

*The minutes below are in draft form, subject to approval by the  
Legislative Post Audit Committee at a later meeting.*

**DRAFT  
MINUTES  
Legislative Post Audit Committee  
July 29, 2015**

**Call to Order**

**Welcome by the Chair.** The meeting was called to order by Chair Barker at 10:11 a.m. in Room 112-N of the Statehouse. Committee members present:

Representative John Barker, Chair  
Representative Tom Burroughs  
Representative Peggy Mast  
Representative Virgil Peck, Jr.  
Representative Ed Trimmer

Senator Michael O'Donnell, Vice-Chair  
Senator Anthony Hensley  
Senator Laura Kelly  
Senator Jeff Longbine  
Senator Julia Lynn

**Approval of Minutes.** Representative Mast moved approval of the April 28 minutes. Senator Kelly seconded the motion; motion carried.

**Performance Audit Topics**

***First-time audit requests.*** Justin Stowe, Deputy Post Auditor, told the committee that LPAC Rule 1-5(b) requires that all new audit requests be presented for the first time at the next meeting of the committee. He summarized for members the two new first-time audit requests:

- *Department for Children and Families: Reviewing the Department's Foster Care Removal and Reunification Process* (Requested by Representative Ed Trimmer and Representative Jim Ward)
- *Kansas Department of Revenue: Evaluating the Division of Motor Vehicles Process to Prevent Improper Use of Sensitive Documents and Information* (Requested by Representative Peggy Mast)

Mr. Stowe said it was staff's recommendation that when members consider the merit of the current audit requests, they compare them to the other items already approved. If the requests appear to be a higher priority than any of the other items already on the schedule, the committee may wish to consider approving them. If these requests do not appear to be a greater priority than any of the current audits, the

committee may want to wait and add these topics to the regular list of performance audits to be considered the next time they are on the agenda.

Representatives Ward and Trimmer spoke in favor of the foster care request, and answered members' questions. Representative Mast spoke briefly in support of the Department of Revenue audit request.

During discussion, Senator Kelly asked that the scope be expanded to include a look at the state's foster-placement capacity.

Representative Burroughs moved that the committee approve the foster care audit request in place of the currently scheduled seized-property audit. Senator Kelly seconded the motion.

After further discussion, the chair called for a vote. The motion failed on a 5-4 vote.

Representative Trimmer then moved to retain the scope statement for reconsideration at a later date. Senator O'Donnell seconded the motion; motion carried.

The chair indicated that, without committee action, the Department of Revenue request likewise would go onto the list for later consideration.

## **Presentation of Staff Performance Audits**

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

After the presentation, Senator Kelly asked that in similar future presentations, the staff member highlight the districts' accomplishments as reported to the auditors.

Dr. Brenda Dietrich, outgoing Auburn-Washburn superintendent, delivered prepared remarks. Other officials present were: Dr. Scott McWilliams, incoming Superintendent; Jim Gartner, Board President; Tom Bruno, Board Member; Bruce Stiles, Executive Director of Business Services; Brian White, Executive Director of HR and Operations; and Martin Weishaar, Director of Communications.

Senators Hensley and Kelly noted Dr. Dietrich's imminent retirement, and expressed their appreciation for her leadership over the years.

Representative Peck made a motion to accept the audit. Senator Kelly 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 Committee

*House:*

- Education Committee
- Education Budget Committee

***The Kansas Racing and Gaming Commission: Evaluating Selected Regulatory Processes and Standards.*** This audit was presented by Brad Hoff, Senior Auditor.

Don Brownlee, Interim Executive Director; and Brandi White, Director of Administration, Finance, and Audit, Kansas Racing and Gaming Commission, were present to answer members' questions.

Representative Mast made a motion to accept the audit. Senator Lynn 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:*

- Federal and State Affairs Committee
- Ways & Means Subcommittee on Gaming

*House:*

- Federal and State Affairs Committee
- General Government Budget Committee

Senator Lynn asked about how gaming revenue is used. Staff said they would provide this information.

