

## HOUSE BILL No. 2671

By Representative Otto

2-8

1 AN ACT abolishing the legislative post audit committee and transferring  
2 the duties to the legislative coordinating council; amending K.S.A. 46-  
3 152, 46-1001, 46-1004, 46-1102, 46-1103, 46-1108, 46-1109, 46-1113,  
4 46-1116, 46-1120, 46-1122, 46-1127, 46-1128, 46-1202, 46-1206 and  
5 46-1221 and K.S.A. 2011 Supp. 46-1106, 46-1114, 46-1118, 46-1129  
6 and 46-1132 and repealing the existing sections; also repealing K.S.A.  
7 46-1101 and 46-1104.

8  
9 *Be it enacted by the Legislature of the State of Kansas:*

10 Section 1. K.S.A. 46-152 is hereby amended to read as follows: 46-  
11 152. (a) Except as may otherwise be provided by law, the director of  
12 legislative administrative services shall prepare vouchers for expenses and  
13 allowances and payrolls for members of the legislature, except for service  
14 as a member of the Kansas commission on interstate cooperation, the  
15 advisory committee to the Kansas commission on interstate cooperation,  
16 ~~the legislative post-audit committee~~ or the Kansas judicial council.

17 (b) The payroll of employees of the legislature paid from  
18 appropriations for legislative expense shall be approved by the revisor of  
19 statutes as to all such employees who work under the revisor's direction,  
20 by the secretary of state as to all such employees who work under the  
21 secretary of state's direction, by the state librarian as to all such employees  
22 who work under his or her direction and by the director of legislative  
23 administrative services as to all other such employees of the legislature.

24 (c) Employees of the legislature working under each of the officers  
25 specified in subsection (b) of this section shall be selected by each of such  
26 officers respectively, subject to the approval of the legislative coordinating  
27 council. Each senator's personal secretary shall be selected by such  
28 senator. The senate or the house of representatives may provide for  
29 employment of specific officers of their respective houses.

30 (d) The department of administration shall render to the director of  
31 legislative administrative services such assistance as may be needed in the  
32 preparation of payrolls.

33 Sec. 2. K.S.A. 46-1001 is hereby amended to read as follows: 46-  
34 1001. As used in this act, unless the context otherwise requires,  
35 "investigating committee" means any of the following:

36 (a) A standing, special or select committee of either the house of

1 representatives or the senate, a joint committee of both houses of the  
2 legislature, or an authorized subcommittee of any such committee; or

3 (b) The legislative coordinating council, the legislative budget  
4 committee, the joint committee on special claims against the state, the joint  
5 committee on administrative rules and regulations, ~~the legislative post-~~  
6 ~~audit committee~~, any special or select committee appointed by the  
7 legislative coordinating council; or any authorized subcommittee of any  
8 such committee or said council; or

9 (c) Any committee, commission or board created by the legislature by  
10 concurrent resolution or enactment when, as one or all of its duties, it is to  
11 perform an inquiry, study or investigation for the legislature, except that an  
12 advisory committee is not an investigating committee; or

13 (d) Any committee heretofore or hereafter created by law or  
14 resolution of either house of the legislature or by concurrent resolution,  
15 when all of the members of such committee, who are authorized to vote on  
16 actions of the committee, are legislators.

17 Sec. 3. K.S.A. 46-1004 is hereby amended to read as follows: 46-  
18 1004. (a) The following investigating committees are authorized to  
19 exercise the powers of compulsory process in connection with any  
20 authorized subject of inquiry, study or investigation at any time without  
21 further authorization:

22 The legislative coordinating council, the legislative budget committee,  
23 the standing committee on ways and means of the senate, the standing  
24 committee on appropriations of the house, ~~the legislative post-audit~~  
25 ~~committee~~ or any committee which is specifically granted powers of  
26 compulsory process by legislative enactment or by concurrent resolution  
27 of the legislature or any authorized subcommittee of any such committee  
28 or the council.

29 (b) When the legislature is in session, or adjourned for not more than  
30 30 days, the following investigating committees are authorized to exercise  
31 the powers of compulsory process in connection with any authorized  
32 subject of inquiry, study or investigation:

33 (1) Any standing, special or select committee of the house of  
34 representatives, when authorized by the speaker; or

35 (2) Any standing, special or select committee of the senate, when  
36 authorized by the president.

