



LIMITED-SCOPE PERFORMANCE AUDIT REPORT

Office of the Governor: Comparing Staffing and Expenditure Levels of Three Liaison Offices

AUDIT ABSTRACT

The Governor's Office houses three entities that act as a liaison between the state and specific racial, ethnic, or legal groups: the Kansas African American Affairs Commission, the Kansas Native American Affairs Office, and the Kansas Hispanic and Latino American Affairs Commission. Each liaison office is staffed by a single director whose time spent on the position and compensation vary primarily depending on whether the director is full- or part-time. The mission of the Native American Affairs Office differs slightly from the other two commissions we evaluated in that its duties are defined by the Governor and are primarily focused on governmental legal issues. All three liaison offices had similar expenditures for salary, rent, information technology, and travel and all three spent less than \$100,000 in fiscal year 2016. Finally, we identified two items for further consideration. We initially had difficulty contacting liaison office directors, which could also affect their constituent groups. We also noted that the liaison offices are paying large fees to OITS for hosting their web sites.

**A Report to the Legislative Post Audit Committee
By the Legislative Division of Post Audit
State of Kansas
July 2017**

From the Legislative Post Auditor:

This limited-scope audit was authorized by the Legislative Post Audit Committee at its March 2017 meeting. It addresses the following question: How do the missions and resources of the Kansas Hispanic and Latino American Affairs Commission, the Kansas Native American Affairs Office, and the Kansas African American Affairs Commission compare?

To answer this question, we interviewed the Executive Director of each commission and office, reviewed statutes and other documents, and analyzed expenditures and personnel data to compare the mission and resources across all three.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Overall, we believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Audit standards also require that we report on any work we did related to internal controls, but a review of internal controls was not part of the scope of the audit as approved by the Legislative Post Audit Committee.

This audit was jointly requested by Representative John Alcala and Representative Louis Ruiz, and it was conducted by Daniel McCarville. Justin Stowe was the audit manager. If you need any additional information about the audit's findings, please contact Daniel at (785) 296-3792.

Sincerely,



Scott Frank
Legislative Post Auditor
July 31, 2017

How do the Missions and Resources of the Kansas Hispanic and Latino American Affairs Commission, the Kansas Native American Affairs Office, and the Kansas African American Affairs Commission Compare?

Background Information

The Governor's Office houses three entities that act as a liaison between the state and people of specific racial, ethnic, and legal categories.

- The **Kansas African American Affairs Commission** was created by the Legislature in 1997 and consists of seven members. Legislative leadership selects four of the members, while the other three are selected by the Governor. The commission also has an Executive Director, who is appointed by the commission and approved by the Governor.
- The **Kansas Hispanic and Latino American Affairs Commission** was created by the Legislature in 1974 as the Kansas Advisory Committee on Mexican American Affairs. It consists of seven members, all of whom are selected by the governor. The commission also has an Executive Director, who is appointed by the Governor.
- The **Kansas Native American Affairs Office** was created by Governor Brownback in 2011. It is administered by an Executive Director who is appointed by the Governor.

For the remainder of this report, we use the term liaison office to describe the Kansas African American Affairs Commission, the Kansas Hispanic and Latino American Affairs Commission, and the Native American Affairs Office.

In addition to the three entities that serve racial, ethnic, and legal categories, there is a statutorily created commission to serve individuals with disabilities. The Kansas Commission on Disability Concerns consists of 30 members—15 who are selected by the Governor and another 15 who are ex-officio members representing various agencies and the Legislature. However, this agency was outside the scope of the legislative request for this audit.

These three liaison offices are a part of the Governor's Office, making it difficult to determine their budget and staffing. These three liaison offices are all housed within the Governor's Office and grouped together for budget purposes, including the Governor's Budget, which makes it difficult to determine their budget and staffing. According to the Division of Budget these liaison offices will be tracked separately starting in fiscal year 2018.

Finding #1: Each Liaison Office is Staffed by a Single Executive Director Whose Time and Compensation Vary

Although each liaison office is staffed by only one individual, the actual compensation and time spent on activities for each liaison office varied. Salary and total compensation (which includes

benefits) for fiscal year 2017 was estimated, because this audit was conducted prior to the end of fiscal year 2017.

- **The Hispanic and Latino American Affairs Commission has a full-time executive director with a base salary of \$70,000.** The Executive Director previously held a part-time position in the Department of Commerce related to minority-owned businesses alongside their Executive Director position. Although she is not currently employed by the Department of Commerce, she continues to work on projects for the Department that are consistent with their role as the Executive Director. In fiscal year 2017 their estimated total compensation (benefits included) was about \$107,000, which was split equally between the Department of Commerce and the Hispanic and Latino American Affairs Commission.
- **The African American Affairs Commission has a full-time executive director position with a base salary of \$70,000.** Estimated total compensation for fiscal year 2017, including benefits, was about \$90,000, all of which was paid by the commission.
- **The Native American Affairs Office has a part-time executive director with a full-time equivalent base salary of \$80,000.** Because the Executive Director serves on a part-time basis, the actual base salary is only \$40,000. With benefits included, the estimated total compensation in fiscal year 2017 was about \$52,000.

The Executive Director for the Native American Affairs Office also serves as the Executive Director of the State Gaming Agency. This agency is a part of the Kansas Racing and Gaming Commission and oversees tribal gaming in Kansas. The base salary for that role is \$96,000 a year, and estimated total compensation (including benefits) was about \$125,000 in fiscal year 2017.

