



SEN. ELIZABETH H. MITCHELL, CHAIR
REP. MARILYN E. CANAVAN, CHAIR

MEMBERS:

SEN. PHILIP L. BARTLETT, II
SEN. JONATHAN T.E. COURTNEY
SEN. DANA L. DOW
SEN. JOSEPH C. PERRY
SEN. KEVIN L. RAYE
REP. ANDREA M. BOLAND
REP. SCOTT E. LANSLEY
REP. EVERETT W. MCLEOD, SR.
REP. PEGGY A. PENDLETON
REP. MICHAEL A. VAUGHAN

MAINE STATE LEGISLATURE
GOVERNMENT OVERSIGHT COMMITTEE

MEETING SUMMARY
April 9, 2007
Accepted April 23, 2007

CALL TO ORDER

The Chair, Sen. Mitchell, called the Government Oversight Committee meeting to order at 1:12 p.m. in Room 202 of the Burton Cross Building.

ATTENDANCE

Senators: Sen. Mitchell, Sen. Bartlett, Sen. Raye, Sen. Courtney, and Sen. Dow
Absent: Sen. Perry

Representatives: Rep. Canavan, Rep. Pendleton, Rep. Lansley, Rep. Boland, Rep. McLeod
Joining the meeting in progress: Rep. Vaughan

Legislative Officers and Staff: Beth Ashcroft, Director of OPEGA
Etta Begin, Adm. Secretary, OPEGA

SUMMARY OF APRIL 2, 2007 MEETING

Motion: That the Meeting Summary of April 2, 2007 be accepted as written. (Motion by Sen. Courtney, second by Rep. Lansley, PASSED, unanimously, 10-0).

REPORT OF OPEGA DIRECTOR

Director Ashcroft noted that the Status of Audits in Progress could be combined with item 4 under Unfinished Business, OPEGA's Work Plan.

Chair Mitchell asked if there was objection to combining the Status of Audits in Progress and OPEGA's Work Plan. Hearing none, Director Ashcroft proceeded and referred members to the material in their notebook under Tab 4.

- **Status of Audits in Progress and OPEGA's Work Plan**

Director Ashcroft referred the Committee to the Potential Cost Savings or Revenue Enhancing Audits for GOC Consideration document. The document compiles ideas for potential cost savings or revenue enhancement audits that have been gathered from an informal OPEGA survey of other state performance audit offices, from topics brought forward by the Brookings Report, from topics that the GOC had on its "On Deck" list, and from OPEGA's own suggestions based on observations or questions resulting from other work it has performed.

The GOC discussed what criteria should be used in deciding what topics to add to OPEGA's work plan. Sen. Dow explained the need to define the amount of the risk, (high, medium or low) in an area. He said in his experience on the bank board this requires considering 1) adequacy of procedures involved; and 2) the amount of money involved. If a large amount of money is at risk and the procedures for handling the money are not very good, that would be considered a high risk.

Chair Mitchell suggested that Director Ashcroft go through the topic areas listed on the Potential Cost Saving or Revenue Enhancing Audits and note for the Committee whether the topic would be considered a high, medium or low risk.

The GOC discussed each topic and following that discussion, recommended that the topics listed below, including the possible areas of focus, be added to OPEGA's biennial work plan.

- **Contracting for Health and Social Services**
Contract administration: vendor selection, contract terms including pricing and performance, payments to vendors.
- **Revenue Collected Through Courts**
Processes for collecting, depositing, accounting for, and safeguarding revenue.
- **Higher Education**
Resources used in administrative and non-instructional activities; auxiliary operations.
- **Criminal Justice: Adult**
Resources used within the adult criminal justice system.
- **Real Estate/Public Buildings**
Costs and use of State-owned or leased land and buildings.
- **State Publications**
Resources used in preparing and distributing reports and publications.
- **Boards/Committees/Commissions/Councils**
Purposes and costs of State supported boards, committees, commissions and councils.
- **State Lottery**
Administrative and operating expenses; revenue and safeguarding of assets.
- **State-funded Grants**
Grant administration; purpose of grant, selection of recipients, conditions of grant including accountability and performance, distribution of grant funds.
- **Division of Financial and Personnel Services (Service Centers)**
Resources used in key financial processes, and associated internal control and administrative activities, within Service Centers and client agencies.
- **State Administration - Staffing**
Employed or contracted staff resources used in upper level administrative functions.

The GOC and Director Ashcroft discussed possibilities for finding savings before the closure of the budget. Director Ashcroft did not believe any reviews would be completed by then such that savings could be booked. She thought it more realistic that there may be some recommendations prior to the next budget change package. The GOC and the Director agreed that priority should be given to projects with potential for near term savings.

Director Ashcroft reminded the GOC of OPEGA's audit process. First preliminary research is done on the topic to identify issues that warrant further review. OPEGA will make a recommendation to the GOC on a more refined scope for the review after that preliminary work is completed. It is possible OPEGA would recommend discontinuing the review. In any case, the GOC and OPEGA will agree on the scope before further work continues. The primary focus on these reviews will be where money can be saved, the other issues such as effectiveness or performance, if revealed in the course of the preliminary research, will be catalogued by OPEGA and brought back to the GOC at a later date. The GOC agreed to the process outlined. Director Ashcroft will draft a prioritized list of the topics for the next GOC meeting for the members to review and make its recommendations for prioritizing.

Motion: That the Government Oversight Committee approve the eleven topic area items, (listed above), considered by the Committee to be high priority and added to OPEGA's work plan for 2007-2008. (Motion by Sen. Bartlett, second by Rep. Lansley, PASSED, unanimous, 10-0).

UNFINISHED BUSINESS

- **Process for Handling Requests for OPEGA Audits**

Chair Mitchell recommended tabling this item until the next GOC meeting, so the Committee could have the opportunity to review the information provided. The Committee agreed that this item be table until the next scheduled GOC meeting.

NEW BUSINESS

None

SCHEDULE NEXT COMMITTEE MEETING

The Committee scheduled Monday, April 23, 2007 at 1:00 p.m. for the next GOC meeting.

ADJOURNMENT

The Government Oversight Committee meeting was adjourned at 2:58 p.m. (Motion by Rep. Lansley, second by Rep. McLeod, unanimous).