



MULTISTATE TAX COMMISSION

To: Members, Executive Committee

From: Frank Hales, Audit Committee Chair
Lee Baerlocher, Vice Chair

Date: November 5, 2020

Subject: Report of the Audit Committee

The audit committee last met on July 28, 2020. This was the first meeting of the committee in fiscal year 2021. There were 92 members, guests and staff present during the public session and 72 members and staff present during the closed session of the meeting. There were 9 members of the public present during the public session, and there were 50 individuals representing 25 audit program states present during the closed session of the meeting.

During this meeting, the audit committee reviewed the status of all audits, in progress or recently closed. The audit committee also reviewed audit narratives provided by some taxpayers under MTC audit. Last year, the audit committee voted to allow taxpayer provided narratives, alongside staff provided narratives, to be included in the audit committee materials.

During the closed session of the meeting, the audit committee asked the Audit Director to propose a more detailed format for reporting audit results. Audit results for the Joint Audit Program have historically been limited to the amount of proposed assessments.

The audit committee will meet for the second time in fiscal year 2021 on November 17, 2020 during the MTC fall meetings which will be held via teleconference.