

MINUTES
Legislative Post Audit Committee
September 11, 2013

Call to Order

Welcome by the Chair. The meeting was called to order by Chair Mast at 9:03 in Room 159-S of the Statehouse. Committee members present:

Representative Peggy Mast, Chair
Representative Virgil Peck, Jr.
Representative Ed Trimmer

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

Approval of Minutes. Senator Longbine moved approval of the July 23 minutes. Representative Trimmer seconded the motion; motion carried.

Presentation of Staff Audits

Economic Development: Determining Which Economic Development Tools are Most Important and Effective in Promoting Job Creation and Economic Growth in Kansas, Part 1. This audit was presented by Katrin Osterhaus, Principal Auditor.

Agency officials present from the Department of Commerce: Pat George, Secretary; Steve Kelly, Deputy Secretary, Business and Community Development; Robert North, Chief Attorney; and Darla Price, Business Finance Manager. Secretary George addressed the committee and provided written testimony, and Mr. Kelly answered questions from Representative Marvin Kleebe, chair of the Commerce, Labor, and Economic Development Committee, who was present during consideration of the audit and questioned participants.

Officials also were present to answer questions from the Department of Revenue. Those present were Nick Jordan, Secretary; Richard Cram, Director, Office of Policy and Research; and Kathleen Smith, Tax Specialist, Office of Policy and Research.

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

- Commerce, Labor and Economic Development
- Agriculture and Natural Resources Budget
- Taxation

Senate Committees:

- Commerce
- Ways and Means Subcommittee on General Government
- Assessment and Taxation

Larned State Hospital: Reviewing the Operations of the Sexual Predator Treatment Program. The report was presented by Dan Bryan, Principal Auditor.

Agency officials present to answer questions: Lea Stueve, Policy Director, Kansas Department for Aging and Disability Services; Kimberly Lynch, KDADS Legal Department; and Dr. Tom Kinlen, Superintendent, Larned State Hospital. Senator Lynn asked hospital officials what percentage of hospital employees were unionized. Ms. Stueve said she would provide that information to the committee.

Representative Peck requested that the department provide monthly progress reports.

Senator Hensley said he would like to see a comparison between the job descriptions of the mental health and developmental disability technicians and correctional officers. He also said he shared the concerns of survey respondents who said that MANDT training was insufficient and left them inadequately prepared for their jobs. He said staff safety and security is a "huge issue" that needs to be addressed. He asked to see the survey comments. Mr. Frank said the team would compile the comments, after editing to ensure that respondents couldn't be identified from their responses, and would pass them on to the committee.

Senator Lynn 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

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

Senate Committees

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

Legislative Post Audit Operations

Consideration of Legislative Post Audit's FY 2015 Budget Request. Scott Frank, Legislative Post Auditor, reviewed the division's budget request. Mr. Frank noted that under the Legislative Post Audit Act, the division is required to submit its budget request to the committee for review and approval. For the past several years, the chair has asked the committee to establish a three-member subcommittee to review the division's budget request and make recommendations to the full committee. This year's subcommittee included Representative Mast (chair), Senator Longbine, and Representative Trimmer. The subcommittee met on August 29 and approved the division's FY 2015 budget request. The subcommittee also directed staff to prepare a proposal for adding another three-person audit team so the division can conduct more audits. Mr. Frank added that the LCC will consider legislative agency budget requests at its fall meeting, then the request will be considered by the Appropriations and Ways and Means Committees during the 2014 legislative session.

After consideration, Senator Longbine moved approval of the division's budget request with the additional team. Representative Trimmer seconded the motion. Motion carried. Senator Kelly voted "pass."

Status of Follow-Up Items. Rick Riggs, Administrative Auditor, updated members regarding the status of follow-up items related to previous audit reports or recommendations. In one such item, the July 2012 audit of the Juvenile Justice Authority, the Acting Commissioner had agreed to provide monthly updates to the committee. The first was in September 2012, and in May 2013, members said they wanted continued reports at least for a full year. Mr. Riggs asked whether committee members wished to continue receiving the monthly updates. By consensus, members agreed the Department of Corrections (which subsumed the JJA in July 2013) could stop the monthly updates.

Update on School Audits. Scott Frank updated members regarding the current status of the FY 2014 school efficiency audits. Much of the committee's discussion centered around the circumstances under which a district could avoid or withdraw from an audit.

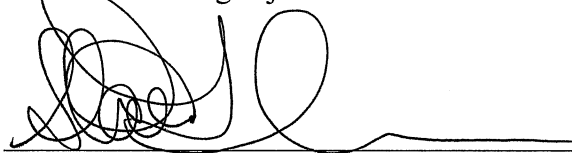
Representative Trimmer asked whether the Innovative Districts law (House Bill 2319), which allows a district to opt out of most state laws and rules and regulations in order to improve student achievement, would exempt the district from being selected for an audit. Mr. Frank suggested that might be a subject for the Revisor to investigate.

Mr. Frank noted that one way a district could be exempted from audit would be if the district could show that it had undergone another efficiency-related audit in recent years. Senator O'Donnell stated that, if a district wanted an exemption because of a previous audit, the committee should ask to review that audit report.

Old/New Business. Mr. Frank briefed the committee on the August 29 meetings of the budget subcommittee, rules subcommittee, and Contract Audit Committee. He said that staff would present proposed rules changes, as approved by the rules subcommittee, at the December meeting.

Date of Next Meeting. A two-day meeting is scheduled for December 3-4, 2013.

Adjournment. The meeting adjourned at noon.



Stacie Thurman, Secretary

12/17/13

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.