37 (c) The following investigating committees are authorized to exercise  
38 the powers of compulsory process in connection with any authorized  
39 subject of inquiry, study or investigation only when specifically authorized  
40 to do so by the legislative coordinating council:

41 (1) Any special or select committee appointed by the legislative  
42 coordinating council, except the legislative budget committee; or

43 (2) The joint committee on special claims against the state or the joint

1 committee on administrative rules and regulations; or

2 (3) Any investigating committee as described in subsection (c) or  
3 subsection (d) of K.S.A. 46-1001, and amendments thereto, when no  
4 specific statute or resolution of the legislature authorizes the exercise by  
5 such committee of compulsory process.

6 (d) The limitations of subsections (b) and (c) do not apply to  
7 subsection (a). The limitations of subsection (b) do not apply to  
8 subsection (c) and the limitations of subsection (c) do not apply to  
9 subsection (b).

10 Sec. 4. K.S.A. 46-1102 is hereby amended to read as follows: 46-  
11 1102. There is hereby established the office of post auditor. The post  
12 auditor shall be appointed by the legislative ~~post audit committee~~  
13 *coordinating council* and shall serve under its direction. The post auditor  
14 may be removed from office by the affirmative vote of not less than seven  
15 members of the legislative post audit committee taken at any regular  
16 meeting of such committee. The post auditor shall be a person of extensive  
17 experience and recognized qualification in the field of governmental fiscal  
18 procedures and auditing. The post auditor shall be in the unclassified  
19 service and shall receive such compensation as is determined by the  
20 legislative coordinating council, except that such compensation may be  
21 increased but not diminished during such service. ~~The legislative post~~  
22 ~~audit committee may recommend to the legislative coordinating council~~  
23 ~~changes in the compensation of the post auditor.~~ The post auditor shall  
24 receive travel expenses and subsistence expenses and allowances as  
25 provided for members of the legislature in K.S.A. 75-3212, and  
26 amendments thereto, when attending any authorized meeting or business  
27 outside the city of Topeka.

28 Sec. 5. K.S.A. 46-1103 is hereby amended to read as follows: 46-  
29 1103. There is hereby established the division of post audit within the  
30 legislative branch of the government. The division of post audit shall be  
31 under the direct supervision of the post auditor in accordance with policies  
32 adopted by the legislative ~~post audit committee~~ *coordinating council*.  
33 Employees in the division of post audit shall be in the unclassified service,  
34 shall receive such compensation as is provided under this act and shall be  
35 covered by the state group health plan and Kansas public employees  
36 retirement system to the same extent as other state employees. Employees  
37 of the division of post audit shall receive travel expenses and subsistence  
38 expenses and allowances as provided for other state employees.  
39 Employees in the division of post audit shall be employed by and be  
40 responsible to the post auditor who shall fix the compensation of each such  
41 employee subject to approval of the legislative ~~post audit committee~~  
42 *coordinating council* and within budget and appropriations therefor. The  
43 annual budget request of the division shall be prepared by the post auditor

1 and the post auditor shall present it to the legislative post audit committee.  
2 The committee shall make any changes it desires in said budget request  
3 and then shall transmit it to the legislative coordinating council. Such  
4 council shall make any changes it desires in such budget request and upon  
5 approval of the budget request by the council, the post auditor shall submit  
6 it to the director of the budget as other budget requests are submitted.

7 Sec. 6. K.S.A. 2011 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, separate written audit reports on the financial  
15 management practices of the office of the state treasurer and the pooled  
16 money investment board shall be prepared addressing the adequacy of  
17 financial management practices and compliance with applicable state laws.  
18 The separate audit of the pooled money investment board also shall  
19 include a comparative investment performance review and an analysis of  
20 the investment program, including an evaluation of investment policies  
21 and practices and of specific investments in the pooled money investment  
22 portfolio. The analysis of the specific investments in the pooled money  
23 investment portfolio shall review whether such investments meet the  
24 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) Copies of the reports of audits conducted pursuant to this  
28 subsection (a) shall be furnished to the governor, director of accounts and  
29 reports, director of the budget, each state agency, the legislative ~~post audit~~  
30 ~~committee~~ *coordinating council* and other persons or agencies as may be  
31 required by law or by the specifications of the audit.

