



LEGISLATIVE AUDIT COMMITTEE

68th Montana Legislature

SENATE MEMBERS

Jason Ellsworth
John Esp
Pat Flowers
Tom Jacobson
Tom McGillvray
Mary McNally

HOUSE MEMBERS

Kim Abbott
Denise Hayman
Emma Kerr-Carpenter
Terry Moore
Matt Regier
Jerry Schillinger

COMMITTEE STAFF

Deb Butler - Attorney
Angus Maciver - Legislative Auditor
Candace Radovich - Secretary

MINUTES LOG

October 04, 2022
Room 172
Helena, Montana

Please note: This document is a Minutes Log and provides annotation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video recording of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of the meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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MEMBERS PRESENT:

Rep. Denise Hayman, Chair (D)
Sen. Jason Ellsworth, Vice Chair (R)
Sen. John Esp (R)
Sen. Pat Flowers (D)
Sen. Tom Jacobson (D)
Rep. Emma Kerr-Carpenter (D)
Sen. Tom McGillvray (R)
Rep. Terry Moore (R)
Rep. Jerry Schillinger (R)

MEMBERS EXCUSED:

Rep. Kim Abbott (D)
Sen. Mary McNally (D)
Rep. Matt Regier (R)

STAFF PRESENT:

Deb Butler, Attorney
Angus Maciver, Legislative Auditor
Candace Radovich, Secretary

AGENDA (Attachment 1)
VISITORS' LIST (Attachment 2)

CALL TO ORDER/ROLL CALL

12:59:36 Chair Hayman called the meeting to order at 12:59 p.m. noting the presence of a quorum. The committee secretary took roll.

APPROVE MINUTES

Motion

13:00:58 Sen. McGillvray moved the committee approve the June 28-29, 2022, minutes.

Vote:

13:00:58 Carried unanimously by voice vote.

STATE OF MONTANA LEGISLATIVE BRANCH EXCLUDING THE CONSUMER COUNSEL (21C-11)

13:02:15 Presented by Dawn M. Wrigg, CPA, Partner, Rudd & Company, PLLC
Present from Legislative Services Division:
Angie Carter, Financial Manager
Jennifer Simmons, Budget & Financial Specialist

Committee Questions of Staff

Agency Response

13:04:11 Presented by Ms. Carter

Committee Questions of Staff

Public Comment

Motion

13:05:09 Sen. McGillvray moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

Vote:

13:05:09 Carried unanimously by voice vote.

STATE OF MONTANA CONSUMER COUNSEL (21C-11)

13:05:42 Presented by Dawn M. Wrigg, CPA, Partner, Rudd & Company, PLLC
Present from the counsel:
Jason T. Brown
Suzanne Snow, Office Manager

Committee Questions of Staff

13:06:41 Rep. Moore asked Ms. Wrigg about vacation and sick leave. Legislative Auditor Maciver assisted in answering the question.

Agency Response

13:10:31 Presented by Mr. Brown

Committee Questions of Agency

13:11:08 Rep. Hayman asked Mr. Brown what role the counsel had regarding the proposed increase from Northwestern energy.

Public Comment

Motion

13:12:24 Sen. Flowers moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

Vote:

13:12:24 Carried unanimously by voice vote.

COMMUNITY BENEFIT AND CHARITY CARE OBLIGATIONS AT MONTANA NONPROFIT HOSPITALS (22SP-06)

13:13:18 Presented by Tina Chamberlain, Associate Management Program Analyst

Committee Questions of Staff

- 13:20:16 Rep. Moore asked Ms. Chamberlain about process of follow-up. The question was deferred to Sarah A. Carlson,
- 13:21:10 Sen. McGillvray asked Ms. Chamberlain for details on definition of charity care/community spending.
- 13:22:32 Sen. McGillvray asked Ms. Chamberlain about proposed legislation by the agency. The question was deferred to Ms. Butler, Legal Counsel, & Legislative Auditor Maciver.
- 13:23:50 Sen. McGillvray asked Legislative Maciver which committee requested the bill.
- 13:24:18 Sen. McGillvray asked Legislative Auditor Maciver if there was a sponsor associated with the bill.
- 13:24:42 Rep. Hayman asked Ms. Chamberlain for details regarding what information is housed on the 990 form. The question was deferred to Legislative Auditor Maciver & Ms. Carlson.
- 13:30:26 Rep. Hayman spoke about the next step after a follow-up to a performance report.
- 13:30:46 Sen. McGillvray spoke about picking up the proposed bill and the role of the committee.
- 13:32:01 Rep. Moore spoke on the department attempting to work on things and agreed that a member of the committee should certainly pick up the draft bill.
- 13:33:24 Sen. Flowers asked Chair Hayman if this could be a committee bill.
- 13:34:13 Sen. Ellsworth liked the idea of Sen. McGillvray's offer to pick up the draft bill. Legislative Auditor spoke about options.
- 13:37:56 Chair Hayman encouraged Sen. McGillvray and Rep. Moore to research and bring more info back to the December meeting.

