

*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
4/30/19**

Call to Order

Welcome by the Chair. The meeting was called to order by Chair Barker at 9:03 in Room 118-N of the Statehouse. Committee members present:

Representative John Barker, Chair	Senator Julia Lynn, Vice-Chair
Representative Tom Burroughs	Senator Elaine Bowers
Representative Jim Gartner	Senator Rob Olson
Representative John Toplikar	Senator Dinah Sykes
Representative Kristey Williams	

Fiscal Year 2020 Audit Selection –Review Proposals. Chris Clarke, Deputy Post Auditor, said that staff recommended the following process:

1. Staff present the proposals and answer questions.
2. Members discuss the proposals they are interested in.

Ms. Clarke reviewed the list of audit requests for members. Representative Stogsdill presented brief testimony on his proposal.

K-12 At Risk Proposal. Ms. Clarke reminded members that this audit proposal is intended to satisfy requirements in 2018 Substitute for Senate Bill 423.

The Chair entertained motions to authorize audit projects for the coming year.

- Senator Olson moved approval of audit request 13L, *Juvenile Justice Reform: Examining the Effects of 2016 Senate Bill 367*. Senator Lynn seconded the motion. Motion carried.
- Representative Burroughs moved approval of audit request 9L, *Economic Development Initiatives Fund (EDIF): Evaluating the State’s Accountability Over the Use of EDIF Funding*. Senator Lynn seconded the motion. Motion carried.

- Representative Gartner moved approval of audit request 17L, *Kansas Creative Arts Industries Commission: Measuring Its Economic Impact in Kansas*. Senator Sykes seconded the motion. Motion carried.
- Representative Barker moved approval of audit request 6L, *Kansas Department of Agriculture: Evaluating the Economic Impact of Legalizing Industrial Hemp Production in Kansas*. Senator Olson seconded the motion. Motion carried.
- Representative Burroughs moved approval of audit request 7L, *Private Activity Bonds: Comparing How Structure and Use of These Bonds in Kansas Compares to Other States*. Representative Gartner seconded the motion. Motion carried.
- Senator Olson moved approval of audit request 5L, *State and Local Governments: Evaluating Association Membership Fees and Dues*. Representative Toplikar seconded the motion. Motion carried.
- Representative Gartner moved approval of language in proposal 19S (a statutorily required audit), *K-12 Education: Evaluating At Risk Student Counts, Weights and Expenditures*. Representative Burroughs seconded the motion. Motion carried.

Presentation of Performance Audits

Animal Facilities Inspection Audit. This audit was presented by Matt Etzel, Principal Auditor.

Jeff Jones, Program Manager, Department of Agriculture delivered prepared remarks.

This audit has already been distributed, as it was originally presented in December 2018.

Presentation of Contracted Audits

FY 2018 Statewide Single Audit. This audit was presented by Alison Slife, Principal, CliftonLarsonAllen.

All legislators will be notified of the audit's release, and the following committees will be notified that the committee thought the report might be of special interest:

House Committees

- House Appropriations

- House Federal and State Affairs

Senate Committees

- Senate Ways and Means
- Senate Federal and State Affairs

OITS Telecom Expense Review. This audit was presented by Kelly Smith, Manager, Telecom Advisory, CliftonLarsonAllen.

Lee Allen, E-CITO, delivered prepared remarks.

All legislators will be notified of this review, and the following committees will be notified that the committee thought the review might be of special interest:

House Committees

- House Appropriations
- House Energy, Utilities and Telecommunications

Senate Committees

- Senate Ways and Means
- Senate Utilities

Presentation of IT Security Audits

Senator Lynn made the following motion:

I move to recess this open meeting for a closed meeting pursuant to K.S.A. 2018 Supp. 75-4319(a) to discuss matters relating to security measures that protect the information systems of the State Library under the justification listed in K.S.A. 2018 Supp. 75-4319(b)(12)(C) because discussion of such matters in an open meeting would jeopardize such security measures; to resume the open meeting in Room 118-N at 10:50 am; and to record this motion, if adopted, as a part of the committee's permanent records.

Senator Olson seconded the motion; motion carried. Adopted at 10:30 am on 4/30/19. The Chair asked Justin Stowe, Legislative Post Auditor, to enumerate the individuals authorized to remain in the room during executive session. Officials from each covered agency were only present in the executive session for discussion of their own agency's findings.

State Library

- Eric Norris, State Librarian
- Cindy Roupe, Director of Reference
- Jeff Hixon, Director of Statewide Services
- Alan Pine, Library Services Technician (IT)

Legislative Post Audit

- Justin Stowe, Legislative Post Auditor
- Katrin Osterhaus, IT Audit Manager
- Alex Gard, Principal IT Auditor
- Sagar Bhatia, IT Auditor

The open meeting resumed at 10:50 am. Because of their confidential nature, copies of IT security audits are not distributed to any committees. However, as required per statute, the executive-branch Chief Information Technology Officer Lee Allen and Chief Information Security Officer Rodney Blunt with OITS received a confidential report, and Governor Laura Kelley will receive a confidential report after the LPAC meeting. Additionally, staff previously notified the Joint Committee on Information Technology and the Joint Committee on Kansas Security that the IT audit has been completed and can be presented in executive session.

Consent Calendar

Chris Clarke, Deputy Post Auditor, reviewed for members the items on the consent calendar:

- Approval of Minutes
- Approval of Limited Scope Audit

Representative Burroughs made a motion to rescind the preliminarily approved limited-scope audit, since a full audit was approved on the same topic. Senator Olson seconded the motion. Motion carried.

No motions to object were offered on the minutes, so they were considered approved.

Wrap-Up

Additional business. Mr. Stowe explained that the IT audit team will include the Pooled Money Investment Board in its current security audit of the State Treasurer's Office. Mr. Stowe also noted that Rick Riggs from our office is retiring this summer

after 35 years with Legislative Post Audit. Senator Lynn and Representative Burroughs have helped Mr. Stowe in creating a Resolution in recognition of Rick's service, which is scheduled to be acted on this session.

Date of next meeting. The next meeting of the committee will be late July 2019.

Adjournment

The meeting adjourned at 10:55 a.m.

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.