

**MINUTES OF THE
LEGISLATIVE MANAGEMENT COMMITTEE**
Tuesday, June 19, 2012 – 3:00 p.m. – Room 445 State Capitol

Members Present:

Speaker Rebecca D. Lockhart, Chair
President Michael G. Waddoups, Vice Chair
Sen. Scott K. Jenkins
Sen. Benjamin M. McAdams
Sen. Karen W. Morgan
Sen. Wayne L. Niederhauser
Rep. Brad L. Dee
Rep. Gregory H. Hughes
Rep. Brian S. King
Rep. David Litvack
Rep. Ronda Rudd Menlove
Rep. Christine F. Watkins

Members Absent:

Sen. Patricia W. Jones
Sen. Peter C. Knudson
Sen. Ross I. Romero
Rep. Jennifer M. Seelig

Staff Present:

Mr. Michael E. Christensen, Director
Mr. John L. Fellows, General Counsel
Ms. Phalin L. Flowers, Administrative Assistant

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Lockhart called the meeting to order at 3:35 p.m. Sen. Jones, Sen. Knudson, Sen. Romero, and Rep. Seelig were excused from the meeting.

MOTION: Pres. Waddoups moved to approve the minutes of the May 15, 2012 meeting. The motion passed unanimously.

2. State Audit of Purchasing Cards

Mr. Auston Johnson, Utah State Auditor, discussed "Department of Administrative Services, Division of Finance, Purchase Card and Travel Transactions Audit Report," which was distributed before the meeting. Mr. Johnson explained that the purpose of the audit was to find instances of purchasing card misuse by agencies. He said the audit showed that 74 percent of the transactions that were sampled were in violation of state policy on purchasing cards. He said his recommendations to the Division of Finance were to provide training that emphasizes the proper use of state purchasing cards.

Pres. Waddoups asked Mr. Johnson about the responses from the individual agencies that were not in compliance. Mr. Johnson said each agency sent in its response to the audit with explanations of what steps each agency will take to ensure the violations are not repeated.

Sen. Jenkins asked Mr. Johnson if he was alarmed by the outcome of the audit and if he saw trends in the misuse of the purchasing cards. Mr. Johnson replied that the audit results did concern him because it appears that the same types of misuse are a statewide problem. Mr. Johnson said that they also considered expanding their sample size, but decided that it was not necessary because the same types of misuse were repeated.

Rep. Dee asked if increased training would be required as a result of this audit. Mr. Johnson said that he specifically recommended to the Division of Finance that they provide additional training to state

employees to emphasize the proper use of state purchasing cards. He said he plans to follow up on his recommendations and that the training should take place within a year.

Sen. Niederhauser thanked Mr. Johnson for his report and asked for clarification on how Mr. Johnson's office received the data it used for the audit and what type of software his office used to complete the audit. He also asked why the state cannot use continuous auditing to prevent misuse. Mr. Johnson replied that it is simple to find outlying transactions, but difficult to follow through on each violation to determine whether it was legitimate or not because of the time it takes to go through the documentation for each transaction. He said he has also received cease-and-desist orders from the federal government when he was trying to perform certain audits.

3. Letters to the Legislative Management Committee

Chair Lockhart introduced a letter from Sen. Mark Madsen, which requested approval for the Judiciary Interim Committee to study two additional items.

MOTION: Sen. McAdams moved to defer action on Sen. Madsen's request. The motion passed with Sen. Jenkins and Sen. Niederhauser voting in opposition. Rep. Menlove was absent for the vote.

Chair Lockhart introduced a letter from the chairs of the Business and Labor Interim Committee requesting approval of their prioritized study items during the 2012 interim.

MOTION: Pres. Waddoups moved to approve the request of the chairs of the Business and Labor Interim Committee. The motion passed unanimously with Rep. Menlove absent for the vote.

Chair Lockhart introduced a second letter from the chairs of the Business and Labor Interim Committee. The letter recognized that the Legislative Management Committee has the discretion to make study assignments to interim committees, but requested that items that were originally assigned to the Business and Labor Interim Committee not be studied by the Political Subdivisions Interim Committee. This will prevent duplicate studies on the items and because the members of the Business and Labor Interim Committee have more experience and expertise in this subject area.

MOTION: Pres. Waddoups moved to allow both committees to study the items prioritized by the Political Subdivisions Interim Committee that were originally assigned to the Business and Labor Interim Committee. The motion passed unanimously with Rep. Menlove absent for the vote.

Chair Lockhart introduced a letter from the chairs of the Economic Development and Workforce Services Interim Committee requesting approval of their prioritized study items during the 2012 interim.

MOTION: Pres. Waddoups moved to approve the request of the chairs of the Economic Development and Workforce Services Interim Committee. The motion passed unanimously with Rep. Menlove absent for the vote.

Chair Lockhart introduced a letter from the chairs of the Education Interim Committee requesting approval of their prioritized study items during the 2012 interim.

