

**AUDIT COMMITTEE MEETING  
PUBLIC SESSION-Minutes**

**SPOKANE, WA**

**JULY 27, 2015**

**I. CALL TO ORDER:**

Frank Hales, Audit Committee Chair called the meeting to order at 8:30 A.M. and welcomed the members and guests who were present.

**II. ROLL CALL:**

Present were the following members and guests:

NAME	STATE OR AFFILIATION	NAME	STATE OR AFFILIATION
Phyllis Abe	HI	Greg Matson	MTC
Tom Atchley	AR	Michele Mayberry	AL
Lee Baerlocher	MT	Janice McGee	NM
Karolyn Bishop	WA	Deanna Munds-Smith	AR
Michael Chararun	ID	Marcia Oakman	KY
Bruce Christensen	SD	Matthew Peyerl	ND
Julie Christensen	WI	Steve Reitcheck	WA
Anita Conner	PA	Ken Roberts	ID
Holly Coon	AL	John Ryser	WA
Christi Daniken	OR	Jeff Silver	MTC
Cathy Felix	MTC	Michael Smith	DE
Scott Fryer	AR	Randy Tilley	ID
Keith Getschel	MTC	Stu Vos	IA
Frank Hales	UT	Myles Vosberg	ND
Jeff Henderson	OR	Elliot Werk	ID
Kory Hofland	MT	Steve Wynn	ID
Joe Huddleston	MTC	Steve Yang	MTC
Gary Humphrey	OR	Ken Beier*	MTC
Richard Jackson	ID	Dan Armer*	NM
Leticia Jacobs	HI	Michele Bartolomei*	NJ
Rusty Johnson	TX	Rebecca Berry*	LA
Don Jones	OR	Andrew Glancy*	WV
Hal Jones	TN	Harold Jennings*	MTC
Donald Kuriki	HI	Patrick Kelly*	NJ
Madelaina Lai	HI	Scott Spilinek*	NE
Lynn Lyckman	HI	Bryan Vargas*	KS

\* Participated by telephone

**III. PUBLIC COMMENTS:**

Joe Huddleston addressed the committee since this was going to be his last meeting. He thanked them for their dedicated commitment to the audit program and that it was had been his pleasure to work with them. He welcomed the new states to the program, as well.

**IV. APPROVAL OF MINUTES PUBLIC SESSION:**

The minutes of the public session of the Audit Committee meeting of March 11, 2015 in Kansas City, Missouri were approved with a motion by Randy Tilley.

**V. AUDIT DIRECTOR'S REPORT**

Keith Getschel, Audit Director, referred to his written report on the status of the Audit Program. For the fiscal year end, 6/30/15, the MTC Audit Program has completed 5 income tax audits and parts of 4 others. They have also completed 4 sales tax audit and parts of 8 others. The proposed assessments for the fiscal year ended 6/30/15 were \$85,153,922 for income tax and \$6,064,084 for sales tax.

Keith reported that the commission with the addition of four new states to the audit program and with recent resignations and retirements, the MTC audit program added 4 new auditors to Corporate Income Tax this past fiscal year and are in the process of hiring one auditor to Sales Tax.

Keith reported that the MTC office in Chicago did move from the downtown location, 223 West Jackson Boulevard to 2800 River Road, Des Plaines.

Keith reported on the training events audit staff participated in this past fiscal year. Jeff Silver and Larry Shinder were instructors in an income tax course in Burlington, Vermont in October. Harold Jennings conducted a "Computer Assisted Audit Techniques using Excel" class in Washington, DC in October. Bob Schauer conducted a statistical sampling class, with the assistance of Scott Elliot (from Minnesota) in Georgia, in November. Cathy Felix and Jeff Silver were instructors in an income tax course in Salem, Oregon in April. Harold Jennings and Bob Schauer conducted a statistical sampling class in St. Paul, Minnesota in April.

Keith reported that the MTC audit staff held a training event for all audit staff employees in Chicago, Illinois in May. Thanks to Helen Hecht for providing some excellent training. Greg Matson and Joe Huddleston were also in attendance.

## **VI. TRAINING OPPORTUNITIES**

Ken Beier reminded everyone of the following upcoming training opportunities offered by the MTC training program:

- Statistical Sampling for Sales and Use Tax Audits  
September 21-24, 2015 in Des Plaines (Chicago area), Illinois
- Computer Assisted Audit Techniques Using Excel  
October 6-7, 2015 in Trenton, New Jersey (pending final arrangements)
- Nexus School  
November 17-18, 2015 in Helena, Montana (information coming soon to the MTC website)
- Corporate Income Tax: Principles and Audit Techniques for Allocation and Apportionment  
December 14-15, 2015 in Kansas City, Missouri

## **VII. STRATEGIC PLANNING**

Keith updated the audit committee on the progress of the strategic planning process for the audit program. He presented the final working draft of the Statement of Mission, Statement of Values, Statement of Vision and Statement of Strategic Goals for the Joint Audit program. These, too, were discussed and further developed at the May training meeting in Chicago. Keith will be following up with Elizabeth Harchenko, to let her know the supervisors who volunteer to participate in the next phase of the project, which is to identify a couple of projects that will help the audit program achieve the goals identified.

## **VIII. NEW BUSINESS AND ADJOURNMENT**

There was no other new business to discuss and the public session was adjourned with a motion from Lee Baerlocher. The public session was adjourned at 9:30.