



## LEGISLATIVE AUDIT COMMITTEE

### 68th Montana Legislature

#### SENATE MEMBERS

Jason Ellsworth  
Pat Flowers  
Chris Friedel  
Denise Hayman  
Kathy Kelker  
Forrest Mandeville

#### HOUSE MEMBERS

Lyn Hellegaard  
SJ Howell  
Emma Kerr-Carpenter  
Fiona Nave  
Jerry Schillinger  
Laura Smith

#### COMMITTEE STAFF

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

# MINUTES LOG

April 22, 2024  
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:

Sen. Jason Ellsworth, Chair (R)  
Sen. Pat Flowers (D)  
Sen. Chris Friedel (R)  
Sen. Denise Hayman (D)  
Rep. Lyn Hellegaard (R)  
Rep. SJ Howell (D)  
Sen. Kathy Kelker (D)  
Rep. Emma Kerr-Carpenter (D)  
Sen. Forrest Mandeville (R)  
Rep. Jerry Schillinger (R)  
Rep. Fiona Nave (R)  
Rep. Laura Smith (D)

#### MEMBERS ABSENT:

#### STAFF PRESENT:

Angus Maciver, Legislative Auditor  
Candace Radovich, Secretary  
Kenneth E. Varns, Attorney

**AGENDA ([Attachment 1](#))**

**CALL TO ORDER/ROLL CALL**

13:04:08 Chair Ellsworth called the meeting to order at 1:04 p.m. noting the presence of a quorum. The committee secretary took roll ([Attachment 2](#))

**MINUTES APPROVAL**

**Motion**

13:05:23 Sen. Flowers moved the committee approve the minutes from the previous meeting.

**Vote:** Carried unanimously by voice vote.

**NEW STAFF INTRODUCTIONS**

13:05:53 Gonzalo Lazalde & Shaina Geubtner were introduced as new Information Technology Auditors.

**MONTANA STATE UNIVERSITY (23-11)**

13:08:39 Presented by Mary Currin, Financial-Compliance Audit Supervisor  
[\(EXHIBIT 1\)](#) power point  
Present from university:  
Dr Waded Cruzado, President  
Terry Leist, VP Administration & Finance  
Aaron Mitchell, Associate VP Financial Services

**Committee Questions of Staff**

13:12:35 Sen. Hayman asked Ms. Currin to expand on housing for students. The question was deferred to the agency.

13:13:37 Chair Ellsworth asked Ms. Currin about identified assets.

**Agency Response**

13:14:50 Presented by Dr. Waded Cruzado.

**Committee Questions of University**

none

**Public Comment**

none

**Motion**

13:19:28 Sen. Mandeville moved move 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:** Carried unanimously by voice vote.

**UNIVERSITY OF MONTANA (23-10)**

13:19:32 Presented by Alison OBrien, Associate Financial-Compliance Auditor  
[\(EXHIBIT 2\)](#) power point

**Committee Questions of Staff**

13:23:57 Chair Ellsworth asked Ms. OBrien

**Agency Response**

13:24:20 Presented by President Bodnar.

13:25:57 Present from university:

Seth Bodnar, President  
Paul Lasiter, Vice President, Operations/Finance  
Rachel Buswell, Controller  
Jennifer Dahl, Accountant

**Committee Questions of University**

13:26:47 Chair Ellsworth asked President Bodnar about Bitterroot Valley Community College.

**Public Comment**

none

**Motion**

13:29:26 Rep. Kerr-Carpenter moved move 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:** Carried unanimously by voice vote.

**TEACHERS' RETIREMENT SYSTEM (23-09)**

13:30:09 Presented by Adam Hefenieder, CPA, Senior Financial-Compliance Auditor  
[\(Exhibit 3\)](#) power point  
Present from agency:  
Shawn Graham, Executive Director  
Nolan Brilz, Accounting/Fiscal Manager

**Committee Questions of Staff**

13:40:10 Sen. Mandeville asked Mr. Hefenieder about specific contributions to the general fund. The question was deferred to the agency.

13:41:29 Sen. Flowers asked Mr. Hefenieder about GABA enrollment.