MOTION: Pres. Waddoups moved to approve the request of the chairs of the Education Interim Committee. The motion passed unanimously with Rep. Menlove absent for the vote.

Chair Lockhart introduced a letter from the chairs of the Government Operations Interim Committee requesting approval of their prioritized study items during the 2012 interim.

MOTION: Pres. Waddoups moved to approve the request of the chairs of the Government Operations Interim Committee. The motion passed unanimously with Rep. Menlove absent for the vote.

Chair Lockhart introduced a letter from the chairs of the Health and Human Services Interim Committee requesting approval of their prioritized study items during the 2012 interim.

MOTION: Pres. Waddoups moved to approve the request of the chairs of the Health and Human Services Interim Committee. The motion passed unanimously with Rep. Menlove absent for the vote.

Chair Lockhart introduced a letter from the chairs of the Judiciary Interim Committee requesting approval of their prioritized study items during the 2012 interim.

MOTION: Pres. Waddoups moved to approve the request of the chairs of the Judiciary Interim Committee. The motion passed unanimously with Rep. Menlove absent for the vote.

Chair Lockhart introduced a letter from the chairs of the Law Enforcement and Criminal Justice Interim Committee requesting approval of their prioritized study items during the 2012 interim.

MOTION: Pres. Waddoups moved to approve the request of the chairs of the Law Enforcement and Criminal Justice Interim Committee. The motion passed unanimously with Rep. Menlove absent for the vote.

Chair Lockhart introduced a letter from the chairs of the Natural Resources, Agriculture, and Environment Interim Committee requesting approval of their prioritized study items during the 2012 interim.

MOTION: Pres. Waddoups moved to approve the request of the chairs of the Natural Resources, Agriculture, and Environment Interim Committee. The motion passed unanimously with Rep. Menlove absent for the vote.

Chair Lockhart introduced a letter from the chairs of the Political Subdivisions Interim Committee requesting approval of their prioritized study items during the 2012 interim.

MOTION: Pres. Waddoups moved to approve the request of the chairs of the Political Subdivisions Interim Committee. The motion passed unanimously with Rep. Menlove absent for the vote.

Chair Lockhart introduced a letter from the chairs of the Public Utilities and Technology Interim Committee requesting approval of their prioritized study items during the 2012 interim.

MOTION: Pres. Waddoups moved to approve the request of the chairs of the Public Utilities and Technology Interim Committee. The motion passed unanimously with Rep. Menlove absent for the vote.

Chair Lockhart introduced a letter from the chairs of the Revenue and Taxation Interim Committee requesting approval of their prioritized study items during the 2012 interim.

MOTION: Pres. Waddoups moved to approve the request of the chairs of the Revenue and Taxation Interim Committee and to notify the chairs of the Revenue and Taxation Interim Committee and the Public Utilities and Technology Interim Committee that their omnibus language is rejected; they will need to submit additional study items for the approval of the Legislative Management Committee. The motion passed unanimously with Rep. Menlove absent for the vote.

Chair Lockhart introduced a letter from the chairs of the Transportation Interim Committee requesting approval of their prioritized study items during the 2012 interim.

MOTION: Pres. Waddoups moved to approve the request of the chairs of the Transportation Interim Committee. The motion passed unanimously with Rep. Menlove absent for the vote.

Chair Lockhart introduced a memorandum from the chairs of the Higher Education Appropriations Subcommittee requesting approval to meet on August 16, 2012.

MOTION: Pres. Waddoups moved to approve the request of the chairs of the Higher Education Appropriations Subcommittee. The motion passed unanimously with Rep. Menlove absent for the vote.

Chair Lockhart introduced a memorandum from the chairs of the Infrastructure and General Government Appropriations Subcommittee requesting approval for a two-day tour of infrastructure in the state with an overnight stay in Cedar City, Utah, on September 25 and 26, 2012.

MOTION: Pres. Waddoups moved to approve the request of the chairs of the Infrastructure and General Government Appropriations Subcommittee. The motion passed unanimously with Rep. Menlove absent for the vote.

Chair Lockhart introduced a memorandum from the chairs of the Social Services Appropriations Subcommittee requesting approval to hold a one-day meeting between August and November of 2012.

MOTION: Pres. Waddoups moved to approve the request of the chairs of the Social Services Appropriations Subcommittee. The motion passed unanimously with Rep. Menlove absent for the vote.

Chair Lockhart introduced a memorandum from the chairs of the Executive Offices and Criminal Justice Appropriations Subcommittee requesting approval to hold a one-day meeting between July and September of 2012.

MOTION: Pres. Waddoups moved to approve the request of the chairs of the Executive Offices and Criminal Justice Appropriations Subcommittee. The motion passed unanimously with Rep. Menlove absent for the vote.

4. Other Items

No other items were discussed.

5. Adjourn

MOTION: Pres. Waddoups moved to adjourn the meeting. The motion passed unanimously with Rep. Menlove absent for the vote.

Chair Lockhart adjourned the meeting at 4:24 p.m.