

National Audit Office of Lithuania: Strategic Study of the Tax System

Questionnaire on the Strategic Study of the Tax System

On 13 December 2018, the National Audit Office of Lithuania circulated a questionnaire to all EU supreme audit institutions and the European Court of Auditors concerning the audit on the assessment of tax system. Replies were received from 17 SAIs and the ECA.

Below is a summary of replies: *Annex 1.* contains all the replies to the questionnaire; *Annex 2.* provides a list of tax audits conducted by the responded SAIs.

Summary of replies:

None of the SAIs that responded to the questionnaire conduct wide tax system efficiency assessment or tax policy formation audits (*see Annex 1.*), even though they have the mandate to do it. The respondents provided the information about more than 100 audits related to the tax system that were published in 2012-2018 (*see Annex 2.*).

The most common are audits on the administration of certain taxes or tax types (direct and indirect taxes) and audits on the management of tax reliefs.

Annex 1. Replies to the questionnaire.

| Question 1: | |
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| Has your SAI conducted or is planning to conduct an audit/audits of the national tax system that have analysed issues relating to tax policy formation (number and amounts of taxes, decision making process, etc.) or assessed the efficiency of the tax system and its institutional arrangement? If YES, could you indicate the title, date, subject and purpose of the audit report and provide us with a link to the report. | |
| SAI: | Answer: |
| Austria | Yes, the Austrian Court of Audit conducted several audits. <i>See Annex 2.</i> |
| Belgium | N/A |
| Croatia | SAI Croatia has not conducted yet, and at the moment, is not planning to conduct an audit/audits of the national tax that would analyse issues related to tax policy formation or assess the efficiency of the tax system and its institutional arrangement. |
| Cyprus | No. |
| Czech Republic | <p>The Supreme Audit Office of the Czech Republic (the SAO) continually conducts audit of tax policy, i.e. whether competent authorities of the public administration realize aims of the tax policy. As a consequence of risk analysis, there are 2 – 3 audits in the audit plan every year whose subject is a selected type of tax revenue. With its audits the SAO verifies if administration of individual tax types, in particular the process of tax collection is effective and efficient.</p> <p>SAO's implemented audits verified whether:</p> <ul style="list-style-type: none"> • Legislation enables tax administrators to collect taxes efficiently, • Administrative bodies proceed in compliance with the legislation, • Bodies for tax administration are institutionally correctly set up, • ICT support of tax administration is optimally set, • Bodies for tax administration take advantage of their authority. <p>In medium-term view of audit activities of the SAO (2020-2022), the SAO plans to perform an audit whose subject is to directly verify efficiency and administrative demands of tax administration processes. One of the audits is going to be focused on efficiency of selected measures in fight against tax evasion. Audits aimed at administration of selected types of taxes are conducted by the SAO also in cooperation with other EU SAIs, for example with SAI Germany or SAI Slovakia.</p> <p>From the SAO's perspective, it would be suitable to carry out the above-mentioned planned audits on verification of efficiency of tax system on international basis. This can be done through coordinated audits between involved SAIs or through BIEP project, whose guarantor is the SAO and which serves to compare methodology, processes and audit results with the same aims performed by individual SAIs.</p> |
| Estonia | No large-scale review of the tax system is conducted. General overview about the current situation of Estonian economy and state finance is presented in the annual report of Auditor General to Parliament. The question of the overall sustainability of Estonian budget is raised in the audit "Funding of government functions through structural aid from the European Union" (in 2017), but it was focusing |

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| | more on the fact that there is a need to prepare for decreasing EU aids in the near future, not so much on the actual tax system. The closest to this point are the audits about financing of local governments system, <i>see Annex 2</i> . |
| European Court of Auditors | <i>See Annex 2.</i> |
| Finland | <i>See Annex 2.</i> |
| France | <i>Cour des comptes</i> has conducted audits of the national tax system. <i>See Annex 2.</i> |
| Germany | <i>See Annex 2.</i> |
| Greece | <p>Within the context of the ex-ante audit, the HCA has occasionally addressed issues related to the tax system. Therefore, there's a substantial body of data, which, however, is fragmented and cannot be of assistance.</p> <p>The most focused audit work, which could be referred to is the part of a broad audit on the State's arrears conducted in 2018 on the Independent Authority for Public Revenue and some major tax offices, aiming to identify the structural reasons behind the accumulation of arrears and formulate specific proposals and recommendations to improve the clearance process and the reporting system of fiscal data.</p> <p>The relative report (only in Greek) is available on the website www.elsyn.gr.</p> |
| Hungary | <p>According to the Act LXVI of 2011, the State Audit Office of Hungary shall audit the taxation and other revenue collection activities of the state tax authority and municipalities as well as the activity of the customs authority.</p> <p>State Audit Office of Hungary (SAO) every year systematically audits the fulfilment of the task of the National Tax and Customs Administration of Hungary. Tasks of the National Tax and Customs Administration are mandatory payment to the central budget, subsidy to be charged to the central budget, establishment, collection, registration, implementation, refund and audit of the tax refund or tax rebate. The SAO is currently auditing the regularity of the fulfilment of the task related to the corporate tax. Audits of the State Audit Office of Hungary carried out at the National Tax and Customs Administration did not cover issues related to taxation policies, audit of the efficiency and the institutional structure of the tax system. They covered the regularity of the fulfilment of the tasks.</p> |
| Ireland | We report on the Irish tax authority (Revenue Commissioners) every year. We usually conduct three or four focused examinations each year. However, we are precluded from commenting on policy so tax policy formulation would not be an area we would ever examine. We have reported on categories of tax and on tax reliefs though. We do examine institutional arrangements also but these are covered in almost every report we publish in this area. |
| Latvia | The State Audit Office of Latvia has analysed issues related to tax policy in several of the audits (<i>see Annex 2., "Question 1"</i>). |
| Luxembourg | Our SAI has not conducted any audits on the national tax system. |
| Netherlands | The Netherlands Court of Audit did not conduct audits like described. However, we have sent a letter to our parliament about our tax system, dated 15 March 2015. Furthermore, related to our national tax system, we drafted a report about all the tax exemptions in the Netherlands. We made an inventory of all tax exemptions (the number of tax exemptions), including the budgetary amount involved, whether the tax exemptions are effective or not. The huge number of tax exemptions was an indicator that our national tax system is getting too complicated to execute for our tax department. |
| Poland | <i>See Annex 2.</i> |

