

MINUTES

AUDIT COMMITTEE MEETING

PUBLIC SESSION

WASHINGTON, DC

NOVEMBER 17, 1998

I. CALL TO ORDER:

Kim Ferrell, Audit Committee Chairman called the meeting to order at 8AM and welcomed the members and guests who were present.

II. ROLL CALL:

Present were the following members and guests:

UT. Kim Ferrell	KY. Ellen Siebert	KY Larry O’Nan
AR. Tom Atchley	AL. Louis Mills	MI. Dave Husted
MI. John Ray	MO. Diane Luebbering	MO. Gerry Andert
MO. Joe Evans	DC. Hattie Stancil	NM. Marilynn Hill
NM. R. Cameron Hull	UT. Rod Marrelli	NM. Ron Cruz
MT. Don Hoffman	MT. Eugene Walborn	NM. Frank Shaffer
NJ. Rich Schrader	NJ. Larry Gauges	SD. Bruce Christensen
WA. Forrest Bush	DC. Greg Barcase	DC. Tom Kerwin
ID. Joe Randall	MN. Cathy Wicks	MN. Kathleen Stewart
ND. Gary Anderson	OR. Gary Friesen	ND. Harold Aldinger
ID. Dick McFarland	PDI Steve Guynes	PDI. Paden Neeley
ID. Phil Aldape	CN. Joe Thomas	NH. Chuck Redfern
MS. Bob Mood	KY. Jennifer Hayes	WI. Kathy Heuer
MN. Jack Mansun	MD. Keith Akers	MD. Mary Evans
MO. Carol Fischer	MTC. Les Koenig	MTC Dan Bucks
MTC Jerry Akins	MTC Harold Jennings	MTC Cathy Felix
MTC Jeff Silver	MTC Beau Baez	

III. APPROVAL OF MINUTES:

The public section of the minutes of the August 4, 1998 meeting in Dana point, California was 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 also reported on the new data base project for the Commission and the NTA sales tax simplification project.

VI. AUDIT DIRECTOR'S REPORT:

Les Koenig, MTC Audit Director submitted a written report to the Audit Committee summarizing the activities of the Audit Program through September 30, 1998. A suggestion was made to prepare an orientation packet for new members of the Audit Committee. Les will prepare a packet for review during the next Audit Committee Meeting.

VII. PDI PRESENTATION:

PDI representatives made a presentation about the classes offered for computer training in sales tax auditing. The MTC and several other states sent auditors to previous classes and found them quite helpful. PDI encouraged other states to attend the class scheduled for the fall of 1999.

VIII. WAIVER DISCUSSION:

Revised waiver forms were distributed to the Audit Committee members. There were still several items on the waiver forms that needed changes. The MTC will make the necessary changes and resubmit the revised waiver forms for acceptance.

IX. AUDIT NEEDS SURVEY DISTRIBUTION:

Les distributed a survey to the Audit Committee members asking for information concerning state audit needs. Les will summarize the results and submit them at the next Audit Committee Meeting.

X. TECHNOLOGY AND AUDITING:

Forrest Bush, chairman of this subcommittee reported on its meeting held on November 16, 1998. The subcommittee recommended that the MTC explore the possibility of retaining a consultant to assist the states in defending statistical sampling techniques developed by the states. This motion was passed the Audit Committee. Harold Jennings will set up meetings with two professors to explore the costs to retain them as expert witnesses.

XI. NEW BUSINESS:

There was no new business item brought before the committee.

XII. PUBLIC SESSION OF AUDIT COMMITTEE ADJOURNED; CLOSED SESSION ANNOUNCED:

Kim Ferrell adjourned the public session of the Audit Committee at 10:30AM.

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.