



MEMORANDUM

Legislative Post Audit

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To: House Appropriations Committee
From: Justin Stowe, Legislative Post Auditor
Date: March 22, 2021
Subject: Testimony Supporting House Bill 2050

I appreciate the opportunity to testify in support of House Bill 2050. This bill was introduced by the Legislative Post Audit Committee at our request. It was placed on the House Consent Calendar and passed 122 – 0. Senate Bill 16 (which is identical) was placed on the Senate Consent Calendar and passed 37 – 0.

Background

In 2018, the Legislature moved oversight of several financial audits from our office to the Department of Administration.

However, state law still requires several state agencies to send us reports related to these audits. These reports don't provide us with any meaningful information. They also create more work for the reporting state agencies.

We talked with official from each of these agencies to see if they had any concerns about us (or our committee) being removed as a report recipient. They didn't. In part, that's because several other oversight agencies already receive the reports as well.

Bill Provisions

HB 2050 removes our office (or our committee) as a recipient of 4 statutory reports we no longer need.

- 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 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.

Who reports?	What's reported?	Who gets it currently?
Board of Indigents Services	Expenditures for non-profits corporations who provide legal services for indigent inmates.	<ol style="list-style-type: none"> 1. LPA 2. Director of the Budget
Department of Administration	Accounts or taxes written off the past year.	<ol style="list-style-type: none"> 1. LPAC
Regents Institutions	Annual audit of corporations under contract with or controlled by Board of Regents.	<ol style="list-style-type: none"> 1. LPA 2. Board of Regents
Department of Revenue	Any tax abatement that reduces final tax liabilities by \$5,000 or more.	<ol style="list-style-type: none"> 1. LPA 2. Secretary of State 3. Attorney General