

MINUTES

AUDIT COMMITTEE MEETING

PUBLIC SESSION

NASHVILLE, TN.

MARCH 16, 2006

I. CALL TO ORDER:

Rich Schrader, Audit Committee Chairman called the meeting to order at 1:00 PM and welcomed the members and guests who were present.

II. ROLL CALL:

Present were the following members and guests:

NJ Rich Schrader	ID Joe Randall	MT Gene Walborn
MT Lee Baerlocher	WI Lee Davison	NJ Lee Evans
MI Tyson Howard	UT Frank Hales	WY Rick Scheer
NM Heidi Chowning	LA Kurt Van Brocklin	TN Joan Cagle
OR Janielle Lipscomb	WA Kathy Oline	MN Keith Getschel
MN Larry Wilkie	AL Holly Hinson	ID Barbara Nichols
ND Mary Loftsgard	WI Rick DeBano	NM Diana Vasquez
NM Rebecca Abbo	MTC Ken Beier	MTC Sheldon Laskin
MTC Cathy Felix	MTC Steve Yang	MTC Joe Huddleston
MTC Les Koenig	MTC Harold Jennings	MTC Jeff Silver

Present via the conference call were:

CO Christina Manthey	KY Wayne Bird	KY Jay Yale
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III. PUBLIC COMMENTS:

There were no comments from the public sector.

IV. APPROVAL OF MINUTES OF PUBLIC SESSION WASHINGTON,DC.

The minutes from the Washington, DC. public session held on November 8, 2005 were reviewed and approved.

V. EXECUTIVE DIRECTOR'S REPORT

The MTC Executive Director welcomed all those attending the MTC Committee Meetings. He reported that a main emphasis of the MTC was to enhance system supports to help the States communicate with each other and the MTC in a secure environment. He also reported on the status of the hiring process for the new Deputy Director for the MTC. He has received a number of resumes and hopes to hold interviews in April 2006.

VI AUDIT DIRECTOR'S REPORT

Les Koenig, MTC Audit Director issued a written report on the status of the Audit program. Les reported that 2 sales tax audits were completed for the second quarter of fiscal year end 6/30/06. The MTC Audit Program has completed 4 sales tax and 1 income tax audits for the fiscal year. In addition parts of 3 additional income tax audits have been completed and sent to the states which were completed.

Les also reported that he and Cathy Felix were instructors for an income tax training class that was held in Montana during March 2006 Les further reported that Alaska made a request to join the MTC Joint Audit Program beginning on March 1, 2006. The Audit Committee formally approved this request by unanimous consent.

VII REPORT FROM AUDITING TECHNOLOGY SUB-COMMITTEE

Harold Jennings in lieu of the chair of this sub-committee reported on the Sub-Committee's meeting held on March 14, 2006. Illinois personnel made a presentation on its wireless connection used by auditors. The state's personnel present at the meeting were very interested in possible ways to bring this technology to their states. Harold reported that the draft of the MTC Sampling Manual will be placed on the MTC Web Site and ask for comments from industry. We are asking that comments be received within 60 days.

Harold reported that there will be two sampling classes in the next several months. One will be held in Oklahoma City and the other in Portland, Maine. A discussion followed on the possibility of opening the statistical sampling training to industry. There were many pros and cons discussed. An informal poll was taken on whether a state would send personnel to the training if industry were present. Six states said they would send their staff to the training while 16 states they probably would not send their staff if industry was present. Harold was instructed to open one of his training sessions to industry on a trial basis.

Finally, Harold talked about possibly developing a Computer Audit Specialist Class. Several States have approached Harold with this idea. This class would be very intensive and probably last 6 to 8 weeks. Harold was given permission to further explore this idea and report back in the future.

VIII NEW BUSINESS AND ADJOURNMENT

Rich Schrader held a vote on the location for next years spring meeting. The following was the result of the voting process.

San Diego	14
Charleston, SC	13
Tucson, AZ	12
Savannah GA.	5

The open session of the Audit Committee Meeting adjourned at 2:00 PM.