

MINUTES
Legislative Post Audit Committee
July 22, 2014

Call to Order

Welcome by the Chair. The meeting was called to order by Chair Longbine at 10:05 a.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 Peggy Mast
Senator Julia Lynn	Representative Ed Trimmer
Senator Michael O'Donnell	

Approval of Minutes. Representative Mast moved approval of the April 29 minutes. Senator Kelly seconded the motion; motion carried.

Presentation of Staff Audits

K-12 Education: Efficiency Audit of the Emporia School District. This audit was presented by Justin Stowe, Deputy Post Auditor.

Theresa Davidson, Superintendent, Emporia School District, was present to answer members' questions.

During discussion following the audit presentation, Representative Trimmer requested that staff provide information related to student academic performance and different types of school schedules. Mr. Stowe said he would provide members with the requested analysis.

Senator Hensley 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 will be distributed to the chairs, vice-chairs, and ranking minority members of the following committees:

Senate:

- Education
- Ways & Means Subcommittee on Education

House:

- Education
- Education Budget

Other Committees

- K-12 Student Performance and Efficiency Commission

State Agency Information Systems: Sensitive Datasets and IT Security Resources. This audit was presented by Katrin Osterhaus, Principal Auditor.

Officials present to answer questions were the Chief Information Technology Officers (CITOs) for the three branches of Kansas government: Jim Miller, Legislative Branch CITO; Kelly O'Brien, Judicial Branch CITO; and John Byers, Enterprise Security Officer (for the Executive Branch CITO). Mike Burgess, Chief Information Officer, Department of Labor, spoke briefly. Sarah Gigous, Director, Office of Systems Management, Department of Administration, answered questions on behalf of Secretary of Administration Jim Clark. In response to a question from Senator Kelly, John Byers of OITS said many of the problems identified in the audit could be traced to a lack of appropriate staff and financial resources.

Representative Mast expressed concern about the problems identified in the report and suggested that the committee send a letter to legislative leadership detailing the findings and urging discussion during the next legislative session. Representative Burroughs added that the letter should emphasize the risk to the state if action is not taken.

Because this was not a performance audit, it did not need to be accepted. 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:

Other Committees

- Joint Committee on Information Technology
- Joint Committee on Kansas Security

Performance Audit Topics

Reviewing the 2014-2015 Audit Plan. Scott Frank, Legislative Post Auditor, reminded members that at the April 29 meeting the Legislative Post Audit Committee approved several audit topics. These approved topics, along with the statutorily required school district efficiency audits and virtual-school cost study, were intended

to fill the audit schedule through May 2015. At the April meeting, staff were directed to develop and present a plan for completing the assigned audits.

Mr. Frank said that that audit plan did not need to be formally approved by the committee, but there were two special issues members would need to consider:

- The Department for Children and Families (DCF) recently outsourced its child support enforcement program, bringing into question the utility of the approved audit of that program. If the committee were to rescind this audit, an additional audit would need to be approved.
- The Prairie Hills school district volunteered for a school district efficiency audit, but requested that the audit begin as soon as possible. The earliest staff could begin the audit would be September, but this would require that another audit be delayed.

After discussion, Senator Kelly moved rescinding approval of the DCF audit. Representative Barker seconded. Motion carried.

Representative Trimmer moved to advance the Prairie Hills audit and delay the KPERS fraud controls audit. Representative Mast seconded the motion. Motion carried.

Legislator Requests for Performance Audit Topics

Justin Stowe, Deputy Post Auditor, reviewed for members the list of legislators' audit requests. He said the committee needed to approve one topic. After discussion, Senator Kelly moved approval of topic 1L on state buildings. Senator Hensley seconded the motion. The motion failed. Representative Burroughs then moved approval of topic 25E on substance abuse programs. Representative Mast seconded the motion; motion carried.

Legislative Post Audit Operations

Quarterly follow-up report. Rick Riggs, Administrative Auditor, reviewed for members the follow-up report for the second quarter of 2014. He noted that a number of pending recommendations were more than a year old. He asked members what action, if any, the committee wanted to take to address those older recommendations. After discussion, members said staff should write letters to officials of auditees with unaddressed recommendations more than a year old, asking for an explanation.

Other follow-up items. Mr. Riggs reviewed for the committee other matters of past committee business being tracked by staff. One such item dealt with the ongoing school district efficiency audits. In January, the committee voted not to allow audits conducted by the Center for Innovative School Leadership to be considered as “similar” to LPA audits for purposes of compliance with K.S.A. 46-1133(a)(2). Mr. Riggs asked whether members were interested in having CISL make a presentation at a future meeting. After discussion, the committee directed that staff send CISL a letter asking for more information on the center’s operations, including the answers to specific questions submitted by members.

Preliminary discussion on the Post Auditor evaluation. Chair Longbine told members that he would like each member to prepare a comprehensive evaluation of the Post Auditor’s performance and send that written evaluation to the chair by August 20. The Chair indicated he would bring the individual evaluations to the August 26 executive committee meeting, then would deliver the completed consensus evaluation to Mr. Frank at the scheduled October 2 meeting. Mr. Frank will provide members with a position description and other materials related to the evaluation process.

Wrap-Up

Additional business. Mr. Frank provided an update on the school efficiency audits scheduled for FY 2015, and on the K-12 Performance and Efficiency Commission. He also introduced two new staff members, Ashly Loburgio Basgall, and Daniel McCarville. Finally, Mr. Frank noted that Legislative Post Audit recently received an NLPES Certificate of Impact award for its 2013 performance audit of the Office of Information Technology Services.

Date of the Next Meeting

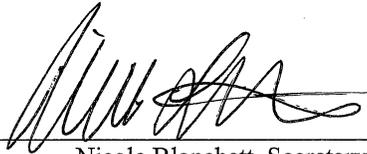
The executive committee (Senator Longbine, Representative Barker, and Senator Hensley) will meet on August 26. The primary purpose will be to review the division’s FY 2016-17 budget request. In addition, the executive committee will consider a staff proposal for modifying the process for limited-scope audits, potential legislation for the 2015 session, and potential changes to the committee’s rules.

The full committee will meet on October 2 to receive the third part of the economic development audit, the DMV modernization project audit, and several agency-specific IT security audits. The committee will also need to review and approve the division’s FY 2016-17 budget request, consider any other proposals

advanced by the executive committee, and conduct the annual evaluation of the Post Auditor.

Adjournment

The meeting adjourned at 11:55 a.m.



Nicole Blanchett, Secretary
Legislative Post Audit Committee

10/23/14

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.