32 (4) Any additional costs associated with preparing the separate  
33 additional reports on the office of the state treasurer and the pooled money  
34 investment board shall be borne by the office of the state treasurer and the  
35 pooled money investment board in accordance with K.S.A. 46-1121, and  
36 amendments thereto.

37 (b) Including financial-compliance audit work conducted as part of  
38 the audit conducted pursuant to subsection (a), financial-compliance audit  
39 work shall be conducted at each state agency at least once every three  
40 years as directed by the legislative post audit committee. Written reports  
41 on the results of such auditing shall be furnished to the governor, director  
42 of accounts and reports, director of the budget, the state agency which is  
43 audited, the legislative ~~post audit committee~~ *coordinating council* and such

1 other persons or agencies as may be required by law or by the  
2 specifications of the audit.

3 (c) Books and accounts of the state treasurer and the director of  
4 accounts and reports, including the bond register of the state treasurer, may  
5 be examined monthly if the legislative ~~post audit committee~~ *coordinating*  
6 *council* so determines, and such examination may include detailed  
7 checking of every transaction or test checking.

8 Any person receiving tax information under the provisions of  
9 subsection (a) or (b) shall be subject to the same duty of confidentiality  
10 imposed by law upon the personnel of the department of revenue and shall  
11 be subject to any civil or criminal penalties imposed by law for violations  
12 of such duty of confidentiality.

13 (d) The post auditor shall report immediately in writing to the  
14 legislative ~~post audit committee~~ *coordinating council*, governor and  
15 attorney general whenever it appears in the opinion of the post auditor that  
16 there may have occurred any violation of penal statutes or any instances of  
17 misfeasance, malfeasance or nonfeasance by a public officer or employee  
18 disclosed by any audit or audit work conducted under the legislative post  
19 audit act. The post auditor shall furnish the attorney general all  
20 information in the possession of the post auditor relative to any report  
21 referred to the attorney general. The attorney general shall institute and  
22 prosecute civil proceedings against any such delinquent officer or  
23 employee, or upon such officer or employee's official bond, or both, as  
24 may be needed to recover for the state any funds or other assets  
25 misappropriated. The attorney general shall also prosecute such ouster and  
26 criminal proceedings as the evidence in the case warrants. Any person  
27 receiving tax information under the provisions of this subsection shall be  
28 subject to the same duty of confidentiality imposed by law upon the  
29 personnel of the department of revenue and shall be subject to any civil or  
30 criminal penalties imposed by law for violations of such duty of  
31 confidentiality.

32 (e) The post auditor shall immediately report to the committee on  
33 surety bonds and insurance when any audit or audit work conducted under  
34 the legislative post audit act discloses a shortage in the accounts of any  
35 state agency, officer or employee.

36 (f) In the discharge of the duties imposed under the legislative post  
37 audit act, the post auditor may require state agencies to preserve and make  
38 available their accounts, records, documents, vouchers, requisitions,  
39 payrolls, canceled checks or vouchers and coupons, and other evidence of  
40 financial transactions.

41 (g) In the discharge of the duties imposed under the legislative post  
42 audit act, the post auditor or firm conducting a financial-compliance audit  
43 or conducting any other audit or audit work shall have access to all books,

1 accounts, records, files, documents and correspondence, confidential or  
2 otherwise, of any person or state agency subject to the legislative post  
3 audit act or in the custody of any such person or state agency. Except as  
4 otherwise provided in this subsection, the post auditor or firm conducting a  
5 financial-compliance audit or other audit or audit work under the  
6 legislative post audit act and all employees and former employees of the  
7 division of post audit or firm performing a financial-compliance audit or  
8 other audit or audit work shall be subject to the same duty of  
9 confidentiality imposed by law on any such person or state agency with  
10 regard to any such books, accounts, records, files, documents and  
11 correspondence, and any information contained therein, and shall be  
12 subject to any civil or criminal penalties imposed by law for violations of  
13 such duty of confidentiality. The duty of confidentiality imposed on the  
14 post auditor and on firms conducting financial-compliance audits or any  
15 other audits or audit work under the legislative post audit act and all  
16 employees of the division of post audit and all employees of such firms  
17 shall be subject to the provisions of subsection (d), and the post auditor  
18 may furnish all such books, accounts, records, files, documents and  
19 correspondence, and any information contained therein to the attorney  
20 general pursuant to subsection (d). Upon receipt thereof, the attorney  
21 general and all assistant attorneys general and all other employees and  
22 former employees of the office of attorney general shall be subject to the  
23 same duty of confidentiality with the exceptions that any such information  
24 contained therein may be disclosed in civil proceedings, ouster  
25 proceedings and criminal proceedings which may be instituted and  
26 prosecuted by the attorney general in accordance with subsection (d), and  
27 any such books, accounts, records, files, documents and correspondence  
28 furnished to the attorney general in accordance with subsection (d) may be  
29 entered into evidence in any such proceedings. Nothing in this subsection  
30 shall be construed to supersede any requirement of federal law.

