

MINUTES

AUDIT COMMITTEE MEETING

PUBLIC SESSION

SAN DIEGO, CA.

JULY 23, 2013

I. CALL TO ORDER:

Rick DeBano, Audit Committee Chair called the meeting to order at 8:30 AM and welcomed the members and guests who were present.

II. ROLL CALL:

Present were the following members and guests:

WI Rick DeBano	AL Chris Sherlock	AK Robynn Wilson
AR Tom Atchley	AR Walter Anger	GA Peter Donnelly
HI Phyllis Abe	HI Leticia Jacobs	HI Donald Kuriki
HI Lynn Lyckman	HI Madelaina Lai	ID Michael Chakarun
ID Tom Katsilometes	ID Ken Roberts	ID Randy Tilley
LA J A Cline	MO John Mellonkop	MT Gene Walborn
MT Lee Baerlocher	NM Rebecca Abbo	NC Lennie Collins
ND Matt Peyerl	ND Myles Vosberg	OR Gary Humphrey
OR Julie Anderson	UT Frank Hales	
MTC Harold Jennings	MTC Jeff Silver	MTC Benjamin Abalos
MTC Ken Beier	MTC Thomas Shimkin	MTC Steve Yang

Present via teleconference:

IL Dan Hall	KS Mike Boekhaus	KS Bryan Vargas
MA Joel Brodsky	MO Scott Leary	NJ Pat Kelley
NJ Michele Bartolomei	OR Kati Lali	OR Steve Bouchard
TN Stacy Gibson	TN Joan Cagle	WV Andrew Glancy
Sprint Terry Frederick	MTC Les Koenig	

III. PUBLIC COMMENTS:

There were no comments from members of the public present at the meeting.

IV. APPROVAL OF MINUTES PUBLIC SESSION:

The minutes of the public session of the Audit Committee meeting of March 7, 2013 in St. Louis were approved after a minor error was noted by Gary Humphrey of Oregon.

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 12 sales tax audits and parts of 4 other sales tax audits for the year. Also, the Audit Program completed 5 parts of 9 income tax audits for fiscal year end 6/13. The total proposed assessments for the year were \$47,686,035. Les also reported that one sales tax auditor and a new administrator assistant were hired in Chicago.

Les also informed the audit committee that Minnesota has dropped its participation in the MTC Joint audit program.

VI. TRAINING

Ken Beier gave a brief report on upcoming training opportunities.

VII. REPORTS FROM AUDIT SELECTION AND NO CHANGE AUDIT COMMITTEES

Rick DeBano led a discussion on the audit selection committee of the strategic planning process and explained the purpose was to reduce the time of nominations procedures and to select better quality audits. The written report from the committee was provided to the audit committee prior to the audit committee meeting. The audit committee voted and approved to accept the recommendations by the committee for the revised audit nomination process.

Frank Hales and JA Cline led a discussion on early no change committee. Much of the discussion related to the procedures and circumstances whereby states would be dropped from an MTC audit; and also procedures and circumstances whereby there would be early closure of an entire MTC audit due to lack of audit potential. The written report from the committee was provided to the audit committee prior to the audit committee meeting.

The audit committee voted and approved to accept the recommendations by the committee for the early no change procedures and processes.

IX. NEW BUSINESS AND ADJOURNMENT

There was no new business item and public session was adjourned at 10:00 AM.