

MINUTES

AUDIT COMMITTEE MEETING

PUBLIC SESSION

TOPEKA, KS.

AUGUST 15, 2006

I. CALL TO ORDER:

Rich Schrader, Audit Committee Chairman called the meeting to order at 8:00 AM and welcomed the members and guests who were present.

II. ROLL CALL:

Present were the following members and guests:

NJ Rich Schrader	OR Eric smith	OR Janielle Lipscomb
ID Joe Randall	WI Lee Davison	UT Frank Hales
UT Rod Marrelli	ND Mary Loftsgard	WV Andrew Glancy
MT Lee Baerlocher	WA Grundhoffer	KS Pat Verschelden
NM Heidi Chowning	NM Diana Vasquez	NM Rebecca Abbo
NJ Lee Evans	KS Charla Wagner	AK Robynn Wilson
NE Jack Ehler	NE Scott Spilinek	AR Danny Walker
MN Keith Getschel	MN Larry Wilkie	AL Mike Mason
AL Alison Tores	SD Bruce Christensen	WY Rick Scheer
WY Gerald Jackson	KS Carol Ireland	KS Mike Boekhaus
MTC Les Koenig	MTC Harold Jennings	MTC Jeff Silver
MTC Cathy Felix	MTC Greg Matson	MTC Joe Huddleston

Present via the conference call were:

CO Christina Manthey	KY Wayne Bird	MTC Steve Yang
MO Scott Leary	MO Dan Tevis	

III. PUBLIC COMMENTS:

There were no comments from the public sector.

IV. APPROVAL OF MINUTES OF PUBLIC SESSION NASHVILLE, TN.

The minutes from the Nashville, TN. public session held on March 16, 2006 were reviewed and approved.

V. EXECUTIVE DIRECTOR'S REPORT

The MTC Executive Director welcomed all those attending the MTC Committee Meetings. He reported that a main emphasis of the MTC was to enhance system supports to help the States communicate with each other and the MTC in a secure environment.

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 6 sales tax and 9 income tax audits for the fiscal year. In addition parts of 3 additional income tax audits have been completed and sent to the states which were completed.

Les also reported that he and Cathy Felix were instructors for an income tax training class that was held in Montana during March 2006. Les, Cathy and Jeff Silver will participate in an income tax class in Oregon during the week of October 1, 2006.

Les also reported that the budget for fiscal year 6/07 includes two additional auditor positions. One will be an income tax auditor and the other a computer auditor specialist for sales tax. These positions will be advertised in early fall.

VII REPORT FROM AUDITING TECHNOLOGY SUB-COMMITTEE

Bruce Christensen the chair of this sub-committee reported on the Sub-Committee's meeting held on August 14, 2006. Bull Corporation made a presentation on its new statistical sampling software. The sub-committee also encouraged the MTC to develop a new class on computer assisted auditing. Bruce also explained the sub-committee request to move to two meetings a year instead of the current three times. The Audit Committee moved to do this and was approved by the Committee. This sub-committee will meet twice a year; in the spring and at the Annual Meeting.

Harold Jennings distributed the latest version of the MTC Sampling Manual. Harold explained several changes from the earlier version. Harold will hold a teleconference for interested parties in October, 2006. It is expected that adoption of the final version of this Manual will be done at the November Audit Committee Meeting.

VIII NEW BUSINESS AND ADJOURNMENT

Les Koenig brought a request from the Uniformity Committee. That Committee is working on a proposed statistical sampling regulation. The Uniformity Committee would like input from interested members of the Audit Committee. Les asked that any comments be directed to him before August 31, 2006 and he will forward them directly to the Uniformity Committee.

Les also reported that the next Audit Committee Meeting will be held at the Adams Mark Hotel in St. Louis, Missouri during the week of November 13, 2006.

The open session of the Audit Committee Meeting adjourned at 9:00 AM.