

**MINUTES**  
**AUDIT COMMITTEE MEETING**  
**PUBLIC SESSION**  
**MADISON, WISCONSIN**  
**JULY 30, 2002**

**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  | UT Frank Hales       | AK Robyn Wilson      |
| MO. John Feldmann | ND Blane Braunberger | ND Gary Anderson     |
| MN Larry Wilkie   | SD Bruce Christensen | MI Jill McDougall    |
| MI Carla Ward     | WI Roy Davis         | WI Dan Davis         |
| WI Rick DeBano    | KY Jennifer Hayes    | WV Alice Hall        |
| WV Stephen Crouse | DC Charles Wilson    | AL Louis Mills       |
| AL Dan Bass       | AR Tom Atchley       | AR Danny Walker      |
| TX Tony Luna      | MO. Carol Fischer    | CO Bill Speckman     |
| ID Joe Randall    | ID Dick McFarland    | WA Ken Capek         |
| MTC Les Koenig    | MTC Dan Bucks        | MTC Harold Jennings  |
| MTC Steve Yang    | MTC Sheldon Laskin   | MTC Kathleen Stewart |

**III. PUBLIC COMMENTS:**

There were no comments from the public sector present at the meeting.

**IV. APPROVAL OF MINUTES OF PUBLIC SESSIONS TUCSON, AZ.**

The minutes from the Tucson, AZ public session held on March 20, 2002 were approved as submitted.

**V. REPORT FROM EXECUTIVE COMMITTEE LIAISON**

Carol Fischer welcomed all those attending the meetings. She talked about the importance of the state's to respond to the cooperative auditing study being conducted by Kathleen Stewart.

**VI. EXECUTIVE DIRECTOR'S REPORT**

Dan Bucks, MTC Executive Director welcomed and thanked all those attending the meetings. He announced that West Virginia and Louisiana had joined the Audit Program and that Wisconsin would also soon join as soon as the audit contract was completed.

Dan also talked about the aggressive planning being done by public accountants and corporations in the income tax area. He cited several examples from recent newspaper articles. He also gave an update on House Bill 2625 regarding income tax nexus.

**VII. AUDIT DIRECTOR'S REPORT**

Les Koenig, MTC Audit Director issued a written report on the status of the Audit program. He also reported that the Audit program remains fully staffed. Les also reported that the New York Audit Office relocated out of down town Manhattan and moved to suburban New York due to rising rent costs.

**VIII. REPORT FROM SALES TAX AUDITING TECHNOLOGY SUB-COMMITTEE**

Bruce Christensen reported on the sub-committee's meeting on July 29, 2002. The Sub-Committee sought direction from the Audit Committee for new projects. Dan Bucks suggested that the Sub-Committee work on developing auditing procedures that can be used to audit service providers for companies that elect to participate in the project.

Harold Jennings reported on the various training courses that were held recently. Harold also distributed a Statistical Sampling Manual to the states. He asked that the states review the manual and be prepared to discuss at the next Audit Committee Meeting. Harold would like to adopt the Manual for use by the MTC for sales tax auditing purposes.

**IX. COOPERATIVE AUDITING REPORT**

Kathleen Stewart, consultant for this project, gave a report on the history of the project and where it stands to date. She requested that those states that have not responded to the surveys do so as soon as possible. She also distributed a written report on this project.

X. NEW BUSINESS AND ADJOURNMENT

Dan Bucks recognized three long time members of the Audit Committee who either recently retired or will do so soon. He thanked Harold Aldinger, ND; Stan Borowski, MI; and Ken Capek, WA for the work and support they provided the MTC Audit Program.

The open session adjourned at 9:15AM.