

PRESS RELEASE



The Auditor General of Québec presents the follow-up on a performance audit concerning the non-filing of returns at Revenu Québec – Press Release no. 5

Québec, May 31, 2017 – Today, Ms. Guylaine Leclerc makes public the Spring 2017 Volume. In **Chapter 5**, she presents work that covered the eight recommendations that the Auditor General made in June 2013 and the six recommendations that the Committee on Public Administration (CPA) made in December 2014 to Revenu Québec.

Conclusion. Revenu Québec has carried out various types of work to correct the deficiencies raised during the initial audit, but there is still much to be done for these deficiencies to be fully corrected. Nearly four years after the filing of the initial report, only two of the eight recommendations we made have been implemented.

Identification and selection of files. Revenu Québec does not intervene with certain taxpayers and mandataries that fail to file their returns, in particular when profitability is deemed insufficient or when an amount may be owed to them. The underlying principles for the exclusions are not always documented. Furthermore, this practice has not been reassessed to take into account Revenu Québec's strategic directions, which make reference to transparency, fairness and client service.

Estimative assessments. Revenu Québec continues to issue corporations a high number of notices of estimative assessment with a minimum value of \$8,000 without justifying this amount.

Penalties and fines. Guidelines have been set to apply the penalty for the omission to file to individuals, corporations and mandataries, but the maximum amounts are significantly below the legal limit of \$2,500. The efficiency of these guidelines in encouraging the filing of returns and recovering the amounts owed has not yet been demonstrated. Furthermore, like in 2013, Revenu Québec has not set guidelines concerning fines.

Recommendations from the CPA. Revenu Québec submitted to the CPA, within the required time, the reports that the CPA had requested from it on the progress of its action plan.

The Highlights are available at www.vgq.qc.ca. The full report is available only in French.