Members Present:
Senator Judy Burges, Vice Chair          Representative John Allen, Chair 2014
Senator Nancy Barto                      Representative Paul Boyer
Senator David Farnsworth                 Representative Demion Clinco
Senator Katie Hobbs                      Representative Martin Quezada
Representative Kelly Townsend

Members Absent:
Senator Steve Gallardo                    Representative Andrew Tobin, Ex-officio
Senator Andy Biggs, Ex-officio

Staff:
Virginia (Ginna) Carico, House Research Staff
Catcher Baden, Senate Research Staff

Chairman Allen called the meeting to order at 10:08 a.m. and attendance was noted.

APPROVAL OF MINUTES

Senator Burges moved the minutes of October 3, 2013 be approved as distributed. The motion CARRIED by a voice vote.

The Auditor General’s Office distributed a handout entitled “A Report to the Arizona Legislature” (Attachment A).

Consideration and approval of 2016-2017 Performance Audit and Sunset Review Schedule

Dale Chapman, Director of the Performance and Audit Division, Arizona Office of the Auditor General, outlined the proposed 2016-2017 sunset review schedule in the handout (Attachment A). Mr. Chapman explained that the Auditor General’s Office does not have the resources to perform sunset reviews for all the agencies on the cycle and recommended that the Committees of Reference (COR) perform reviews for the remaining agencies. He also answered questions from the Committee.

Representative Burges moved that JLAC approve the proposed performance audit and sunset review schedule for 2016 and 2017. The motion CARRIED by a voice vote.
Consideration and Approval of Committees of Reference Assignments

Kim Hildebrand, Performance Audit Administrative Manager, Arizona Office of the Auditor General, explained that JLAC is required to assign agencies to a COR regardless of whether the Auditor General's Office or the COR conducts the sunset review. She outlined the proposed 2016 and 2017 COR recommendations from the Senate President and Speaker of the House of Representatives (Attachment B).

Representative Burges moved that JLAC approve the COR assignments as recommended by the President of the Senate and Speaker of the House for the 2016 and 2017 sunset reviews and performance audits. The motion carried by a voice vote.

Presentation and Status Update of Legislatively Directed Work in Child Safety and Family Services

Mr. Chapman explained the requirements enacted by the Legislature in 2013 for reports on the expenditure of monies for children support services in the Department of Economic Security.

Mr. Chapman explained that due to changes in departments, the Legislature in 2014 enacted requirements for a review and report on Child Safety and Family Services.

Mr. Chapman provided information concerning contracting with an independent consultant to conduct a review and report on the current child safety system.

Debbie Davenport, Auditor General, answered questions posed by the Committee.

Presentation of Financial Audit Schedule and Consideration of Cost Reimbursement Audits for Fiscal Year 2015

Jay Zsorey, Financial Audit Division Director, Office of the Auditor General, explained the financial audit schedule (Attachment A) and that the Auditor General's Office can be reimbursed for certain audits by the federal government. He explained which audits were involved and asked that JLAC approve the same.

Senator Burges moved JLAC approve the 2015 financial audit division scheduled audits to be performed on a cost reimbursement basis. The motion CARRIED by a voice vote.

Presentation and Status Update of School-wide Audit Team Schedule for 2016-2017

Ross Ehrick, Division of School Audits Director, Auditor General's Office, explained the status of current audits and listed the scheduled audits for 2016-2017 (Attachment A). He answered questions posed by the Committee.

Debbie Davenport, Auditor General, answered questions posed by the Committee.
Executive Session for the Discussion of Auditor General Reappointment pursuant to A.R.S. § 38-431.03, Subsection A, Paragraph 1

At 11:00 a.m. Senator Burges moved the Committee convene into Executive Session for the discussion of the Auditor General reappointment. The motion CARRIED by a voice vote.

Reconvene for Consideration and Vote on Auditor General Reappointment

At 11:25 a.m. Representative Allen reconvened the Committee.

Senator Burges moved to reappoint Debra K. Davenport to the Office of the Auditor General for the next five years. The motion CARRIED by a voice vote.

Senator Burges moved the Committee increase the salary of the Auditor General by five percent.

Representative Townsend explained that due to budget concerns she would not be voting in favor of the salary increase.

Senator Farnsworth explained that due to budget concerns he would not be voting in favor of the salary increase.

Senator Barto praised the work of the Auditor General and her staff.

Representative Allen explained that, despite budget concerns, he found the five percent increase to be appropriate.

Representative Allen called for a voice vote on the motion to increase the salary of the Auditor General by five percent. The motion CARRIED by voice vote.

There being no further business, the meeting was adjourned at 11:31 a.m.

Respectfully submitted,

Shelley Ponce
Committee Secretary

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