

SENATE BILL No. 1

By Legislative Post Audit Committee

12-10

1 AN ACT concerning the legislative post audit act; relating to periodic
2 audits of the state treasurer and the pooled money investment board;
3 transition audits; amending K.S.A. 2012 Supp. 46-1106 and repealing
4 the existing section.
5

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

7 Section 1. K.S.A. 2012 Supp. 46-1106 is hereby amended to read as
8 follows: 46-1106. (a) (1) A financial-compliance audit shall be conducted
9 each year of the general purpose financial statements prepared by the
10 division of accounts and reports for its annual financial report. This audit
11 shall be conducted in accordance with generally accepted governmental
12 auditing standards. The resulting written audit report shall be issued as
13 soon after the end of the fiscal year as is practicable.

14 (2) In addition, *once every three years*, separate written audit reports
15 on the financial management practices of the office of the state treasurer
16 and the pooled money investment board shall be prepared addressing the
17 adequacy of financial management practices and compliance with
18 applicable state laws. The separate audit of the pooled money investment
19 board also shall include a comparative investment performance review and
20 an analysis of the investment program, including an evaluation of
21 investment policies and practices and of specific investments in the pooled
22 money investment portfolio. The analysis of the specific investments in the
23 pooled money investment portfolio shall review whether such investments
24 meet the investment priorities of safety, liquidity and performance. The
25 performance of such investments shall be measured by comparison to an
26 appropriate market index.

27 (3) *In addition, whenever an individual is first elected or appointed*
28 *and qualified to the office of the state treasurer, a transition audit shall be*
29 *conducted within two weeks after the date such individual enters upon the*
30 *duties of the office of the state treasurer. The purpose of the transition*
31 *audit shall be to review the assets in the custody of the office of the state*
32 *treasurer for significant discrepancies at the time of the transition. A*
33 *separate written report shall be prepared for each transition audit.*

34 (4) Copies of the reports of audits conducted pursuant to this
35 subsection (a) shall be furnished to the governor, director of accounts and
36 reports, director of the budget, each state agency, the legislative post audit

the legislative division of post audit shall conduct

Senate Ways and Means Committee
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