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| Slovakia | In 2017, the SAO of the Slovak Republic carried out a comprehensive audit focused on the effectiveness of anti-VAT fraud policy measures (Efficiency and effectiveness of measures within the policy against VAT fraud). <i>See Annex 2.</i> |
| Question 2: If you have considered or planned to conduct the said audit, however, refused to do it, could you please indicate the reasons why? | |
| Austria | N/A |
| Belgium | N/A |
| Croatia | N/A |
| Cyprus | N/A |
| Czech Republic | <p>The SAO includes and approves audits into an audit plan on the basis of a predefined mechanism. Audits falling under the tax policy area that were put in the audit plan were always implemented. Audit results are included on the SAO's website: https://www.nku.cz/en/.</p> <p>Here you may find press releases in English, audit reports and other related documents. You may find here also joint reports from international audits that were performed in cooperation with European SAIs.</p> |
| Estonia | N/A |
| European Court of Auditors | N/A |
| Finland | We conduct audits related to tax issues. |
| France | Not concerned, this question is not applicable. |
| Germany | N/A |
| Greece | N/A |
| Hungary | Not relevant. |
| Ireland | N/A |
| Latvia | <p>In the nearest future the SAO is planning to conduct an audit on assessment of tax policy "Is tax policy sustainable and designed to achieve the objectives set out in the national policy planning documents, including by undermining the shadow (informal) economy and by ensuring that the state budget receives the payments due to it?"</p> <p>As regards the obstacles for conducting this audit, in 2017 the Parliament adopted an implementation of ambitious tax policy reform that became effective in 2018. Tax reform involved changes to the labour, corporate, and excise taxes, as well as measures to combat shadow economy. Due to this reason, the audit on the above-mentioned subject can be conducted at least one or two years after legislative changes related to the implementation of Strategy of Tax Policy 2018-2021.</p> |
| Luxembourg | We have not considered or planned any such audit. |
| Netherlands | Given our capacity to conduct tax related audits, we are not planning to conduct an audit to our national tax system. Our focus for audits for the year 2019 is related to (1) tax evasion and (2) the IT problems of our tax department. The audit related to tax evasion is at request of our parliament. |
| Poland | In February 2017, the Council of NIK amended the 2017 Work Plan of NIK by deleting audit P/17/011 – Organization and functioning |

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| | of the Customs Service. This was caused by the establishment of the National Treasury Administration as a new structure integrating the existing different divisions of the tax and customs administration on 1 March 2017. The audit P/18/009 – Organisation of the National Treasury Administration was carried out instead. |
| Slovakia | The audit was done. |
| Question 3: If your SAI is not responsible for conducting tax system audits, could you please indicate the institution in your country that is entitled to assess those processes. | |
| Austria | N/A |
| Belgium | Article 5, §1, 7, of the Act of 29 October 1846 organising the Court of Audit stipulates: "Operations related to fixing and collecting of ascertained dues owed to the State and the provinces, including tax revenue, fall within the general inspection competence of the Court of Audit. The way this control should be performed is defined in a protocol agreement between the minister of Finance and the Court of Audit." |
| Croatia | SAI Croatia is responsible for conducting tax system audits. |
| Cyprus | The audit office has the authority to audit the tax system efficiency. |
| Czech Republic | See question 1. |
| Estonia | N/A |
| European Court of Auditors | N/A |
| Finland | Tax system audits are within our mandate. |
| France | Cour des comptes is responsible for conducting tax system audits. |
| Germany | N/A |
| Greece | N/A |
| Hungary | In Hungary, the law defines the organisation of the control systems of the public finances. The first line of defence is the internal audit of the budgetary institutions. As part of government control, audits can be carried out by the Government Control Office, Minister in charge of tax policy supervising the National Tax and Customs Administration and the Ministry of Finance. The third line of defence are the audits of the State Audit Office of Hungary. |
| Ireland | N/A |
| Latvia | N/A |
| Luxembourg | The mandate of our SAI includes the possibility for conducting such audits and no other public institution has a mandate relating to this area. |
| Netherlands | We can conduct such an audit, however as stated before we are not planning such an audit on a short time notice (before 2020). |
| Poland | N/A |
| Slovakia | The SAO shall carry out the relevant type of control pursuant to Act No. 39/1993 Coll. O SAO SR, § 2 par. (2) a) (2) The Office shall also audit within the scope of its competence: |

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| | <p>a) the methods of levying and recovering taxes, custom duties, payments of contributions, charges and fines forming revenues of the state budget, budgets of municipalities and upper-tier territorial units</p> <p>https://www.nku.gov.sk/documents/10272/1271118/Act-on-SAO-SR_April-2010/47bb9780-7ed7-4677-9a7f-65bc4ba4ee31.</p> |
| <p>Question 4: Please indicate which audits related to direct and indirect taxes and their administration has your SAI conducted in 2013-2018: audit report title, date, subject and purpose.</p> | |
| Austria | N/A |
| Belgium | <i>See Annex 2.</i> |
| Croatia | <p>SAI Croatia regularly conducts financial audits of The Tax Administration Office. The Tax Administration Office is the administrative organization within the Ministry of Finance whose basic task is to implement tax regulations and regulations concerning the payment of obligatory contributions.</p> <p>The last financial audit report of The Tax Administration Office was published in October 2017. Financial audit objectives were: check the credibility of the financial statements; analyse the execution of revenues and receipts and expenditures in accordance with planned activities and purposes; check the compliance of operations with acts and other regulations that may have a significant impact on the financial statements; and to check other activities related to the Tax Administration Office.</p> |
| Cyprus | <p>Our audits and findings relating to direct and indirect taxes can be found in our annual audit report, which is available in English up to 2014 and in Greek up to 2017.</p> <p>Please see our website: http://www.audit.gov.cy/audit/audit.nsf/annualrpt_en/annualrpt_en?OpenDocument</p> |
| Czech Republic | <i>See Annex 2.</i> |
| Estonia | <i>See Annex 2.</i> |
| European Court of Auditors | <i>See Annex 2.</i> |
| Finland | <i>See Annex 2.</i> |
| France | <i>See Question 1.</i> |
| Germany | <i>See Annex 2.</i> |
| Greece | <i>See Question 1.</i> |
| Hungary | State Audit Office of Hungary every year systematically audits the fulfilment of the National Tax and Customs Administration of Hungary's task related to the taxation activity and every year during the audit of the implementation of the central budget the centrally managed appropriations. <i>See Annex 2.</i> |

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| Ireland | N/A |
| Latvia | Each year, within the framework of the Annual Report, all essential tax administration processes of all essential taxes in the tax administration shall be audited. On a rotation basis each year a number of non-essential budget revenue positions, e.g. non-essential taxes and levies or other budget revenue, are audited. The separate reports on state budget revenue part of the Annual Report were prepared by 2014, but since 2014 the SAO issues one report that also includes information on the audit's revenue part. The audit is carried out in the Ministry of Finance, the State Revenue Service and the State Treasury, as well as in other tax and levies administrations that have been assessed in the relevant year (<i>see Annex 2., "Question 4."</i>) |
| Luxembourg | Our SAI has not conducted any audits related to direct and indirect taxes. Our current interpretation of our mandate is that we focus our limited audit resources on the expenditure side of the government budget. |
| Netherlands | <i>See Annex 2.</i> |
| Poland | <i>See Annex 2.</i> |
| Slovakia | N/A |

Annex 2. List of audits conducted by the responded supreme audit institutions.

