

**MINUTES**  
**Legislative Post Audit Committee**  
**April 28, 2015**

**Call to Order**

**Welcome by the Chair.** The meeting was called to order by Chair Barker at 9:18 in Room 582-N of the Statehouse. Committee members present:

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

**Approval of Minutes.** Representative Mast moved approval of the minutes for the March 4, March 11, and March 18 meetings. Representative Trimmer seconded the motion; motion carried.

**Acceptance of the Prairie Hills School Efficiency audit.** The audit had been presented at the March 18 meeting, but not accepted due to lack of a quorum. Representative Mast moved to accept the report. Senator Longbine seconded the motion; motion carried.

**Presentation of Staff Audits**

***Larned State Hospital: Reviewing the Operations of the Sexual Predator Treatment Program, Part 2.*** This audit was presented by Lynn Retz, Senior Auditor.

Kari Bruffett, Secretary, Kansas Department on Aging and Disability Services, delivered brief comments and provided written testimony. Dr. Tom Kinlen, Superintendent of Larned State Hospital, also delivered prepared remarks and answered members' questions. Dr. Michael Dixon, Chief Forensic Psychologist, Larned State Hospital, also was present to answer questions. Kim Lynch, Senior Counsel, also answered members' questions.

Representative Burroughs moved that the committee recommend an action plan be developed by KDADS and the Department of Corrections for dealing with the population-growth issue identified in the report. Representative Mast seconded the motion; motion carried.

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:

House Committees

- Appropriations
- Judiciary
- Health and Human Services
- Social Services Budget

Senate Committees

- Ways and Means
- Judiciary
- Public Health and Welfare
- Ways and Means Subcommittee on Social Services

**Consideration of Audit Topics**

**Selection of fiscal year 2016 audit topics.** Scott Frank, Legislative Post Auditor, explained that the committee needed to select the audits the division will perform during the coming year. Justin Stowe, Deputy Post Auditor, reviewed for members the list of audit requests.

Senator Mary Pilcher-Cook spoke in favor of request 4L on evaluating state spending required by federally funded programs. Representative Willie Dove spoke in favor of his request 7L on the economic impact of legalizing industrial hemp. Representative Ramon Gonzalez was present in support of his request 12L on a Jefferson County land purchase by the Kansas Department of Wildlife, Parks, and Tourism.

The Chair called a ten-minute recess at 10:50 a.m. The meeting resumed at 11:00 a.m.

After discussion, Representative Mast moved approved of topic 4L on evaluating state spending required by federally funded programs. Senator Lynn seconded the motion; motion carried.

Chair Barker moved approval of topic 9L on seized and forfeited property, seconded by Senator O'Donnell. Motion carried.

Senator O'Donnell moved approval of request 5L on the Smokey Hills Education Service Center. Senator Lynn seconded the motion; motion carried.

Representative Peck moved approval of topic 27E on inmate labor. Senator Longbine seconded the motion; motion carried. Representative Trimmer noted that he would like the auditors to assess the potential impact expanding inmate labor might have on the private sector.

Representative Burroughs moved approval of topic 6L on KanCare. Senator Longbine seconded the motion. The motion failed on a 4-5 vote.

Representative Mast moved approval of topic 12L on a Jefferson County land purchase. Senator Hensley seconded the motion; motion carried.

Senator Hensley moved approval of topic 20E on the privatization of the child support enforcement function. Representative Burroughs seconded the motion; motion carried.

Senator Lynn moved approval of topic 1L on evaluating agricultural taxes. Senator O'Donnell seconded the motion; motion failed.

Senator O'Donnell moved approval of topic 26E on privatizing state printing costs. Representative Mast seconded the motion; motion carried.

**Designation of K-GOAL audits.** Justin Stowe told members that the Kansas Governmental Operations Accountability Law (K-GOAL) requires the committee to designate at least four audits each calendar year as K-GOAL audits. Those audits are supposed to be focused on efficiency and cost savings issues, and are to be completed no later than December 1 in any year.

After discussion, Representative Mast moved to designate the following as K-GOAL reports for 2015:

*Completed as of today's meeting:*

- Virtual School Costs and Student Performance (R-15-001)
- State's Pharmacy Benefits Management System (R-15-002)

*Approved but not completed:*

- The Kansas Racing and Gaming Commission's Regulatory Processes
- Access to Substance Abuse Programs

Senator Longbine seconded the motion; motion carried.

