



**MULTISTATE TAX COMMISSION**

*Working Together Since 1967 to Preserve Federalism and Tax Fairness*

**To: Members, Executive Committee**

**From: Rick DeBano, Audit Committee Chair**  
**Frank Hales, Vice Chair**

**Date: November 15, 2012**

**Subject: Report of the Audit Committee**

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The audit committee met one time thus far in fiscal year 6/13. They first met on July 31, 2011 in Grand Rapids, Michigan. There were 47 members, guests and staff present at the meeting. There were 36 individuals representing 24 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 14 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.

Five individuals from the audit committee met on August 2 and 3 with Elizabeth Harchenko as part of the compliance subcommittee to recommend issues to bring to executive committee to improve the audit program. Also in attendance were Les Koenig, Harold Jennings, Cathy Felix and Larry Shinder representing the MTC audit program.