| SAI: | Title of audit report and link: |
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| Austria | <p><u>Gemeinsame Prüfung aller lohnabhängigen Abgaben (GPLA)</u> – Joint audit of all wage-dependent levies (GPLA);</p> <ul style="list-style-type: none"> • https://www.rechnungshof.gv.at/fileadmin/downloads/2012/berichte/teilberichte/bund/Bund_2012_06/Bund_2012_06_1.pdf <p><u>Transparenz von Begünstigungen im Einkommensteuerrecht</u> – Transparency of benefits with regard to Income Tax Law → direct taxes</p> <ul style="list-style-type: none"> • https://www.rechnungshof.gv.at/en/audit-reports/view/transparency-of-benefits-with-regard-to-income-tax-law.html • https://www.rechnungshof.gv.at/fileadmin/downloads/2013/berichte/teilberichte/bund/Bund_2013_03/Bund_2013_03_2.pdf <p><u>Transparenz von Begünstigungen im Körperschaftsteuerrecht mit dem Schwerpunkt Gruppenbesteuerung</u> – Transparency with regard to tax benefits in the field of Corporate Tax Law with a focus on group taxation → direct taxes</p> <ul style="list-style-type: none"> • https://www.rechnungshof.gv.at/en/audit-reports/view/transparency-with-regard-to-tax-benefits-in-the-field-of-corporate-tax-law-with-a-focus-on-group-taxation.html • https://www.rechnungshof.gv.at/fileadmin/downloads/2013/berichte/teilberichte/bund/Bund_2013_06/Bund_2013_06_1.pdf <p><u>Neuaufnahmen, Vergabe und Löschung von Steuernummern und Umsatzsteuer-Identifikationsnummern</u> – New entries, assignment and deletion of tax registration numbers and Value Added Tax identification numbers → direct and indirect taxes</p> <p>https://www.rechnungshof.gv.at/en/audit-reports/view/new-entries-assignment-and-deletion-of-tax-registration-numbers-and-value-added-tax-identification-numbers.html</p> <ul style="list-style-type: none"> • https://www.rechnungshof.gv.at/fileadmin/downloads/_jahre/2014/berichte/teilberichte/bund/Bund_2014_01/Bund_2014_01_2.pdf |

Risikomanagement in der Finanzverwaltung – Risk management in financial administration → direct and indirect taxes

- <https://www.rechnungshof.gv.at/en/audit-reports/view/risk-management-in-financial-administration.html>
- https://www.rechnungshof.gv.at/fileadmin/downloads/_jahre/2014/berichte/teilberichte/bund/Bund_2014_14/Bund_2014_14_5.pdf

Gemeinsame Prüfung aller lohnabhängigen Abgaben (GPLA); Follow-Up-Überprüfung – Joint audit of all wage-dependent levies (GPLA); Follow-up audit → direct taxes

- <https://www.rechnungshof.gv.at/en/audit-reports/view/joint-audit-of-all-wage-dependent-levies-gpla-follow-up-audit.html>
- https://www.rechnungshof.gv.at/fileadmin/downloads/_jahre/2015/berichte/teilberichte/bund/Bund_2015_03/Bund_2015_03_3.pdf

Gemeinnützigkeit im Steuerrecht – Non-profit matters under Tax Law → direct and indirect taxes

<https://www.rechnungshof.gv.at/en/audit-reports/view/non-profit-matters-under-tax-law.html>

- https://www.rechnungshof.gv.at/fileadmin/downloads/_jahre/2015/berichte/teilberichte/bund/Bund_2015_15/Bund_2015_15_4.pdf

Löschung von Abgabenrückständen – Cancellation of tax arrears → direct and indirect taxes

- <https://www.rechnungshof.gv.at/en/audit-reports/view/cancellation-of-tax-arrears.html>
- https://www.rechnungshof.gv.at/fileadmin/downloads/_jahre/2016/berichte/teilberichte/bund/Bund_2016_02/Bund_2016_02_2.pdf

Eurofisc → indirect taxes

- <https://www.rechnungshof.gv.at/en/audit-reports/view/eurofisc.html>
- https://www.rechnungshof.gv.at/fileadmin/downloads/_jahre/2015/berichte/teilberichte/bund/Bund_2015_11/Bund_2015_11_5.pdf

Eurofisc – a multilateral warning system of the Member States for combating VAT fraud → indirect taxes

- https://www.rechnungshof.gv.at/fileadmin/downloads/_jahre/2015/berichte/teilberichte/bund/Bund_2015_14/Bund_2015_14_2_engl.pdf

System der Erhebung der Verbrauchsteuern – Collection of Excise Duties → indirect taxes

- <https://www.rechnungshof.gv.at/en/audit-reports/view/collection-of-excise-duties.html>
- https://www.rechnungshof.gv.at/fileadmin/downloads/_jahre/2016/berichte/teilberichte/bund/Bund_2016_15/Bund_2016_15_1.pdf

Transparenz von Begünstigungen im Körperschaftsteuerrecht mit dem Schwerpunkt Gruppenbesteuerung; Follow-Up-Überprüfung – Transparency with regard to tax benefits in the field of Corporate Tax Law with a focus on Group Taxation; Follow-up audit → direct

taxes

- <https://www.rechnungshof.gv.at/en/audit-reports/view/transparency-with-regard-to-tax-benefits-in-the-field-of-corporate-tax-law-with-a-focus-on-group-taxation-follow-up-audit.html>
- https://www.rechnungshof.gv.at/fileadmin/downloads/_jahre/2017/berichte/teilberichte/bund/Bund_2017_03/Bund_2017_03_1.pdf

Risikomanagement in der Finanzverwaltung; Follow-Up-Überprüfung – Risk management in financial administration; Follow-up audit
→ direct and indirect tax

- <https://www.rechnungshof.gv.at/en/audit-reports/view/risk-management-in-financial-administration-follow-up-audit.html>
- https://www.rechnungshof.gv.at/fileadmin/downloads/_jahre/2017/berichte/teilberichte/bund/Bund_2017_27/Bund_2017_27_1.pdf

Genderaspekte im Einkommensteuerrecht mit dem Schwerpunkt Lohnsteuer – Gender aspects in Income Tax Law with a focus on Earnings Tax → direct taxes

- <https://www.rechnungshof.gv.at/en/audit-reports/view/gender-aspects-in-income-tax-law-with-a-focus-on-earnings-tax.html>
- https://www.rechnungshof.gv.at/fileadmin/downloads/_jahre/2017/berichte/teilberichte/bund/Bund_2017_52/Bund_2017_52_1.pdf

Transparenz von Begünstigungen im Einkommensteuerrecht; Follow-Up-Überprüfung – Transparency of benefits with regard to Income Tax Law; Follow-up audit → direct taxes

- <https://www.rechnungshof.gv.at/en/audit-reports/view/transparency-of-benefits-with-regard-to-income-tax-law-follow-up-audit.html>
- https://www.rechnungshof.gv.at/fileadmin/downloads/_jahre/2018/berichte/berichte/Transparenz_Einkommensteuerrecht.pdf

