



**To:** Members, Executive Committee

**From:** Frank Hales, Audit Committee Chair  
Lee Baerlocher, Vice Chair

**Date:** October 31, 2017

**Subject:** Report of the Audit Committee

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The audit committee met on July 31, 2017, in Louisville, Kentucky. This is the only meeting of the committee in fiscal year 2018. There were 59 members, guests and staff present during the public session and 59 members and staff present during the closed session of the meeting. There were no members of the public present during the public session, and there were 50 individuals representing 20 audit program states present during the closed session of the meeting.

The audit committee reviewed the status of all the audits in progress. A discussion was held on several income tax and sales tax audits that had significant issues.

The audit committee reviewed the sales tax audit nominations and voting results and moved to add eight new companies into the MTC sales tax audit inventory.

As customary, the audit committee conducted a round table discussion regarding audit leads and issues that individual states are experiencing.

The next audit committee meeting will be November 15, 2017 in New Orleans, Louisiana.