

Streamlined Sales Tax Audit Committee – Accomplishments

To: Streamlined Sales Tax Governing Board

From: Bruce Christensen, Chair of the Audit Committee

Date: August 31, 2007

SST Audit Committee Accomplishments for the past year:

- 1.) The Audit Committee created the Audit Core Team concept for audits of CSPs and Model 1 sellers. The Audit Core Team was approved by the SST Governing Board Executive Committee October 2006. The Audit Core Team is made up of auditors from Indiana, Minnesota, Oklahoma and West Virginia. The Audit Core Team is responsible to conduct the contract compliance audit of each CSP and assist full member states with tax compliance audits of CSPs and Model 1 Sellers.
- 2.) From past issue papers the Audit Committee prepared Rule 806.3 Administration of Compliance Audit Process and submitted to the SST Governing Board for approval at the June 2007 meeting. The audit rule provides the basis for contact compliance audits and tax compliance audits of CSPs and Model 1 Sellers.
- 3.) The Audit Committee developed questionnaires for CSPs, member states and the Executive Director to be used in the audit process of CSPs.
- 4.) July 19, 2007 The Audit Committee held a one day training session to train state audit personnel on their responsibilities for audits of CSPs and Model 1 Sellers. The Audit Committee created and organized the training materials for this class.
- 5.) The Audit Committee developed audit plans and created a timeline for audits of CSPs and Model 1 Sellers.
- 6.) The Audit Committee has established procedures for statistical sampling including identifying attributes to test and established maximum tolerable error for Streamlined Sales Tax audits.
- 7.) The Audit Committee continues to work on an audit manual by assigning topics to committee members and reviewing drafts at committee meetings to get a consensus of the committee.