



MEMORANDUM

Legislative Post Audit

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To: House Commerce Labor and Economic Development Committee
From: Chris Clarke, Legislative Post Auditor
Date: January 16, 2024
Subject: **Neutral Testimony HB 2483**

I appreciate the opportunity to provide neutral testimony regarding House Bill 2483, which would amend state law related to several recurring audit provisions.

Background Information

The Legislative Division of Post Audit (LPA) was created in 1971 and is the non-partisan audit arm of the Kansas Legislature. Our mission is to inform policy makers by providing accurate, unbiased information through our audit reports. Our audits help the Legislature by focusing on three core areas: oversight, insight, and foresight. We help the Legislature with oversight of state government by evaluating whether agencies are following laws, achieving intended results, and operating efficiently. We also help legislators develop a better understanding of state government by providing insight into how agencies and programs actually work. Finally, in some cases, we provide legislators with foresight by predicting how changing current government structures and systems might affect state costs and program outcomes.

LPA reports to the Legislative Post Audit Committee, a bipartisan joint committee of the Kansas Legislature with 10 members. The Senate President and the House Speaker each appoint three members, whereas the Senate and House minority leaders each appoint two members. The committee selects the topics for LPA audits.

Under the Legislative Post Audit Act (K.S.A. 46-1101 et. seq.), individual legislators, legislative committees, or the Governor can request a performance audit, but the Legislative Post Audit Committee ultimately decides which audits we will conduct. We typically receive more requests for audits than we have capacity for.

Most of the audits we conduct are performance audits. These audits typically compare how a state agency or program is currently working to how it should be working. If it isn't, we work to understand the root cause of the problem and make recommendations for how to fix it. We also conduct IT security audits. These audits assess the security controls state agencies or school districts have established to protect their IT systems.

House Bill 2483 Considerations

At its October 2023 meeting, the Legislative Post Audit Committee directed staff to draft legislation that would eliminate a few ongoing mandatory audit requirements to allow LPA staff to conduct more audits the current legislature wants. The proposed legislation has been introduced in both chambers during the 2024 session.

HB 2483 bill makes changes in 3 main areas:

- **The bill eliminates the requirement for further 911 system implementation audits.** Currently, K.S.A. 12-5377 requires that LPA audit the implementation of the Kansas 911 system every 5 years. The audit is also supposed to address fee levels and proper use of monies. This requirement originated in 2011. As reported in the 2023 911 audit, the system is essentially implemented, so there is no further need for implementation audits. Any future 911 issues regarding use of monies could be requested as an ad hoc performance audit.
- **The bill eliminates the requirement for recurring audits of KPERS every 3 years.** Currently, K.S.A. 46-1136 requires the Legislative Post Audit Committee to direct LPA staff to audit KPERS at least once every 3 years. This requirement originated in 1992. The recurring audit requirement was originally written to focus on KPERS' administration of the system. As KPERS' administration has improved, the focus of these audits has become less about how the program is administered and more about research on retirement policy options. Any future KPERS issues could be requested as an ad hoc performance audit.
- **The bill eliminates the requirements regarding recurring economic development evaluations.** Currently, K.S.A. 46-1137 requires the Legislative Post Audit Committee to direct LPA staff to audit economic development incentives on a recurring 3-year cycle. This requirement originated in 2019. LPAC members suggested eliminating the requirement for recurring evaluations to make better use of staff resources, while still maintaining oversight of economic development incentives through ad hoc audit requests.

The bill also removes the requirement for LPA to evaluate new incentives one year after implementation. Staff suggested eliminating this requirement because one year is not long enough to see measurable activity.