



# OHIO'S EAUDIT PROCESSES

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RON POTTORF, EXECUTIVE ADMINISTRATOR  
OHIO DEPARTMENT OF TAXATION  
AUDIT DIVISION



# Audit Home Page

Company Information  
**Company Name:** [Redacted]  
**Contact Name:** Judi Sch  
**Contact Phone:** (301) 34  
**Contact Email:**

Company  
[Redacted]

**Audit Totals:**  
Audit contains overridden values

Audit Setup    Workpapers

## Explorer

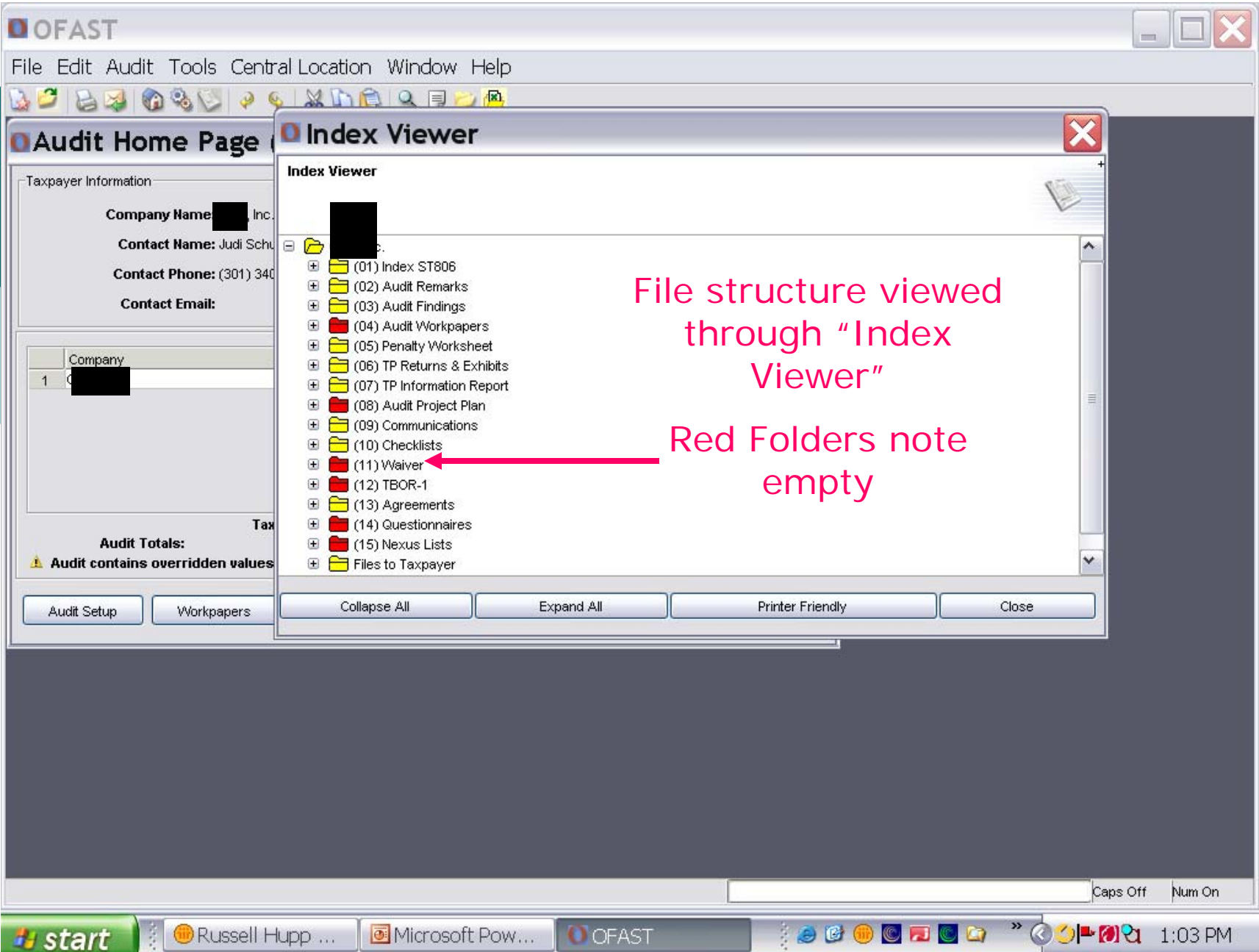
Look in: G: [Redacted]

