

**Chapter 192-340 WAC**  
**AUDITS AND TECHNICAL ASSISTANCE**

Last Update: 11/12/10

**WAC**

192-340-010     Field audit expansion.  
192-340-020     How may auditors determine payroll and wage information which the employer fails to provide?  
192-340-100     What reasonable audit expenses may the department charge if an employer knowingly misrepresents payroll? (RCW 50.12.220(3).)

**WAC 192-340-010 Field audit expansion.** The department's audit expansion requirements are as follows:

(1) If underreported or overreported wages for employees are discovered for the year being audited, the department may expand the audit to prior years within the limits of RCW 50.24.190 and to subsequent years up to the most recently completed calendar quarters where the tax and wages are reported.

(2) In the post-audit interview, it is the responsibility of the department to ensure that audit findings or exceptions are discussed and future reporting requirements are understood by the business being audited.

[Statutory Authority: RCW 50.12.010 and 50.12.040. WSR 07-23-127, § 192-340-010, filed 11/21/07, effective 1/1/08; WSR 00-05-065, § 192-340-010, filed 2/15/00, effective 3/17/00.]

**WAC 192-340-020 How may auditors determine payroll and wage information which the employer fails to provide?** If an employer fails or refuses to provide necessary payroll or other wage information during an audit, the department may use RCW 50.12.080 to determine payroll and wage information based on information otherwise available to the department. This may include information from labor market and economic analysis, information provided to other state or local agencies, and the best information otherwise available to the department.

[Statutory Authority: RCW 50.12.010 and 50.12.040. WSR 07-23-127, § 192-340-020, filed 11/21/07, effective 1/1/08.]

**WAC 192-340-100 What reasonable audit expenses may the department charge if an employer knowingly misrepresents payroll? (RCW 50.12.220(3).)** If an employer knowingly misrepresents its payroll to the department, it shall be liable for the reasonable expenses of auditing its books and collecting taxes. These may include:

(1) Salaries and benefits based on the payrolls documented for state staff conducting the audit (including reporting and follow-up costs);

(2) Communication costs such as telephone charges for arranging the audit, emails, mail or similar communication services;

(3) Travel costs for expenses such as transportation, lodging, subsistence and related items incurred by state employees traveling for the purpose of conducting the audit. Such costs may be charged on an actual cost basis or on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip, and results in charges consistent with those normally allowed by the department;

- (4) Customary standard commercial airfare costs (coach or equivalent);
- (5) Costs for materials and supplies (including the costs of producing reports and audit findings);
- (6) Equipment costs necessary for conducting the audit;
- (7) Collection costs, including court costs, lien and warrant fees, and related costs; and
- (8) Other costs which the department establishes that are directly related to the audit or collection of the penalty (e.g., appeal costs).

[Statutory Authority: RCW 50.12.010, 50.12.040. WSR 10-23-064, § 192-340-100, filed 11/12/10, effective 12/13/10. Statutory Authority: RCW 50.12.010, 50.12.040, 50.12.042. WSR 04-23-058, § 192-340-100, filed 11/15/04, effective 12/16/04.]