

**MINUTES**  
**Legislative Post Audit Committee**  
**March 4, 2015**

**Call to Order**

**Welcome by the Chair.** The meeting was called to order by Chair Barker at 12:07 p.m. in Room 118-N of the Statehouse. Committee members present:

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

**Approval of Minutes.** Senator O'Donnell moved approval of the February 18 minutes. Representative Trimmer seconded the motion; motion carried.

**Consideration of Audit Topics**

**First-time audit requests.** Justin Stowe, Deputy Post Auditor, briefed the committee on two new requests for performance audits, dealing with rural opportunity zones (requested by Representative Couture-Lovelady) and implementation of the KEES system (requested by the House Appropriations Committee). Mr. Stowe asked that the chair recognize Representative Carpenter to address the committee in support of his KEES implementation audit request. Representative Carpenter delivered brief comments.

Mr. Stowe reminded members that if they took no action, the audit requests will automatically be added to the list of audit topics to be considered at a future meeting.

Representative Mast moved approval of the KEES audit topic. Senator Kelly seconded the motion; motion carried.

Mr. Stowe asked for the committee's guidance on where the newly approved audit project should go on the current schedule. Representative Mast moved that the KEES audit start in July, in the next available spot on the audit schedule. Senator O'Donnell seconded the motion. Senator Kelly made a substitute motion, seconded by Representative Trimmer, to start the KEES audit in place of the just-started KPERS fraud controls audit. After discussion, the chair called for a vote on the substitute motion; the substitute motion failed. Representative Mast restated her

original motion; motion carried.

**Revisited audit request.** Mr. Stowe reminded members that at the October 2014 meeting, Representative Bradford requested an audit dealing with workers compensation pharmacy benefits. At that meeting, the committee agreed by consensus to revisit the request once the audit of pharmacy benefits under the State Employee Health Plan was completed. That audit was presented at the February 18 meeting.

Because no member moved to approve the audit, the chair indicated the topic would go in the list for later consideration.

### **Presentation of Staff Audits**

***Sales Tax and Revenue Bonds: Evaluating the Heartland Park STAR Bond Project.*** This audit was presented by Kristen Rottinghaus, Senior Auditor.

The following officials were present to answer questions:

#### *City of Topeka*

- Chad Sublet, City Attorney
- Doug Gerber, Director of Admin and Financial Services
- Brandon Kauffman, Chief Fiscal Officer
- Phil Wolfe, Bond Counsel

#### *Department of Commerce*

- Steve Kelly, Deputy Secretary
- Dan Lara, Deputy Secretary
- Bob North, Chief Attorney

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

#### *House Committees*

- Commerce, Labor and Economic Development
- Taxation
- Local Government
- Appropriations

*Senate Committees*

- Commerce
- Assessment and Taxation
- Local Government
- Ways & Means

Representative Mast moved to adopt the report recommendations. Senator O'Donnell seconded the motion. Senator Hensley suggested the committee have a bill drafted, then ask an exempt Senate committee to introduce it. Scott Wells, Senior Assistant Revisor of Statutes, said he would have Revisor staff assigned to the Senate Commerce Committee—the committee most likely to be assigned the resulting bill—get with Post Audit staff, with the intent to have a bill for members to review at next week's meeting. The chair did not call for a vote, so it remained an open motion.

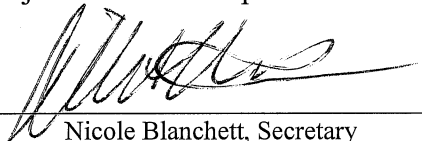
**Wrap-Up**

**Additional business.** Scott Frank, Legislative Post Auditor, told the committee that the division soon would be reissuing the recent pharmacy audit report to correct an error.

**Date of the next meeting.** The next meeting will be Wednesday, March 11. Also, a meeting has been scheduled for April 23.

**Adjournment**

The meeting adjourned at 12:46 p.m.

  
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Nicole Blanchett, Secretary  
Legislative Post Audit Committee

4/29/15  
date

*All handouts and other documents referred to in these minutes are on file with Legislative Post Audit. Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim and have not been submitted to the individuals appearing before the committee for editing or corrections.*