9689 8200



[payrolltax@osr.nsw.gov.au](mailto:payrolltax@osr.nsw.gov.au)

### Duties (Conveyances, mortgages, contracts)



1300 139 814\*



(02) 9689 8280



[duties@osr.nsw.gov.au](mailto:duties@osr.nsw.gov.au)

### Land tax



1300 139 816\*



1300 363 806



[landtax@osr.nsw.gov.au](mailto:landtax@osr.nsw.gov.au)

### First Home Owner Grant Scheme



1300 130 624\*



(02) 9689 6345



[first.home.benefits@osr.nsw.gov.au](mailto:first.home.benefits@osr.nsw.gov.au)

### Parking space levy



1300 139 817\*



(02) 9689 8200



[returns@osr.nsw.gov.au](mailto:returns@osr.nsw.gov.au)

\*Interstate clients please call (02) 9689 6200

Help in community languages is available.

During an investigation, you can:

- expect the investigator to be professional and courteous
- see the Investigating Officer's identification authority
- involve your accountant, legal or other representative in the process
- ask how long the investigation will take
- expect your affairs to be treated with strict confidentiality
- obtain a receipt for records or other material the investigator removes from your office
- be given the opportunity to explain the reasons for any irregularities or discrepancies.

After an investigation, you can:

- expect to receive an explanation of the results or findings
- ask the investigator how penalty provisions are to be applied
- ask for advice about the objections and appeal process
- discuss any aspect of the case with the investigator or case manager.

Your obligations during an investigation are to:

- give the investigator reasonable assistance and facilities
- give complete and honest answers and explanations to any questions
- provide prompt, full and free access to all relevant information, records, documents, data and systems as required.

At the completion of the investigation, you also have a statutory right to:

- expect your affairs to be continue to be treated with strict confidentiality
- records provided to be securely stored
- object and/or appeal to the ultimate decision of the Chief Commissioner.

**Note:** As the provisions of the revenue legislation administered by OSR determine how the legislation applies to you, the information provided in this factsheet is not intended to be exhaustive.

Office of State Revenue: ISO 9001 – Quality Certified  
**Department of Finance & Services**

© State of New South Wales through the Office of State Revenue, 2012. This work may be freely reproduced and distributed for most purposes, however some restrictions apply. Read the copyright notice at [www.osr.nsw.gov.au](http://www.osr.nsw.gov.au) or contact OSR.

### Disclaimer

This publication is current as at the date of issue and is distributed by the OSR as an information source only. OSR makes no warranty or representation regarding the accuracy of the information for any purpose. No reader should act on the basis of the material in this brochure without first obtaining specific professional advice. OSR does not accept liability to any person for any loss or damage incurred as a result of reliance on the material provided.