



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit
Tax Compliance Bureau
Department of Treasury

Report Number:
271-0140-12

Released:
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The Tax Compliance Bureau's (TCB's) mission is to increase taxpayer compliance with State tax statutes while concurrently providing improved customer service by effectively managing the Taxpayer Bill of Rights. To accomplish its mission, TCB identifies tax deficiencies of taxpayers who are not filing taxes or are underreporting taxes. The Department of Treasury's authority to audit, assess, and collect tax deficiencies from taxpayers is in Act 122, P.A. 1941 (the Revenue Act).

Audit Objective:

To assess the effectiveness of TCB's efforts to select and conduct audits to address the risk of taxpayer noncompliance.

Audit Conclusion:

We concluded that TCB's efforts were effective in selecting and conducting audits to address the risk of taxpayer noncompliance. However, we noted two reportable conditions (Findings 1 and 2).

Reportable Conditions:

TCB did not review and document all audits in compliance with its audit guidelines (Finding 1).

TCB did not collect and report taxpayer satisfaction information from all audited taxpayers (Finding 2).

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Audit Objective:

To assess the effectiveness of the Discovery and Tax Enforcement Division's efforts to detect and pursue potential individual and business taxes owed to the State of Michigan.

Audit Conclusion:

We concluded that Discovery and Tax Enforcement Division's efforts were effective in detecting and pursuing potential individual and business taxes owed to the State of Michigan. However, we noted one reportable condition (Finding 3).

Reportable Condition:

The Discovery and Tax Enforcement Division did not sufficiently pursue taxpayers with potential tax deficiencies (Finding 3).

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Agency Responses:

Our audit report contains 3 findings and 3 corresponding recommendations. TCB's preliminary response indicates that it agrees with the recommendations.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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