

MINUTES

Legislative Post Audit Committee March 4, 2009

The meeting was called to order by Chair Virgil Peck Jr. at 12:02 p.m. in Room 446-N of the Statehouse. Committee members present:

Representative Virgil Peck, Jr., Chair	Senator Terry Bruce, Vice-Chair
Representative Tom Burroughs	Senator Anthony Hensley
Representative John Grange	Senator Dwayne Umbarger
Representative Peggy Mast	
Representative Tom Sawyer	

Approval of Minutes

Representative Mast moved approval of the February 25, 2009 minutes. Representative Sawyer seconded the motion; motion carried.

Performance Audit Topics

Scott Frank, Audit Manager, reviewed briefly with the Committee the request for a 200-hour audit made by Representative Huebert, who appeared before the Committee at its February 25th meeting to explain his request. The Committee had delayed action on the request at its last meeting for lack of a quorum. Representative Peck opened the floor for a motion, but no motion was made. Because no action was taken, the scope statement will go onto the regular list of audit topics for the Committee's consideration at a future meeting.

Legislative Post Audit Operations

Discussion of Part II for several approved audit topics. Barb Hinton, Legislative Post Auditor, told the Committee that, in order to make the results of the Division's audit work available to the Legislature on a more timely basis during the session, staff split the audit looking at combining or restructuring some inspection functions to reduce costs into two parts. The first part focused on automating State-funded inspection processes within a sample agency—in this case, KDHE—with the expectation that the conclusions from this audit work would be fairly universal, and could be applicable to most State agencies. Part I will be available for a meeting in mid-March. For Part II of this audit, Ms. Hinton asked for feedback from the Committee on which areas members thought would be of most value to audit,

especially given the economic downturn and the cuts agencies have experienced for fiscal years 2009 and 2010.

In addition, Ms. Hinton said that staff initially thought it would make sense to conduct the audit of the State universities in two parts, and planned to cover remedial classes, low-enrollment classes, and efficiency ratios in Part I. However, because of the difficulties universities have had in providing the data requested, and because the auditors need additional time to fully understand the programs, the Division has decided to finish the remainder of the work contemplated in this audit and issue it in a single report.

Representative Peck opened the floor for comments. By consensus, the Committee indicated it was comfortable with allowing staff to use its best judgment.

Status of legislation introduced by the Committee. Ms. Hinton gave an update on the status of bills of interest to the Committee. She suggested that the Committee might want discuss taking a more active role in testifying on behalf of the bills it introduces, especially those related to improving government efficiency. Staff who testify on these bills always provide “neutral” or background testimony tied to the audit findings and recommendations, so as not to leave the impression they are advocating a particular policy decision. In some cases, that can leave no one to provide testimony in support of the bills.

Senator Hensley noted that many of the bills have been referred to committees to which members of the Legislative Post Audit Committee also are assigned. He suggested that Committee members take it upon themselves to advocate for the bills in their other committees.

Old/New Business

Leo Hafner reported on the response made by the Department of Commerce to the audit of their agency. As requested, the Department provided a follow-up response to the audit looking at the Department’s management-level positions. The Secretary reported that, after consulting with officials in the Division of Personnel Services, he is reallocating 27 of the 50 positions that had been classified as management positions to non-management positions. He also indicated the Department would be eliminating the double layer of management positions in the Workforce Development Center area offices, and eliminated another senior-level management position. The Secretary cited savings of more than \$175,000 a year from these changes, even more than the audit had identified.

Additionally, Mr. Hafner asked whether the Committee wished to designate any of the efficiency audits it approved at its November 18 meeting to be the K-GOAL audits for 2009. After discussion, the Committee took the following actions to designate previous audits as K-GOAL audits for 2009:

- *Low Priority Programs in Kansas: Identifying Them and the Costs Associated With Operating Them* - Representative Burroughs moved, seconded by Representative Sawyer; motion carried.
- *Agency Data Centers: Assessing the Potential Savings from Consolidation* - Representative Mast moved, seconded by Representative Sawyer; motion carried.
- *State Inspection Functions: Determining Whether There Are Ways to Combine or Otherwise Restructure Some Functions to Reduce Costs* - Representative Mast moved, seconded by Representative Sawyer; motion carried.
- *State Universities: Can State Universities Provide Post-Secondary Education More Efficiently to Reduce Costs* - Representative Burroughs moved, seconded by Representative Mast; motion carried.

Finally, Ms. Hinton noted that the start of some approved audits had been delayed so that other audits dealing with cost-savings or efficiency issues could be completed in time for use during the session. She suggested that those delayed audits be started next, so they could be interspersed with the efficiency audits. Members agreed by consensus.

Date of the Next Meeting

The Chair suggested that the next meeting date be set for Wednesday, March 18. Staff will poll members and work with the Chair to set the date. The meeting adjourned at 12:46 p.m.

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