

[As Amended by Senate Committee of the Whole]

As Amended by Senate Committee

Session of 2010

SENATE BILL No. 580

By Committee on Ways and Means

3-16

12 AN ACT concerning the division of post audit; amending K.S.A. 2009
13 Supp. 46-1118, ~~46-1121~~ and 46-1132 and repealing the existing sec-
14 tions; also repealing K.S.A. 2009 Supp. 46-1130.

15

16 *Be it enacted by the Legislature of the State of Kansas:*

17 Section 1. K.S.A. 2009 Supp. 46-1118 is hereby amended to read as
18 follows: 46-1118. (a) (1) Except as otherwise provided by statute, when-
19 ever the post auditor performs any additional audit work for any state
20 agency ~~either to satisfy federal government requirements or to satisfy~~
21 ~~financial compliance audit requirements prescribed by or pursuant to any~~
22 ~~statute other than K.S.A. 46-1106 through 46-1117, and amendments~~
23 ~~thereto~~, and incurs costs in addition to those attributable to the operations
24 of the division of post audit in performance of other duties and respon-
25 sibilities, the post auditor shall make charges for such additional costs.

26 (2) *Except as otherwise provided by statute, whenever the post au-*
27 *ditor performs any audit work for any state agency to satisfy financial-*
28 *compliance audit requirements prescribed by or pursuant to subsection*
29 *(a)(1) of K.S.A. 46-1106, and amendments thereto, and incurs costs in*
30 *addition to those attributable to the operations of the division of post audit*
31 *in performance of other duties and responsibilities, the post auditor shall*
32 *make charges for such additional costs.*

33 ~~(2)~~ (3) The legislative post audit committee may authorize the post
34 auditor to perform additional financial-related audit work at the request
35 of a state agency. Upon the authorization and in accordance with the
36 direction of the legislative post audit committee, the post auditor may
37 make charges for costs incurred for the performance of such financial-
38 related audit work.

39 ~~(3)~~ (4) The furnishing of any such audit services by the division of
40 post audit shall be a transaction between the post auditor and the state
41 agency receiving such services and such transaction shall be settled in
42 accordance with the provisions of K.S.A. 75-5516, and amendments
43 thereto.

1 (b) All moneys received for reimbursement of the division of post
2 audit under this section shall be remitted to the state treasurer in ac-
3 cordance with the provisions of K.S.A. 75-4215, and amendments thereto.
4 Upon receipt of each such remittance, the state treasurer shall deposit
5 the entire amount in the state treasury to the credit of the audit services
6 fund, which fund is hereby created in the state treasury. All expenditures
7 from the audit services fund shall be made in accordance with appropri-
8 ation acts upon warrants of the director of accounts and reports issued
9 pursuant to vouchers approved by the post auditor or a person or persons
10 designated by the post auditor.

11 **Sec. 2. K.S.A. 2009 Supp. 46-1121 is hereby amended to read**
12 **as follows: 46-1121. (a) Each state agency awarded a federal grant**
13 **or other federal financial assistance which is subject to a financial-**
14 **compliance audit as a condition of such grant or assistance shall**
15 **notify the post auditor immediately of the award of such grant or**
16 **assistance. Based on the amount and nature of federal money re-**
17 **ceived by the state agency, the post auditor shall compute annually**
18 **the amount of federal money reasonably anticipated to be required**
19 **to provide audit coverage in accordance with federal requirements.**
20 **The amounts determined for such audits shall be reviewed and ap-**
21 **proved by the contract audit committee. Upon such approval, the**
22 **state agency, in accordance with K.S.A. 46-1118, and amendments**
23 **thereto, shall reimburse the division of post audit for the amount**
24 **approved by the contract audit committee.**

25 (b) **The post auditor shall compute the amount of money rea-**
26 **sonably anticipated to be required to provide an audit of any state**
27 **agency subject to a financial-compliance audit as required pursuant**
28 **to any statute other than K.S.A. 46-1106 through 46-1117, and amend-**
29 **ments thereto, or K.S.A. 74-4907, and amendments thereto. The**
30 **amounts determined for such audits shall be reviewed and approved**
31 **by the contract audit committee. Upon such approval, the state**
32 **agency, in accordance with K.S.A. 46-1118, and amendments**
33 **thereto, shall reimburse the division of post audit for the amount**
34 **approved by the contract audit committee.**