Neuaufnahmen, Vergabe und Löschung von Steuernummern und Umsatzsteuer-Identifikationsnummern; Follow-Up-Überprüfung – New entries, assignment and deletion of tax registration numbers and Value Added Tax identification numbers; Follow-up audit → direct and indirect taxes

- <https://www.rechnungshof.gv.at/en/audit-reports/view/new-entries-assignment-and-deletion-of-tax-registration-numbers-and-value-added-tax-identification-numbers-follow-up-audit.html>
- https://www.rechnungshof.gv.at/fileadmin/downloads/_jahre/2018/berichte/berichte/Neuaufnahmen_Vergabe_Loeschung_Steuer_nummer.pdf

Kapitalertragsteuer-Erstattungen nach Dividendenausschüttungen – Capital Gains Tax refunds in the wake of dividend distributions → direct taxes

- <https://www.rechnungshof.gv.at/en/audit-reports/view/capital-gains-tax-refunds-in-the-wake-of-dividend-distributions.html>
- <https://www.rechnungshof.gv.at/fileadmin/downloads/2018/berichte/berichte/Kapitalertragsteuer.pdf>

Belgium

Help with Filling out the Personal Income Tax Return (2018):

- <https://www.rekenhof.be/EN/Publications/Fiche.html?id=e7b3d675-3a05-4a87-b91c-4b2fe244089c>.

VAT refunds (2018):

- <https://www.rekenhof.be/EN/Publications/Fiche.html?id=d5d1697c-5ab4-4469-b826-4cf743bd34f7>

Estimating tax revenue – Organisation and processes (2017):

- <https://www.rekenhof.be/EN/Publications/Fiche.html?id=ea7f70ad-7788-4518-8c35-56e8fa504a01>

Fighting fraud in the construction sector, the meat industry and among private security companies (2017):

- <https://www.rekenhof.be/EN/Publications/Fiche.html?id=016f9541-e0d2-428b-94b1-7eea15b60187>

Taxation based on signs and indications (2016):

- <https://www.rekenhof.be/EN/Publications/Fiche.html?id=aa8e7ce3-1c61-4e4e-a184-44617fbf8a59>

Managing vehicle taxes in the Walloon Region (2016):

- Full report (in French): <https://www.rekenhof.be/EN/Publications/Fiche.html?id=b1ed0a37-5ab6-4008-abad-1b8c0674229d>

Federal finances: Collection of the inheritance tax (2016):

- Full report (in French and Dutch): <https://www.rekenhof.be/EN/Publications/Fiche.html?id=2a74f40b-e631-4f48-95dc-e2ca8e3ba73e>

Organisation and Activity of the Tax Investigation Services (2015):

- <https://www.rekenhof.be/EN/Publications/Fiche.html?id=cfcfca47-2ed5-4f02-bd8d-6050446ea065>

Taxes, contributions, and levies on water withdrawals and releases (2015):

- Full report (in French): <https://www.rekenhof.be/EN/Publications/Fiche.html?id=7d709811-8732-466a-8e62-484d4332b6fd>

Excise duties on tobacco products (2015):

- Full report (in French and Dutch): <https://www.rekenhof.be/EN/Publications/Fiche.html?id=fe9efc5a-0d43-414a-a925-6aca304eb609>

Organization of the audit actions on personal income tax (2015):

- Full report (in French and Dutch): <https://www.rekenhof.be/EN/Publications/Fiche.html?id=155ae9f3-7ae0-4bd4-a1f4-3c1797f5ee6e>

Non-resident Taxation of natural Persons – Food for Thought about more efficient Tax Measures (2014):

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| | <ul style="list-style-type: none"> • Full report (in French and Dutch): https://www.rekenhof.be/EN/Publications/Fiche.html?id=21ac048c-8109-48ae-832d-9f2cddf77649 <p><u>International mutual assistance for tax recovery (2014):</u></p> <ul style="list-style-type: none"> • Full report (in French and Dutch): https://www.rekenhof.be/EN/Publications/Fiche.html?id=d4a73b41-7692-4144-9ccf-a1767468018b <p><u>Tax Measures for Taxpayers Facing Payment Difficulties (2014):</u></p> <ul style="list-style-type: none"> • Full report (in French and Dutch): https://www.rekenhof.be/EN/Publications/Fiche.html?id=bdd19e21-4506-4396-965e-145817e6e19f <p><u>Tax inspection of legal entities exempted from corporate income tax - follow-up audit (2013):</u></p> <ul style="list-style-type: none"> • Full report (in French and Dutch): https://www.rekenhof.be/EN/Publications/Fiche.html?id=78cececec-7a24-4c17-b371-4dddb9e56b1d |
| Czech Republic | <p><u>State budget revenues collected in the field of labour taxation (2018):</u> Audit No. 18/32</p> <p><u>Support of environmental policies focused on public budget revenues (2018):</u> Audit No. 18/22</p> <p><u>Information support for the tax management agenda (2018):</u> Audit No. 18/07</p> <p><u>Administration of legal persons' income tax (2017):</u> Audit No. 17/21</p> <p><u>Value added tax administration (2017):</u> Audit No. 17/12</p> <p><u>Income tax administration and the impacts of legislative amendments on the state budget revenues (2016):</u> Audit No. 16/21</p> <p><u>Excise Duty Administration (2015):</u> Audit No. 15/33</p> <p><u>Funds spent on measures related to streamlining of tax and insurance collection and administration, mainly within the project "Setup of single collection point for state budget revenues" (2015):</u> Audit No. 15/17</p> <p><u>Taxation of real estate, real estate possession transfer and property acquired by inheritance or gift (2015):</u> Audit No. 15/15</p> <p><u>Spirit and tobacco excise tax administration and administration of revenues from the sales of tobacco duty stamps, including the management of these duty stamps (2014):</u> Audit No. 14/28</p> |