***State Agency Information Systems: Reviewing Security Controls in Selected State Agencies – Department of Labor, Department of Corrections.*** Vice-Chair O'Donnell made the following motion:

I move that the open meeting of the Legislative Post Audit Committee in Room 112-N of the Statehouse be recessed for a closed, executive meeting to commence immediately in Room 112-N of the Statehouse pursuant to subsection (b)(13) of K.S.A. 2014 Supp. 75-4319, as amended by section 16 of Chapter 68 of the 2015 Session Laws of Kansas, for a discussion of the security of the information systems of selected state agencies which is under consideration by the Legislative Post Audit Committee, because open discussion would jeopardize the security of the information systems, that the Legislative Post Audit Committee resume the open meeting in Room 112-N of the Statehouse at 12:35 p.m., and that this motion, if adopted, be recorded in the minutes of the Legislative Post Audit Committee and be maintained as a part of the permanent records of the committee.

Representative Mast seconded the motion; motion carried. Adopted at 12:10 p.m. on July 29, 2015.

The chair indicated that the following individuals were needed in the executive session:

**LPA staff**

- Scott Frank, Legislative Post Auditor
- Justin Stowe, Deputy Post Auditor
- Katrin Osterhaus, Principal Auditor
- Alex Gard, Senior IT Auditor
- Clyde-Emmanuel Meador, IT Auditor

**Department of Labor**

- John Cahill, Information Security Officer

**Department of Corrections**

- Ray Roberts, Secretary
- Harold Sass, Chief Information Officer
- Adam Pfannenstiel, Communications Director
- Brianna Landon, Legislative Liaison

**Office of Information Technology Services**

- Rod Blunt, Deputy Chief Information Security Officer
- Robert Louis, Information Security Officer

At 12:35, the committee resumed open session. Senator O'Donnell renewed his earlier motion, to extend the executive session for five additional minutes.

At 12:41 p.m., the committee resumed open session. Because of their confidential nature, staff did not distribute copies of the IT security audits, but rather

sent a letter notifying the chair of the JCIT that the audit is available to be presented in executive session.

## **Legislative Post Audit Operations**

**Follow-up items.** Rick Riggs, Administrative Auditor, briefed the committee on items staff is tracking for the committee. With regard to the December 2013 audit of the Office of Information Technology Services (OITS), after which the U.S. Department of Health and Human Services determined that Kansas owed the federal government a refund of almost \$2.5 million as a result of issues identified in the audit, staff found that the Department of Administration did not appeal and paid the full amount in December 2014. Senator Kelly wanted to know what funds OITS used to pay the refund. Staff will try to provide that information.

**School district efficiency audit update.** Scott Frank, Legislative Post Auditor, updated the committee on the districts selected for the next round of audits.

**LPA budget update.** Mr. Frank provided a memo to members describing the division's budget situation. For fiscal year 2015, the division was able to save about \$100,000 from its appropriation, which will be used to replenish the division's reserve fund for outside auditors and other consultants. The fiscal year 2016 appropriation of \$2.352 million is sufficient to fund all 25.0 staff positions. However, the fiscal year 2017 appropriation of \$2.350 million is only sufficient to fund 24.0 of the 25.0 staff positions.

**Legislation update.** Mr. Frank noted that the Post Audit committee introduced four bills to each chamber prior to the start of the legislative session. In addition, the committee requested that a bill addressing the STAR bond audit findings be introduced through an exempt committee in each chamber. All four of the original bills were passed during the session, while neither STAR bond bill passed.

**Post Auditor Evaluation process.** Mr. Frank told members that Committee Rule 5-1 calls for an evaluation to be conducted in the fall of each year. The evaluation is based on the job description and evaluation form approved by committee members in 1998. At the Legislative Post Audit Committee's executive committee meeting on Friday, August 28, one of the items on the agenda is for the executive committee to compile the formal evaluation of the Legislative Post Auditor, which will be presented at the next meeting of the full committee on September 4.

Senator Longbine asked to be provided with electronic versions of the evaluation documents. Mr. Frank said he would provide the documents to all members.

## Wrap-Up

**Additional business.** Mr. Frank introduced Leyton Gunn, the division's newest Associate Auditor. He also told members that the division will be involved in developing the request for proposal for the Legislature's \$3 million efficiency study.

**Dates of upcoming meetings.** The Legislative Post Audit Committee executive committee will meet August 28. The next meeting of the full committee will be September 4, and then December 10-11.

## Adjournment

The Chair adjourned the meeting at 1:00 p.m.

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Nicole Blanchett, Secretary  
Legislative Post Audit Committee

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.*