- (01) Index ST806
- (02) Audit Remarks
- (03) Audit Findings
- (04) Audit Workpapers
- (05) Penalty Worksheet
- (06) TP Returns & Exhibits
- (07) TP Information Report
- (08) Audit Project Plan
- (09) Communications
- (10) Checklists
- (11) Waiver
- (12) TBOR-1
- (13) Agreements
- (14) Questionnaires
- (15) Nexus Lists
- Files to Taxpayer
- Other

File name:     Open

Files of type: All Files    Cancel

File Structure within OFAST



### Audit Home Page

Taxpayer Information

Company Name: [REDACTED] Inc.

Contact Name: Judi Schu

Contact Phone: (301) 340

Contact Email:

Company

1

Tax

Audit Totals:

**Audit contains overridden values**

Audit Setup

Workpapers

### Index Viewer

Index Viewer

- [-] [REDACTED]
- [+] (01) Index ST806
- [+] (02) Audit Remarks
- [+] (03) Audit Findings
- [+] (04) Audit Workpapers
- [+] (05) Penalty Worksheet
- [+] (06) TP Returns & Exhibits
- [+] (07) TP Information Report
- [+] (08) Audit Project Plan
- [-] (09) Communications
  - 08.08.06 audit proposal.doc
  - 08.16.06 e-mail to RPottorf w tp e-mail.mdi
  - 08.16.06 [REDACTED] response to billing.PDF
  - 09.05.06 e-mail RPottorf.MDI
  - 09.18.06 assessment ltr.doc
  - readme.txt
- [+] (10) Checklists

Expanded View of contents

Collapse All

Expand All

Printer Friendly

Close

### Audit Home Page

Taxpayer Information

**Company Name:** [REDACTED] nc.  
**Contact Name:** Judi Schu...  
**Contact Phone:** (301) 340...  
**Contact Email:**

Company
1 [REDACTED]

Tax

**Audit Totals:**

**Audit contains overridden values**

Audit Setup    Workpapers

### Index Viewer

Index Viewer

- [-] [REDACTED]
- [+] (01) Index ST806
- [+] (02) Audit Remarks
- [-] (03) Audit Findings
  - 1121 and pymt and int as assessed.pdf
  - [REDACTED] S 2003 proposal.doc
  - [REDACTED] dme.txt
- [+] (05) Penalty Worksheet
- [+] (06) TP Returns & Exhibits
- [-] (07) TP Information Report
  - [+] pre audit
    - readme.txt
    - TIR.doc
- [+] (09) Communications
- [-] (10) Checklists
  - Audit File Assembly Checklist.doc
  - readme.txt

Collapse All    Expand All    Printer Friendly    Close

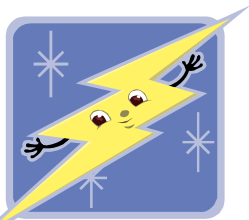
After "Delete Empty Folder" Function is used

Completed and in-progress audits are securely stored in our "Central Location" system. Multiple search options are available to users. Files are uploaded and downloaded to auditors' computers.