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| | <p><u>Value added tax administration and the impacts of legislative amendments for the state budget revenues (2014): Audit No. 14/17</u></p> <p><u>State budget revenues related to operating of lotteries and other similar games (2013): Audit No. 13/35</u></p> <p><u>Administration of monetary implementation imposed by tax offices and transferred to extortion by customs authority (so-called separate administration) (2013): Audit No. 13/26</u></p> <p><u>Administration of levies for violation of budgetary discipline (2013): Audit No. 13/15</u></p> <p><u>Tax outstanding liabilities administered by financial authorities (2013): Audit No. 13/02</u></p> |
| Estonia | <p>Financing local authorities (2017):</p> <ul style="list-style-type: none"> • https://www.riigikontroll.ee/DesktopModules/DigiDetail/FileDownloader.aspx?FileId=13964&AuditId=2423 <p><u>Impacts of the decrease in revenue on the activities of municipalities and cities through 2009–2010 (2011):</u></p> <ul style="list-style-type: none"> • https://www.riigikontroll.ee/DesktopModules/DigiDetail/FileDownloader.aspx?FileId=11283&AuditId=2174 <p><u>Analysis of changes in the revenue and expenditure as well as financial situation of rural municipalities and cities in 2009 (2010):</u></p> <ul style="list-style-type: none"> • https://www.riigikontroll.ee/DesktopModules/DigiDetail/FileDownloader.aspx?FileId=11090&AuditId=2130 <p>There are many audits that cover the aspects of some single taxes or a possible need for it, mostly in environmental audits (about pollution or waste charges).</p> <p>There is also one audit about <u>collecting the land tax</u> (2012) and a few audits about the <u>Tax Board activities</u> (2009 and 2006):</p> <ul style="list-style-type: none"> • https://www.riigikontroll.ee/DesktopModules/DigiDetail/FileDownloader.aspx?FileId=11070&AuditId=2120 • https://www.riigikontroll.ee/DesktopModules/DigiDetail/FileDownloader.aspx?FileId=10907&AuditId=1935 |
| European Court of Auditors | <ul style="list-style-type: none"> • Special Report No 13/2011, “<u>Does the control of customs procedure 42 prevent and detect VAT evasion?</u>” • Special Report No. 6/2015, “<u>The integrity and implementation of the EU ETS</u>” • Special Report No. 24/2015, “<u>Tackling intra-Community VAT fraud: More action needed</u>” • Special Report No 19/2017, “<u>Import procedures: shortcomings in the legal framework and an ineffective implementation impact the financial interest of the EU</u>” • Background Paper of July 2018, “<u>Collection of VAT and customs duties on cross-border e-commerce</u>” • 2018 Rapid case review: “<u>VAT reimbursement in Cohesion - an error-prone and sub-optimal use of EU funds</u>”. <p>All above mentioned reports can be found in all EU languages on ECA webpage: https://www.eca.europa.eu/lt/Pages/ecadefault.aspx.</p> |
| Finland | A list of the tax system related audits from 2013 to date: |

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| | <ul style="list-style-type: none"> • Fiscal policy audit <u>Assessing the impacts of tax law reforms and tax expenditures (2018)</u> https://www.vtv.fi/en/publications/assessing-the-impacts-of-tax-law-reforms-and-tax-expenditures/ • Compliance audit <u>Clarity of tax legislation – Amendments of Income Tax Act 2006–2017 (2018)</u> https://www.vtv.fi/en/publications/clarity-of-tax-legislation-amendments-of-income-tax-act-2006-2017/ • Fiscal policy audit <u>Economic effects of changes in taxation - tax system (2018)</u> https://www.vtv.fi/en/publications/economic-effects-of-changes-in-taxation-tax-system/ • Performance audit <u>Structural reforms in the Finnish Tax Administration (2017)</u> https://www.vtv.fi/en/publications/structural-reforms-in-the-finnish-tax-administration/ • Compliance audit <u>Tax Revenue (2016)</u> https://www.vtv.fi/en/publications/tax-revenue/ • Fiscal policy audit <u>Economic impacts of tax changes - indirect taxation (2014)</u> https://www.vtv.fi/en/publications/economic-impacts-of-tax-changes-indirect-taxation/ • Performance audit <u>Success of tax auditing activities (2013)</u> https://www.vtv.fi/en/publications/success-of-tax-auditing-activities/ |
| France | <ul style="list-style-type: none"> • Letter (“Référé”) to the Minister of Finance and Public Accounts in 2015 on “<i>The management of taxes due in France by non-residents</i>” https://www.ccomptes.fr/sites/default/files/EzPublish/09-lutte-contre-fraude-fiscale-RPA2016-Tome-2.pdf (in French) • 2016 Annual Public report: “<i>The fight against tax fraud: progress to be confirmed</i>” https://www.ccomptes.fr/sites/default/files/EzPublish/20150512-refere-RF71907-impots-non-residents.pdf (in French) • Letter (“Référé”) to the Minister of Finance and Public Accounts and the Secretary of State for the Budget on 21 June 2016: “<i>Tax management and special tax regimes in Corsica</i>” https://www.ccomptes.fr/sites/default/files/EzPublish/20160912-refere-S2016-1863-gestion-impot-regimes-derogatoires-Corse.pdf (in French) • Letter (“Référé”) to the Minister of the Economy and the Minister of Action and Public Accounts of 19 June 2017 on “the Financial Transaction Tax” https://www.ccomptes.fr/sites/default/files/2017-07/20170704-refere-S2017-1860-taxe-transactions-financieres-et-dependes-fiscales.pdf (in French) • Communication to the National Assembly of 6 November 2017 on “<i>the regularisation of assets abroad managed by the Service de traitement des déclarations rectificatives (STDR)</i>” |

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| | <p>https://www.ccomptes.fr/sites/default/files/2017-11/20171106-rapport-STDR.pdf (in French)</p> <ul style="list-style-type: none"> • Letter (“Référé”) to the Prime Minister on 17 January 2018 on “<i>Tax expenditures in favour of household rental investment</i>” https://www.ccomptes.fr/sites/default/files/2018-03/20180329-refere-S2017-4080-depenses-fiscales-investissement-locatif-menages.pdf (in French) • 2018 Annual Public report on “<i>Tax rebates and transactions: equal treatment and transparency to be better ensured</i>” https://www.ccomptes.fr/sites/default/files/2018-01/02-remises-transactions-matiere-fiscale-Tome-1.pdf (in French) • 2018 EPS: “<i>Customs tax missions: reforms to be accelerated</i>” https://www.ccomptes.fr/sites/default/files/2018-01/02-remises-transactions-matiere-fiscale-Tome-1.pdf (in French) • Letter (“Référé”) to the Prime Minister on “Establishment, Control and Collection of Overseas Taxes”, March 6, 2018 https://www.ccomptes.fr/sites/default/files/2018-06/20180625-refere-S2018-0132-impot-outr-mer.pdf (in French) • Letter (“Référé”) to the Prime Minister on 25 July 2018 on the payroll tax https://www.ccomptes.fr/system/files/2018-10/20181003-refere-S2018-2263-taxe-sur-salaires.pdf (in French) • Letter (“Référé”) to the Prime Minister on December 3, 2018 on Low-yield taxes (will be published soon). |
| Germany | <p><u>2017 Annual Report - spring report No. 12 “VAT control procedure – provide full coverage”:</u></p> <ul style="list-style-type: none"> • https://www.bundesrechnungshof.de/en/veroeffentlichungen/products/annual-reports/2017-spring-report/12/2017-annual-report-spring-report-no-12-vat-control-procedure-provide-full-coverage. <p><u>2017 Annual Report - spring report No. 11 “Improve involvement of the vehicle licensing authorities in the taxation of new vehicles imported from other EU countries”:</u></p> <ul style="list-style-type: none"> • https://www.bundesrechnungshof.de/en/veroeffentlichungen/products/annual-reports/2017-spring-report/11/2017-annual-report-spring-report-no-11-improve-involvement-of-the-vehicle-licensing-authorities-in-the-taxation-of-new-vehicles-imported-from-other-eu-countries. <p><u>2017 Annual Report item 26 - Tax offices lack IT support for processing tax returns of large partnerships:</u></p> <ul style="list-style-type: none"> • https://www.bundesrechnungshof.de/en/veroeffentlichungen/products/annual-reports/2017/26/2017-annual-report-item-26-tax-offices-lack-it-support-for-processing-tax-returns-of-large-partnerships. <p><u>2016 Annual Report Vol. II, item 33 - Easier access to wage data (p. 42):</u></p> <p><u>2016 Annual Report Vol. II, item 35 - Taxation of cumulative foreign investment funds has been simplified (p. 44):</u></p> <ul style="list-style-type: none"> • https://www.bundesrechnungshof.de/en/veroeffentlichungen/products/annual-reports/dateien/2016-annual-report-volume-ii-abridged-version/view. <p><u>2016 Annual Report Vol I, item 62 - Unequal taxation of employees posted abroad (p.109):</u></p> <p><u>2016 Annual Report Vol. I, item 66 - Simplify the legal bases of insurance tax (p. 113):</u></p> <ul style="list-style-type: none"> • https://www.bundesrechnungshof.de/en/veroeffentlichungen/products/annual-reports/dateien/2016-annual-report-volume-i-abridged-version/view |

