

MINUTES

AUDIT COMMITTEE MEETING

PUBLIC SESSION

WASHINGTON, DC

OCTOBER 30, 2001

I. CALL TO ORDER:

Rich Schrader, Audit Committee Chairman called the meeting to order at 8:00 AM and welcomed the members and guests who were present.

II. ROLL CALL:

Present were the following members and guests:

NJ Rich Schrader	OR Don O'Meara	OR Don Jones
ID Dick McFarland	KY Jennifer Hayes	KS Monica Holthaus
ND Harold Aldinger	ND Gary Anderson	MN Keith Getschel
MN Larry Wilkie	MT Eugene Walborn	LA Clarence Lymon
WY Rick Scheer	WA Forrest Bush	ID Joe Randall
UT Kim Ferrell	AL Dan Bass	MO Carol Fischer
NM Diana Vasquez	NM Frank Shaffer	MI Carla Ward
MI Stan Borowski	MO John Feldmann	MTC Kathleen Stewart
MTC Cathy Felix	MTC Jeff Silver	MTC Steve Yang
MTC Dan Bucks	MTC Harold Jennings	MTC Les Koenig

III. PUBLIC COMMENTS:

There were no comments from the public sector present at the meeting.

IV. APPROVAL OF MINUTES OF PUBLIC SESSIONS BISMARCK, ND

The minutes from the Bismarck, ND public sessions held on July 23 and July 24, 2001 were approved as submitted.

V. REPORT FROM EXECUTIVE COMMITTEE LIAISON

Carol Fischer reported that many of the states are experiencing budget shortfalls. The Executive Committee is very interested in the expansion of regional joint auditing and asked the Audit Committee to continue to explore different options to expand joint auditing.

VI. EXECUTIVE DIRECTOR'S REPORT

Dan Bucks, MTC Executive Director reported on several Federal issues affecting the states economic outlook. He spoke on the MTC Technology Committee's activities and the progress of the Streamlined Sales Tax Project.

He also explained the status of an RFP for a consultant to develop a plan for expanded joint state auditing. Les Koenig distributed a preliminary draft of the RFP for the consultant. Dan reported that the final RFP should be issued sometime in November 2001.

VII. AUDIT DIRECTOR'S REPORT

Les Koenig, MTC Audit Director issued a written report on the status of the Audit program. Les reported that 2 sales tax audits were completed during the first quarter. He also reported that the Audit program remains fully staffed. Les also reported that the New York Audit Office would be relocating out of down town Manhattan and will be moving to suburban New York due to rising rent costs.

VIII. REPORT FROM AUDITING TECHNOLOGY SUB-COMMITTEE

Stan Borowski reported on the sub-committee's meeting on October 29, 2001. The sub-committee identified several projects that they will be working on in the future.

IX. AUDIT SELECTION PROCESS REVISIONS

Kathleen Stewart, consultant for this project distributed a final report on the new audit selection process. She thanked the four state representatives who worked hard on this project. These four were John Feldmann, MO., Dick McFarland, ID., Blane Braunberger, ND., and Craig Rook, NJ.

The Audit Committee reviewed the final report and asked several questions. Kim Ferrell moved and Frank Shaffer seconded adoption of the new Audit Selection Report. The motion passed. Les then distributed the new forms for audit selection and asked that each state nominate one income tax and one sales tax audit for the MTC Audit Program. He asked that the nominations be returned by December 31, 2001.

X. NEW BUSINESS AND ADJOURNMENT

There were no items of new business brought before the Audit Committee. The public session of the Audit Committee was adjourned at 9:45AM.