The screenshot shows a Windows-style application window titled "OFAST" with a menu bar containing "File", "Edit", "Audit", "Tools", "Central Location", "Window", and "Help". A secondary window titled "OFAST Central Location Search" is open, featuring a search form. The form includes a logo for "OFAST CENTRAL LOCATION" and a message: "Please verify the information below are correct." The search criteria are as follows:

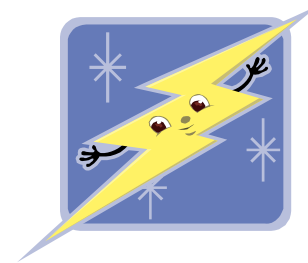
- Assignment No.:
- OFAST's Audit Tab Period/Year:  -
- Document Type:
- TaxType:
- Status:
- Audit Name:
- Company Name:
- Auditor Name:
- User Name:
- Upload Period:  -
- Statute Period:  -

At the bottom of the search form are two buttons: "Search" and "Exit". The Windows taskbar at the bottom shows the "start" button, taskbar buttons for "Russell Hupp ..." and "Microsoft Pow...", and the "OFAST" application icon. The system tray on the right shows "Caps Off", "Num On", and the time "1:22 PM".



## THE “E-AUDIT”

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- ☺ Beginning in early 2008; the Audit Division has begun transferring audit results to taxpayers using an electronic format, using a FTP server that will allow the taxpayer to obtain the **entire audit file**, instead of only pieces. This process will be more efficient to both taxpayers and the State of Ohio; saving money for taxpayers by eliminating paper costs and postage cost, as well as labor costs.

# SPECIAL FEATURE:

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- LINKS FROM THE INDEX AND AUDITOR REMARKS TO EXHIBITS WITHIN THE FILE ARE BEING UTILIZED TO MAKE THE REVIEW PROCESS MORE EFFICIENT FOR THE TAXPAYER.
- A “DYNAMIC” INDEX IS PART OF EVERY FILE SENT TO TAXPAYERS. UPON OPENING THE FILE, A HTML INDEX IS CREATED THAT INCLUDES LINKS TO EVERY DOCUMENT WITHIN THE FILE.

# THE E - AUDIT

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- OUR STAFF HAS BEEN TRAINED AND IS CURRENTLY USING THE “E-AUDIT” PROCESSES.
- ALL NEW ASSIGNMENTS AS OF JULY 1, 2008 ARE REQUIRED TO BE DONE USING OFAST AND DOCUMENTED USING ELECTRONIC PROCESSES ONLY.
- ALL AUDITS MUST BE CONVERTED FROM PAPER TO ELECTRONIC DOCUMENTATION BY DECEMBER 1, 2008

# SECURE FILE TRANSFER SYSTEM

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AUDIT DIVISION IS THE PILOT FOR EXPANDING USE TO FULL DEPARTMENT

- WHAT IS THE SECURE FILE TRANSFER SYSTEM?
- HOW DOES THE SECURE FILE TRANSFER SYSTEM WORK?
- WHEN AND HOW WILL IT BE USED?

# SECURE FILE TRANSFER SYSTEM

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## ■ WHAT IS THE SECURE FILE TRANSFER SYSTEM?

A SECURE SERVER, ACCESSIBLE THROUGH THE INTERNET, THAT WILL ALLOW THE TAX DEPARTMENT TO TRANSFER LARGE DATA FILES FROM AND TO TAXPAYERS, POTENTIALLY ELIMINATING THE NEED TO USE MAIL, UPS, ETC.

DURING THE INITIAL STAGES OF AN AUDIT, THE AUDITOR WILL EXPLAIN HOW THE AUDIT DIVISION IS USING THIS SYSTEM TO EXPEDITE THE AUDIT PROCESS AND SAVE TAXPAYER DOLLARS.

# SECURE FILE TRANSFER SYSTEM

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## ■ HOW DOES THE SECURE FILE TRANSFER SYSTEM WORK?

