

SERVICE AND SUPPORT DIVISIONS

Audit Division

The Audit Division began operating on July 1, 2001 as a direct result of one of many objectives that were born from the department's Strategic Planning retreat in January 2000. The vision behind the establishment of the Audit Division was to create a tax auditor agent series that would allow employees with the education, experience, and proficiency in auditing the major Ohio business taxes (sales and use, personal property, corporation franchise, pass-through entity, and employer withholding) the opportunity to devote most of their time to "field" auditing.

The emphasis on field auditing accomplishes three objectives which align themselves with the department's goals of "enhancing taxpayer services and taxpayer compliance with Ohio tax law" and "modernizing Ohio tax laws and the department's operations". One, it re-establishes a greater face-to-face contact with the taxpayers that this department serves. Second, it enhances the ability to educate these taxpayers on the ever-changing revisions to Ohio statutes. Third, it educates the department on critical tax issues that will help improve how it administers Ohio tax law.

In order to accomplish these objectives, the Audit Division has placed a special emphasis on the following initiatives:

- Create and use audit project plans for each audit assignment that guide auditors to better plan the scope of an audit, establish a timeline of deliverables to move the audit efficiently to a conclusion, and project and track the number of hours used to complete such assignments.
- Permit auditors to share their preliminary proposed audit findings prior to a formal review by the audit review staff, to encourage an interaction between auditor and taxpayer on the exact nature of audit issues.
- Enhance the use of a resolution process to address audit issues more quickly and

efficiently in order to avoid lengthy and costly litigation.

- Increase the use of electronic downloads of taxpayer data in order to move audits to a quicker completion with more accurate results, and with fewer hours expended by all parties. This enables the department to more efficiently use its audit hours and thereby provides an opportunity to expand the audit base. A Computer Audit Assistance Group has also been created that helps auditors and taxpayers through these types of audits.
- Create basic and advanced tax-type courses and auditing courses to assist auditors in identifying substantive audit issues and cross-tax initiatives. Every auditor is required to have knowledge in all business tax-types outside their previous tax expertise area.
- Create and implement a new audit template for each of the business taxes that the division audits.
- Enhance the division's audit selection capabilities to encourage auditing of a larger percentage of businesses.

As of June 30, 2004, the Audit Division included 299 employees. During the fiscal year ending June 30, 2004, the Audit Division completed the following types of audits:

Tax Type	Total Audits
Sales and use	1,214
Personal property	1,216
Corporation franchise	1,421
Pass-through entity	126
Employer withholding	143
Other	2
Totals	4,122

The Audit Division plays a major role in accomplishing the department's mission by helping taxpayers identify the appropriate tax liabilities while educating them on all provisions of the law.

Budget and Fiscal Division

The Budget and Fiscal Division is comprised of four subordinate units that are directly responsible for internal financial management in the Department of Taxation, as well as for the distribution of tax revenues. The division also oversees facilities and record-keeping activities. The four subordinate units are:

Budgeting and Accounts Payable

This unit prepares and monitors the department's budget for each fiscal year of a biennial budget cycle. The unit's primary responsibilities include managing acquisitions, preparing purchase orders, processing invoices and administering travel expenditures. The unit also administers the department's payment cards, petty cash funds, and contracts.

Facilities Management

The facilities unit is responsible for managing, equipping, and maintaining the department's office facilities, providing office supplies, coordinating safety and security, keeping an inventory of assets, and managing the vehicle fleet.

Revenue Accounting

This unit accounts for all tax revenue receipts, reconciles the revenues and then makes distributions to the state and local governments. The unit also works with bad check processing and resolution.

Records Management

The records unit is responsible for the proper identification, maintenance of record retention schedules, and disposal of the department's public and nonpublic records.

The Budget and Fiscal Division performs varied internal financial, accounting, and facilities management functions that help the department run its day-to-day operations while fulfilling the essential function of providing operating funds for both state and local governments.