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MEMORANDUM

To: Chairman Rhoades and members of the House Appropriations Committee
From: Scott Wells, Assistant Revisor and Jill Wolters, First Assistant Revisor
Date: March 20, 2013
Subject: SB 1—Annual audits of the state treasurer’s office and pooled money investment board

The provisions of Senate bill 1 amend KSA 2012 Supp. 46-1106 of the Legislative Post Audit Act. Under current law, the state treasurer’s office and the pooled money investment board (PMIB) are required to be audited annually on their financial management practices. Such audits are to address the adequacy of financial management practices and compliance with applicable state laws. Additionally, the PMIB audit also includes a comparative investment performance review and an analysis of the investment program. As amended, these audits would be conducted once every three years instead of annually.

Senate bill 1 also provides for a new “transition” audit of the state treasurer’s office to be conducted whenever there is a change in the state treasurer. The transition audit would review assets in the custody of the office of the state treasurer for significant discrepancies at the time of transition.

The Senate Committee amendment clarified that legislative post audit would conduct the transition audit.

These changes would take effect on and after July 1, 2013.