ATO

Forensic Tax Audit Report

AI-Powered Tax Recovery Analysis

Report Date: 26 January 2026

Report ID: REPORT-2026012600001

Analysis Engine: Gemini AI (gemini-2.0-flash-exp)

Status: Complete

Executive Summary

This forensic tax audit analysed **10,488 transactions** across three Xero organisations using AI-powered analysis to identify potential tax benefits, unclaimed deductions, and compliance opportunities.

Total Tax Recovery Potential

$51,316.71	**$42,545.47**
Total Estimated Benefit	Total Adjusted Benefit
$19,545.47	**23**
Total Net Benefit	Total Recommendations

Organisation Summary

Organisation	Transactions	Recommendations	Adjusted Benefit	Net Benefit
Disaster Recovery Qld Pty Ltd	9,961	11	$27,996.29	$16,996.29
Disaster Recovery Pty Ltd	338	6	$12,340.61	$6,340.61
CARSI	189	6	$2,208.57	-$3,791.43*
TOTAL	**10,488**	**23**	**$42,545.47**	**$19,545.47**

*Note: CARSI shows negative net benefit due to accounting costs exceeding the small benefit amount.

Organisation 1: Disaster Recovery Qld Pty Ltd

Tenant ID	8a8caf6c-614b-45a5-9e15-46375122407c
Transactions Analysed	9,961
Analysis Status	Complete (100%)

Financial Summary

11	**$27,996.29**
Recommendations	Adjusted Benefit

Benefit by Financial Year

Financial Year	Adjusted Benefit
FY2024-25	$19,398.80
FY2025-26	$5,308.46
FY2022-23	$3,064.30
FY2023-24	$224.72

Key Recommendations

1. Professional Fees Deductions (FY2024-25)

MEDIUM PRIORITY

Action: Claim Professional Fees deductions

Description: Unclaimed Professional Fees expenses totaling $74,027.01 across 47 transactions

Benefit: $15,360.60 (Confidence: 83%)

Legislative Reference: Section 8-1 ITAA 1997 (General deductions)

ATO Forms: Company Tax Return

Deadline: 29 June 2029

Documentation Required:

- Invoices and receipts for all 47 transactions
- Proof of payment (bank statements, credit card statements)
- Evidence of business purpose (emails, contracts, project documents)

2. Other Deductible Expenses (FY2025-26)

MEDIUM PRIORITY

Action: Claim Other Deductible Expenses deductions

Description: Unclaimed expenses totaling $23,183.52 across 123 transactions

Benefit: $5,042.42 (Confidence: 87%)

Legislative Reference: Section 8-1 ITAA 1997 (General deductions)

Deadline: 29 June 2030

Organisation 2: Disaster Recovery Pty Ltd

Tenant ID	fc010696-d9f1-482e-ab43-aa0c13ee27fa
Transactions Analysed	338
Analysis Status	Complete (100%)

Financial Summary

6	**$12,340.61**
Recommendations	Adjusted Benefit

Benefit by Financial Year

Financial Year	Adjusted Benefit
FY2023-24	$4,686.14
FY2022-23	$4,636.37
FY2024-25	$1,528.31
FY2025-26	$1,489.79

Key Recommendations

1. Professional Fees Deductions (FY2023-24)　　　MEDIUM PRIORITY

Action: Claim Professional Fees deductions

Description: Unclaimed Professional Fees expenses totaling $23,141.45 across 32 transactions

Benefit: $4,686.14 (Confidence: 81%)

Legislative Reference: Section 8-1 ITAA 1997 (General deductions)

Deadline: 29 June 2028

Organisation 3: CARSI

Tenant ID	9656b831-bb60-43db-8176-9f009903c1a8
Transactions Analysed	189
Analysis Status	Complete (100%)

Financial Summary

6	**$2,208.57**
Recommendations	Adjusted Benefit

Note: Negative net benefit (-$3,791.43) indicates accounting costs exceed the benefit amount. Consider batching with other claims.

Benefit by Financial Year

Financial Year	Adjusted Benefit
FY2023-24	$1,992.45
FY2024-25	$216.11

Key Recommendations

1. Other Deductible Expenses (FY2023-24)　　　　　LOW PRIORITY

Action: Claim Other Deductible Expenses deductions

Description: Unclaimed expenses totaling $10,792.80 across 38 transactions

Benefit: **$1,861.76** (Confidence: 69%)

Legislative Reference: Section 8-1 ITAA 1997 (General deductions)

Deadline: 29 June 2028

Amendment Schedule Summary

All recommendations fall within open amendment windows. No urgent amendments required.

Deadline Summary

Deadline	Recommendations	Total Benefit
June 2028	7	$11,366.91
June 2029	6	$18,246.34
June 2030	10	$12,932.22

Methodology

Analysis Approach

1. **Data Extraction:** Transactions extracted from Xero API including bank transactions, invoices, and journal entries
2. **AI Analysis:** Each transaction analysed by Gemini AI for tax implications
3. **Confidence Scoring:** AI assigns confidence scores (0-100%) based on transaction clarity
4. **Benefit Calculation:** Estimated benefit = Transaction amount × 25% (small business tax rate)
5. **Adjusted Benefit:** Estimated benefit × Confidence score
6. **Net Benefit:** Adjusted benefit - Estimated accounting costs ($1,000 per recommendation)

Tax Rate Assumptions

Rate	Value	Source
Small Business Tax Rate	25%	Section 23AA ITAA 1936
R&D Tax Offset (if applicable)	43.5%	Division 355 ITAA 1997
Standard Corporate Rate	30%	Section 23 ITAA 1936

Important Disclaimers

> **DISCLAIMER:** *This analysis is provided for informational purposes only and does not constitute tax advice. All recommendations should be reviewed by a qualified tax professional before implementation. The software provides 'intelligence' and 'estimates', not binding financial advice.*

Key Limitations

1. Analysis based on transaction descriptions and amounts only

2. Supporting documentation not verified

3. Business purpose assumptions made by AI

4. Tax rates may vary based on entity circumstances

5. Amendment deadlines subject to verification with ATO

Professional Review Recommended

We recommend engaging a registered tax agent to:

- Verify all high-value deductions (>$10,000)

- Confirm business purpose for flagged transactions

- Prepare and lodge any amendments

- Maintain ATO-compliant documentation

Next Steps

Immediate Actions (Within 30 Days)

1. Review all MEDIUM priority recommendations

2. Gather supporting documentation for FY2024-25 claims

3. Engage tax professional for high-value deductions

Short-Term Actions (Within 90 Days)

1. Lodge amendments for FY2022-23 claims (approaching 4-year limit)

2. Review and categorise all flagged transactions

3. Implement improved transaction coding in Xero

Australian Tax Optimizer (ATO) Platform

For support, review dashboard at `http://localhost:3000/dashboard/forensic-audit`