13:43:07 Rep. Nave asked Mr. Hefenieder about employee & employer contributions.

13:47:41 Legislative Auditor Maciver

13:47:49 Chair Ellsworth asked Mr. Hefenieder to expand on unfunded liability.

13:49:51 Mr. Hefenieder explained contributions.

**Agency Response**

13:50:31 Presented by Executive Director Graham

**Committee Questions of Agency**

13:52:44 Sen. Mandeville asked Director Graham about impact on the state general fund.

13:53:37 Chair Ellsworth asked Executive Director Graham for the typical assumed rate of return.

13:54:26 Sen. Hayman asked Mr. Graham about retirements and current lay of the land.

13:56:01 Sen. Flowers asked Executive Director Graham for the change of investment income.

**Public Comment**

none

**Motion**

13:58:47 Sen. Flowers moved move 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.

13:58:57 **Vote:** Carried unanimously by voice vote.

**Break**

13:59:41

**PUBLIC EMPLOYEES' RETIREMENT BOARD (23-08)**

14:15:19 Presented by Courtney P. Johnson, CPA, Financial-Compliance Audit Supervisor (**EXHIBIT 4**) power point

14:16:37 Present from agency:  
William J. Holahan, Acting Executive Director  
Hollie Resler, Fiscal Services Bureau Chief

**Committee Questions of Staff**

none

**Agency Response**

14:20:31 Presented by Acting Executive Director Holahan.

14:21:41 Sen. Hayman asked Director Holahan about game wardens and hiring.

14:22:59 Rep. Nave asked Director Holahan about administrative expenses, the percentage of total plan value.

14:27:12 **Committee Request:** Chair Ellsworth requested the committee receive a spreadsheet breaking out percentages and contributions. Director Holahan stated he would provide that documentation to the committee.

**Public Comment**

14:28:41

**Motion**

14:28:55 Rep. Nave moved move 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.

14:29:05 **Vote:** Carried unanimously by voice vote.

**FINANCIAL AUDIT - ACFR & SINGLE AUDIT TIMING & AVAILABILITY**

14:29:22 Presented by Cindy Jorgenson, CPA, Deputy Legislative Auditor (**EXHIBIT 5**)

14:52:03 Chair Ellsworth understood being behind and appreciated Ms. Jorgenson's explanation.

14:54:46 Rep. Kerr-Carpenter asked Ms. Jorgenson if increasing workload and additional federal work started even before the pandemic.

14:56:36 Rep. Kerr-Carpenter asked Ms. Jorgenson if LAD staff could perform the work along with other state agencies.

14:59:38 Sen. Kelker asked Ms. Jorgenson about federal level staff training.

15:03:22 Sen. Kelker commented on support via the legislature.

15:03:50 Legislative Auditor Maciver spoke about committee affects via these changes.

15:08:40 Sen. Hayman asked Chair Ellsworth about a defined date for the June LAC.

15:09:55 Sen. Flowers commented on the 20th being a good suggestion.

**PERFORMANCE AUDIT SCOPE & OBJECTIVES: LOBBY SPENDING REPORTING (24P-02)**

15:10:41 Presented by Christiane Rudmann, Associate Management & Program Analyst (**EXHIBIT 6**)

**INFORMATION TECHNOLOGY AUDIT SCOPE & OBJECTIVES: FWP IT MANAGEMENT (20DP-05)**

15:13:41 Presented by Deborah Stratman, Associate Information Technology Auditor  
**(EXHIBIT 7)**

**Committee Questions of Staff**

15:17:10 Rep. Smith asked Ms. Stratman about previous data issues at FWP.

**Public Comment**

**none**

15:19:05 Sen. Mandeville asked if we could fill agenda items.

15:20:11 Rep. Nave asked Legislative Auditor Maciver about performance audit requests.

15:22:03 Sen. Flowers asked Legislative Auditor if it were a requirement to register the day before to deliver remote comments.

**ADJOURNMENT**

15:24:17 The committee is in recess until Tuesday, April 23.

Signature:



Sen. Chris Friedel