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| | <p><u>2015 Annual Report, item 80 - Reconsider provision concerning liability in the VAT Act (p. 141):</u></p> <ul style="list-style-type: none"> • https://www.bundesrechnungshof.de/en/veroeffentlichungen/products/annual-reports/dateien/annual-report-2015/view. <p><u>2014 Annual Report item 70 - Finally updating the central information system for VAT control (p. 132):</u></p> <p><u>2014 Annual Report item 74 - Advances in the evaluation of automatic risk management (p. 137):</u></p> <ul style="list-style-type: none"> • https://www.bundesrechnungshof.de/en/veroeffentlichungen/products/annual-reports/dateien/annual-report-2014/view. <p><u>2013 Annual Report item 81 - Federal Finance Ministry failed to inform the Legislature about changes in tax subsidies (p. 105):</u></p> <ul style="list-style-type: none"> • https://www.bundesrechnungshof.de/en/veroeffentlichungen/products/annual-reports/dateien/annual-report-2013/view. <p><u>VAT on e-commerce – offline sales from non-EU based traders (2018):</u></p> <ul style="list-style-type: none"> • https://www.bundesrechnungshof.de/en/veroeffentlichungen/products/management-letters/sammlung/e-commerce. |
| Hungary | <p><u>Audits related to taxation activity during the period 2013-2018 (reports available in Hungarian)</u></p> <ul style="list-style-type: none"> • <u>Report about the audit of the National Tax and Customs Administration of Hungary - regularity of the fulfilment of the tasks related to arrears management, enforcement proceedings, and the audit of the EUROFISC system's operation (2015)</u> https://www.asz.hu/storage/files/files/%C3%96sszes%20jelent%C3%A9s/2015/15044j000.pdf • <u>Report - regularity audit of the use of tax and social contributions (2015)</u> https://www.asz.hu/storage/files/files/%C3%96sszes%20jelent%C3%A9s/2015/15091j000.pdf • <u>Audit of tax collection process - regularity audit of the fulfilment of the task related to tax collection activities (2016)</u> https://asz.hu/storage/files/files/%C3%96sszes%20jelent%C3%A9s/2016/16037.pdf • <u>Audit of the financial and asset management of the central subsystem's institutions - National Tax and Customs Administration of Hungary's Institute of Education, Health and Culture (2016)</u> https://www.asz.hu/storage/files/files/%C3%96sszes%20jelent%C3%A9s/2016/16078.pdf?ctid=762 • <u>Audit of the IT systems of the National Tax and Customs Administration of Hungary (2017)</u> https://www.asz.hu/storage/files/files/jelentes/2017/17086.pdf?ctid=1125 • <u>Audit of the National Tax and Customs Administration of Hungary - regularity of the fulfilment of the task related to the corporate tax (ongoing)</u> <p><u>Reports on the audit of the implementation of the central budget (reports available in Hungarian)</u></p> <ul style="list-style-type: none"> • <u>Report on the audit of the implementation of the central budget of Hungary 2012</u> https://asz.hu/storage/files/files/Jelent%c3%a9s%20Magyarorsz%c3%a1g%20k%c3%b6lts%c3%a9gvet%c3%a9se%20v%c3%a9rehajt%c3%a1s%c3%a1nak%20ellen%c5%91rz%c3%a9s%c3%a9r%c5%91/13080j000.pdf?ctid=268 • <u>Report on the audit of the implementation of the central budget of Hungary 2013</u> https://asz.hu/storage/files/files/Jelent%c3%a9s%20Magyarorsz%c3%a1g%20k%c3%b6lts%c3%a9gvet%c3%a9se%20v%c3%a9rehajt%c3%a1s%c3%a1nak%20ellen%c5%91rz%c3%a9s%c3%a9r%c5%91/14207j000.pdf?ctid=268 |

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| | <ul style="list-style-type: none"> • <u>Report on the audit of the implementation of the central budget of Hungary 2014</u> https://www.asz.hu/storage/files/files/%C3%96sszes%20jelent%C3%A9s/2015/15167j000.pdf?ctid=268 • <u>Report on the audit of the implementation of the central budget of Hungary 2015</u> https://www.asz.hu/storage/files/files/%C3%96sszes%20jelent%C3%A9s/2016/16163.pdf?ctid=268 • <u>Report on the audit of the implementation of the central budget of Hungary 2016</u> https://www.asz.hu/storage/files/files/jelentes/2017/17208.pdf?ctid=268 • <u>Report on the audit of the implementation of the central budget of Hungary 2017</u> https://www.asz.hu/storage/files/files/jelentes/2018/18275.pdf?ctid=268 |
| Ireland | <p>Institutional Arrangements:</p> <ul style="list-style-type: none"> • https://www.audit.gov.ie/en/Find-Report/Publications/2018/2017-Annual-Report-Chapter-18-Management-of-high-wealth-individuals%E2%80%99-tax-liabilities.pdf <p>Tax Relief:</p> <ul style="list-style-type: none"> • https://www.audit.gov.ie/en/Find-Report/Publications/2018/2017-Annual-Report-Chapter-19-Corporation-tax-losses.pdf <p>Tax Head:</p> <ul style="list-style-type: none"> • https://www.audit.gov.ie/en/Find-Report/Publications/2017/Chapter20-Corporation-Tax-Receipts.pdf <p>Tax Relief:</p> <ul style="list-style-type: none"> • https://www.audit.gov.ie/en/Find-Report/Publications/2016/2015%20Annual%20Report,%20Chapter%2014%20Research%20and%20Development%20Tax%20Credit.pdf <p>Taxpayer compliance:</p> <ul style="list-style-type: none"> • https://www.audit.gov.ie/en/Find-Report/Publications/2016/Taxpayer-Compliance.pdf |
| Latvia | <p>Question 1:</p> <p><u>On the state budget revenue part of the Annual Report 2013 of the Republic of Latvia on the implementation of the State budget and local government budgets (2014):</u></p> <p>Audit purpose: to review whether the Annual Report 2013 of the Republic of Latvia on the implementation of the State budget and local government budgets gives a true and fair view of the state budget revenue collected during the reporting year. It also includes obtaining assurance as to whether the procedures developed and implemented by tax administration ensure sufficient and timely supervision over calculation and collection of tax revenue into the state budget.</p> <ul style="list-style-type: none"> • Full audit report (in Latvian) - http://www.lrvk.gov.lv/uploads/reviziju-zinojumi/2013/5.1-2-32-1_2013/ienemumu-zinojums-publiskosanai-02-10-2014.pdf (information on tax policy available from p. 18). • Audit summary (in English) - http://www.lrvk.gov.lv/uploads/Majaslapa%20ENG/Audit%20report/2013/5.1-2-32-1_2013/ienemumu-zinojums.pdf. |

