



KANSAS LEGISLATIVE DIVISION *of* POST AUDIT

The Rundown transcript for the Performance Audit report titled ***Reviewing the African American Affairs Commission's Statutory Compliance and Expenditures***
– Released August 2023

Andy Brienzo, Host and Principal Auditor: [00:00]

Welcome to The Rundown, your source for the latest news and updates from the Kansas Legislative Division of Post Audit featuring LPA staff, talking about recently released audit reports and discussing their main findings, key takeaways and why it matters. I'm Andy Brienzo. In August 2023, LPA released a limited scope performance audit, examining whether the Kansas African American Affairs Commission complied with key legal requirements and made appropriate expenditures during 2022 and 2023. I'm with Katrin Osterhaus, IT audit manager at Legislative Post Audit who conducted this audit. Welcome to the Rundown, Katrin.

Katrin Osterhaus, Supervisor and IT Audit Manager: [00:39]

Hey, thanks. Glad to be here with you.

Andy Brienzo, Host and Principal Auditor: [00:41]

So, let's start with some background information like what the Kansas African American Affairs Commission does, how many staff it has, and its annual budget.

Katrin Osterhaus, Supervisor and IT Audit Manager: [00:50]

Yeah, so the African American Affairs Commission was created in 1997 to essentially address the concerns of the African American community in Kansas. Its mission is to really help the program's research and policy advice in that space. And maybe another interesting fact is that it is one of the three liaison affairs offices within the governor's office. So, as for size, the commission is one of the smallest state agencies, with only one paid staff commission member. And its annual expenses are super small with \$130,000 and of that, really about two thirds of it is really the salaries and benefits for that one person.

Andy Brienzo, Host and Principal Auditor: [01:34]

To answer the audit question, it looks like you reviewed whether the commission complied with requirements outlined in statute and bylaws. What kinds of things

were you looking for?

Katrin Osterhaus, Supervisor and IT Audit Manager: [01:44]

So, it's important to recognize this was a limited scope audit, and the first thing we did to answer that part of the question was to review statutes and other guiding documents. So that included commission bylaws as well and we recognized pretty quickly we couldn't evaluate everything, so we selected six key requirements that dealt with holding meetings, you know, things like enough meetings and whether they're open to the public and so and so forth. And then we also chose three requirements dealing with staffing. So, earlier I forgot to mention the commission has seven commissioners and so part of us looking at staffing requirements really dealt with how the executive director was chosen and to ensure that those seven commission members I mentioned are appointed by the right entities, and that's all in statutes. So, we looked at that. And then lastly, in that area, we also evaluated whether the executive director as well as the commissioners, really complied with a number of statutory duties and functions that they have.

Andy Brienzo, Host and Principal Auditor: [02:44]

Okay. First, you found that the commission didn't comply with two of six meeting related duties and one of three staffing duties. Tell me about these findings.

Katrin Osterhaus, Supervisor and IT Audit Manager: [02:56]

So, yeah within the six meeting related requirements, we evaluated, we found that the commission failed to elect a new chairperson in fiscal year 2023. That's supposed to happen annually, and it didn't, and the bylaws require the commission to also have some standing committees on various subject matters and those didn't exist either when we did the audit. The staffing related finding came down to how the executive director really was appointed by law, the commission is supposed to appoint that staff person, subject to the governor approving them. In this case, really what happened was the governor selected that person and then reached out to the commission chair prior to that announcement. So that's a little bit backwards, I guess, from how it's supposed to happen. Folks did tell us that is how the last executive director came into the job, and that may have set a precedent, but it's not how the law was written.

Andy Brienzo, Host and Principal Auditor: [03:52]

And on the other hand, you found evidence the commission conducted activities in about half the 11 areas authorized by law. So, talk a little bit about the kinds of things the commission was and wasn't doing and whether this was a problem.

Katrin Osterhaus, Supervisor and IT Audit Manager: [04:07]

I will start with your last part of the question. We did not find problems here, and that's because the law is written to give the commission specific functions, powers and duties. So, while the statute does in fact list 11 very specific activities for the

commission, those don't all have to be carried out because of the words functions and powers. So, to give you some examples, the commission has the power to propose new programs concerning African Americans or conduct training programs for community leadership and service project staff. So, in the end, we found evidence of commission members doing activities that met five of those 11 statutory functions, powers and duties. For example, they held a couple of town hall meetings, which aligned with gathering and disseminating information. So again, I just wanted to underscore again that we did not identify any problems in this space given the statutory language.

Andy Brienzo, Host and Principal Auditor: [05:02]

You also looked at whether the executive director herself was complying with her statutory duties in 2022 and 2023, as well as whether the commission was happy with her performance. What did you find?

