



# KANSAS BANKERS ASSOCIATION

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**Date:** February 11, 2025

**To:** Senate Committee on Financial Institutions and Insurance  
Senator Brenda Dietrich, Chair

**From:** Kelly VanZwoll, Vice President Government Relations,  
Kansas Bankers Association

**Re:** Verbal Proponent Testimony for SB 139

Madam Chair and committee members, I am Kelly VanZwoll on behalf of the Kansas Bankers Association (KBA). We look forward to being a resource for you and the committee as you consider financial service issues in the coming weeks and months. Thank you for the opportunity to submit testimony in support of SB 139.

**Kansas Bankers Association Background Information:**

The KBA, founded in 1887, is a voluntary, non-profit trade association governed by its membership. The KBA is headquartered in Topeka, Kansas, and is led by our 24-member board of directors. The KBA staff, which President/CEO Doug Wareham leads, includes 42 professionals, including 15 attorneys licensed in 5 states, that provide services to Kansas bankers ranging from legislative advocacy to educational training to insurance services to legal and regulatory compliance support. Our mission statement is:

*"The Kansas Bankers Association strengthens and supports the Kansas banking industry by advocating for sound financial policies, promoting innovation, and fostering economic growth across the state to ensure a vibrant financial future for all Kansans."*

KBA's membership includes 98% of the headquartered banks in Kansas. Our membership also includes 20 out-of-state commercial banks operating in Kansas. Our member banks employ more than 21,000 Kansans that provide financial services in every county across the state. While our member banks range in assets from the smallest in our state to the largest in our state, each member bank that belongs to the KBA has one vote on policy positions adopted by either our general membership or our Board of Directors. One member, one vote.

**SB 139—Proponent Testimony**

This bill would clean up a variety of provisions within the Kansas banking code and other banking statutes. We are supportive of SB 139 and appreciate the Office of the State Bank Commissioner's (OSBC) continued work to keep our banking statutes streamlined and up to date. In our discussions with the OSBC on this bill we brought another issue to their attention regarding director's exams. Director's exams are an inward facing audit of the bank and its accounts or reconciliations. For

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instance, different than outward facing audits, it reviews the bank's accounts rather than the customer's accounts.

The Kansas Bankers Association has an audit and compliance service subsidiary, Compliance First Bank Solutions. They provide a variety of audit and compliance work for Kansas banks across the state. K.S.A. 9-111 currently treats potential providers inequitably and is very narrow. It allows certified public accountants (CPAs) to perform directors exams without prior approval from the Commissioner, but other independent auditors must have prior approval to perform these exams.

In order to address this, we have worked with the OSBC on a friendly amendment to expand the list of providers who can perform these audits. We believe that the statute should be amended to include "a person who has demonstrated a capacity to perform the examination and whose proficiency has been certified by a national recognized certification authority." The amendment includes language to ensure the person must demonstrate that they are independent, just like the auditors who can currently do the exam. Additionally, this amendment would require all who perform Director's exams to be approved by the Commissioner, including CPAs. When discussing this with the OSBC they believed that it was right to apply the one-time approval process across the board.

We sincerely appreciate your time and attention to this matter. As the Committee deliberates on SB 139, we respectfully urge favorable consideration of our amendment. Thank you for the opportunity to provide proponent testimony and if you have questions or require additional information later, please get in touch with me at [kvanzwoll@ksbankers.com](mailto:kvanzwoll@ksbankers.com) or (785) 232-3444.