

January 19, 2012

The Honorable Joe McLeland, Chairperson
House Committee on General Government Budget
Statehouse, Room 458-W
Topeka, Kansas 66612

Dear Representative McLeland:

SUBJECT: Fiscal Note for HB 2414 by Legislative Post Audit Committee

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2414 is respectfully submitted to your committee.

HB 2414 would allow the Legislative Division of Post Audit (LPA) to charge state agencies for their proportional share of costs associated with the audit of the state's financial statements, also known as the Statewide Single Audit.

According to LPA, the agency contracts with external auditors to conduct the Statewide Single Audit. State agencies that spend federal funds pay for the cost of the federally required audit work, while the cost of the state portion of the audit is paid by LPA through its State General Fund appropriation. According to LPA, enactment of HB 2414 would not increase expenditures for the audits, but would shift expenditures from LPA to the Department of Administration and the Kansas Board of Regents. Presumably this shift in State General Fund costs would be done in the budget process as it is not accomplished directly in HB 2414. Any fiscal effect resulting from enactment of HB 2414 is not accounted for in *The FY 2013 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Rick Riggs, LPA
Marilyn Jacobson, DofA
Kelly Oliver, Board of Regents