

MINUTES
AUDIT COMMITTEE MEETING
SPECIAL PUBLIC SESSION
BISMARCK, NORTH DAKOTA
JULY 23, 2001

I. CALL TO ORDER:

Kim Ferrell, 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:

UT Kim Ferrell	MO Carol Fischer	OR Elizabeth Harchenko
NM Frank Shaffer	NM Diane Vasquez	NM Kevin Sourisseau
OR Janielle Lipscomb	NE Shawn Sookram	NJ Rich Schrader
MO John Feldmann	MN Keith Getschel	MN Larry Wilke
WY Rick Scheer	ND Gary Feist	ND Mary Loftsgard
MT Gene Walborn	KS Monica Holthaus	KS Carol Ireland
ND Blane Braunberger	ND Ross Gordon	AR Danny Walker
SD Denice Houlette	SD Bruce Christensen	ID Joe Randall
WA Forrest Bush	CA Vic Anderson	MI Stan Borowski
ND Harold Aldinger	ID Dick McFarland	DC Charles Wilson
MI Jill McDougall	DC Charles Wilson	NJ Bob Shickora
MTC Harold Jennings	MTC Kathleen Stewart	MTC Jeff Silver
MTC Cathy Felix	MTC Les Koenig	

III. PUBLIC COMMENTS:

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

IV. APPROVAL OF MINUTES FROM ST. PETERSBURG, FL. PUBLIC SESSION:

The Minutes from the St. Petersburg, FL. Public session held on March 21, 2001 were approved as submitted.

V. REPORT FROM MTC CHAIR:

Elizabeth Harchenko, Chair of the Multistate Tax Commission addressed the MTC Audit Committee. She welcomed everyone to the Commission's Annual Meeting. She went on to describe the actions of the MTC Executive Committee to appoint a member of the Executive Committee to serve as a liaison to the Audit Committee. She announced that Carol Fischer would serve as the Executive Committee liaison to the Audit Committee.

Carol Fischer introduced herself to the Audit Committee and further explained her role as the liaison to the Audit Committee. She also expressed the desire of the Executive Committee to explore ways to expand the regional auditing concept.

VI. REPORTS ON AUDIT SELECTION:

Jill McDougall from Michigan and Bob Shickora from New Jersey gave detailed reports on their respective states audit selection processes.

VII. REVISED MTC AUDIT SELECTION DRAFT REPORT:

Kathleen Stewart special consultant for the MTC Audit Committee presented a draft report on the revised audit selection process for the MTC Audit Program. This report was discussed at length. The Audit Committee expressed general approval for the report but there were several items that needed clarification. The Audit Committee asked the sub-committee that worked on the draft to consider clarifying several parts of the report and to submit the revised report to the Audit Committee at the November Audit Committee.

VIII: ADJOURNMENT:

The meeting adjourned at 12:00 PM.

MINUTES
AUDIT COMMITTEE MEETING
PUBLIC SESSION
BISMARCK, NORTH DAKOTA
JULY 24, 2001

I. CALL TO ORDER:

Kim Ferrell, 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:

UT Kim Ferrell	MO Carol Fischer	KS Pat Verschelden
NM Frank Shaffer	NM Diane Vasquez	ID Phil Aldape
OR Janielle Lipscomb	NE Shawn Sookram	NJ Rich Schrader
MO John Feldmann	MN Keith Getschel	MN Larry Wilke
WY Rick Scheer	ND Gary Feist	ND Mary Loftsgard
MT Gene Walborn	KS Monica Holthaus	KS Carol Ireland
ND Blane Braunberger	ND Ross Gordon	AR Danny Walker
SD Denice Houlette	SD Bruce Christensen	ID Joe Randall
WA Forrest Bush	CA Vic Anderson	ID Dick McFarland
NH Chuck Redfern	WI Clay Seth	MN jack Manson
KY Jennifer Hays	MI Carla Ward	AR Tom Atchley
MI Jill McDougall	DC Charles Wilson	ND Harold Aldinger
DC Deborah Cunningham	MTC Steve Yang	CCH Julie Minor
MTC Harold Jennings	MTC Kathleen Stewart	MTC Jeff Silver
MTC Cathy Felix	MTC Les Koenig	MTC Dan Bucks

III. PUBLIC COMMENTS:

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

IV. EXECUTIVE DIRECTOR'S REPORT

Dan Bucks, MTC Executive Director reported on several items. He spoke on the MTC Technology Committee's activities and the progress of the Streamlined Sales Tax Project. He reported that Les Koenig and Harold Jennings are serving on the audit sub-committee for this project.

He also expressed the MTC Executive Committee's desire for development of a plan for expanded joint state auditing.

V. PILOT REGIONAL AUDIT PROGRAM REPORT

Les Koenig, MTC Audit Director issued a written report on the results of the Pilot Regional Audit Program. The report concluded that a task force be formed that would explore ways to expand regional auditing among the states. The report further concluded that a consultant should be retained to facilitate this task force and funds be set aside to complete this work. The Audit Committee approved a motion to recommend that the Executive Committee appoint a task force and retain a consultant.

VI. STATUS OF AUDITING TECHNOLOGY SUB-COMMITTEE

There was discussion on whether the Auditing Technology Sub-committee should continue. The Audit Committee approved a motion to continue this sub-committee and appoint Stan Borowski as chairman of the sub-committee.

VII. DISTRIBUTION OF TRAINING CLASS SURVEYS

Harold Jennings distributed a survey to the Audit Committee. The survey asked what additional classes might be desired by the states. Les Koenig also reported that Harold Jennings would serve as Training Officer for the MTC. Harold will devote about 40% of his time to training and the balance to the Audit Program. The Audit Program Budget will be adjusted appropriately.

VIII. NEW BUSINESS AND ADJOURNMENT

There were items of new business brought before the Audit Committee. The public session of the Audit Committee was adjourned at 9:45AM.