

MINUTES

AUDIT COMMITTEE MEETING

ST PETERSBURG, FLORIDA

MARCH 26, 1998

PUBLIC SESSION:

I. CALL TO ORDER

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

II ROLL CALL

Present were the following members and guests:

UT. Kim Ferrell	MN. Kathleen Stewart
AL. Louis Mills	AL. Dan Bass
AR. Tom Atchley	MO. Carol Fischer
MO. John Feldman	MO. Diane Luebbing
ND. Blane Braunberger	NM. Rick Bejarano
NM. Marilyn Hill	MI. Dave Husted
MI. Stan Borawski	ND. Harold Aldinger
ID Dick McFarland	ID. Joe Randall
MT. Steve Austin	ID. Dustin Rhodes
KY. Jennifer Hayes	ME. Eileen Bemis
KY. Ellen Seibert	KY. Jimmy Greenwell
MN. Larry Wilkie	AL. Chris Sherlock
CO. Bob Glidden	WA. Ken Capek
WA. Forrest Bush	NH Chuck Redfern
NM Frank Shaffer	KS Pat Verschelden
MTC Les Koenig	MTC Dan Bucks
MTC Jeff Silver	MTC Harold Jennings
MTC Cathy Bernot	

III. APPROVAL OF MINUTES:

The public section of the minutes of the October 28, 1997 meeting in Washington, DC were approved as submitted

IV. PUBLIC COMMENTS:

Kim Ferrell opened the floor for any public comments. There were no public comments from the floor.

V. EXECUTIVE DIRECTOR'S REPORT:

Dan Bucks, Executive Director made a verbal report. Dan reported on the preparations of the budget for next fiscal year. He also gave a report on electric utility deregulation and technology proposals for the Commission.

VI. AUDIT'S DIRECTORS REPORT:

Les Koenig, MTC Audit Director submitted a written report to the Audit Committee summarizing the activity of the Audit Program through January 31, 1998 for the current fiscal year. Les discussed the attached schedules which explain the revised the method of reporting completed audit hours on income tax audits. The Audit Committee approved the revised method of reporting completed audit hours.

Harold Jennings, MTC Audit Supervisor discussed a recent problem the sales tax staff has been experiencing with the waiver form. Rene Blocker, MTC Counsel was asked to attend this portion of the meeting and offer legal advice regarding the waiver form. After discussion, the Audit Committee asked Rene to draft a survey to be sent to the states and suggest ways to revise the waiver form to eliminate the problems the audit program has been experiencing.

VII. REGIONAL AUDITING PILOT PROJECT:

Les Koenig reported on the status of this project. Three of the states have completed the audits, while the fourth state is nearing completion.

VIII. TECHNOLOGY AND AUDITING:

Forrest Bush, chairman of this sub-committee made a verbal report of the meeting of this sub-committee held on Monday, March 23, 1998. Forrest reported that Dan Hall a representative from the Illinois Department of Revenue gave a presentation on sampling techniques. Forrest also reported that the state of Texas provided training in this sampling to many of the member states in February. Forrest also reported that an ACL Software Users Group Steering Committee was formed to investigate training needs and formation of a possible Internet cite for this users group.

Eileen Bemis from Maine reported that she has received calls indicating that the IRS would go paperless with all of its vendors.

IX. NEW BUSINESS:

There was no new business brought before the Audit Committee.

X. PUBLIC SESSION OF AUDIT COMMITTEE ADJOURNED; CLOSED SESSION ANNOUNCED.

Kim Ferrell adjourned the public session of the Audit Committee at 1:50PM.

Kim announced that, as previously described in the notice for the meeting, the Audit Committee would conduct a closed session to consider the items on the public notice of the meeting. These items are being considered in close session because they involve the consideration of confidential taxpayer information or data the disclosure of which is prohibited by law.