



## Revised State Board of Equalization SRL

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October 6, 2010

### Item 0860-001-0001—Board of Equalization

1. **Audit and Compliance Programs.** The department shall provide to the chairs of the Joint Legislative Budget Committee and chairs of the fiscal committees of the Legislature by December 1, of each year, beginning December 1, 2010, a report containing the following information: (a) description of the methodological approach used to conduct its audit and compliance activities, including the work plan relating to these activities; (b) the number of hours and costs and costs associated with direct audit and compliance activities, as well as supporting overhead activities; (c) the revenues associated with its audit and compliance activities; (d) the average and marginal benefit/cost ratios of all its audit and compliance activities; and (e) data regarding the revenue and cost impacts associated with any increase or decrease in resources devoted to audit and compliance activities.

Increases in resources related to workload growth augmentations devoted to audit and compliance activities will be reported as a component of items (b) and (c).

Increases in resources related to specific program enhancements of audit and compliance activities will be reported as a component of item (e).

Items (b), (c), (d), and (e) should include prior-year actual data, current-year estimated data, and budget-year projected data. The information shall also be provided as part of any budget change proposal submitted to the Legislature regarding resources for auditing or compliance activities.

*Included in reporting related to items (b), (c), (d), and (e) should be specific data—directly comparable to that included in the applicable budget change proposal (BCP)—for new and expanded activities approved for 2010-11 concerning sales and use tax collection program enhancement, alcoholic beverage tax audit programs, participation in the High Intensity Financial Crimes Area task force, and the Southern California appeals and settlement unit, including a tally of the number of new positions authorized in that BCP that have been filled to date. In addition to the December 1, 2010 report described above, the board shall submit additional reports with data only for these four new and expanded activities on or before April 1, 2011 and on or before August 1, 2011.*