

**AUDIT SUBCOMMITTEE  
OF THE  
LEGISLATIVE MANAGEMENT COMMITTEE**

The Audit Subcommittee of the Legislative Management Committee met in Room 250, State Capitol Building, Salt Lake City, Utah, Tuesday, December 15, 2015, from 3:45 p.m. to 4:30 p.m.

Committee Members Present: President Wayne Niederhauser, Co-Chairman  
Speaker Gregory Hughes, Co-Chairman  
Senator Gene Davis

Excused Representative Brian King

Legislative Audit Staff: John Schaff, Auditor General  
Richard D. Coleman, Deputy Auditor General  
Tim Osterstock, Audit Manager  
Darin Underwood, Audit Manager  
Lynda Maynard, Recording Secretary  
Deanna Herring, Audit Supervisor  
Wayne Kidd, Audit Supervisor  
Kade Minchey, Audit Supervisor  
Brian Dean, Audit Supervisor  
David Gibson, Audit Supervisor  
Matthias Boone, Sr. Perf Auditor  
Hillary Galvin, Sr. Perf Auditor  
Katherine Stanfill, Performance Auditor

Other Interested Parties: LeGrande Bitter, Exec. Dir., Ut Assoc of  
Special Dists.

Mark Steinagel, Director, DOPL  
Francine Giani, Executive Director, Dept of

Commerce

Paul Ashton, White City Water Improvement

Dist.

Tami Pyfer, Governor's Office  
Jason Gould, Utah Senate  
Judy Fahys, *KUER News*  
Michelle Price, *Associated Press*

**Call to Order**

President Niederhauser called the meeting to order at 3:45 p.m.

## 2. Approval of Minutes

Motion: Representative King made a motion that the minutes from November 3, 2015 Audit Subcommittee meeting be approved. The motion passed unanimously.

### 3a. A Performance Audit of Culinary Water Improvement Districts (Report #2015-12)

Presented by: Wayne Kidd, Audit Supervisor

#### Discussion following Presentation

LeGrand Bitter, Executive Director, Utah Association of Special Districts, told the Audit Subcommittee that they appreciated the results of the audit which provided a focus, vision and understanding of the areas of challenge that needed to be addressed and will be helpful information to included in training for their board members and managers and as convention topics. Mr. Bitter also said that they appreciated the professionalism of the Legislative Auditor General's Office and the excellent communication they had.

Motion: Senator Davis made a motion that the **Performance Audit of Culinary Water Improvement Districts** (Report #2015-12) be referred to the Government Operations Interim Committee as the Lead committee and the Political Subdivisions Interim Committee as the support committee. The motion passed unanimously.

### 3b. A Review of the Use of the Controlled Substance Database by Law Enforcement (Report #ILR2015-E)

Presented by: Deanna Herring, Audit Supervisor

#### Discussion following Presentation

Mark Steinagel, Director, Division of Occupational and Professional Licensing (DOPL) thanked the Audit Subcommittee for applying resources to this important issue and thanked the Auditor General's staff for their diligent and professional gathering of the needed information.

Mr. Steinagel indicated that they have looked at both sides of the issue and did see some abuse but felt there should be some kind of middle ground oversight in each agency to curtail any abuse.

Motion: Senator Davis made a motion that the **Review of the Use of the Controlled Substance Database by Law Enforcement**

(Report #ILR2015-E) be referred to the Judiciary Interim Committee as the Lead committee and the Health and Human Services Interim Committee as the support committee. The motion passed unanimously.

#### **4. Legislative Lead Committee Action**

John Schaff, Legislative Auditor General, presented the “Thank You” letter the Subcommittee requested at the previous meeting for their approval. Mr Schaff continued with an update on the Tracking Sheet that was given to the Audit Subcommittee members in their packets. Mr. Schaff told the Subcommittee that they will be given an updated Tracking Sheet at each Audit Subcommittee meeting which will improve the effectiveness of the work that comes before the committee. Mr. Schaff concluded this section by calling attention the new Lead Committee Responses that had come back to the Audit Subcommittee.

Motion: Senator Davis made a motion that the approved “Thank You” letter be sent to the Lead and Support Committees as directed. The motion passed unanimously.

#### **5. Prioritization of Audit Requests**

Mr. Schaff told the Subcommittee Members that the USTAR audit would be released in the next few weeks. As this is a follow-up the Auditor General will request a verbal agreement to release it without an Audit Subcommittee meeting.

Mr. Schaff requested that the following actions be approved:

- Department of Public Safety, PSAP and 9-1-1 System is being worked on as a high-level view of policies, procedures and how well they are complying but since a legislative committee has asked UCA to provide a study and audit that over-laps what the Auditor General’s staff is doing, Mr. Schaff requested that the work they are doing end with their current findings.
- A request for an audit of State Science Standards Adoption Process that is currently on “HOLD” be dropped from the list as the State Office of Education has passed and adopted these standards.
- A request that the following three audit request from 2012 and 2013 be removed:
  - Educational Data Systems Security
  - Audit Validation of Jail Contract Costs, and
  - Public Education 8<sup>th</sup> Grade Proficiency Tests

Motion: Speaker Hughes made a motion that the Audit Subcommittee wait until the UCA report is presented in

June before further action is considered for an audit of the Department of Public Safety. Also, that the State Science Standards Adoptions Process be dropped from the “Future Audits” list and that the following three audits be removed from the “Requested Audits” list: Educational Data Systems Security, Audit Validation of Jail Contract Costs, and Public Education 8<sup>th</sup> Grade Proficiency Tests. The motion passed unanimously.

After discussing audits that should be considered, the following motion was made—

Motion: Speaker Hughes made a motion that the Auditor General be directed to do a review the following departments:

- Department of Administrative Services Risk Management
- Department of Administrative Services Division of Finance, and
- Department of Administrative Services Department of Human Resource Management. The motion passed unanimously.

Motion: Representative King made a motion that the new audit requests— USOE “ASPIRE” Program; the Utah Antidiscrimination and Labor Division, and the University of Utah Venture and Commercialization (TVC) Program be moved under “Requested Audits”. The motion passed unanimously.

## **5. Adjourn**

President Niederhauser adjourned the meeting at 4:30 pm.