

MINUTES
AUDIT COMMITTEE MEETING
WHITEFISH, MONTANA
AUGUST 5, 1997

PUBLIC SESSION:

I. CALL TO ORDER

Tom Atchley, Audit Committee Chairman called the meeting to order at 1:30PM and welcomed those present.

II. ROLL CALL:

Present were the following members and guests:

AR. Tom Atchley	MI. Stan Borawski
WA. Forrest Bush	ND. Harold Aldinger
ID. Dick McFarland	OR. Gary Friesen
NJ. Larry Gauges	MT. Lynn Chenowith
AL. Dan Bass	AL. Louis Mills
AL Chris Sherlock	MO. John Feldmann
CO. Bob Glidden	KY. Ellen Seibert
MN. Larry Wilkie	MN. Jack Manson
MN. Kathleen Stewart	UT. Rod Marrelli
UT. Kim Ferrell	KS. Karla Pierce
KS. David Weeks	KY. Jennifer Hays
ID. Joe Randall	NM. Rick Bejarano
MT. Bob Chilton	MT. Shana McHugh
MT. Julie Feldman	MT. Brian Staley
CT. Joe Thomas	MT Brad Bruno
MT Steve Austin	MT. Larry Sullivan
MT. Shauna Bingham	AZ. Sharon Sudall
ME. Brian Mahany	CA. Harriet Burt
ID. Mike Scaduto	MTC Les Koenig
MTC Harold Jennings	MTC Cathy Bernot
MTC Jeff silver	MTC June Haas

III. APPROVAL OF MINUTES:

The public section of the minutes of the March 6, 1997 meeting in Charleston, SC. 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:

The Executive Director was not able to attend the meeting and no report was given.

VI. AUDIT DIRECTOR'S REPORT:

Les Koenig, MTC Audit Director submitted a written report to the Audit Committee summarizing the Audit Program's activity for the fiscal year just concluded.

VII. REPORT FROM THE PILOT REGIONAL AUDIT PROGRAM MEMBERS:

Each of the four states participating in the program made a brief report on the experiences each encountered. Dick McFarland from Idaho reported that he would like to continue the program. His auditor encountered some difficulty in completing the audit due to the size of the company he was auditing.

Lynn Chenowith of Montana reported that the pilot program was a good idea. He felt that one audit does not produce the economies of scale that was anticipated. He felt that the first time was a good learning experience and the second time his auditor participated would produce greater economies.

Gary Friesen of Oregon felt his auditor spent more time on his audit than if he had worked on four separate Oregon audits.

Kim Ferrell of Utah reported that this was a good experience. However, his two auditors that were trained for this project have left the Utah department of Revenue and he will need to train the replacements if we continue the project.

The consensus of the Audit Committee was to place this on the agenda for the next meeting. A discussion will be held to see if this program should continue.

VIII. COMPUTER ASSISTED AUDIT SUB - COMMITTEE REPORT:

Stan Borawski, chairman of this sub-committee reported on the meeting on August 4, 1997. The committee felt that the states would like training on statistical sampling. Illinois and Texas utilize this sampling technique and might be able to provide training to our member states. Harold Jennings will contact Illinois and Texas to see if representatives from these states can give a presentation at the next meeting in Washington, DC.

The sub-committee also began exploration of forming an ACL Software users group. Representatives from Missouri, Idaho, New Mexico and Michigan were appointed to explore this possibility and report back to the sub-committee.

Finally, Stan Borawski stepped down as chairman of the sub-committee and Forrest Bush of Washington was recommended to assume leadership of this sub-committee.

IX. NEW BUSINESS:

There was no new business items.

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

Tom Atchley adjourned the public session of the Audit Committee at 2:20PM.

Tom 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. These 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.