CHILD CARE UNDER THE BIG SKY (CCUBS) SYSTEM MODERNIZATION AND SECURITY (22SP-12)

13:38:35 Presented by Hunter McClure, Senior Information Systems Auditor

Committee Questions of Staff

- 13:42:45 **Committee Request:** Rep. Moore asked Mr. McClure about board membership. (Mr. McClure spoke to Rep. Moore about this)

PUBLIC DEFENDER WORKFORCE MANAGEMENT (22SP-11)

13:44:50 Presented by Alyssa Sorenson, Management & Program Analyst Supervisor

Committee Questions of Staff

- 13:50:47 Rep. Hayman asked Ms. Sorenson about the increased hourly rate affecting applicants. Rep. Hayman was impressed with the work done by OPD.

Public Comment

FOLLOW-UP AUDIT DISCUSSION

13:52:58 Presented by William Soller, Deputy Legislative Auditor

Committee Questions of Staff

- 13:55:22 Sen. Flowers asked Mr. Soller if agencies got a copy of the follow-up audits.

- 13:57:27 Legislative Auditor Maciver spoke about how the process had worked historically.
- 13:58:12 Sen. Ellsworth agreed that agency staff should be invited to speak to follow-up work. Rep. Hayman agreed..

DEPARTMENT OF FISH, WILDLIFE & PARKS (21-18)

- 13:59:29 Presented by Mary Currin, Senior Financial-Compliance Auditor (**EXHIBIT 1**)
power point
Present from agency:
Hank Worsech, Director
Robin Graham, Operations and Financial Services Division Administrator
Jennifer Garber, Accounting Bureau Chief

Committee Questions of Staff

- 14:05:18 Rep. Hayman asked Ms. Currin about vehicle use without management approval.
- 14:06:48 Sen. Flowers asked Ms. Currin about oversight. The question was deferred to Legislative Auditor Maciver.
- 14:10:50 Sen. McGillvray asked Ms. Currin about investment earnings. How much in the portfolio and where it was managed? The question was deferred to the agency.

Agency Response

- 14:12:03 Presented by Director Worsech

Committee Questions of Agency

- 14:13:59 Sen. McGillvray asked his previous question. **Committee Request:** Investment portfolio request. Specifically, how much money is in the portfolio, how is it allocated, and who manages it. Director Worsech stated he would get that information to the committee.
- 14:14:41 **Committee Request:** Rep. Moore asked Director Worsech to add to the original information in regard to direction or pointers for mca as to what funds go in there and how they can be spent, and how they are used.

Public Comment

Motion

- 14:16:05 Rep. Moore moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

Vote:

- 14:16:05 Carried unanimously by voice vote.

POLICY AND BILLING SYSTEMS COMPLIANCE (22DP-03) - SCOPE & OBJECTIVES

- 14:16:51 Presented by Jemma Z Hazen, Information Systems Auditor (**EXHIBIT 2**)

Committee Questions of Staff

EGOVERNMENT SERIES: ACCOUNTABILITY SCOPE & OBJECTIVES

- 14:20:43 Presented by Hunter McClure, Senior Information Systems Auditor (**EXHIBIT 3**)

Committee Questions of Staff

- 14:23:04 Rep. Moore, asked Mr. McClure about the focus on SITSD and other agency IT departments.
- 14:25:48 Legislative Auditor Maciver gave context on a future broader discussion.
- 14:27:59 Rep. Moore asked Legislative Auditor Maciver about efficient utilization of big picture critique.
- 14:31:00 Mr. McClure spoke in more detail regarding specific IT aspects.
- 14:31:53 Sen. Flowers asked Mr. McClure about the role of SITSD.

EDUCATION AND CAREER TRAINING IN CORRECTIONS SYSTEM (22P-04) - SCOPE & OBJECTIVES

14:33:50 Presented by Alyssa Sorenson, Management & Program Analyst Supervisor
(EXHIBIT 4)

Committee Questions of Staff

14:35:46 Sen. McGillvray asked Ms. Sorenson how the audit was chosen/selected.

