

MINUTES
Legislative Post Audit Committee
January 22, 2014

Call to Order

Welcome by the Chair. The meeting was called to order by Chair Longbine at 12:10 p.m. in Room 118-N of the Statehouse. Committee members present:

Senator Jeff Longbine, Chair	Representative John Barker, Vice-Chair
Senator Anthony Hensley	Representative Tom Burroughs
Senator Laura Kelly	Representative Virgil Peck, Jr.
Senator Julia Lynn	Representative Ed Trimmer
Senator Michael O'Donnell	

Presentation of Contracted Audits

2013 Performance Audit of the Kansas 911 System. This year's audit was conducted by the CPA firm of Stone Carlie under contract with Legislative Post Audit. The audit was presented by Kevin Reynolds, Senior Auditor, and Abbey Echele, Staff Auditor, Stone Carlie.

Representative Barker asked whether other nearby states have a functioning VoIP system for E911 calls. Representative Burroughs noted that Stone Carlie cited only the average deficit for all PSAPs, and asked for information about the largest deficits. He also asked if the auditors had an opinion on a reasonable amount of funding PSAPs should be allowed to retain, beyond which excess funds could be redistributed to other PSAPs with a deficit. Mr. Reynolds said he would review his workpapers and provide a response to the committee.

Senator Lynn made a motion to accept the audit. Senator O'Donnell seconded the motion; motion carried. All legislators will receive the audit highlights document and full copies of the audit will be distributed to the chairs, vice-chairs, and ranking minority members of the following committees:

Senate:

- Ways & Means Committee
- Utilities Committee

House:

- Appropriations Committee
- Utilities and Telecommunications Committee

Joint:

- Joint Telecommunications Study Committee

Representative Burroughs asked that the report also be provided to the EMS Board.

Performance Audit Topics

Legislator requests for audits (first-time requests). Justin Stowe, Deputy Post Auditor, reviewed for members a first-time request from Representative Bill Sutton for an efficiency audit of the Gardner-Edgerton school district. Representative Sutton addressed the committee in support of his request.

Reconsideration of Previous Topic. Scott Frank, Legislative Post Auditor, told members that the original scope statement for the audit of the Sexual Predator Treatment Program at Larned State Hospital was approved in March 2013. That scope included three questions about the program. Shortly after the audit started, staff became aware of two studies that appeared to significantly overlap Questions 1 and 2 of the scope statement. To avoid potential duplication in work, the committee decided in May 2013 to delay audit work on the first two questions of the scope statement, until January 2014, pending the results of the other work.

Senator Kelly moved that the division move forward on the second part of the audit. Representative Barker seconded the motion; motion carried.

School District Efficiency Audits

Update on School Selection. Mr. Frank told members that for fiscal year 2014, staff did not receive any volunteers in the large-district category and held a lottery on October 15 to select a district at random. The Auburn-Washburn school district was selected, but on January 15 the committee granted the district a one-year exemption in recognition of an ongoing audit by the Internal Revenue Service which has consumed a significant amount of staff time. With the appeal for the Auburn-Washburn district granted, the next district selected in the lottery was the Emporia school district. However, under K.S.A. 46-1133(a)(2), a district that has participated in a similar efficiency audit in the previous five years is exempted from selection.

The Chair indicated that because he is from Emporia, he would abstain from any discussion of an audit of the Emporia school district. In December 2009, the Emporia school district participated in an efficiency audit through the Center for Innovative School Leadership (CISL) at Emporia State University. CISL was created

by the Legislature in 2004 for the purpose of conducting comprehensive efficiency and effectiveness reviews of school districts.

Although the statute gives a five-year exemption to districts that have participated in a similar efficiency audit, under the committee's rules, the committee makes the final determination as to what constitutes a "similar" audit. Mr. Frank asked members for a determination on whether it will accept the CISL audit as "similar" under the statute.

Members' discussion of the similarity of CISL and LPA reports centered around whether the CISL audit provided quantified information to the extent found in a staff audit report, whether there was any oversight or follow-up on a district's compliance with the recommendations, and whether CISL maintains documentation of its audit work to the extent LPA does. Senator Kelly also wondered how CISL is funded, and whether the state is redundantly providing funding for competing audit operations.

Representative Peck noted that K.S.A. 46-1133 requires audited school districts to post a summary of the report, along with recommendations, on the school's website. He asked Revisor staff if that requirement would apply to the "similar" audit contemplated by the statute. Staff said they would research the matter.

After discussion, Senator Kelly moved that the committee disallow the CISL audit, and as a result, have staff move forward with the Emporia school district audit. Senator Lynn seconded the motion. The motion carried, with Representative Trimmer voting no and Senator Longbine abstaining.

The committee discussed whether and how to address Representative Sutton's request for an efficiency audit of the Gardner-Edgerton district. Mr. Frank suggested it might be possible for the committee to authorize the audit now, and designate it as counting toward the school-district audit requirement for 2015, although he deferred to the Revisor's Office for a final determination on that point.

Representative Trimmer moved to delay further consideration of Representative Sutton's request until consideration of audit topics at the committee's April meeting. Senator Lynn seconded. Motion carried.

Wrap-Up

Additional business. There was no additional business to bring before the committee.

