

MINUTES

AUDIT COMMITTEE MEETING

PUBLIC SESSION

SANTA FE, NM.

JULY 29, 2008

I. CALL TO ORDER:

Janielle Lipscomb, Audit Committee Chairman called the meeting to order at 1:00 PM and welcomed the members and guests who were present.

II. ROLL CALL:

Present were the following members and guests:

| | | |
|------------------------|-------------------|---------------------|
| OR Janielle Lipscomb | MT Lee Baerlocher | KS Pat Verschelden |
| CO Doug Pollack | AK Robynn Wilson | WI Roy Davis |
| GA Ed Many | NM Louie Gomez | NM Andrew Coca |
| NM Dan Armer | NM Rebecca Abbo | NM Heidi Chowning |
| NM David Fergeson | ID Reva Tisdale | ND Mary Loftsgard |
| ND Myles Vosberg | WA Kathy Oline | WV Andrew Glancy |
| WY Rick Scheer | DC Charles Wilson | AL Mike Mason |
| LA Liana Techow | LA R. Jay Frost | UT Frank Hales |
| UT Rod Marrelli | UT Bruce Johnson | AR Danny Walker |
| AR Tom Atchley | MN Keith Getschel | OR Eric Smith |
| OR Elizabeth Harchenko | MT Gene Walborn | MN Cathy Wicks |
| MTC Joe Huddleston | MTC Les Koenig | MTC Harold Jennings |
| MTC Cathy Felix | MTC Jeff Silver | MTC Steve Yang |

III. PUBLIC COMMENTS:

There were no comments from members of the public present.

IV. APPROVAL OF MINUTES OF PUBLIC SESSION TUCSON, AZ.

The minutes from the Tucson, AZ. public session held on March 13, 2008 were approved as submitted.

V. AUDIT DIRECTOR'S REPORT

Les Koenig, MTC Audit Director issued a written report on the status of the Audit Program. The MTC Audit Program completed 9 and parts of 2 sales tax audits and 7 and parts of 2 income tax audits for fiscal year end 6/08.

Les also reported Don Johnson resigned as an income tax auditor in August 2007. Joe Nowinski an auditor for Georgia was hired in November to replace Don. Danette Smith, former auditor with Texas was hired in April to fill a vacancy in sales tax area. John Caporal resigned in July as a sales tax auditor. Les also reported that 2 vacancies in audit positions will be filled in later this year.

Les reported that the audit program continued work of updating the MTC Income and Sales Tax Manuals. There are two separate committees comprised of the Commission's Deputy Director, Audit Director, Audit supervisors and auditors meeting weekly to complete this work.

VI. NEW BUSINESS AND ADJOURNMENT

Harold Jennings reported on the MTC Technology meeting of the prior day. The Commission purchased and installed Tumbleweed software for use in closed email environment. The Commission is currently testing the system. The Commission also will issue an RFP for software for audit management software.

Les asked if any states were using FIN 48 information while conducting an income tax audit. No states indicated that they were using this information as yet.

Joe Huddleston introduced Perry Castellani, IRS Chief Government State Liaison who joined the meeting.

The open session meeting was adjourned at 1:25 PM.