

General information about audits

What is an audit?

This publication provides concise information about what is meant by an audit and how it is performed, should the Swedish Tax Agency decide to do so at your place of business, as well as your rights and obligations in this respect.

What is the purpose of an audit?

An audit means that the Swedish Tax Agency has decided to examine the information that you provided it with as the basis for, e.g., your tax return. The purpose of an audit is to ensure that you will pay exactly the amount of tax that you are obliged to pay by law. The decision to hold an audit as well as its results are protected by confidentiality and all public officials who have any knowledge of the audit have a duty to observe this provision.

It is solely the Swedish Tax Agency that may decide on an audit on the basis of the Swedish Tax Procedure Act.

Who can be audited by the Swedish Tax Agency?

The Swedish Tax Agency is permitted to audit

- traders, i.e., all those engaged in professional activities
- limited companies, trading partnerships and economic associations, whether or not they conduct commercial operations
- those who have applied to be registered for VAT or as an employer
- agents for foreign entrepreneurs who are liable for tax under the VAT Act
- all those who have applied for F-tax
- others who are, or may be assumed to be, obliged to keep accounting records under the Accounting Act.

What information does the Swedish Tax Agency examine in an audit?

In an audit it may examine for example

- accounting records and other documents that form the basis of your company's tax return
- income statements for your employees that you have provided
- what you have paid in VAT, payroll taxes, taxes, F-tax or excise duty

- information you have given in your registration application
- information dating from a time when you were not obliged to declare your commercial operations.

The Swedish Tax Agency can also examine information about other traders with whom you had been in contact in your commercial operations. In such cases, you will be told whose details are being examined, provided that there are no special reasons not to disclose such information.

The audit may include one or more items of information covering a period ranging from one month to several years.

Exceptions

If you do not want a particular document to be included in an audit, you may request its exclusion. This is done by writing to an administrative court, either directly or via your accountant. The administrative court will then consider whether or not to accept your request.

The administrative court may decide that documents may be excluded from an audit if

- they may not be seized in accordance with Chapter 27, section 2 of the Swedish Code of Judicial Procedure (applies to, e.g., documents that can be assumed to contain information that has been divulged to such persons as lawyers and doctors in the exercise of their professional duties and which is thus subject to professional confidentiality)
- they are subject to a protective interest that is greater than the need to examine them.

If you request that a document be excluded from an audit, while the auditor considers it should be examined, you should immediately seal it and submit it to the administrative court.

Where is the audit held?

The audit is most usually held on your business premises, should you agree to this. If you do not, it is

sometimes necessary to do so all the same, but in such an event the administrative court must first make a decision to this effect.

The audit will always be held on the business premises if

- you request this
- it cannot be held anywhere else without major difficulties.

How is the audit undertaken?

The audit is undertaken as follows:

1. The Swedish Tax Agency will contact you to agree on a time and a place for the audit. An audit decision will be sent or delivered to you and will contain the following details

- the person to whom the audit applies
- the purpose of the audit
- the identity of the person or the auditors at the Swedish Tax Agency who will undertake the audit
- the case handler at the Swedish Tax Agency who has decided on the audit.

When the audit implies that the Swedish Tax Agency will be checking personnel ledgers in the restaurant or hairdressing industry, the audit decision may be presented in conjunction with the audit itself, which will then apply only to documents relating to the personnel.

2. The auditor from the Swedish Tax Agency who will undertake the audit will contact you and inform you about the documents that you need to produce in advance. The audit shall be done in such a manner as to not unnecessarily hamper commercial operations.

3. The Swedish Tax Agency will undertake the actual audit. This means that the auditor will examine accounting records and other documents relating to commercial operations. A document may also comprise data that are stored electronically, for example, on a computer, DVD or USB flash drive. The auditor must be able to identify him- or herself during the visit.

In addition to examining the accounting records, during the audit the auditor may also

- take an inventory of cash funds
- examine stock, machinery and equipment
- inspect the premises and buildings used in commercial operations
- take samples of goods used, sold or otherwise supplied in commercial operations

- test cash registers, special calculators, measuring devices and other technical equipment.

While the audit is in progress, you have the right to be told what documents are being examined. Under certain circumstances you may also be entitled to reimbursement of expenses you have incurred relating to agents, assistants, investigations or the like (as provided for in the Compensation Act).

After the audit, you are entitled to have all your documents returned to you as soon as possible.

4. The Swedish Tax Agency will draw up what is termed an audit memorandum that you will be given. This details the time period that was examined and what this examination revealed. If the Swedish Tax Agency proposes changing your tax as a result of the audit, you will be permitted to leave comments on the audit memorandum.

Prepare yourself for the audit

Prior to and during the audit, you are obliged by law to prepare yourself as follows:

- Produce all documents that you and the auditor have concluded should be made available. If the audit is to be undertaken anywhere else than on your business premises, you must hand over all documents that are to be examined to the auditor in advance, who will also give you a receipt for them.
- Provide access to the business premises for inventory, inspection, examination or sampling, even if the rest of the audit is not to be undertaken there.
- Ensure that the auditor, where necessary, can use the company computer system, or provide him or her with a copy of the data, e.g., in the form of a DVD or USB flash drive. The auditor must in that case be able to verify that these data copies match the data stored in the system.
- Organise a workplace for the auditor, if you have agreed to do so.
- Be on hand during the audit to provide assistance where necessary.

If you do not make these preparations, the Swedish Tax Agency can compel you to do so on penalty of a fine, which means that you can be sentenced to pay an amount equivalent to the fine set by the authority. The Swedish Tax Agency may also take away your accounting records in accordance with the provisions relating to securing evidence.