

MINUTES

AUDIT COMMITTEE MEETING

PUBLIC SESSION

MINNEAPOLIS, MN.

JULY 31, 2007

I. CALL TO ORDER:

Rich Schrader, 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:

NJ Rich Schrader	GA Anita DeGumbia	GA Ed Many
MN Keith Getschel	MN Cathy Wicks	WV Andrew Glancy
WV Virgil Helton	AK Robynn Wilson	DC Charles Wilson
KS Bryan Vargas	LA Julius Cline Jr.	LA Peggy McKinley
WI Rick DeBano	NE Shaun Sookram	MN Ruth Vegdahl
NM Rebecca Abbo	NM Heidi Chowning	MT Lee Baerlocher
MT Gene Walborn	OR Eric Smith	OR Janielle Lipscomb
HI Tu Duc Phiam	WA Mike Grundhoffer	NJ Lee Evans
UT Frank Hales	UT Rod Marrelli	ID Reva Tisdale
ID Randy Tilley	ND Blane Braunberger	ND Mary Loftsgard
AL Chris Sherlock	KS Joan Wagnon	AL Christy Nandeverder
WY Rick Scheer	SC Joy Causey	SC John Rogers
NH Chuck Redfern	SC Tim Donovan	AR Danny Walker
AR Tom Atchley	MN Larry Wilkie	NM Jan Goodwin
IL Dan Hall	OR Elizabeth Harchenko	COST 3 Guests
MTC Les Koenig	MTC Joe Huddleston	MTC Greg Matson
MTC Harold Jennings	MTC Steve Yang	MTC Cathy Felix
MTC Jeff Silver	MTC Bob Schauer	MTC Larry Shinder
MTC Ken Beier		

Present via the conference call were:

MI Jill McDougall	KY Jay Yale	CO Doug Pollack
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III. PUBLIC COMMENTS:

Steve Kranz representing COST spoke to the Audit Committee. Steve informed us that COST is conducting a survey of its membership on their experiences with an MTC joint audit. COST is asking its membership for recommendations on how to improve the MTC audit process. Steve said that when the surveys are completed, he and several members of COST would like to meet with the MTC audit management staff and discuss their findings. Steve thought the surveys would be finished in the fall.

IV APPROVAL OF MINUTES OF PUBLIC SESSION SAN DIEGO, CA.

The minutes from the San Diego, CA. public session held on March 22, 2007 were approved as submitted.

V. EXECUTIVE DIRECTOR'S REPORT

Joe Huddleston, MTC Executive Director reported on a letter he received from the IRS. After many years of discussions with the IRS, the MTC has reached a memorandum of understanding that allows the MTC to receive information from the IRS.

VI. 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 15 and parts of 2 additional sales tax and 7 and parts of 5 income tax audits for fiscal year end 6/07.

Les also reported that two additional auditors were hired. Robert Schauer from Washington was hired as a Computer Audit Specialist effective December 4, 2006. Dave Nowak from Ohio Department of Revenue was hired as an Income Tax Auditor effective January 29, 2007. Les also reported that 2 additional audit positions are scheduled for fiscal year 6/08 pending approval of the MTC budget for 6/08

Les reported that the audit program began 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.

Les was pleased to report that Georgia has joined the Audit program for sales tax and Illinois has joined for both taxes.

VII. NEW BUSINESS AND ADJOURNMENT

Les took this time to formally recognize Rich Schrader for his 6 year tenure as Audit Committee Chair. Rich was recognized with a plaque thanking him for his work as chair of the committee. The Audit Committee made a recommendation to the MTC Chair to appoint Janielle Lipscomb, Oregon as Chair and Rick DeBano, Wisconsin as Vice Chair of the Audit Committee

The open session of the Audit Committee Meeting adjourned at 1:30 PM.