

# LEGISLATIVE AUDIT COMMITTEE

## MINUTES SUMMARY

January 13, 2009

*Please note: These are summary minutes. The minutes are also accompanied by an audio recording. For each action listed, the minutes indicate the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time may be used to locate the activity on the audio recording.*

*An electronic copy of these minutes and the audio recording may be accessed from the Legislative Audit Division homepage at [http://www.leg.mt.gov/audit/meeting\\_info.asp](http://www.leg.mt.gov/audit/meeting_info.asp).*

*To view the minutes, locate the meeting date and click on **Minutes**. To hear the audio recording, click on the date link at **Listen**. Note: You must have Real Player installed to listen to the audio recording.*

### Members Present

Sen. Joe Balyeat  
Sen. Greg Barkus  
Sen. Steve Gallus  
Sen. Lynda Moss  
Sen. Mitch Tropila  
Rep. Bill Beck  
Rep. Dee Brown  
Rep. Bill Glaser  
Rep. Betsy Hands  
Rep. Bill Wilson

### Members Absent

Sen. Dave Lewis

### Staff Present

Tori Hunthausen, Legislative Auditor  
Jim Gillett, Deputy Legislative Auditor  
Angie Grove, Deputy Legislative Auditor  
Monica Huyg, Legal Counsel  
Becky Buckmaster, Administrative Support Manager

00:00:01 The Legislative Audit Committee met January 13, 2009, in Room 137 of the State Capitol. Chairman, Senator Joe Balyeat called the meeting to order at 4:10 p.m., noting the presence of a quorum.

**Minutes Approval** – December 17, 2008 Minutes were approved. Motion by Sen. Moss: **motion carried.**

Appointment of Committee member to replace Representative John Sinrud, who resigned December 9, 2008. Rep. Beck made a motion to appoint Rep. Dee Brown; Chairman Balyeat explained the appointment was a Committee appointment process. Legal Counsel Monica Huyg explained that in order for the Committee appointment to be made a quorum of seven members need to be present, and for all to be in favor of the motion.

The secretary conducted roll call vote, Senators Barkus and Lewis were not present for the vote. Motion passed with eight (8) members voting yes. Rep. Jacobson's vacancy from the Committee will be made by appointment by Speaker Bergren in the near future.

## **AUDIT REPORTS**

### **THE UNIVERSITY OF MONTANA, FINANCIAL AUDIT (07-10A)**

00:06:45 **Report presented by:** Laura Toeckes, Financial-Compliance Auditor

**Present from the agency:** George Dennison, University President  
Jim Foley, University Executive Vice President  
Perry Brown, Assistant Provost  
Kathy Burgmeier, Director of Internal Audit  
Robert Durringer, Vice President of Administration and Finance  
Dan Jenko, Assistant Director of Accounting Services  
Russ Fillner, Assistant Dean/Fiscal and Plant, UM-Helena College of Technology  
Mark Pullium, Director of Business Services

**Agency response presented by:** President Dennison

**Handouts:** UM statement letter (Exhibit #1)

**Concerns/Discussion topics:** Other Post-employment benefits

**Committee requests:** None

**Public Comment:** None

**Actions taken:** None

**Motion:** Report received, reviewed, filed, and copies distributed in accordance with law.  
Motion by Rep. Brown; **motion carried.**

### **STATEWIDE RADIO COMMUNICATIONS INTEROPERABILITY, PERFORMANCE AUDIT (08P-03)**

00:13:30 **Report presented by:** Will Soller, Performance Auditor

**Present from the agency:** **Governor's Office**  
Sheena Wilson, Deputy Chief of Staff  
**Department of Administration**  
Sheryl Olson, Deputy Director  
Dick Clark, Chief Information Officer  
Scott Bradford, Communications Technology Manager

**Agency response presented by:** Dick Clark, DOA; Sheena Wilson, GOV; First Vice Chair  
Interoperability Montana Project Directors (IMPD), Flathead County Commissioner  
Joe Brenneman

**Handouts:** None

**Concerns/Discussion topics:** Microwave towers, and National Environmental Policy Act (NEPA) processing and requirements; Governor’s role in project and other agency involvement; integration with other states’ trunked systems; IMP business sustainability plan for long-term maintenance; legislative responsibility; effectiveness of interoperability

**Committee requests:** None

**Public Comment:** Kevin Bruski, Exec. Dir., Interoperability Montana (IM) Project

**Actions taken:** The Committee requested: a coordinated response from Dick Clark, DOA with IM of the formal business plan, and direction on roll of staff, update needed in six months.

**Motion:** Report received, reviewed, filed, and copies distributed in accordance with law. Motion by Rep. Hands; **motion carried.**

01:08:28 **STATE OF MONTANA, FINANCIAL AUDIT (08-01A)**

**Report presented by:** Cindy Jorgenson, Financial-Compliance Auditor

**Present from the agency:** Paul Christofferson, Administrator, State Accounting Division, Department of Administration  
Julie Feldman, Bureau Chief, Accounting Bureau  
Mark Bruno, Single Audit Coordinator, Governor’s Office  
Gina Huffman, Accountant

**Agency response presented by:** Paul Christofferson

**Handouts:** 2008 Montana Comprehensive Annual Financial Report (CAFR)

**Concerns/Discussion topics:** Structured Investment Vehicles (SIV); unrecorded \$41 million of the Land Grant fund settlement of PPL for the benefit of the School Trust and distribution of grant funds; separation of federal awards going to state agencies, and other federal awards going to local communities or nonprofits; reporting of Other Post Employment Benefits

**Committee requests:** None

**Public Comment:** None

**Actions taken:** None

**Motion:** Report received, reviewed, filed, and copies distributed in accordance with law. Motion by Sen. Moss; **motion carried.**

**OTHER BUSINESS:**

01:39:28 Adopt Rule Changes, Monica Huyg. **Motion** by Sen. Gallus, **motion carried** (Attach. 1)

01:41:10 Dept. of Corrections Contract Administration Audit, Angie Grove, to start on February schedule

01:41:59 Caremark/Pollack Response to Prescription Drug Audit, Angie Lang (Attach. 2)

