

**MINUTES**  
**Legislative Post Audit Committee**  
**March 5, 2014**

**Call to Order**

**Welcome by the Chair.** The meeting was called to order by Chair Longbine at 12:12 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 Peggy Mast
Senator Laura Kelly	Representative Virgil Peck, Jr.
Senator Julia Lynn	Representative Ed Trimmer
Senator Michael O'Donnell	

**Approval of Minutes.** Representative Mast moved approval of the minutes of the meetings on January 15 and 22, and February 12. Representative Barker seconded the motion; motion carried.

**Previous Items Needing Approval**

Justin Stowe, Deputy Post Auditor, reminded members that at its February 12 meeting the committee was unable to take action on several items requiring approval because it lacked a quorum. He asked that members reconsider and vote on the following items.

**Economic Development Performance Audit Part (Part II).** Senator Hensley moved acceptance of this performance audit. Senator Kelly seconded the motion. Motion carried.

**Reconsideration of Previous Topic – Economic Development (Part III).** Mr. Stowe told members that staff is not sure there is much value in evaluating the performance of the Bioscience Authority's programs in the third part of the audit. As a result, staff asked the committee to remove the Bioscience Authority from the current scope statement. Instead, staff will focus on evaluating the major economic development programs administered by the Department of Commerce.

Representative Mast made a motion to remove the Bioscience Authority from the current scope statement and to have staff focus on evaluating the major economic development programs administered by the Department of Commerce. Senator Kelly seconded the motion. Motion carried.

**Three-Year Compliance and Control Audit Schedule.** Committee rules require Legislative Post Audit to prepare a triennial plan for compliance and control audits. At the last meeting, staff presented a proposal for the calendar year 2014-2016 audit cycle. The proposal lays out the suggested focus of those audits for the cycle. The primary emphasis of the three-year plan is on IT security audits, including an initial benchmarking project evaluating the sensitive datasets and IT resources of all state agencies, followed by audits of specific IT security controls for high-risk agencies.

Representative Mast made a motion to approve the audit schedule as presented. Representative Barker seconded the motion. Motion carried.

### **Presentation of Staff Audits**

***K-12 Education: Efficiency Audit of the Ashland School District.*** This audit was presented by Heidi Zimmerman, Senior Auditor.

Dr. Brian Pekarek, Superintendent of USD 220, delivered brief comments and answered members' questions. He noted that only two districts had volunteered for the audit, which he characterized as "very effective." He suggested the committee may want to consider a monetary inducement or compensation for districts to participate, because it consumes a considerable amount of the district's business manager's time.

***K-12 Education: Efficiency Audit of the Parsons School District.*** This audit was presented by Heidi Zimmerman, Senior Auditor.

Dr. Shelley Martin, Superintendent of USD 503, delivered brief comments.

Representative Peck observed that total staffing at Parsons decreased significantly and then increased slightly in recent years. He asked for a more detailed breakdown on what positions had been cut and added, by year.

Representative Mast made a motion to accept both school audit reports. Representative Trimmer seconded the motion; motion carried. All legislators will receive the audit highlights documents and full copies of both audits will be distributed to the chairs, vice-chairs, and ranking minority members of the following committees:

*Senate:*

- *Education Committee*

- *Ways & Means Committee*
- *Ways & Means Education Subcommittee*

*House:*

- *Appropriations Committee*
- *Education Committee*
- *Education Budget Committee*

## **Performance Audit Topics**

**Legislator Requests for Audits (First-Time Requests).** Justin Stowe told members that LPAC Rule 1-5(b) requires all new audit requests to be presented for the first time at the next meeting of the Legislative Post Audit Committee. For this meeting there were two such requests, one from Senator Pettey for an audit of concealed-carry regulations in other states and another from Representative Highland for an audit of KPERS fraud and abuse controls. Representative Highland briefly addressed the committee regarding his audit request.

Representative Mast moved approval of the KPERS audit. She specified that the audit should start in the next available vacant slot and would not replace an audit currently under way. Senator Lynn seconded the motion. The motion carried.

## **Legislative Post Audit Operations**

**Quarterly follow-up report.** Rick Riggs, Administrative Auditor, took members through the first quarterly follow-up report. The process of revisiting recommendations quarterly was approved by the committee in December 2013.

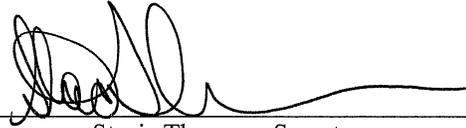
Mr. Riggs said that in calendar year 2013, Legislative Post Audit issued a total of 139 recommendations, of which 60 (43%) have been implemented. Of the recommendations that are still open, 53 are in progress and four are not yet started. A total of 30 of the open recommendations are more than six months old; none are yet a year old. Audited entities have indicated they do not plan to implement another 20 recommendations.

## **Wrap-Up**

**Additional business.** There was no additional business.

**Date of the next meeting.** The next meeting will be Wednesday, March 12, from noon to 1:00 p.m. in room 118-North. The principal item of business will be consideration of an audit reviewing issues related to community services provided by Community Developmental Disability Organizations (CDDOs).

**Adjournment.** The Chair adjourned the meeting at 1:21 p.m.



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Stacie Thurman, Secretary  
Legislative Post Audit Committee

4/30/14

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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.*