

ARIZONA STATE LEGISLATURE

JOINT LEGISLATIVE AUDIT COMMITTEE

Minutes of the Meeting
Tuesday, October 26, 2010
10:30 a.m., House Hearing Room 3

Members Present:

Senator Thayer Verschoor, Vice-Chair
Senator Richard Miranda
Senator Rebecca Rios

Representative Judy Burges, Chair
Representative Tom Boone
Representative Cloves Campbell
Representative Kyrsten Sinema

Members Absent:

Senator John Huppenthal
President Robert Burns, Ex-officio

Representative Rich Crandall
Speaker Kirk Adams, Ex-officio

Staff:

Michelle Hindman, House Government Committee Analyst
Chris Stapley, House Government Committee Assistant Analyst

Chairman Burges called the meeting to order at 10:32 a.m. and attendance was taken.

APPROVAL OF MINUTES

Senator Verschoor moved, without objection, the minutes of November 3, 2009, were approved.

ASSIGNMENT OF SUNRISE REPORTS TO COMMITTEES OF REFERENCE

Kim Hildebrand, Performance Audit Administrative Manager, Office of the Auditor General, distributed a report by the Office of the Auditor General (OAG) (Attachment A) and stated the Committee received six sunrise applications which are detailed in the OAG report (tab three). She stated that the Joint Legislative Audit Committee (JLAC) is required by statute to assign the reports to a Committee of Reference. Ms. Hildebrand added that the President of the Senate recommended that the reports be assigned to the Senate Healthcare and Medical Liability Reform Committee of Reference and the Speaker of the House recommended the reports be assigned to the House Health and Human Services Committee of Reference.

Senator Verschoor moved that the Committee assign the five sunrise applications to the Senate Healthcare and Medical Liability Reform Committee of Reference and the House Health and Human Services

Committee of Reference. He further moved that the sunrise application for the Optometric Association not be assigned as the Senate and House Rules Attorneys had determined there was a sunrise hearing four years ago and that it was not necessary to have a sunrise hearing this year. The motion CARRIED by voice vote.

CONSIDERATION AND APPROVAL OF 2012-2013 PERFORMANCE AUDIT AND SUNSET REVIEW SCHEDULE

Dale Chapman, Director, Performance Audit Director, Office of the Auditor General, presented background information for the proposed 2012-2013 performance audit and sunset review schedule in the OAG report (Attachment A – tab four).

Senator Verschoor moved that the Committee approve the performance audits and sunset reviews scheduled for 2012-2013. The motion CARRIED by voice vote.

CONSIDERATION AND APPROVAL OF COMMITTEES OF REFERENCE ASSIGNMENTS FOR THE 2012 PERFORMANCE AUDIT AND SUNSET REVIEW SCHEDULE

Kim Hildebrand, Performance Audit Division Manager, Office of the Auditor General, provided background information for the Committee of Reference Assignments for the 2012 performance audit and sunset review schedule. She noted the recommendations from the Speaker of the House and President of the Senate were located in the OAG report (Attachment A – tab five).

Senator Verschoor moved that JLAC approve the Committees of Reference as recommended by the President of the Senate and the Speaker of the House for the 2012 sunset reviews and performance audits. The motion CARRIED by voice vote.

ASSIGNMENT OF BOARD OF PODIATRY AND DEPARTMENT OF JUVENILE CORRECTIONS SUNSET REVIEWS

Kim Hildebrand, Performance Audit Division Manager, Office of the Auditor General, provided background information for the sunset reviews and Committee of Reference assignments for the Board of Podiatry and Department of Juvenile Corrections. She noted the recommendations from the President of the Senate and the Speaker of the House were in the OAG report (Attachment A – tab six).

Senator Verschoor moved that JLAC assign the Board of Podiatry and the Department of Juvenile Corrections to the Committees of Reference for review and further moved that JLAC approve the Committees of Reference as recommended by the President of the Senate and Speaker of the House for the two 2012 sunset reviews. The motion CARRIED by voice vote.

CONSIDERATION AND APPROVAL OF COMMITTEES OF REFERENCE ASSIGNMENT FOR THE ARIZONA SPORTS AND TOURISM AUTHORITY SPECIAL AUDIT

Kim Hildebrand, Performance Audit Division Manager, Office of the Auditor General, provided background information included in the OAG report (Attachment A – tab seven) on the special audit of the Arizona Sports and Tourism Authority. She stated that the President of the Senate and the Speaker of the House recommended that the special audit be assigned to the Commerce Committees of Reference.

Senator Verschoor moved that the Committee approve the Committees of Reference as recommended by the President of the Senate and the Speaker of the House and assign the Arizona Sports and Tourism Authority special audit to the Senate Commerce and Economic Development Committee of Reference and the House Commerce Committee of Reference. The motion CARRIED by voice vote.

PRESENTATION OF DES CHILD PROTECTIVE SERVICES AUDIT SCHEDULE FOR 2011-2012

Dale Chapman, Director, Performance Audit Director, Office of the Auditor General, discussed the Department of Economic Security (DES) Child Protective Services audit schedule for 2011-2012 as provided in the OAG report (Attachment A – tab eight). He stated that it was for information purposes only and no action was required at this time.

PRESENTATION OF FINANCIAL AUDIT SCHEDULE AND CONSIDERATION OF COST REIMBURSEMENT AUDITS FOR 2011

Jay Zsorey, Financial Audit Division Director, Office of the Auditor General, provided the background and the Auditor General's financial audit schedule including federally mandated audits as provided in the OAG report (Attachment A – tab nine).

Senator Verschoor moved the Committee approve that the Auditor General to perform federal mandated work on a cost reimbursement basis for certain political subdivisions. The motion CARRIED by voice vote.

PRESENTATION AND STATUS UPDATE OF SCHOOL-WIDE AUDIT TEAM SCHEDULE FOR 2011-2012

Ross Ehrick, Division of School Audits Director, Office of the Auditor General (OAG), discussed the progress of current audits and the status of the upcoming audit schedule provided in the OAG report (Attachment A – tab ten). He stated that the number of audits on the schedule has increased from past years. He stated that the

OAG is required by statute to monitor school districts and determine the percentage of dollars spent in the classroom and present a report in March. In addition, Mr. Ehrick stated OAG is required by statute to audit the overall effectiveness of the ELL program and present a report in December.

There being no further business, the meeting was adjourned at 10:50 a.m.

Respectfully submitted,

Shelley Ponce
Committee Secretary

(Audio recordings and attachments on file in the Secretary of the Senate's Office/Resource Center, Room 115. Audio archives are available at <http://www.azleg.gov>)