

formation systems. It provides a secure, flexible, appropriately scaled architecture for the exchange of information with internal and external customers. ISD focuses on continuous improvement by measuring and reporting on information technology performance.

The statistics and initiatives listed below provide an overview of ISD's activities during Fiscal Year 2006:

- Designed, developed, and delivered a new tax administration system to support the new commercial activity tax in partnership with business liaisons and the Ohio Business Gateway.
- Significantly expanded the warehouse of data from internal and external sources to assist in identifying non-filers and under-payers of Ohio taxes for tax discovery and revenue enhancement.
- Implemented a support system for Ohio's Tax Amnesty program.
- Implemented a new quality assurance and training system for the Taxpayer Services division. This system enables the recording and monitoring of customer calls and is used to train agents and monitor taxpayer phone calls to assure the best quality of service to taxpayers.
- Launched a new enterprise-wide Assessment system that integrates with several other tax administration systems such as ITAS and IMOD to support the compliance initiatives of the department.
- Designed and implemented programming modifications to handle sweeping tax reforms specified in House Bill 66. Major modifications were made to sales tax, personal income tax, property tax, and corporation franchise tax.
- Implemented an automated Listserv server to enhance our communication with taxpayers and tax preparers.
- Implemented an automated audit system for pass-through entity tax.
- Implemented a new Offset system to interface with the Office of the Attorney General.
- Implemented state-of-the-art Internet monitoring tools to allow for monitoring and reporting on employee usage of the Internet.
- Implemented a secure e-mail gateway that allows for secure (encrypted) e-mail transmissions over the Internet. This enables expanded electronic communications with taxpayers, particularly for audit information.
- Processed 2,945,000 personal income tax returns electronically.
- Processed 15,000 credit card transactions for a total of \$8.6 million.
- Processed over \$11.9 billion in Automated Clearing House debit and credit payments.
- Processed 1.4 million refund direct deposits.
- Maintained network availability at 99.98 percent.
- Maintained mainframe availability at 99.94 percent.

The value of ISD comes from its ability to apply technology to increase effective use of information and to drive innovation. This is one critical way in which the division supports the department's mission of providing quality service to Ohio taxpayers.

INTERNAL AUDIT DIVISION

Internal Audit is a division within the Ohio Department of Taxation whose mission is to independently examine and evaluate the ongoing control processes of

the department and to provide counsel and recommendations for improvements whenever needed. The division also investigates areas with a high potential for risk and offers suggestions and recommendations to minimize ODT's exposure. In order to investigate internal controls, and to remain objective and independent, the Internal Audit Division reports directly to the Tax Commissioner. The Internal Audit Division is free of all operational and management responsibilities that might impair an ability to make independent reviews of all aspects of the department's operations. Additionally, the division has been authorized to have free and unrestricted access to all department records, functions, property, and personnel in order to investigate and/or maintain sound internal controls.

In addition to other investigatory issues, the Internal Audit Division serves as the contact for several other state agencies. The division coordinates the activities in the Internal Accounting Control Program (IACP) administered by the Office of Budget and Management. The division also serves as the contact and liaison for representatives from the Auditor of State's Office and the Enforcement and Collections Enforcement Section of the Attorney General's Office.

The Internal Audit Division helps ODT provide quality service to taxpayers by effectively monitoring the department's internal controls and making recommendations for improvement.

LEGISLATION DIVISION

The Legislation Division is the legislative coordinating unit for the Department of Taxation, monitoring all tax-related legislation as it progresses through the General Assembly. The division serves as the primary resource to members of the General Assembly, providing three main services:

- analyzing and reviewing proposed legislation;
- assisting with constituent inquiries or problems; and
- providing briefings or background information concerning tax issues.

The division's staff attends legislative committee hearings and prepares and presents testimony on tax policy issues. The division also provides information to the general public, state agencies, and elected officials about tax policy and the department's policies and procedures.

Other responsibilities include coordinating the department's review of proposed legislation and its response to the General Assembly and other interested parties.

A snapshot of the division's workload during Fiscal Year 2006 shows that the division focused on a number of bills that made important changes to Ohio's tax system.

Among them were the budget corrective bill, House Bill 530, which included numerous changes to the commercial activity tax, income tax, sales tax, personal property tax, and several other taxes; House Bill 390, a bill that establishes a statute of limitations on the collection of certain finalized but outstanding tax liabilities; Senate Bill 190, which extends the job training tax credit for an additional year; and Senate Bill 269, a bill that exempts certain charitable donations from the use tax (see **Summary of Legislation** chapter). In total, the Legislation Division monitored more than 250 bills during FY 2006.