REPUBLIC OF THE PHILIPPINES
EPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

December 4, 2007

REVENUE MEMORANDUM CIRCULAR NO. 79-2007

SUBJECT : Conduct of Post-Audit Review by the Office of the Commissioner of Internal Revenue on Randomly-Selected Audit and Collection Cases

TO : All Revenue Officials, Employees, & Others Concerned

Despite efforts of the Bureau personnel to meet the collection goal imposed on the agency, the revenues collected always fall short of the assigned target. To check whether there are tax leakages in the system of tax audit, surveillance, stock-taking, revenue collection, etc., the Commissioner of Internal Revenue, through her authorized representative, shall conduct a post-audit review of audit cases, collection cases and cases covered by Mission Order, acted upon and terminated in 2007. Starting January 2008, randomly-selected cases handled by the Regional Offices, Enforcement Service and Large Taxpayers Service shall be subjected to post-audit review, which may include the following cases:

A. **AUDIT CASES** – Audit Cases shall include:
   1. Those which are covered by Letter of Authority (LA)/ Tax Verification Notice (TVN)/ Mission Order (MO) or those which were issued Letter Notice (LN), which were terminated in 2007 – to check the correctness of actions taken on these cases;

   2. Those which are covered by LA/TVN/MO or were issued LN, but still pending - to check the cause of delay in terminating the case;

B. **DELINQUENT ACCOUNTS** – shall include:
   1. Those which were collected in 2007; and
   2. Those which are still pending.

The post-audit review shall pay particular attention on the "Value Added Tax (VAT)-Compliance" and "Documentary Stamp Tax-Compliance" of taxpayers covered by the audit or collection cases, etc.

All internal revenue officers, employees and others concerned are hereby enjoined to give this Circular as wide a publicity as possible.

(Original Signed)
LILIAN B. HEFTI
Commissioner of Internal Revenue