

Minutes
Legislative Audit Commission
October 29, 2024

Members Present:

Representative Patti Anderson
Representative Emma Greenman
Representative Rick Hansen
Representative Steven Jacob
Representative Fue Lee
Representative Duane Quam

Senator Calvin K. Bahr
Senator D. Scott Dibble
Senator Steve S. Drazkowski
Senator Mark W. Koran
Senator Ann H. Rest
Senator Tou Xiong

Representative Rick Hansen, Chair, called the Legislative Audit Commission meeting to order at 10:00 a.m. Chair Hansen stated the meeting's purpose was to (1) discuss and vote to adopt the Policy on Program Evaluation Topic Selection, (2) hear results of the Legislative Auditor's annual performance review and the review process, (3) receive CliftonLarsonAllen's (CLA's) financial report on the Office of the Legislative Auditor (OLA), (4) discuss OLA's FY 2026-2027 budget proposal, and (5) discuss OLA's proposed language revisions to certain statutes. Roll call was taken; a quorum was present.

Chair Hansen introduced Judy Randall, Legislative Auditor, and Jodi Munson Rodríguez, Deputy Legislative Auditor for the Program Evaluation Division. Ms. Rodríguez explained the proposed topic-selection policy. Chair Hansen gave an overview on how and why OLA was asked to prepare the criteria for the policy.

Representative Lee made a motion to adopt the Policy on Program Evaluation Topic Selection. Chair Hansen asked members for further discussion. Senator Koran expressed his support of the policy. In response to members' questions, Ms. Rodríguez and Ms. Randall clarified portions of the proposed policy. Senator Drazkowski proposed an amendment to item 3b, requiring at least one follow-up to an OLA program evaluation that was completed at least ten years prior, to be amended to five years prior. Ms. Randall agreed with the amendment. A roll call vote was taken; the amendment passed.

Discussion returned to Representative Lee's motion to adopt the Policy on Program Evaluation Topic Selection, as amended. A roll call vote was taken; the motion passed.

Chair Hansen called on Michelle Yurich, Executive Director, Legislative Coordinating Commission, to discuss the recent performance evaluation of the Legislative Auditor and the performance evaluation process. Senator Koran explained the importance of this process, since the process did not exist in previous years.

Chair Hansen noted that the Commission asked OLA to consider bringing forward a budget proposal to hire an external communications person. Ms. Randall recommended that key OLA staff obtain training regarding media and other external communications. Ms. Randall also noted that should the need arise in the future, OLA would consider hiring a consultant to help with external communication.

Chair Hansen called Chris Knopik, Principal, and Troy Gabler, Manager, from CLA to the table. Mr. Knopik and Mr. Gabler presented OLA's *Financial Statements and Required Supplementary Information for the Fiscal Years Ended June 30, 2022, and June 30, 2023*. They explained that OLA received "unmodified" opinions regarding these statements, which is the highest level of audit assurance that can be provided.

Ms. Randall returned to the table along with Katherine Theisen, Special Reviews Director. Ms. Randall began with comments regarding OLA's accountability to the public and the Legislature, and noted that OLA has added a web page to show the results from peer reviews and the recent CLA financial audit. She said that OLA will be doing an "Agreed-Upon Procedures Audit" with CLA to focus more on OLA's own

internal controls and compliance. She then briefly reviewed the work OLA completed in the past year, as well as changes such as new positions and staffing increases. She said that in addition to the reports OLA releases, the Special Reviews Unit conducts work that the Legislature does not often see, and asked Ms. Theisen to continue OLA's presentation.

Ms. Theisen gave an overview on the work of the Special Reviews Unit and explained how the number of complaints received has increased over the past few years. She explained that her team receives allegations and reports, assesses them to determine their nature and impact, examines them through special reviews and other means, and communicates the results to stakeholders. If issues are outside of OLA's jurisdiction or no action is necessary, she said that her team prides itself on providing resources to complainants so they can pursue their issues with the more appropriate entity. Members discussed the increase in allegations and how to capture issues at smaller agencies.

Ms. Randall then reviewed OLA's past and current staffing levels and appropriations. She introduced four OLA budget options for fiscal years 2026 and 2027 for the Commission to consider. She also presented proposals for statutory language changes regarding OLA special reviews, data access and classification, and statute clarification.

Since the meeting was running long, Chair Hansen recommended that the budget options and the proposed statute changes be discussed at a future meeting, likely in December. Chair Hansen adjourned the meeting at 11:52 a.m.

Representative Rick Hansen, Chair

Kalae Verdeja, Recording Secretary