The audit committee met three times thus far in fiscal year 6/12. They first met on July 26, 2011 in Whitefish, Montana. There were 47 members, guests and staff present at the meeting. There were 41 individuals representing 20 audit program states present. There were no members of the public present at the meeting.

The audit committee reviewed the status of all the audits in progress. A discussion was held on 9 income tax and 3 sales tax audits that had significant issues. The audit committee expressed its satisfaction with the status of the audits in progress.

The audit committee conducted a round table discussion regarding audit leads and issues that individual states are experiencing. The audit committee also participated in the SWOT discussion chaired by Elizabeth Harchenko.

A follow up discussion on improving the audit program was held during the audit committee meeting. The audit committee formed a small sub-committee to further explore ways to improve the audit program. This sub-committee met on September 27 and October 19 to develop recommendations to the audit committee.

The audit committee met a second time via a teleconference on November 16, 2011. There were 43 members, staff and members of the public present at the meeting. There were 33 individuals representing 22 audit program states present. The main topic during the public session was to approve the recommendations forwarded by the sub-committee on ways to improve the audit program. The public session was adjourned and a new teleconference call was established for the closed session. There were 39 members and staff
present for the closed session. The audit committee reviewed the status of all the audits in progress. A discussion was held on 12 income tax and 5 sales tax audits that had significant issues. The audit committee expressed its satisfaction with the status of the audits in progress. The audit committee also selected 11 companies for the MTC income tax program.

The audit committee met for a third time in Nashville Tennessee on March 8, 2012. There were 36 members present or attended via a teleconference representing 21 states.

The audit committee reviewed the status of all the audits in progress. A discussion was held on 14 income tax and 5 sales tax audits that had significant issues. The audit committee expressed its satisfaction with the status of the audits in progress.

The audit committee held a lengthy discussion on revamping the audit selection criteria for both income and sales tax. The audit director prepared a draft for each tax. The audit committee recommended many revisions and asked the audit director to reflect these changes. The audit director will make changes and the committee will review and approve at a special meeting.

The audit committee conducted a round table discussion regarding audit leads and issues that individual states are experiencing.