Katrin Osterhaus, Supervisor and IT Audit Manager: [05:15]

So, yeah for the executive director, the law actually uses the words duties only. So, the law does outline five specific duties, including things like gather and disseminate information, conduct public education programs and the like. And we did find that the director took actions related to each one of those five duties. So, the bottom line here is that we didn't find any statutory compliance issues here. Now, let me cover that second part of your question. The audit proposal that got approved also asked us to gather the commissioner's opinions about the director's responsiveness, effectiveness and quality of services. And so to do that, we decided to do this by surveying the seven commission members. And we, luckily, we got responses from six of 'em, so that's pretty good. Uh, their responses were generally positive in that space. So, for example, on a scale of one to five, the average score for the responsiveness and quality of services to constituents was 4.4, so that's pretty good. But the survey also revealed that commissioners were less satisfied about having enough oversight and insight when it comes to the financial management so just making sure that they have insight into the budget. And so those things, the average score for that question was 2.5, so definitely much lower. Now, I should probably also mention we did note some problems with the distinction between the director's and the commissioner's roles. And what I mean by that is that there appears to be a blurred understanding on who's really responsible for deciding on and conducting specific activities. And I mentioned earlier that the executive director is only the only paid staff really, and commissioners are really unpaid. In our interviews with the executive director, she felt that she didn't necessarily feel comfortable asking commissioners to do things because again, they don't get any money for it. Other documents we reviewed also showed that commissioners were taking more of a passive role, and that may explain why we didn't identify more activities that we could credit the commissioners for in the earlier question.

Andy Brienzo, Host and Principal Auditor: [07:24]

The audit question also called for you to review the commission's fiscal year 2023 expenditures. It looks like you found that although these expenditures seemed reasonable, some of them weren't properly approved. Tell me about these findings.

Katrin Osterhaus, Supervisor and IT Audit Manager: [07:38]

Yeah, so for that work, we, we first reviewed the itemized list of 11 months of expenditures for fiscal year 2023. And I say 11 months because that was kind of where we were in the, in the time. Um, and we wanted to get the audit done. So, we looked at the 11 months of essentially skipping that last month of fiscal year 2023. Um, but we looked for any expenditures that looked out of scope for the commission. And in looking at all those itemized expenditures, we really didn't find anything that appeared inappropriate on its face. Then our second cut was to select 11 expenditures above a hundred dollars that were non-routine expenditures. So, we are talking about things like occasional travel, a one-time sponsorship for fundraiser or certain training costs. So, to explain our findings in the space, I should first explain how the commission really, um, how the expenditures work for that commission. So, for regularly occurring expenditures, the governor's staff proactively approves them essentially really without any involvement from the commission or from the executive director. So here we are talking about, you know, the salaries we mentioned earlier, or monthly cell phone bills, certain computer charges, things that happen just kind of almost automatically, again, with the governor's, uh, staff essentially just doing all of that behind the scenes. When the commission has a request for a non-regular activity that has a price tag, policies are such that the director must get that pre-approved by the governor's office and that typically involves kind of like an email with necessary documentation attached to get that pre-approved. And once that request is pre-approved, the documentation is then sent to the governor's office regarding the invoice and other supporting documentation once the expense hasn't actually happened and then the governor's office approves that expense and initiates the payment through the, you know, through the accounting system for the state. So, kind of going back to the 11 expenditures I mentioned, we did evaluate them and they ultimately were all approved for payment so that's good. But we did find six of them lack that written pre-approval that I mentioned that is supposed to happen.

Andy Brienzo, Host and Principal Auditor: [09:52]

Finally, what's the main takeaway of this audit report?

Katrin Osterhaus, Supervisor and IT Audit Manager: [09:56]

So I think my main takeaway is how important it is really to review agencies that may not have received an outside look for a while. I think we were able to highlight the importance of compliance with statutory requirements, bylaws and established policies. And then secondly, I would say that while we covered a lot of ground in this audit, we also noted there are still some questions about the roles between the

executive director and the commissioners. And so we really hope that this audit can serve as a starting point to clarify those roles, and perhaps just to create more opportunities for both the executive director and the commissioners to try to carry out more of those statutory functions, roles and duties that are envisioned for the African-American community.

Andy Brienzo, Host and Principal Auditor: [10:42]

Katrin Osterhaus is an IT audit manager at Legislative Post Audit. She completed a limited scope audit examining the Kansas African American Affairs Commission. Thanks for joining me.

Katrin Osterhaus, Supervisor and IT Audit Manager: [10:53]

Thank you.

Andy Brienzo, Host and Principal Auditor: [10:53]

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