AUDIT COMMITTEE MEETING

PORTLAND, MAINE

JULY 30, 1996

PUBLIC SESSION:

I. CALL TO ORDER:

Tom Atchley called the meeting to order at 8:00 AM and welcomed all those present.

II. ROLL CALL:

Present were the following members and guests:

AR Tom Atchley
ID Joe Randall
WA Ken Capek
KS Carol Ireland
MI Stan Borawski
WI Jack DeYoung
NJ Lee Evans
OR Gary Friezen
UT Julie Packard
NM Rick Bejarano
MA Robert Mood
MO John Feldman
ID Phil Aldape
MN Kathleen Stewart
ME Eileen Beemis
ME Jim Rivers
KY Charlotte Quarles
CA Glenn Bystrom
AK Chuck Harlamert
MT Steve Austin
MT Larry Sullivan
MTC Cathy Bernot
MTC Jeff Silver
MTC Ken Morrow
MTC Steve Yang
MTC Sam Moon
UT Kim Ferrell
MT Lynn Chenowith
NE Shaun Sookram
AL Peter Petrillo
ND Harold Aldinger
NJ Rich Schrader
CO Bob Glidden
UT Rod Marrelli
SD Bruce Christensen
NM Cindy Stearns
MA Joe Lupica
MO Gerry Andert
ID Dick McFarland
HI Romald Randall
ME Tim Paul
KY Jennifer Hays
AZ Leigh Cheatham
UT Val Oveson
AK Mark Grabek
MT Shauna Bingham
MTC Les Koenig
MTC Harold Jennings
MTC Beau Baez
MTC June Summers
MTC Mark Voyda
III APPROVAL OF MINUTES

The public section of the minutes of the March 14, 1996 Audit Committee Meeting in San Diego, California were accepted as submitted.

IV. EXECUTIVE DIRECTOR'S REPORT

Dan Bucks welcomed Missouri and Massachusetts as new members of the Audit Program. Missouri is participating in both taxes while Massachusetts will participate in the sales tax portion of the program.

Dan talked about the audit budget for fiscal year end 6/30/97. Due to the increase in membership in the audit program, additional funds appear to be available for additional auditors. Two additional auditors are scheduled to be hired later in the fiscal year. In addition, the audit budget will be able to support a programmer to assist in developing software for the computer assisted audit project. Dan also recognized the efforts of the Computer Assisted Audit Sub Committee and especially the work of Stan Borawski in chairing that group.

Dan also reported that the MTC filed an Amicus Brief in the General Motors Vs Ohio Tax Case.

Finally, Dan explained the Public Participation Policy Guidelines. The Audit Committee Meeting will be open to the public except when the Audit Committee discusses taxpayer specific information or personnel issues.

V. AUDIT DIRECTOR'S REPORT

Les submitted a written report to the Audit Committee. He also explained the status of the Regional Audit Pilot Program. Currently three of the four states have commenced the audit of the taxpayers. The fourth state will commence the audit it has been assigned in early October. None of the states have experienced any difficulties obtaining the necessary information to conduct the audits.

Les also reported on the status of the Joint Property Tax Audit Project. Originally 6 states were involved in the project. Recently one of the states decided it was not able to participate in the project. Additionally, the lead auditor has contacted the taxpayer to set up an audit appointment for the fall. The taxpayer raised concerns regarding legal issues that would permit the five states to conduct a joint audit. These questions are being addressed by MTC legal council and the individual states. Hopefully these problems will be worked out so that the audit can be conducted in early fall.
VI. NEW BUSINESS

There was no new business items that were discussed. Tom Atchley asked if there were any questions or comments from the general public. There were none and Tom closed the public session of the meeting. The Audit Committee went into the confidential session of the Audit Committee Meeting.