Public Comment

BREAK

14:37:33 Reconvened at 14:47:30

MONTANA STATE FUND (22-05)

14:47:42 Presented by Adam Hefenieder, CPA, Senior Financial-Compliance Auditor
(EXHIBIT 5) power point
Present from agency:
Holly O'Dell, President/CEO
Patti Grosfield, Internal Auditor
Rene Martello, Controller

Committee Questions of Staff

14:50:50 Rep. Hayman asked Mr. Hefenieder for the definition of professional skepticism.

14:51:51 Rep. Moore asked Mr. Hefenieder if MSF was included in the statewide audit.

Agency Response

14:54:40 Presented by President O'Dell.

Committee Questions of Agency

15:01:42 **Committee Request:** Rep. Hayman Ms. O'Dell how many covid claims there were since the pandemic started and how many long-covid injured employees there were.

Public Comment

Motion

15:09:55 Rep. Schillinger moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law

Vote:

15:09:55 Carried unanimously by voice vote.

AGENCY STATUS UPDATE - UNMANNED AIRCRAFT SYSTEMS DEVELOPMENT AND OVERSIGHT (21SP-10)

15:11:10 Overview by Legislative Auditor Maciver

15:11:44 Presented by Hunter McClure, Senior Information Systems Auditor. (EXHIBIT 6)
(EXHIBIT 7)

Committee Questions of Staff

Agency Response

15:13:00 Presented by Kristen Juras, Lieutenant Governor, Office of the Governor.
(EXHIBIT 8)

Committee Questions of Agency

15:22:44 Rep. Schillinger spoke about being contacted by a concerned individual that had a drone they felt wasn't operating within regulations.

15:23:36 Sen. Esp asked Lieutenant Governor Juras about drones flying close to residents, and if there was any potential legislation, and that he'd like to work with her on that.

- 15:25:59 Sen. Jacobson had a similar comment to Sen. Esp and wanted to work with Lieutenant Governor Juras on potential legislation on drones as well.
- 15:28:18 Sen. Flowers spoke on a similar situation of violation of privacy and agreed with other committee members. He asked Lieutenant Governor Juras about commercial drones.

Public Comment

AGENCY STATUS UPDATE - ADMINISTRATION OF THE PETROLEUM TANK RELEASE CLEANUP FUND (20P-01)

- 15:31:46 Presented by John Harrington, Management & Program Analyst Manager.
(EXHIBIT 9) (EXHIBIT 10)

Agency Response

- 15:33:23 Presented by Amy Steinmatz, Division Administrator, Department of Environmental Quality

Committee questions of Agency

- 15:40:08 Rep. Hayman asked Ms. Steinmatz if any underground storage tanks been removed in the last year. **Committee Request:** Rep. Hayman would like to know how many tanks had been removed in the last year, a report on future cleanup, and status on case closures. Rep. Hayman asked that be distributed to the entire committee. (received)
- 15:41:37 Legislative Auditor Maciver encouraged the committee to ask for a status on case closures as well.
- 15:43:20 Sen. Esp asked who drafted the bill and if the committee would pick it up.
- 15:43:46 Sen. Ellsworth asked Ms. Steinmatz if the Board was necessary and if DEQ could handle the function on their own.

Public Comment

- 15:46:39 Brad Longcake

Agency Response

- 15:50:36 John Monahan, Chair, PTRCB

Committee Questions of Agency

Agency Response

- 15:53:34 Terry Wadsworth, Director, PTRCB

Committee questions of Agency

- 16:00:30 Rep. Schillinger asked Mr. Wadsworth asked for a refresh on funding sources.

Public Comment

- 16:02:36 Lieutenant Governor Jiras, Office of the Governor

STATUS UPDATE - INFORMATION SECURITY IN THE MONTANA UNIVERSITY SYSTEM (20DP-03)

- 16:04:19 Presented by Miki Cesntik, CISA, Information Systems Audit Manager
(EXHIBIT 11) power point

Committee Questions of Staff

- 16:06:08 Rep. Hayman asked Ms. Cestnik about information technology.

PUBLIC COMMENT

RECESS

- 16:07:20 With there being no further business, the committee was adjourned until 9:00 a.m. on October 5, 2022.

Secretary: /s/ Rep. Emma Kerr-Carpenter
Rep. Emma Kerr-Carpenter