

SESSION OF 2009

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2265

As Recommended by House Committee on
Government Efficiency and Fiscal Oversight

Brief*

HB 2265 would amend the Legislative Post Audit Act. The bill would require written audit reports to be prepared on the financial management practices of the State Treasurer's Office and the Pooled Money Investment Board every three years. Current law does not specify the frequency for those reports.

Also, the bill would require a transition audit be conducted within two weeks of the date a person assumes the duties of State Treasurer. The purpose of the transition audit would be to review the assets in the custody of the office for significant discrepancies at the time of transition. A separate written report would be required for each transition audit.

Background

The bill was introduced by the Legislative Post Audit Committee. The Post Auditor explained the bill and the types of audit work currently done at the Treasurer's Office and the Pooled Money Investment Board. The Post Auditor informed the Committee that the practice has been to produce reports required by existing law regarding the Treasurer's Office and the Pooled Money Investment Board annually. No opponents to the bill presented testimony to the House Committee.

The fiscal note prepared by the Division of the Budget on the introduced version of the bill states that a reduction of expenditures of \$17,080 would be realized by the State

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Treasurer and the Pooled Money Investment Board in FY 2010 if the bill is enacted. The fiscal note includes the observation that the audit-related costs would return in the third year after the bill is enacted, in FY 2012. It is assumed that any transition audits would be an infrequent occurrence, with any costs absorbed within the Treasurer's budget. Any fiscal impact that would result from enactment of HB 2265 is not accounted for in *The FY 2010 Governor's Budget Report*.