

# OKLAHOMA TAX COMMISSION TRAINING OVERVIEW

## Independent Auditor Program

HB 2359 provides, "upon request of any incorporated city or town, the Oklahoma Tax Commission shall enter into contractual agreements with such municipality whereby the municipality would be authorized to implement or augment the enforcement, either directory or through contract with private auditor or audit firm, of the municipal tax." The Key provisions of the legislation are as follows:

- ~~Request by municipality for agreement and execution of rider.~~
- Selection of auditor or audit firm by municipality. Auditor must meet minimum qualifications and successfully complete training prior to an audit being assigned by Oklahoma Tax Commission.
- Audit referral by municipality and acceptance by Compliance Division.
- Designation of auditor/audit firm as agent for purposes of audit.
- Exchange of information to be kept confidential.
- Audit results to be furnished to Compliance Division for review/assessment.
- Amounts collected as result of audit under Independent Audit Program not included in calculations for purposes of computing retention.
- Oklahoma Tax Commission is relieved of its obligations to cities not participating in audit under Independent Audit Program.

Report?

## Minimum Qualifications for Auditor

Education and experience requirements for an auditor consist of a bachelor's degree in accounting, finance, business or public administration; or an equivalent combination of education and experience, substituting one year of paraprofessional auditing or accounting experience for each year of the required education; or an equivalent combination of education and experience.

## Auditor Training

Upon completion of training, the auditor selected by a municipality will be expected to be proficient and/or knowledgeable in the following areas and use of program(s) and forms used in the conduct of a sales and/or use tax audit:

- Confidentiality of taxpayer records (O.S. Title 68 - 205).
- Working knowledge of the Oklahoma Statutes and the Oklahoma Tax Commission Rules pertaining to the tax types under audit.
- Working knowledge of the computer programs and applications used for field audit.
- Working knowledge of the Oklahoma Tax Commission's Mainframe and Oracle systems for the tax types under audit.
- Proficient in Microsoft Excel and Word
- Read and understand the Field Audit Procedures Manual

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- Working knowledge of the preparation and use of the following Field Audit Documents:
  - Statute of Limitations Waiver Agreement
  - Methodology Agreement
  - Power of Attorney
  - Records Requests of Taxpayer Records
  - Officer Information List
- Working knowledge of specific audit techniques (i.e. Sampling, Detail or Indirect Methods)
- Working knowledge of the Audit Package and Audit File Preparation
- Ability to prepare a clear and concise written narrative "Write-up" of the Audit Findings.
- Able to conduct Audit Opening and Closing Conferences
- Able to clearly explain Post Audit Options to the Taxpayer (i.e. Extensions, Protests, Waivers)
- Able to give testimony regarding audit findings at an oral hearing.