

Auditor (Portal) Console Project

Approval of federal legislation will result in a substantial increase in the number of model 1 sellers and data required for each CSP to maintain. The current process of transferring data to each state via the Streamlined Sales Tax Governing Board's (SSTGB) Testing Central FTP site will not be realistic due to many factors. Additionally, many states do not have the capacity on their computer servers or telecommunications systems to download, combine and store the large amounts of data that they will receive under the current process. Therefore, the SST Audit Committee and CSPs have determined that providing an auditor console to allow state access to model 1 seller data via an auditor console located at the CSP's database should be implemented.

Current Process

The procedure for a CSP to provide transactional data to a state for audit purposes is covered in the Governing Board Rules, Appendix F – SST Reports. Per Appendix F, the current process for gathering data from each CSP on a quarterly basis is:

“Each CSP will place the files in their assigned FTP state folders and then notify Testing Central that the files are ready to be moved. Testing Central will move the files into the corresponding state audit or administration FTP folders and notify the states the files are ready for review.”

Although this process is currently workable, it will present problems in the near future. The workload of the CSPs will increase in the audit area as the number of CSP customers continues to expand. Each CSP will have to prepare larger files and expend additional time to transmit them to a central location (Testing Central) each quarter. The workload at Testing Central will increase in moving the larger files to the state folders. Testing Central which is supported by the Governing Board will need additional storage capacity to accommodate the increased file size and volume. The states will also have to devote additional resources to move the larger files from the respective Testing Central folder to state file folders and will need additional storage to retain and combine the quarterly files.

Current Problems

Problems encountered in the current process include:

- Combining of the files by the Audit Core Team and/or individual states for Contract Compliance audit purposes is becoming difficult due to increasing data size as the CSPs expand their customer base.
- When model 1 sellers have credits and/or negative transactions an amended return is submitted to a state, making the original quarterly data download to Testing Central difficult to reconcile due to timing differences.
- Errors occur due to the manual process of extracting the data for each state quarterly, as well as when combining a large number of files by each state.
- The CSP transaction files can contain errors due to coding or extraction problems.

Solution

A viable solution is to allow state auditors access to a secure CSP data base (Auditor Console) of transactions for their model 1 sellers. Read-only online access to the console will be restricted by auditor and the auditor would only be able to access the transactions shipped to their state. Access will also be allowed to the Audit Core Team during the Contract Compliance Audit of the CSPs per the contract with the SSTGB.

The Auditor Console will reduce staff time costs in contrast to producing quarterly audit files, as well as reissuing quarterly audit files in cases of erroneous transactions and amended returns.

Scope

The purpose of the auditor console is to allow:

- 1) Each state to extract their state's specific data or parts of the data according to the Appendix F layout based on an agreed upon schedule.
- 2) The CSPs and states to save time in transferring the same data several times.
- 3) Each state to receive accurate data and eliminate clean up time.
- 4) Each state the ability to filter specific types of data.
- 5) Each state the ability to compute sums or columns utilizing a summary view and perform similar audit tests.
- 6) The creation of a system time stamp to track each state download.
- 7) Each state or Audit Core Team member to extract the filtered data to an agreed upon format for their use in the audits of a CSP.

Requirements

Each CSP will create an internal technical document on the development and integration of the Auditor Console. This internal document will contain technical detail for the CSPs in designing and implementing the auditor portal for use by member states. The requirements, noted below, are the general (minimum) requirements recommended by the SST Audit Committee and CSPs.

The requirements for the Auditor Console include:

1. Each CSP must provide a web-based administration site for use by the SSTGB CSP administrator and each state's CSP administrator. The SSTGB CSP administrator will require access to data pertaining to all Certified Service Providers. The streamlined administrator(s) for each state will require access to data pertaining to only the Certified Service Providers submitting data for their state. Access to the SST CSP administration site must be through a secure online process, which uses both a unique ID and password for each user. Access will be limited to no more than two IDs (users) per state.
2. The ability to display seller transaction data for auditor access (read-only access) for the period of each member state's statute of limitations (not to exceed current year plus three prior years). The data must be available for download as specified in Audit Rule 806.

3. Seller transaction data which must include all of the data elements contained in the Appendix F document (data fields and field lengths).
4. The ability to allow an auditor to extract data and compile reports from a seller's transaction information utilizing a detail view, including the ability to:
 - a) specify date ranges within the audit period,
 - b) extract all data or a portion of the data, including extracting records with missing data. The fields available for filtering will include:
 - Transaction Date
 - SSTID
 - Any dollar amount column per Appendix F
 - c) compute sums or columns utilizing a summary view, and
 - d) perform similar audit tests.
5. Files extracted should be in a format as agreed to by state and provider for large data files.
 - Minimum format including: fixed width and .csv output. It is suggested that the CSPs also allow other file formats be available for use by States as well.
6. A user guide including information to access and use the provider's reporting module.
7. A secure data base with the ability to restrict access to seller transactional data by specific state auditor(s) and by shipped-to address.
8. Security and privacy of system – The CSP system must provide secure access by the auditor and maintain the security and privacy of the data.
9. Testing of each CSP console before live production by the member states.
 - Each State must provide resources for testing of each CSP console prior to the implementation date.
10. The following SST documents must be updated to reflect the Auditor Console:
 - Audit Rule 806.3.5.4.1 & 806.3.5.5
 - Appendix E
 - Appendix F (Including adding new column for account indicator)
11. A file directory component that includes the ability of the CSPs to provide the states quarterly compensation reports and mapping files, as well as a folder to view requested audit documents (e.g., copies of exemption certificates, invoices requested during the audit).
12. A file directory component that includes the ability of a state to upload their test deck files for testing by the CSP on a quarterly basis. This file directory will also allow the CSPs to provide the states quarterly test deck results.

Time Frame of Project

- 1) Paper on implementation plan due to SST Audit Committee by June 2012 for review at August 6 – 7, 2012 Audit Committee meeting. (**COMPLETED**)
- 2) Send document to the September 2012 SSTGB meeting for review.
- 3) Full implementation by July 1, 2014 or sooner if possible. If the Auditor Console is completed and has been properly tested for a specific CSP prior to the full

implementation date, a State may opt to receive the CSP data from the Auditor Console instead of through SSTGB Testing Central.