CRA Review and Audit Document Checklist

What to gather, what to send, and what to do first

EVERSTONE | CPA

First, before gathering anything

- [ ] Note the deadline in the letter, and diarise it with a week to spare
- [ ] Identify exactly what is being asked about: which year, which return, which line
- [ ] Establish whether it is a processing review, a desk audit, or a field audit
- [ ] Do not send anything before you know what has been asked for

The documents behind the figure

- [ ] The return and the notice of assessment for the year in question
- [ ] The general ledger detail for the specific accounts queried
- [ ] Source documents supporting those entries — invoices, receipts, contracts
- [ ] Bank and credit card statements covering the transactions
- [ ] Any prior correspondence with the CRA about the same matter

If expenses are being questioned

- [ ] The invoice or receipt for each item, with the business purpose noted
- [ ] Proof of payment, matched to the bank or card statement
- [ ] Vehicle log, if vehicle expenses are involved
- [ ] The basis for any personal-use split you applied

How to package it

- [ ] Reference every document to the item in the letter it answers
- [ ] Number the pages and include a covering index
- [ ] Send copies, never originals, and keep a complete duplicate of what you sent
- [ ] Use a method that gives you proof of delivery and the date

What not to do

- [ ] Do not send documents that were not asked for
- [ ] Do not answer questions that were not asked
- [ ] Do not reconstruct a record and present it as contemporaneous
- [ ] Do not miss the deadline without requesting an extension in writing first

Worth knowing. If the letter proposes an adjustment, covers more than one year, or asks to attend your premises, get representation before you reply. The cost of advice at that point is small against the cost of an answer that widens the scope.