- **AUDITOR WILL COMPLETE A "SECURE FILE TRANSFER ACCOUNT REQUEST" (AVAILABLE ON TAXI INTRANET WEBSITE). WHEN COMPLETED, TAXI WILL AUTOMATICALLY SEND THE REQUEST TO AN AUDIT MANAGEMENT MAILBOX WITH A COPY TO THE PERSON WHO IS MAKING THE REQUEST.**
- **INFORMATION SERVICES DIVISION (ISD) WILL PICK UP THE REQUEST AND CREATE AN ACCOUNT FOR USE BETWEEN THE TAX DEPARTMENT AND THE TAXPAYER, SETTING UP A USER ID AND PASSWORD.**

# SECURE FILE TRANSFER SYSTEM

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- HOW DOES THE SECURE FILE TRANSFER SYSTEM WORK?
- THE AUDITOR WILL UPLOAD THE AUDIT FILE OR OTHER LARGE DATA FILE THAT OTHERWISE WILL NOT GO THROUGH EMAIL AND NOTIFIES THE TAXPAYER THAT THE FILE IS READY TO BE RETRIEVED BY THEM. AUDITOR PROVIDES THE TAXPAYER WITH THE AUDIT ASSIGNMENT NUMBER AS A “SECRET QUESTION” ANSWER FOR RETRIEVAL OF USER NAME AND PASSWORD
- UPON ENTERING THE SYSTEM, THE TAXPAYER WILL USE THE AUDIT ASSIGNMENT NUMBER TO ANSWER THE “SECRET QUESTION” ON SECURE EMAIL FROM ISD TO PICK UP THEIR USER ID AND PASSWORD. THIS WAY, THE AUDITOR WILL NOT KNOW THE PASSWORD FOR THE TAXPAYER.

# SECURE FILE TRANSFER SYSTEM

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## ■ HOW DOES THE SECURE FILE TRANSFER SYSTEM WORK?

- THE TAXPAYER ENTERS THE SYSTEM, JUST AS YOU WOULD ACCESS YOUR PERSONAL BANKING SECURE WEBSITE, USING AN INTERNET CONNECTION AND BROWSER
- THE TAXPAYER CAN ONLY SEE THEIR ACCOUNT; ALL OTHERS UNDER THE AUDITOR'S JURISDICTION ARE HIDDEN BY SECURITY. EACH AUDIT MANAGER HAS A "MAILBOX" ASSIGNED TO THEM. ONLY THOSE GIVEN THE PASSWORD FOR A PARTICULAR MAILBOX CAN ACCESS IT.
- WHEN THE TAXPAYER LOCATES THE FILE AND HITS THE "DOWNLOAD" BUTTON, THE PROCESS IS INITIATED (TRANSFER RATE IS 5MB / MINUTE, DEPENDENT ON INTERNET CONNECTION SPEED)

# SECURE FILE TRANSFER SYSTEM

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- **WHEN AND HOW TO USE IT?**
- **MOST SMALLER (5MB OR LESS) TRANSFERS OF INFORMATION OR REQUESTS FOR INFORMATION ARE TO BE ACCOMPLISHED THROUGH THE USE OF SECURE EMAIL. A COPY OF THE COVER EMAIL IS TO BE INCLUDED IN THE AUDIT FILE CORRESPONDENCE FOLDER.**
- **LARGER FILES (OVER 5MB) ARE TO BE SENT TO THE TAXPAYER USING THE SECURE FILE TRANSFER SYSTEM**

# SECURE FILE TRANSFER SYSTEM

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## ■ **BENEFITS:**

- **POSTAGE AND OFFICE SUPPLY COSTS ARE ELIMINATED FOR TAX DEPARTMENT AND TAXPAYER ALIKE**
- **TURNAROUND TIME FOR QUESTIONS AND ANSWERS ARE POTENTIALLY GREATLY DECREASED**
- **SYSTEM WILL ALLOW THE AUDIT DIVISION TO TRANSMIT THE ENTIRE PAPERLESS "E-AUDIT" PACKAGE TO THE TAXPAYER, THEREBY PROVIDING ADDITIONAL CUSTOMER SERVICE**
- **SYSTEM PROVIDES A "RECEIPT" INDICATING WHEN (OR IF) THE TAXPAYER HAS RECEIVED THE INFORMATION BEING TRANSFERRED**
- **ASSESSMENT DELIVERY MAY ALSO BE ADDED TO THIS PROCESS**

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QUESTIONS?

