

MINUTES

Legislative Post Audit Committee February 13, 2008

The meeting was called to order by Chair Schmidt at 7:35 a.m. in Room 423-S of the Statehouse. Committee members present:

Senator Derek Schmidt, Chair	Representative Virgil Peck, Jr., Vice-Chair
Senator Les Donovan	Representative Tom Burroughs
Senator Chris Steineger	Representative John Grange
	Representative Peggy Mast

Approval of Minutes

Senator Steineger moved approval of the January 16, 2008, minutes. Representative Mast seconded the motion; motion carried.

Completed Performance Audits

K-12 Education: Estimating the Impact of a Second Count Date on School District Funding. This audit was presented by Brenda Heafey, Auditor. As amended by the Senate, House Bill 2123 from the 2007 session would have allowed districts to receive additional funding if their student enrollment significantly increased from September to February. Over the past three school years, 43 districts would have received almost \$7 million in additional funding if House Bill 2123 had been in place. Districts that would have benefited the most from the bill tended to be mid- to large-sized districts on the edge of a metropolitan area that received relatively lower amounts of State and local funding per FTE student through the State's school finance formula. A review of the current second count date for military dependents shows that some of the statutory provisions for administering it appear to be unclear.

Present to answer questions was Dale Dennis, Deputy Commissioner of Education.

The audit will be distributed to House and Senate Education Committees, the House Education Budget Committee, the Senate Ways & Means Subcommittee on Education, and the LEPC.

Representative Grange moved to accept the audit and Representative Mast seconded the motion. Motion carried.

Completed Financial-Compliance Audit

Statewide Financial-Compliance Audit, FY 2007. Mark Dick, of Allen Gibbs & Houlik, presented this audit. The work on this audit was done by the joint venture of Allen Gibbs & Houlik and Berberich Trahan & Co., certified public accounting firms under contract with

Legislative Post Audit. This audit report on the State of Kansas presents part of the results of the fiscal year 2007 Statewide audit. The report includes any findings and recommendations the auditors considered significant enough to bring to the Legislature's attention. For this fiscal year, there were no such findings or recommendations. Other reporting on the fiscal year 2007 Statewide audit includes the auditors' opinion on the State's financial statements included in the Annual Financial Report of the Division of Accounts and Reports, and the separately issued single audit report that addresses federal grant administration issues and concerns.

Present to answer questions was Kent Olson, Director of Accounts and Reports, as well as Martin Eckhardt, also from the Division of Accounts and Reports.

This audit will be distributed to the Senate Ways & Means and the House Appropriations Committees.

Legislative Post Audit Operations

Discussion of the Chair's letter on refocusing LPA's audit work on efficiency and cost savings issues. Senator Schmidt discussed his February 6 letter on refocusing the Division's audit work to concentrate on efficiency and cost-savings issues. Representative Mast stated that she thought that this new direction was important for the State.

At the Chair's request, Barb Hinton, Legislative Post Auditor, shared some preliminary thoughts on how such a refocusing might work, and the kinds of decisions the Committee might want to make. The Chair directed that she present the Committee with a proposal at the next meeting.

Senator Steineger asked, if the Committee changes its process to place a greater emphasis on efficiency and cost-savings audits, whether a rules change would be an appropriate way to prevent it drifting away from that emphasis in the future.

Members suggested that staff look through old audit reports, and at unimplemented recommendations, to identify potential efficiency and cost-savings topics.

Date of the Next Meeting

The Chair previously had set the next meeting for Wednesday, February 20, noon-1:30 p.m., in Room 313-S.

The meeting adjourned at 8:25 a.m..

(All handouts and other documents referred to in these minutes are on file with Legislative Post Audit.)