

MINUTES
AUDIT SUBCOMMITTEE
OF THE
LEGISLATIVE MANAGEMENT COMMITTEE

The Audit Subcommittee of the Legislative Management Committee met in Room W110, State Capitol Complex, Salt Lake City, Utah, May 22, 2007, from 3:30 p.m. until 4:15 p.m.

Committee Members Present: Speaker Greg J. Curtis, Co-Chairman
President John L. Valentine, Co-Chairman
Senator Mike Dmitrich
Representative Ralph Becker

Legislative Audit Staff: John Schaff, Auditor General
Rick Coleman, Deputy Auditor General
Tim Osterstock, Audit Manager
Excused Darin Underwood, Audit Manager
Lynda Maynard, Recording Secretary
Janice Coleman, Audit Supervisor
Kade Minchey, Audit Supervisor
Aaron Eliason, Legislative Lead Auditor
Brandon Bowen, Sr Performance Auditor
Brian Freeman, Performance Auditor
David Apple, Performance Auditor

Other Interested Parties: Brian Foisy, Asst Commissioner, State Board of Regents
Richard E. Kendell, Commissioner, State Board of Regents
Regents Mark H. Spencer, Assoc Commissioner, State Board of Regents
Amanda Covington, Director, Public Relations, St Board of Regents
Dorian Page, Associate VP for Finance, Southern Utah Univ
Representative Chris Herrod
Danny Schoenfeld, Legis Fiscal Analyst
Wendy Leonard, *Deseret News*
Brock Vergakis, *Associated Press*
Sheena McFarland, *Salt Lake Tribune*

Nicole Stricker, *Salt Lake Tribune*
Tonya Papanikolas, *KSL*
Britt Shepherd, *KUTV 2*
Mike Steven, *KUTV 2*
Julie Rose, *KCPW*

1. Call to Order

President Valentine called the meeting to order at 3:30 p .m.

2. Approval of Minutes

Speaker Curtis made a motion that the minutes from the March 27th meeting be approved. The motion passed.

3a. A Review of the Public Education Costs of Undocumented Children

(Report #2007-07)

Presented by Janice Coleman, Audit Supervisor

Discussion following Presentation

There was no one available to respond from the Agency to the audit presentation. After a discussion among the Audit Subcommittee Members the following motion was made:

Motion: Speaker Curtis made a motion that the **Review of the Public Education Costs of Undocumented Children** (Report #2007-07) be accepted and referred to the Education Interim Committee and the Public Education Appropriations Subcommittee. The motion passed unanimously.

3b. A Performance Audit of Compliance with UMIFA (*Uniform Management of Institutional Funds Act*)

(Report #2007-09)

Presented by Kade Minchey, Audit Supervisor

Discussion following Presentation

Richard E, Kendell, Commissioner of Higher Education, responded to the audit of UMIFA. Mr. Kendell said that the State Board of Regents feel they have made progress moving from the Money Management Act to the Uniform Management of Institutional

Funds Act (UMIFA). Mr. Kendell continued by saying that the instances of non-compliance which exist are relatively minor and are being resolved and they are giving more attention to tracking investment policies month to month, quarter to quarter and on an annual basis.

Mark Spencer, Associate Commissioner, State Board of Regents, explained to the Audit Subcommittee that the State Board of Regents made the change from the Money Management Act to UMIFA because it was a better match for endowment-type situations and is more investment driven.

Motion: Speaker Curtis made a motion that the **Performance Audit of Compliance with UMIFA** (Report #2007-09) be accepted and referred to the Education Interim Committee and the Higher Education Appropriations Subcommittee. The motion passed unanimously.

4. Introduction of New Audit Staff

John Schaff, Auditor General, introduced new Performance Auditors, David Apple and Brian Freeman to the Audit Subcommittee.

5. Other Business

Representative Becker requested that a previous audit request of This Is The Place Park be put on the next Legislative Management or Executive Appropriations Committee agenda with a request to have the Legislative Fiscal Analyst's staff do an analysis for the next legislative session. This action is being taken because the Legislative Auditor General's Office will not have staff available to complete this work before the next session.

6. Adjournment

President Valentine adjourned the meeting at 4:15 p.m.