On 2016 Annual Report of The Republic of Latvia on state budget execution and local government budgets (2017):

Audit purpose: to provide a clear and true picture of the results of the state activities and the financial position on the 31 December of the financial year. It combines the annual reports of ministries and central state institutions and the annual reports of the local governments, and it is prepared by the Ministry of Finance. It also includes obtaining assurance as to whether the procedures developed and implemented by tax administration ensure sufficient and timely supervision over calculation and collection of tax revenue into the state budget.

- Link to audit resources in Latvian - <http://www.lrvk.gov.lv/revizija/par-latvijas-republikas-2016-gada-parskatu-par-valsts-budzeta-izpildi-un-par-pasvaldibu-budzetiem/>.
- Full audit report (in Latvian) - http://www.lrvk.gov.lv/uploads//reviziju-zinojumi/2016/2.4.1-38_2016/SGP/reviizijas-zinojums-publiskoshanai-sgp-2016-l.pdf (information on tax policy available from p. 53).
- Link to audit resources in English - <http://www.lrvk.gov.lv/en/revizija/22164-2/>.

Question 4:

On 2017 Annual Report of the Republic of Latvia on state budget execution and local government budgets:

- Link to audit resources in Latvian: <http://www.lrvk.gov.lv/revizija/par-latvijas-republikas-2017-gada-parskatu-par-valsts-budzeta-izpildi-un-par-pasvaldibu-budzetiem/>.
- Full audit report (in Latvian) - http://www.lrvk.gov.lv/uploads/reviziju-zinojumi/2017/2.4.1-35_2017/SGP2017_18.10.2018_IP_publico%C5%A1anai.pdf.
- Link to audit resources in English - <http://www.lrvk.gov.lv/en/revizija/on-2017-annual-report-of-the-republic-of-latvia-on-state-budget-execution-and-local-government-budgets/>.

On 2016 Annual Report of the Republic of Latvia on state budget execution and local government budgets:

- Link to audit resources in Latvian - <http://www.lrvk.gov.lv/revizija/par-latvijas-republikas-2016-gada-parskatu-par-valsts-budzeta-izpildi-un-par-pasvaldibu-budzetiem/>.
- Full audit report (in Latvian) - http://www.lrvk.gov.lv/uploads//reviziju-zinojumi/2016/2.4.1-38_2016/SGP/reviizijas-zinojums-publiskoshanai-sgp-2016-l.pdf (information on tax policy available from p. 53).
- Link to audit resources in English - <http://www.lrvk.gov.lv/en/revizija/22164-2/>.

On 2015 Annual Report of the Republic of Latvia on state budget execution and local government budgets:

- Link to audit resources in Latvian - <http://www.lrvk.gov.lv/revizija/par-latvijas-republikas-2015-gada-parskatu-par-valsts-budzeta-izpildi-un-par-pasvaldibu-budzetiem/>.
- Full audit report (in Latvian) - http://www.lrvk.gov.lv/uploads/reviziju-zinojumi/2015/2.4.1-34_2015/3.3.-revizijas-zinojums-sgp-2015_publicesanai.pdf.
- Link to audit resources in English: <http://www.lrvk.gov.lv/en/revizija/2015-annual-report-republic-latvia-state-budget-execution->

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| | <p>local-government-budgets/.</p> <p><u>On 2014 Annual Report of the Republic of Latvia on state budget execution and local government budgets:</u></p> <ul style="list-style-type: none"> • Link to audit resources in Latvian – http://www.lrvk.gov.lv/revizija/par-latvijas-republikas-2014-gada-parskatu-par-valsts-budzeta-izpildi-un-par-pasvaldibu-budzetiem-2/. • Full audit report (in Latvian) - http://www.lrvk.gov.lv/uploads/reviziju-zinojumi/2014/2.4-1-39_2014/sgp_zinojums_01102015.pdf. • Link to audit resources in English: http://www.lrvk.gov.lv/en/revizija/annual-report-republic-latvia-regarding-implementation-state-budget-regarding-budgets-local-governments-2014/. <p><u>On the state budget revenue part of the Annual Report 2013 of the Republic of Latvia on the implementation of the State budget and local government budgets:</u></p> <ul style="list-style-type: none"> • Full audit report (in Latvian) - http://www.lrvk.gov.lv/uploads/reviziju-zinojumi/2013/5.1-2-32-1_2013/ienemumu-zinojums-publiskosanai-02-10-2014.pdf (information on tax policy available from p. 18). • Audit summary (in English) - http://www.lrvk.gov.lv/uploads/Majaslapa%20ENG/Audit%20report/2013/5.1-2-32-1_2013/ienemumu-zinojums.pdf. <p>The purpose of the audits listed under Question 4: to obtain assurance that the report provides a true and fair view of the state budget revenue, including obtaining assurance as to whether the procedures developed and implemented by tax administration ensure sufficient and timely supervision over calculation and collection of tax revenue into the state budget.</p> |
| <p>Netherlands</p> | <p><u>Insight into schemes that reduce the liability to tax:</u></p> <p>An audit of tax schemes in the Netherlands that reduce the government’s tax take, further to the government’s wish to review the Dutch tax system. We determined which policy goals were being pursued by these tax facilities and instruments, their financial importance, where ministerial responsibilities lay, whether the schemes had been evaluated and how parliament had been informed of them. Parliament can use this information to determine whether policy goals are being achieved through the use of these schemes and weigh the facilities and instruments up against the demands made on the public purse.</p> <p><u>Gift tax exemption for owner-occupied homes (2017):</u></p> <p>The temporary increase in the gift tax exemption for owner-occupied homes in 2013 and 2014 proved unexpectedly popular and a great deal of use was made of the scheme. In most cases (relating to an estimated 74% of the gifts), the scheme was used to pay down a mortgage. The scheme therefore probably contributed to the goal of reducing the overall mortgage debt and the number of homes in negative equity. We accordingly expect the permanent scheme, which came into force on 1 January 2017, to have a similar outcome.</p> <p><u>Enforcement by the Netherlands Tax and Customs Administration (2018):</u></p> |

