

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, June 20, 2006, from 3:00 p.m. until 5:00 p.m.

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

Legislative Audit Staff: Rick Coleman, Deputy Auditor General
Excused John Schaff, Auditor General
 Tim Osterstock, Audit Manager
 Darin Underwood, Audit Manager
 James Behunin, Audit Supervisor
 Janice Coleman, Audit Supervisor
 Brian Dean, Lead Auditor
 Deanna Herring, Lead Auditor
 Aaron Eliason, Lead Auditor
 David Pulsipher, Performance Auditor
 Tim Bereece, Performance Auditor
 Leah Blevins, Performance Auditor
 Chris Otto, Performance Auditor
 Lynda Maynard, Recording Secretary

Other Interested Parties: Commissioner R. Lee Ellertson, Labor
 Commission
 Tori Burns, Labor Commission
 Alan Hennebold, Labor Commission
 Larry Patrick, Administrator, UOSH
 Delynn Fielding, Director, Carbon County
 Economic Development
 Karl Kraync, SEUSBIF
 Philip Notarianni, Director, Division of State

History Wilson Martin, State Historic Preservation Officer
 Man Diep, DCC
 Kelly C. Atkinson, Fraternal Order of Police
 Steven Oberbeck, *Salt Lake Tribune*
 Greg Lavine, *Salt Lake Tribune*
 Joe Bauman, *Deseret Morning News*

1. Call to Order

Speaker Curtis called the meeting to order at 3:00 p.m.

2. Approval of Minutes

President Valentine made a motion that the minutes from the February 17th meeting be approved. The motion passed.

3a. A Performance Audit of the Utah Occupational Safety & Health Division (UOSH) (Report #2006-06) Presented by Deanna Herring, Lead Auditor

Discussion following presentation:

Commissioner R. Lee Ellertson, Labor Commission, explained that the Labor Commission does not look at this audit as a negative impact but rather a way to improve their process and an excellent way for them to implement the recommendations made. Commissioner Ellertson concluded by saying that UOSH desires to be a fair and consistent regulatory agency and will use the audit report's recommendations as means for continuing improvement.

Larry Patrick, Administrator, UOSH, told the Audit Subcommittee members that many of the recommendations of the audit team have already been implemented and are in operation.

Motion: President Valentine made a motion that the **Performance Audit of the Utah Occupational Safety & Health Division (UOSH)** (Report #2006-06), be accepted and referred to the Business and Labor Interim Committee and the Commerce and Revenue Joint Appropriations Subcommittee. The motion passed unanimously.

3b. Southeast Utah Small Business Investment Fund Provides Some Economic Benefits (Report #2006-07) Presented by Brian Dean, Lead Auditor

Discussion following presentation:

Delynn Fielding, Director, Carbon County Economic Development, expressed his appreciation for the opportunity to respond to the audit findings and praised the audit staff for their work and understanding of the program and for presenting a fair representation.

Karl Kraync, Program Chair, Southeastern Utah Small Business Investment Fund

Board, expressed his willingness to accept the recommendations in the audit and retain with the Association of Governments (AOG). Mr. Kraync also said that SEUSBIF wondered if the Governor's Office of Economic Development (GOED) would be the funding source and would they then pass the money down to the AOG?

Motion: President Valentine made a motion that the audit, **Southeast Utah Small Business Investment Fund Provides Some Economic Benefits** be approved and referred to the Workforce Services and Community and Economic Development Interim Committee and the Economic Development Appropriations Subcommittee. The motion passed unanimously.

3c. **Archaeological Surveys in Utah**

(Report #2006-04)

Presented by James Behunin, Audit Supervisor

Discussion following presentation:

Philip Notarianni, Director, Division of State History, introduced Wilson Martin, State Historic Preservation Officer to the Audit Subcommittee. Mr. Notarianni said that State History does their jobs well and acts on behalf of the states valuable and historic cultural resources and that they do agree with the recommendations; that HB139, passed in the General Session, addressed many of the concerns.

Motion: Senator Dmitrich made a motion that the **Archaeological Surveys in Utah** (Report #2006-04) be approved and referred to the Workforce Services and Community and Economic Development Interim Committee and the Economic Development Appropriations Subcommittee. The motion passed unanimously.

4. **A Limited Survey of Local Government Compliance with Impact Fees Act**

(Report #2006-05)

Released without presentation to the Audit Subcommittee

After a discussion of the recent legislation that affected the Impact Fees request, Senate Bills 267 and 268, President Valentine made the following motion.

Motion: President Valentine made a motion that the request for a full audit of Local Government Compliance with Impact Fees Act be removed from the Approved Audits list and accepted as the survey that has been given to the Audit Subcommittee. The motion passed unanimously.

5. **Audit Requests**

Rick Coleman, Deputy Auditor General gave a brief description of the Audits in Process, Other Approved Audits and New Audit Requests:

- **UDOT Project Costs**, requested by Senator Jenkins and Representative Ure
- **Prescription Drug Purchases**, requested by Representative Last
- **Agencies Use of Money Allocated through Fiscal Notes**, requested by Speaker Curtis and Representative David Clark
- **In-depth Follow-up of the Guardian ad Litem**, requested by Speaker Curtis

Motion: President Valentine made a motion that the request for an audit of the UDOT Project Costs be formally approved. The motion passed unanimously.

Motion: President Valentine made a motion that the following audit request be added to the Audits in Process list: Turnover Savings in Education; Uniform Management of Institutional Funds Act; Special Service Districts; and, Agency use of Money Appropriated through Fiscal Notes. The motion passed unanimously.

6. Adjournment

Speaker Curtis adjourned the meeting at 5:00 p.m.