HMRC - IPT08260 - Principal Place Of Business And Place To Visit

Obtaining and confirming audit assurance is not possible unless you inspect records, interview personnel and observe business activities at the premises where these events routinely take place. This is standard audit practice in both the Department and the accounting profession. The location at which these events may be routinely observed, and where we can obtain proper assurance, is termed the principal place of business (PPOB). In IPT, as with other tax regimes, we expect that insurers will produce their records and accounts and allow you to interview appropriate personnel and observe their activities at the PPOB.

There may be valid reasons for examining the records at another place (for example when the insurer is based overseas), however a visit to the business premises where the principal trading activities take place is a key element in your management of the tax and assurance of the business. If you decide, exceptionally, not to visit the PPOB record your decision and the reasons for it.

This follows very closely the policy in VAT, where our approach has been explained to, and accepted by, the Consultative Committee of Accounting Bodies (CCAB). Where an insurer offers to produce records at a place other than the PPOB and you are satisfied that, for the purpose of the intended visit, this presents no obstacle to your audit objectives, you can agree although you should make it clear that your acceptance of the offer does not set a precedent. Write to the insurer explaining that it is an exceptional concession and that you reserve the right to visit the PPOB at all times. If you find, on a visit, that the PPOB is not as previously known or notified, obtain written confirmation of the change from the insurer and contact the BTOps (see IPT01200) to change the details: IPT10125 refers. Where business activities are spread over a number of locations, you may need to visit all the significant premises to make sure that your audit covers all the taxable activities of the registered insurer. Further details about visits to branches of large insurers and dealing with group registrations are at IPT08650 and IPT08700.

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