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| | <p>The growth of e-commerce presents a risk to the assessment and receipt of VAT. We have audited the Dutch Tax and Customs Administration's enforcement of compliance with VAT obligations in respect of cross-border digital services (such as films, games and data storage) since 2015. The EU introduced a mini one-stop shop system (MOSS) in that year so that businesses could submit a single return to declare all their VAT payable in the EU. The system will be rolled out to include goods in 2021. The financial importance of VAT assessments will therefore be considerably higher, as will the importance of enforcement.</p> <p><u>VAT on Cross-Border Digital Services (2018): Report.</u></p> <p><u>The Tax and Customs Administration's Enforcement Policy (2016):</u></p> <p>At the request of the House of Representatives, we have audited the enforcement policy implemented by the Tax and Customs Administration. Our audit included an examination of the results of risk-based checks. We also considered whether the tax gap, the difference between the taxes payable by law and the actual tax receipts, could explain how effective enforcement policy is. We further considered a number of case studies. Our audit was concerned with whether the Tax and Customs Administration had a grip on non-payers (people with little if any declared income but a high expenditure pattern or affluent lifestyle), tax nomads (people who have their particulars removed from the population register in order to remain out of sight of the tax authorities) and migrants who do not pay motor vehicle tax.</p> |
| <p>Poland</p> | <ul style="list-style-type: none"> • <u>P/13/042 Combating VAT fraud</u> Date of publication: May 2014 Objective: to evaluate the activities of selected tax offices and tax control offices in combating fraud related to the Goods and Services Tax, as well as relevant supervision exercised by the Minister of Finance. Subject: audit proceedings, quality of issued decisions, supervision by the Minister of Finance. • <u>P/13/039 Observance of the taxpayer's rights by selected tax offices and tax chambers</u> Date: April 2014 Objective: to assess the observance with taxpayer's rights under the Tax Ordinance Act and other regulations. Subject: Correctness of tax proceedings in tax offices, supervisory activities of tax chambers and the Minister of Finance. • <u>P/14/013 Supervision by tax authorities and tax control authorities over the correctness of settlements of entities with foreign capital share with the state budget</u> Date: June 2015 Objective: to evaluate the prevention of illegal transfer of income by entities with foreign capital share conducted by tax authorities and tax control authorities, and to evaluate the relevant supervision carried out by the Minister of Finance. Subject: audit and supervision proceedings conducted by the Minister of Finance to detect irregularities related to illegal transfers. • <u>P/14/016 Enforcement of judgments of provincial administrative courts and the Supreme Administrative Court by tax offices and</u> |

customs chambers

Date: May 2015.

Objective: to evaluate the implementation of judgments of administrative courts by tax offices and customs chambers.

Subject: Handling of judgments of administrative courts by tax authorities and relevant supervision by the Minister of Finance.

- I/14/001 Enforcement of law against betting entities

Date: February 2015 Due to the nature of the audit (the so-called ad hoc audit) no information on audit results was prepared and made public.

Objective: to assess the effectiveness of public authorities in combating illegal betting via the Internet.

Subject: Results achieved by the Customs Service in combating illegal betting via the Internet.

- P/15/012 Time-barring of tax liabilities

Date: June 2016

Objective: to assess the effectiveness of activities of tax offices and the Minister of Finance conducted to prevent time-barring of tax liabilities.

Subject: Causes and consequences of time-barred tax liabilities, actions taken to prevent them.

- P/15/011 Preventing the marketing of invoices documenting fictitious activities

Date: April 2016

Objective: to assess the effectiveness of tax control authorities; actions preventing invoices documenting fictitious activities from being placed on the market.

Subject: audit and fiscal criminal proceedings, enforcement of tax liabilities, supervision by the Minister of Finance.

- P/16/010 Actions of tax and customs authorities to reduce the grey economy

Date: June 2017.

Objective: reliability and effectiveness of actions taken by tax control authorities and Customs Service authorities in order to reduce the grey market in the economy.

Subject: correctness and effectiveness of control activities of tax authorities and reliability of relevant supervision conducted by the Minister of Finance.

- P/16/011 Observance of taxpayer's interests by tax offices and protection of the State Treasury's interests in course of administrative enforcement

Date: June 2017.

Objective: to assess whether administrative enforcement was conducted with respect for taxpayer's rights and whether the interests of the State Treasury were protected.

Subject: actions taken to increase the effectiveness of enforcement, the scale of illegal enforcement.

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| | <ul style="list-style-type: none"> • <u>P/17/012 Collection of taxes from financial institutions</u> Date: May 2018 Objective: the effectiveness of tax collection on the assets of certain financial institutions. Subject: effectiveness of tax offices in performing tasks related to tax collection, effectiveness of supervision by the Minister of Finance. • <u>P/17/013 Prevention of VAT frauds</u> Date: June 2018 Objective: effectiveness and reliability of tax authorities in combating VAT frauds. Subject: effectiveness of retention of VAT refunds, identification of threats to VAT refunds, effectiveness of IT tools used. Access to information on the results of the above mentioned audits is possible through the search engine available at: https://www.nik.gov.pl/kontrola/wyniki-kontroli-nik/fmax.js,website,1.html?findkx=1 by using the audit number as a search criterion. The information is available in Polish only. • In 2018, the Supreme Audit Office also conducted the following audits: P/18/009 Organisation of the National Tax Administration P/18/010 Aggressive CIT optimization, P/18/011 Supervision over the collection of the value added tax by the Minister of Finance, P/18/012 Supervision over the gambling market. Information on the results of these audits is being drafted. • Moreover, each year, as part of the audit of the state budget execution carried out by the Supreme Audit Office, part 77 of the state budget – Taxes and other payments to the state budget – is audited. Results of the audit are included in the annual Analysis of the State Budget Execution in a Given Year. |
| Slovakia | <p><u>Efficiency and effectiveness of measures within the policy against VAT fraud (auditing period: 2012-2016):</u> The subject of control to monitor the achievement of its purpose was:</p> <ol style="list-style-type: none"> a) reviewing the way in which the impact of anti-fraud measures deriving from the Action is quantified b) the Anti-Fraud Program for 2012-2016 (hereinafter referred to as the "Action Plan") c) assessing the financial difficulty of introducing measures to combat VAT fraud stemming from d) Action Plan e) reviewing and evaluating the way in which the effectiveness of individual anti-fraud measures is assessed f) VAT which was performed between 2012 and 2016 Ministry of Finance of the Slovak Republic and Financial g) verification of compliance with the timetable of the Action Plan 2012-2016 h) evaluation of the benefits of implementation of selected actions of the Action Plan based on the findings of the i) application practice j) evaluation of the benefits of the National Fleet Lottery in 2013-2016. |

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| | <p>The purpose was to obtain reasonable assurance that the measures contained in the Action Plan for more effective combat EU against tax evasion and avoidance, were in 2012-2016 in Slovakia effectively applied in the fight against VAT fraud.</p> |
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The final report (in Slovak): <https://www.nku.gov.sk/documents/10157/55cf2c77-ea18-4469-aa9e-5399c3478687>.
