

Minutes
LEGISLATIVE AUDIT COMMISSION
November 15, 2019

Members Present:

Representative Connie Bernardy
Representative Sondra Erickson
Representative Rick Hansen
Representative Tina Liebling
Representative Nels Pierson
Representative Duane Quam

Senator Michelle Benson
Senator Nick A. Frentz
Senator Mary Kiffmeyer
Senator Matt D. Klein
Senator Mark W. Koran
Senator Ann H. Rest

Representative Hansen, Chair, called the Legislative Audit Commission (LAC) meeting to order at 1:03 p.m. The purpose of the meeting was to:

- Discuss State Auditor Julie Blaha's request for a financial audit.
- Receive an update from the Executive Subcommittee members on their October 31 and November 7 meetings.
- Discuss and consider adoption of a performance evaluation plan for conducting performance evaluations of the Legislative Auditor and Deputy Legislative Auditors approved by the Executive Subcommittee.
- Consider appointing James Nobles to be Legislative Auditor for a six-year term ending November 17, 2025.
- Consider appointing Christopher Buse and Judy Randall as Deputy Legislative Auditors for the Financial Audit Division and Program Evaluation Division, respectively.
- Overview of forthcoming 2020 audits, evaluations, and special reviews.

Julie Blaha, State Auditor, explained that she had requested that the Office of the Legislative Auditor (OLA) conduct a financial audit of the Office of the State Auditor (OSA). She noted that the last audit was done six years prior. Ms. Blaha mentioned that she had reviewed how often audits were being completed on all of the constitutional offices, and noticed that OSA was not the only one that had not been audited in several years. In response, James Nobles, Legislative Auditor, said that OLA's plan had been to do one audit at the beginning of a new term and one at the end of a term. However, risk assessments had caused a change to that original plan. Mr. Nobles said that after receiving Ms. Blaha's request, an audit of OSA had been subsequently planned for the upcoming year.

Senator Koran, Executive Subcommittee Chair, provided an update from the last two subcommittee meetings. Senator Koran said that the meetings (1) established a set of guidelines for reviewing the performance of the Legislative Auditor and Deputy Legislative Auditors, and (2) involved discussions of the reappointments of Jim Nobles, Chris Buse, and Judy Randall.

Senator Koran moved the performance evaluation policy 2019-PR(003). After some discussion on the policy, Senator Koran moved to add "judicial" to page 2, line 16; the motion prevailed.

Discussion on the policy continued with a couple of members expressing concerns about some of the language. It was noted that the policy was a work in process, and could be modified going forward.

Senator Koran again moved the performance evaluation policy, as adopted by the subcommittee. The motion carried, with only two non-favorable votes.

Senator Koran moved to reappoint James Nobles to another six-year term as the Legislative Auditor. Members provided opinions, both for and against the reappointment. After several minutes of discussion, Senator Koran again moved the reappointment of Mr. Nobles. The motion carried.

Mr. Nobles asked the commission to confirm his reappointment of Christopher Buse as the Deputy Legislative Auditor for the Financial Audit Division. Senator Koran moved to confirm Mr. Nobles' appointment of Mr. Buse; the motion prevailed.

Mr. Nobles then asked the members to confirm his reappointment of Judy Randall as the Deputy Legislative Auditor for the Program Evaluation Division. Senator Koran moved to confirm Mr. Nobles' appointment of Ms. Randall, and the motion carried.

Ms. Randall and Mr. Buse provided an update on each division's upcoming report releases. Mr. Nobles gave an update on forthcoming special reviews.

Representative Hansen said that an Open House for LAC members at OLA had been discussed at a previous meeting, and that it was scheduled for immediately following the Audit Subcommittee meeting on January 15.

With no further business, Representative Hansen adjourned the meeting at 2:46 p.m.

Representative Rick Hansen, Chair

Shelly Gilb, Recording Secretary