

# AUDIT & TAX INVESTIGATION IN BOTSWANA

## -Program Outline-



### Course Overview

This course focuses on providing participants with the knowledge and skills to work within the environment of tax audit, crimes and investigation of fraudulent tax activities.

Taxes are an unavoidable part of being in any kind of business. By understanding how to manage your tax burden and preparing for tax audits, you can maximise your profits over time and reduce the costs of not meeting your legally imposed tax obligations.

The main meaning of the term audit is to check, review, and inspect. Tax audits are a critical part of finance, but they are not purely the responsibility of your accountants. Audits are collectively championed by consultants, analysts, finance professionals and even by decision-makers who may have limited financial training.

The program has been developed as a practical course using tax fraud and evasion scenarios to provide participants with a learning environment that will allow them the best opportunity to apply their newly acquired knowledge and skills in the real world.

All the lessons and scenarios are designed and delivered from a tax perspective ensuring that participants can relate to the material so that it helps increase their understanding and retention of the content. The content of the course has been designed in line with the current practices and legislation in place for tax audits and crimes.

What is the key focus of this "Tax Crime and Tax/Fraud Investigation Course"? This is an interactive course which gives participants an in-depth knowledge of the broad range of

problems faced by tax and financial crime investigators in their battle against illegitimate financial activities, as well as responses to these issues and available tools.

This PolyNew training course will empower you with familiarity with the laws and regulations related to fraud while you learn to apply the accounting and investigative methods used to bring those responsible to justice.

## Course Objectives

Upon completing this Audit and Tax Investigation course successfully, participants will be able to:

- Conduct effective tax crime and fraud investigation
- Identify the critical factors of the tax crime and fraud investigation process
- Recognise the key stages of tax audit, crime and fraud investigation
- Identify the elements required for tax audit, crime and fraud investigative decision-making
- Understand the principles of the “Investigative Mindset”
- Summarise the fundamental elements of investigative strategies

## Training Methodology

This is a collaborative training program and will consist of the following training mechanisms:

- Lectures
- Seminars & Presentations
- Group Discussions
- Assignments
- Case Studies & Functional Exercises

## Organisational Benefits

Enterprises who nominate their employees to partake in this course can benefit in the following ways:

- Obtain a customised and all-inclusive tax audit, crime and fraud investigation program with features best suited to address your organisation’s needs
- Produce a detailed tax crime and fraud investigation profile for your organisation
- Save on legal expenses risen due to tax crime and fraud investigation violations
- Ensure that your company is running with the most streamlined processes related to tax crime and fraud investigation

- Provide your employees with access to key concepts in tax crime and fraud investigation using interactive activities and a wealth of additional resources
- Employ the right people to ensure that the tax crime and fraud investigation policies are implemented properly

## Personal Benefits

The participants of this course can benefit in the following ways:

- Explain the factors that drive the need for tax crime and fraud investigation, and understand the consequences of breaching these laws in a highly legalised world
- Promote your understanding of the tax authorities, their powers and operations
- Prevent your company from the probable issues faced due to improper tax crime and fraud investigation
- Refresh your knowledge by learning from tax experts who are more experienced in the underlying issues behind improper tax crime and fraud investigation
- Create strategies for implementing tax crime and fraud investigation policies including specific tools and technologies, and then monitoring and training of these policies to build an effective tax crime and fraud investigation compliance program
- Benefit from the extensive range of content created by prominent tax experts from around the world

## Who Should Attend?

This course would be suitable for:

- Tax agents
- Tax Payers
- Tax Auditors
- Tax advisors
- Legal counsel and lawyers
- General tax practitioners
- Tax practitioners in advisory firms
- Beginners in tax commercial and trade industries
- Government officials
- Entrepreneurship
- In-house tax directors/managers
- Tax regulation bodies
- Tax and financial crime investigators
- Financial analysts
- Judicial officials

## Course Outline

### 1. INTRODUCTION TO TAX AUDIT

- Tax Audit Introduction
- Applicability
- Tax Applicability
- Tax Auditor
- Letters
- Definition of an audit
- Compliance and substantive tests
- Internal audit
- Factors to consider before setting up a separate internal audit department

### 2. REGULATORY FRAMEWORK OF TAX AUDITING

- Duties/ responsibilities of an auditor
- Primary objectives
- Secondary objectives
- Rights of an auditor
- Who can be an auditor?
- Disqualifications to be an auditor
- Who cannot be an auditor
- Objectives of tax audit / inspection
- Duties of tax inspectors
- Rights of tax inspectors
- Duties of tax payers
- Scope of tax inspection
- Introduction to VAT
- VAT registration requirements
- Zero rated Vs exempted supplies
- Deemed registration
- Deregistration
- Bad debt relief

### 3. THE TAX INSPECTION PROCESS

- The tax inspection process
- Tax inspection stages (cycle)
- Importance of each stage of the inspection cycle

### 4. TAX AUDIT EVIDENCE AND SAMPLING

- Importance of audit evidence
- Reliability of audit evidence
- Factors affecting reliability
- Techniques of obtaining audit evidence
- Analytical procedures
- Definition

- The three types of analytical procedures
- 4. THE TIME IN THE AUDIT THAT AN AUDITOR USES ANALYTICAL PROCEDURES**
- Sampling
- Types of sampling methods
- Factors affecting sample size
- 5. INTERNAL CONTROLS AND AUDIT INSPECTION TECHNIQUES**
- Internal controls
- Definitions
- Audit assertions
- Audit procedures for assets and liabilities
  
