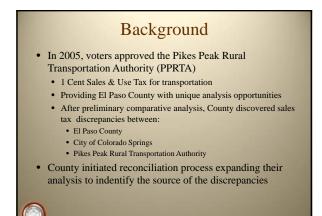
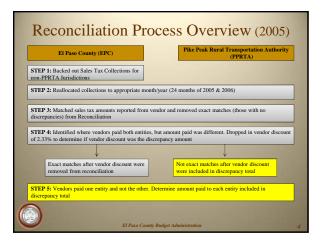
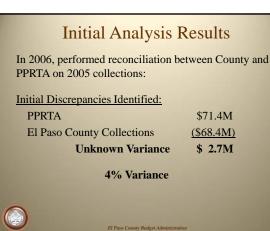


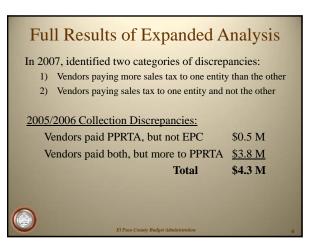
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Addressing the Discrepancies

- In 2007, County contacted State and advised of analysis results
- State recognized the discrepancies and agreed to assist in working toward a remedy
 - Initially sent a "Self Audit Letter" to all vendors advising of potential reporting errors
 - Approximately 40% response \$212,000 in County revenue
 - Advised of part-time State employee dedicated to investigating discrepancies

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Establishing an Investigation Plan

- In 2008, State lost funding for part-time employee
 - County offered to fund the position
- In 2009, State provided a Memorandum of Understanding (MOU)
 - Retired State employee became County employee
 - County employee is located at State Department of Revenue
 - Works three days a week
 Starts with County and wish
 - Starts with County analysis Collection Discrepancy Spreadsheet
 - Pulls State source data (original filed sales tax returns)
 - Reviews returns and identifies type and source of discrepancy and action needed to remedy
 - · Provides monthly/quarterly updates to County and State

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On-Going Investigative Efforts• From 2009 to Present, Sales Tax Investigator has been investigating the following:• 2005 Discrepancies\$2.7M• 2006 Discrepancies\$1.6M• 2007-2009 Discrepancies\$1.7M• 2007 Discrepancies\$1.7M• TOTAL\$6.0M

Investigative Results

1) State Issued Self-Audit Letter	\$ 0.21M*
2) State Posting Error	\$ 0.85M*
3) Vendor Reporting Error- Invoiced	\$ 0.24M*
4) Items Referred to Field Audit (27)	\$ 0.83M
5) Valid Reporting Discrepancy	<u>\$ 3.87M</u>
TOTAL	\$ 6.00M
*\$1.3M collected to date	,

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What's Next? New State Collection System (8/29/11)

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<u>OLD SYSTEM</u> (Legacy)

- Old technology (COBOL)
 On-line Vendor Reporting
- Provided minimal details
- Paper files
- Data entry errors easily overlooked – requiring manual investigation
- Minimal Reporting
- <u>NEW SYSTEM (Gen-Tax)</u>
- Windows based technology
- Expanded electronic reporting
- Expanded electronic reporting
 Designed to minimize tax
- fraud and errorsMany errors automatically
- flagged and correctedErrors processed and paid
- fairly to jurisdictions

Where do we go from here?

- New State System
 - Investigator Training on new system
 - Determining what types of discrepancies may still occur
 - Researching County Analysis Software
- Monitor results of remaining audits
- Collaborative efforts with PPRTA on new variances
- Continued Positive Relationship with State
- Internal Documentation/Business Continuation Plan

