



# MEMORANDUM

## Legislative Post Audit

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To: Senate Ways and Means  
From: Justin Stowe, Legislative Post Auditor  
Date: January 23, 2020  
Subject: **Testimony Supporting Senate Bill 258**

**I appreciate the opportunity to testify in support of Senate Bill 258.** This bill was introduced by the Legislative Post Audit Committee at our request.

### Background

During the 2018 session the Legislature passed Senate Bill 260. That bill transferred oversight of several financial and compliance audits from our office to the Department of Administration.

This year we realized that several state agencies are still required to send our office or the Post Audit Committee certain financial reports. Because we no longer oversee this audit work, these reports do not provide us with any meaningful information and create additional work for other state agencies.

We contacted each of these agencies and other stakeholders to ensure they did not have any objections to removing us from the list of report recipients. They did not.

As a result, in the spirit of more efficient government, we asked our committee to support a bill to remove the reporting requirements for our office and our committee. Many other oversight agencies still receive this information.

### Provisions

Senate Bill 258 removes our office or the Post Audit Committee as recipients for four reports:

- **An actual expenditure statement from the Board of Indigents Defense Services.** Non-profit corporations who provide legal services for indigent inmates in Kansas correctional institutions currently must give LPA and the Director of the Budget a copy.
- **An accounts receivable write-off report from the Department of Administration.** The Director of Accounts and Reports currently must give the Post Audit Committee a list of all accounts or taxes receivable that have been written off the past year.
- **The corporation financial report from Regents Institutions.** Regents institutions currently must give LPA and the Board of Regents a copy of the annual CPA audit of corporations under contract with, and substantially controlled by, the Board of Regents or a state educational institution.
- **The tax abatement report from the Department of Revenue.** The Secretary of Revenue currently must give LPA, the Secretary of State, and the Attorney General an annual report on any tax abatement that reduces final tax liability by \$5,000 or more.