Finding #2: The Native American Affairs Office Assists Governments While the Two Commissions Assist Individuals

Both the African American Affairs Commission and the Hispanic and Latino American Affairs Commission were created to assist individual constituents from those communities. According to statute, both liaison offices have common responsibilities. They are responsible for serving their client constituents, which could include helping individuals resolve problems with state programs or helping to develop state programs which serve the constituent population in general. They may also collect and disseminate information, as well as conduct public awareness activities. Finally, they share common administrative powers such as the ability to hold public meetings and solicit federal and private funding.

In addition to the items above, the Hispanic and Latino American Affairs Commission is also tasked with assisting school districts with bilingual education training.

By contrast, the Native American Affairs Office was created by the Governor to work with tribal governments, rather than individuals. The Native American Affairs Office is not established by statute, but according to the Executive Director, its mission focuses on providing legal and cultural expertise regarding Native American tribes to state agencies. For example, the Executive Director acted as the state's chief negotiator for several tribal compacts. They also assist a variety of state boards, including the Statewide Interoperability Executive Council, to help them work within both tribal law and statute.

In addition, the Native American Affairs Office interacts with tribal governments, not individuals. Unlike the two liaison commissions, the Native American Affairs Office is a liaison between the state and Native American tribes of Kansas, not individual Native Americans.

Finding #3: All Three Liaison Offices Had Similar Expenditures for Salary, Rent, Information Technology, and Travel

All three liaison offices spent less than \$100,000 in fiscal year 2016, and most of those expenditures were for payroll (67% or more). *Figure 1-1* summarizes the expenditures of the three liaison offices in fiscal year 2016 (the most recently completed fiscal year at the time of our work). As the figure shows, each agency had a different amount of total expenditures in fiscal year 2016 ranging from about \$55,000 for the Native American Affairs Office to about \$94,000 for the African American Affairs Commission. Most of these differences were caused by differences in salaries and wages.

After payroll, nearly all their expenditures were for contractual services such as office space, IT services provided by the Office of Information Technology Services (OITS), and travel. As *Figure 3-1* shows, expenditure amounts in those areas were generally very comparable across all three liaison offices.

**Figure 3-1
Expenditures of the Three Liaison Offices
(Fiscal Year 2016)**

Expenditure Category	KAAAC (a)		KHLAAC (b)		KNAA	
	\$	%	\$	%	\$	%
Salaries and Wages	\$ 64,944	69%	\$ 57,461	67%	\$ 42,191	77%
Contractual Services	\$ 28,130	30%	\$ 25,974	30%	\$ 12,399	23%
Rent	\$ 7,833	8%	\$ 7,833	9%	\$ 7,833	14%
IT Services	\$ 6,175	7%	\$ 5,479	6%	\$ 1,408	3%
Travel	\$ 5,834 (d)	6%	\$ 5,759	7%	\$ 133	0%
All Other	\$ 8,288	9%	\$ 6,903	8%	\$ 3,025	6%
Commodities	\$ 374	0%	\$ 1,275	1%	\$ 150	0%
Capital Outlay	\$ 791	1%	\$ 1,188	1%	\$ -	0%
Totals (c)	\$ 94,239	100%	\$ 85,897	100%	\$ 54,740	100%

(a) The KAAAC Executive Director position was unfilled part of fiscal year 2016. During this time, they had a temporary staff person whose wages and benefits are reflected in this amount.
(b) The KHLAAC Executive Director's salary is split between the Department of Commerce and KHLAAC. This amount is only the KHLAAC portion.
(c) Percents may not add up to 100% due to rounding.
(d) KAAAC travel expenditures are generally for commissioners' travel.

Source: Statewide Accounting Services and Systems (SMART) Data (audited).

Recommendations

We had no recommendations for this audit.

Potential Issues for Further Consideration

We identified two additional issues that might be worth evaluating in more detail, but because of the limited scope of the audit, we did not have time to fully develop it.

- 1. We initially had some difficulty in trying to contact the Executive Director for all three liaison offices.** Although each liaison office maintains a public website, the contact information provided is limited and in many cases was incorrect. For example, the Kansas Native American Affairs Office's website listed contact information for an Executive Director who had left more than two years ago. Additionally, the voicemail box for one executive director was full, which prevented us from leaving them a message. Later an email error at the Kansas Hispanic and Latino American Affairs Commission prevented the Executive Director from sending or receiving messages. We did not attempt to determine what impact these problems might have on constituents who attempt to contact the liaison offices.
- 2. Two of the liaison offices appear to be paying excessive fees for web services.** On page 3, we noted IT services are a major expenditure category for the liaison offices. We reviewed three years of IT expenditures for the two commissions, and found they paid the Office of Information Technology Services (OITS) approximately \$15,000 in fees to host their websites. According to staff at OITS, these fees covers web hosting, licensing the content-management system, and technical support. It does not include assistance with maintaining or updating web pages. By contrast, commercial providers host small websites for around \$12 per month, which typically includes access to a content-management system. At this price, the cost of hosting the two commissions websites through a commercial provider over a three-year period would have been \$720 instead of \$15,000.

Agency Response

On June 23, 2017, we provided copies of the draft audit report to the Hispanic and Latino American Affairs Commission, African American Affairs Commission, and Native American Affairs Office for an official response. In addition, we provided a copy of the section related to the cost of web hosting to the Office of Information Technology Services (OITS). We made several minor clarifications to the final report as a result of the agencies' review, but those changes did not affect any of our findings or conclusions. Only OITS provided a formal response.

OITS disagreed with our comparison of its web hosting service to inexpensive private website hosting services. Officials highlighted several differences between their services and these private services. For example, OITS manages the IT infrastructure including information security and offers support and training which private services do not.

The full text of OITS' response is on file and available from Legislative Post Audit.