35 (c) **The post auditor shall remit all moneys received under this**
36 **section to the state treasurer in accordance with the provisions of**
37 **K.S.A. 75-4215, and amendments thereto. Upon receipt of each such**
38 **remittance, the state treasurer shall deposit the entire amount in**
39 **the state treasury to the credit of the audit services fund.**

40 (d) **In addition to expenditures which may be made from the**
41 **audit services fund under K.S.A. 46-1118, and amendments thereto,**
42 **expenditures shall be made from such fund, and from other avail-**
43 **able appropriations, to pay for the cost of financial-compliance au-**

1 ***dits performed to comply with federal government audit***
2 ***requirements.***

3 Sec. ~~2~~ **3.** K.S.A. 2009 Supp. 46-1132 is hereby amended to read as
4 follows: 46-1132. (a) In order to assist the legislature in the gathering of
5 information which is necessary for the legislature's consideration when
6 meeting its constitutional duties to: (1) Provide for intellectual, educa-
7 tional, vocational and scientific improvement in public schools established
8 and maintained by the state; and (2) make suitable provision for the fi-
9 nance of educational interests of the state, the ~~school district audit team~~
10 ~~established by K.S.A. 2009 Supp. 46-1130, and amendments thereto;~~ *leg-*
11 *islative post auditor* shall conduct performance audits and shall monitor
12 school district funding and other oversight issues through audit work as
13 directed by the ~~2010 commission~~. Except as specifically provided by this
14 section, school district performance audits shall be conducted in the man-
15 ner provided by the legislative post audit act. The scope of such audit
16 work may not be modified by the legislative post audit committee *legis-*
17 *lative post audit committee.*

18 (b) *The legislative post auditor may solicit school-related audit topics*
19 *from the house and senate committees on education, the state department*
20 *of education and other education-related sources.* The topics for school
21 district performance audits may include:

- 22 (1) The accuracy of school expenditures, reports or other
23 information;
- 24 (2) how school districts use the funding received from the state;
- 25 (3) the relationship between school funding levels and costs;
- 26 (4) the weights of various education program components or the level
27 of equity achieved by the funding system;
- 28 (5) whether funding levels for education programs or students are
29 keeping up with the actual costs school districts report;
- 30 (6) the basis for changes in school district costs;
- 31 (7) the reasonableness of the amount and type of actual or budgeted
32 expenditures compared with historical costs or with costs of other
33 districts;
- 34 (8) options for modifying the school funding formula;
- 35 (9) other finance issues identified as needing further study;
- 36 (10) whether a school district has adequate operating or administra-
37 tive procedures and fiscal controls and whether it is efficiently managed;
- 38 (11) best practices or innovative procedures, practices or controls op-
39 erating within any school districts that could present opportunities for
40 other school districts to operate more efficiently; and
- 41 (12) any other topic as directed by the ~~2010 commission~~ *legislative*
42 *post audit committee.*
- 43 (c) In accordance with and subject to the scope of a school district

1 performance audit approved by the ~~commission as provided by this sec-~~
2 ~~tion~~ *legislative post audit committee*, the legislative post auditor shall de-
3 termine which school districts are to be audited based on the audit topics
4 included and the resources available to conduct the audit.

5 (d) The provisions of subsection (g) of K.S.A. 46-1106, and amend-
6 ments thereto, shall apply to any audit or audit work conducted pursuant
7 to this section.

8 (e) Any firm which develops information in the course of conducting
9 a school district performance audit which the legislative post auditor is
10 required to report under subsection (d) of K.S.A. 46-1106, and amend-
11 ments thereto, immediately shall report such information to the legislative
12 post auditor. The legislative post auditor shall make the report required
13 in subsection (d) of K.S.A. 46-1106, and amendments thereto.

14 (f) In conducting any school district performance audit and subject
15 to the limitations of the budget of the division and appropriations there-
16 for, the legislative post auditor may enter into contracts for consultants
17 as the legislative post auditor deems necessary for any school district per-
18 formance audit conducted under this section.

19 ~~(g) No school district audits shall be performed in fiscal year 2011 or~~
20 ~~2012.~~

21 ~~(h)~~ [(g)] This section shall be part of and supplemental to the legis-
22 lative post audit act.

23 Sec. ~~3~~ **4**. K.S.A. 2009 Supp. 46-1118, **46-1121**, 46-1130 and 46-
24 1132 are hereby repealed.

25 Sec. ~~4~~ **5**. This act shall take effect and be in force from and after its
26 publication in the statute book.