

xxxxxxxxxxxx Enterprises, LLC
 TP# 1XXXXXXXXX2
 Texas Sales and Use Tax Managed Audit
 Audit Period: 1106 - 1412
 AP72d
 Managed Audit Plan Summary - Timeline

Action	Performed By	Purpose	Estimated Completion Date	Actual Completion Date
1 Draft Audit Plan Summary	Taxpayer		3/17/2015	
2 Finalize Audit Plan Summary	All Parties	To indicate agreed upon procedures	4/14/2015	
Complete managed audit agreement	State	Need to have official agreement for managed audit	4/14/2015	
Have statute waiver signed (If Applicable)	Taxpayer	To preserve statute through timeline	4/14/2015	
3 Obtain and provide chart of accounts and trial balances	Taxpayer	Identify accounts and transaction types that should be included in the audit or should be deleted based on immateriality or other criteria	4/28/2015	
Obtain & download data	Taxpayer	To prepare data for examination	4/28/2015	
Identify accounts of interest	All Parties	Search for "extraordinary" accounts that may need to be separately examined. Identify accounts that should be deleted based on immateriality or other criteria. Identify vendors needing to be separately examined or to determine materiality of particular vendors. Verify that no period had unusual level of activity that may warrant a separate examination. Identify accounts that have a tax consequence.	4/28/2015	
Perform sales and sales tax reconciliations	All Parties			
4 State runs control total report & issue to taxpayer for reconciliation. Test transactions issued to taxpayer to determine if items can be traced to source document.	State	Verify control totals; verify completeness and accuracy of data extracts; Review test transactions	5/26/2015	
State review & approval required for population, accounts of interest selection, and account grouping.	State		5/26/2015	
State provides reports for taxpayer to perform population analysis and to identify dollar layers.	State		5/26/2015	
5 Perform population analysis for the groups	All Parties	Analyze the population to determine natural breaks in the dollar layers.	6/9/2015	
6 Stratify each of the groups into dollar layers	All Parties	Determine if population as been subdivided into reasonable sample strata layers	6/9/2015	
Taxpayer and auditor to review and agree upon group stratums and sample sizes for each stratum. Auditor to provide stratums that meet the state's evaluation criteria. Per Comptroller's sample guidelines, the sample size will include a minimum of 100 transactions per stratum.	All Parties		6/9/2015	
7 Generate the samples	State	Select the number of items to be sampled or detailed	6/23/2015	
Auditor will provide sample pull list for both sales and purchases	State		6/23/2015	
Evaluate the samples	All Parties	Review the sample selected for extraordinary transactions and duplicate transactions	6/23/2015	
Auditor will issue Notification of Sampling, granting taxpayer approval of sampling approach	State		6/23/2015	
8 Pull and examine the sampled transactions	Taxpayer	To determine taxability	7/21/2015	
Schedule transactions into taxable or refunds due schedules	Taxpayer		7/21/2015	

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Research any gray areas and provide documentation for auditors review	Taxpayer	To support taxability conclusions	7/21/2015	
Submit completed schedules to State Auditor for review. Provide all sample invoices.	Taxpayer		7/21/2015	
9 State reviews transactions and identifies questions	State		8/18/2015	
Auditor and taxpayer meet to discuss schedules and adjustments	All Parties		8/18/2015	
10 Project the sample	State		8/25/2015	
Calculate error rate based on tax	State		8/25/2015	
Due or Refund due scheduled transactions	State		8/25/2015	
11 Review and finalize results with Comptroller's Office	All Parties	To determine any disagreements with the results	9/1/2015	