

Administrative Rule Analysis



Audit Standards for Field Audits

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Department: Treasury
Agency: Tax Policy Division
Rule Set No.: 2014-076 TY

Complete to: 4-7-15

BACKGROUND & SUMMARY OF PROPOSED RULES SUBMITTED TO JCAR

The proposed rules are mandated by 2014 PA 35 requiring the Department of Treasury to develop rules on audit standards which results in taxpayers being treated fairly and uniformly. The proposed rules would formally promulgate as rules the audit procedures and professional standards Department of Treasury auditors have been following. Specifically, the proposed rules define terms; clarify that the rules do not apply to a review of documents; required auditors to receive training by the department and specify the areas to be covered in the training; explain “objectivity” and “independence”; require “due professional care in the performance of an audit”; require a field audit plan to be discussed with the audited person; required the auditor to have an understanding of certain matters pertaining to the audited person; require the auditor to prepare audit documentation; require the auditor to consider the “purpose of the audit procedure and characteristics of the population from which the sample will be drawn”; and provide for disclosure and confidentiality.

FISCAL IMPACT OF PROPOSED RULES

The proposed rules would have no fiscal impact on state or local government.

Fiscal Analyst: Ben Gielczyk