

MINUTES
AUDIT COMMITTEE MEETING
CHARLESTON, SOUTH CAROLINA
MARCH 6, 1997

PUBLIC SESSION:

I. CALL TO ORDER

Tom Atchley, Audit Committee Chairman called the meeting to order at 1:00PM and welcomed all those present.

II. Roll Call

Present were the following members and guests:

AR. Tom Atchley	ID. Joe Randall
MN. Larry Wilkie	MN. Kathleen Stewart
MO. Dave Metzler	MO. Gerry Andert
MT. Lynn Chenowith	ID. Dick McFarland
ND. Harold Aldinger	WA. Kathy Oline
NJ. Bob Shickora	NM. Cindy Stearns
NM. Rick Bejarano	KS. Tom Phillips
CA. Paul Usedom	WA. Forrest Bush
UT. Kim Ferrell	AL. Dan Bass
AL. Chris Sherlock	AL. Louis Mills
KY. Larry O'Nan	KY. Ellen Seibert
KY. Jennifer Hayes	MI. Stan Borawski
NH. Chuck Redfern	MTC. Beau Baez
MTC. Jeff Silver	MTC. Cathy Bernot
MTC. Dan Bucks	MTC. June Summers
MTC. Harold Jennings	MTC. Les Koenig

III. Approval of Minutes:

The public section of the minutes of the November 19, 1996 meeting in Washington, DC were approved as submitted.

IV. PUBLIC COMMENTS:

Tom Atchley opened the floor for any public comments. There were no public comments from the floor.

V. EXECUTIVE DIRECTOR'S REPORT:

Dan Bucks, MTC Executive Director discussed the draft policy regarding taxpayers requesting a joint MTC audit. Dan reported that the MTC Executive Committee supports such a policy and urged the Audit Committee to adopt the draft proposal and forward it on to the Executive Committee for final approval.

VI. AUDIT DIRECTOR'S REPORT:

Les Koenig, MTC Audit Director submitted a written report to the Audit Committee. Les gave a brief oral report on the activities of the MTC Audit Program for the last 4 months.

VII. COMPUTER ASSISTED AUDIT SUB-COMMITTEE REPORT:

Stan Borawski, chairman of the Computer Assisted Audit Sub-Committee reported on the meeting held on March 5, 1997. Stan reported that the MTC sponsored ACL Software training was a success. During the sub-committee meeting, Bob Shickora of New Jersey demonstrated a statistical sampling software program that he received from Maryland. Most members of the sub-committee felt this software package was not capable of meeting the needs of the states to conduct true statistical sales tax audits.

Stan also reported that the sub-committee is exploring possible training programs for statistical sampling. A survey will be circulated to the states to see what the interest may be. Texas and Illinois have indicated that they may be willing to provide some training in this area.

VIII. POLICY ON TAXPAYERS REQUEST FOR JOINT AUDIT:

Les submitted a draft of a policy for a taxpayer to request a joint audit by the MTC. A motion was made by Stan Borawski and seconded by Joe Randall to approve the submitted draft proposal. There was discussion on this motion and a motion to amend the proposal was made by Kathleen Stewart and seconded by Kim Ferrell. This amendment to the proposal was approved. The original motion with the amendment was then passed. This proposal was then sent as a recommendation to the Executive Committee for action. (See copy of final version adopted by MTC Executive Committee).

IX. NEW BUSINESS:

The Audit Committee took a vote to determine where it would like to hold the spring 1998 Committee Meetings. The final vote was Tampa Bay, Florida 19 and San Diego 4. There was no further new business.

X. PUBLIC SESSION OF AUDIT COMMITTEE ADJOURNED; CLOSED SESSION ANNOUNCED:

Tom Atchley adjourned the public session of the Audit Committee at 1:40PM.

He announced that, as previously described in the notice for the meeting, the Audit Committee would conduct a closed session to consider the items listed on the public notice of the meeting. Those items are being considered in closed session because they involve the consideration of confidential taxpayer information or data the disclosure of which is prohibited by law.