- 6. TAXES FOR SMALL BUSINESSES**
  
- How Taxes Affect the Economy
- How Tax Policies Affect Your Business
- Similarities and Difference Between Tax Audits & Due Diligence
- Similarities and Difference Between Regular Audits & Tax Audits
  
- 7. TAX STRATEGIES FOR BUSINESSES**
  
- Reducing Taxable Income
- Reducing Tax Rate
- Optimising the Workforce
  
- 8. MANAGING TAXES**
  
- Responsibility vs. Accountability
- Tax Planning Tools
- Financial Statements
- Earnings Management
- Deferred Taxes
  
- 9. IMPORTANT TAX PROCEDURES**
  
- Tax Audit Procedures
- Documentation
- Tax Audit Report
- Form 3 CD
  
- 10. INCOME TAX**
  
- Introduction to Income Tax
- Exempt Income
- Income Tax Slab
- Residential Status

- Income Under 5 Heads
- Computation of Total Income
- Advance Tax
- Set-off and carryforwards of losses
- E- Filing of Income tax returns
- Generation of Challan & Payment of Taxes
- Penalties Under Income Tax
- Computation of Tax

## **11. AUDITING**

- The Role of Auditors
- How to Prepare for Audits
- Audit Checklists
- Confidential Material
- Establishing Internal Controls

## **12. AUDITING**

- Concept & Objective of Auditing
- Types of Audit
- Evidence in Auditing
- Audit Programmes
- Internal Audit
- Statutory Audit
- Cost Audit
- Secretarial Audit
- Auditor's Report

## **13. MANAGING AND LEADING INVESTIGATIONS – DOMESTIC AND INTERNATIONAL**

- Introduction
- The importance of financial investigations
- Management of financial investigations
- Leadership skills
- Managing limited resources
- Domestic investigations
- International investigations

## **14. BENEFICIAL OWNERSHIP**

- The fundamentals of ownership
- Asset ownership and their tax commitments
- Misuse of corporate legislations
- Offshore companies and tax crimes

## **15. INVESTIGATIVE TECHNIQUES**

- Sources of information
- The investigative responsibility of banks and other economic institutions
- Prosecutorial and investigative challenges
- Threats and risks assessments
- Tools for effective investigation

## **16. COMPLEX MONEY LAUNDERING**

- Illicit flows of finances
- Track money in complex financial arrangements
- Case study: Money laundering in an industry of choice

## **17. BRIBERY AND CORRUPTION**

- Bribery and corruption awareness
- Role of tax and financial crime investigators in combating offences
- Awareness for tax examiners and auditors
- Issues pertaining to bribery and other types of corruption
- Support on how to recognise indicators of potential bribery attempts
- Corruption in the direction of routine tax assessments and audits

## **18. INTERNATIONAL CO-OPERATION**

- Risks posed by corruption and money laundering
- Effective co-operation between government agencies and countries
- Current initiatives to improve inter-agency co-operation

## **19. FINANCIAL INTELLIGENCE UNITS**

- Usage of modern techniques to identify connections between suspects of financial crimes
- Various agencies involved in the battle against financial crimes
- International instruments available

## **20. SUSPICIOUS TRANSACTIONS REPORTS**

- Electronic sales suppression
- False invoicing
- Identifying tax crimes via transaction reports
- Checklist to audit corporate reports

## **21. INTELLIGENCE ANALYSIS**

- Analysis of different co-operation models

- Combating financial crime
- Models for sharing information between tax administration and law enforcement units
- The role of the Financial Information Unit and financial regulators

## **22. ADVANCED INTERVIEWING TECHNIQUES**

- Methods of proof
- Planning, conducting and recording interviews
- Best practices
- International initiatives
- Planning, conducting and recording interviews
- Investigative techniques
- Effective interview guidelines
- Dos and don'ts of investigative interviews
- The role of human psychology in conducting investigative interviews

## **23. GENERAL PRINCIPLES OF TAX FRAUD**

- The fraud triangle
- Applying the fraud triangle theory to tax inspection
- Types of VAT fraud
- Methods of estimating VAT fraud
- Top down method
- Bottom up method
- Tax inspection selection strategy
- Which tax payer to select for inspection?
- Tax inspection success performance indicators
- Strategies for preventing tax fraud
- Case Study/Group Work

## **24. THE FRAUD INVESTIGATION: AN IN DEPTH ANALYSIS**

- Methods of tracing financial transactions
- The net worth method
- The expenditure method
- Analytical review of tax returns
- Forensic audit
- Group work






## **25. REPORTING TAX INVESTIGATIONS**

- Characteristics of an inspection report
- Contents of an inspection report



## 26. IDENTIFYING, FREEZING AND RECOVERING ASSETS

- Functions of point of sales systems
- Areas of risk to tax administrations
- Case Study: issue of tax crime in the retail sector
- Frauds over taxes on profit and earnings
- Customs duties
- VAT
- Social security
- Recovering the proceeds of crime





**NEW COURSES ALERT**

### **Audit and Tax Investigation in Botswana.**

### **Botswana Taxation Regime.**

These courses are ideal for tax professionals, accountants, auditors, legal advisors, and anyone keen on deepening their understanding of Botswana's tax regime and audit procedures.



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