**KPERS performance audit topic.** Justin Stowe told members that State law calls for a performance audit of the Kansas Public Employee Retirement System (KPERS) at least once every three years. That topic is to be selected by the Legislative Post Audit Committee. Mr. Stowe said that to meet the requirements of state law, the committee would need to authorize a performance audit topic. In the past, the auditors that conduct the financial audit of KPERS also have done this triennial performance audit. At its March 5, 2014 meeting, the committee approved a performance audit to evaluate whether KPERS has sufficient controls to detect and prevent fraud and abuse.

After discussion, Representative Mast moved to designate the current audit of KPERS as the triennial performance audit required by state law. Senator Lynn seconded the motion; motion carried.

#### **Presentation of Staff Audits (continued)**

*State Agency Information Systems: Reviewing Security Controls in Selected State Agencies – Kansas Department of Wildlife, Parks, and Tourism.* The chair noted that this audit would need to be heard in executive session. Representative Trimmer made the following motion:

I move that the open meeting of the Legislative Post Audit Committee in Room 582-N of the Statehouse be recessed for a closed, executive meeting to commence immediately in Room 582-N of the Statehouse pursuant to subsection (b)(13) of K.S.A. 2014 Supp. 75-4319, 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 582-N of the Statehouse at 11:45 a.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. Adopted at 11:27 on April 28, 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

- Andrew Sun, Senior IT Auditor
- Stan Weichert, Principal IT Auditor

**KDWPT**

- Secretary Robin Jennison
- Ron Kaufman, Chief Information Officer
- Jason Dickson, IT Section Chief
- Arlan Hair, Data Analyst

**Office of Information Technology Services**

- John Byers, Chief Information Security Officer

The open meeting resumed at 11:45 a.m. Representative Trimmer renewed his earlier executive-session motion for another 10 minutes, seconded by Representative Mast. Passed at 11:46 a.m.

The open meeting resumed at 11:56 a.m. Chair Barker indicated that the report would be made available to the Joint Committee on Information Technology.

***K-12 Education: Efficiency Audit of the Marais des Cygnes School District.*** This audit was presented by Dan Bryan, Principal Auditor.

Darrel Finch, Superintendent, delivered brief comments and answered members' questions.

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

*House Committees*

- Education
- Education Budget

*Senate Committees*

- Education

***Kansas Insurance Department: Evaluating the State's Workers' Compensation Insurance Plan Contract.*** This audit was presented by Kristen Rottinghaus, Senior Auditor.

Clark Shultz, Director of Government Affairs, Kansas Insurance Department, delivered brief comments. Jim Nau, General Manager of Residual Markets, National Council on Compensation Insurance, also was present to answer members' questions.

Representative Burroughs made a motion to accept the audit. Representative Peck seconded the motion; motion carried. Full copies of the audit report will be distributed to the chairs, vice-chairs, and ranking minority members of the following committees:

*House Committees*

- Insurance

*Senate Committees*

- Financial Institutions and Insurance

### **Legislative Post Audit Operations**

**Follow-up items.** Rick Riggs, Administrative Auditor, reviewed for members the status of items staff are following for the committee.

**Session update.** Scott Frank, Legislative Post Auditor, updated members on the status of legislation of interest to the committee and the division's budget under the current appropriations mega-bill.

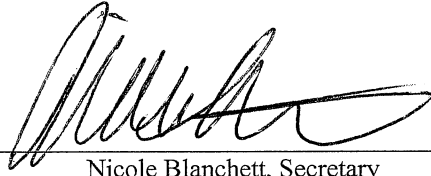
### **Wrap-Up**

**Additional business.** Mr. Frank recognized Stan Wiechert, the division's security officer, for his years of outstanding service to the division and the state. Stan is retiring in May 2015.

**Date of next meeting.** Staff will work with the Chair to set the date of the next meeting.

### **Adjournment**

The meeting adjourned at 12:31 p.m.



Nicole Blanchett, Secretary  
Legislative Post Audit Committee

1/29/15

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.*