31 (h) Any firm or firms which develop information in the course of  
32 conducting a financial-compliance audit or other audit or audit work under  
33 the legislative post audit act which the post auditor is required to report  
34 under subsection (d) or (e) shall immediately report such information to  
35 the post auditor. The post auditor shall then make the report required in  
36 subsection (d) or (e).

37 Sec. 7. K.S.A. 46-1108 is hereby amended to read as follows: 46-  
38 1108. Audits, in addition to financial-compliance audits or other financial-  
39 compliance audit work conducted pursuant to K.S.A. 46-1106, and  
40 amendments thereto, shall be performed by the post auditor only on the  
41 direction of the legislative ~~post audit committee~~ *coordinating council*. The  
42 legislative ~~post audit committee~~ *coordinating council* may direct the post  
43 auditor to perform additional audits or audit work described in K.S.A. 46-

1 1106, and amendments thereto, of any state agencies, or may direct that  
2 any additional audit of a state agency shall be performed to accomplish  
3 other objectives than those specified pursuant to K.S.A. 46-1106, and  
4 amendments thereto. The legislative ~~post-audit-committee~~ *coordinating*  
5 *council* may direct that any such additional audits shall be conducted to  
6 determine:

7 (a) Whether any state agency is carrying out only those activities or  
8 programs authorized by the legislature; ~~or~~

9 (b) whether the programs and activities of a state agency, or a  
10 particular program or activity, is being efficiently and effectively operated;  
11 ~~or~~

12 (c) whether any new activity or program is being efficiently and  
13 effectively implemented in accordance with the intent of the legislature; ~~or~~

14 (d) whether there is a need for change in any authorized activity or  
15 program of a state agency; ~~or~~

16 (e) whether any reorganization of a state agency, or group of state  
17 agencies, is needed or justified to accomplish the results of programs or  
18 activities authorized by the legislature; or

19 (f) any combination of the purposes specified in this or any other  
20 section of the legislative post audit act.

21 Sec. 8. K.S.A. 46-1109 is hereby amended to read as follows: 46-  
22 1109. (a) In addition to other additional audits which the legislative ~~post~~  
23 ~~audit-committee-coordinating~~ *council* may direct, such ~~committee~~ *council*  
24 may direct the audit of any state agency or agencies when so requested in  
25 writing by the governor or any member or committee of the legislature.  
26 Any such written request shall specify the desired object of the audit  
27 requested and the reasons therefor. In directing the post auditor to make  
28 any such requested additional audit of a state agency or agencies, the  
29 legislative ~~post-audit-committee~~ *coordinating council* may modify the  
30 object and direct the details of the audit to be performed.

31 (b) In accordance with this subsection, the legislative ~~post-audit-~~  
32 ~~committee~~ *coordinating council* may reimburse travel mileage expense  
33 incurred by a member of the legislature to attend a meeting of the  
34 legislative ~~post-audit-committee~~ *coordinating council* for the presentation  
35 of the report of a performance audit that was requested by such member of  
36 the legislature and performed at the direction of the legislative ~~post-audit-~~  
37 ~~committee~~ *coordinating council*. The reimbursement for such travel  
38 mileage expense shall be for each mile actually traveled by the usual route  
39 in going to and returning from the meeting of the legislative ~~post-audit-~~  
40 ~~committee~~ *coordinating council* at the rate fixed under K.S.A. 75-3203a,  
41 and amendments thereto, and shall be subject to any restrictions or  
42 limitations prescribed by rules adopted by the legislative ~~post-audit-~~  
43 ~~committee~~ *coordinating council*. In the case of a performance audit that

1 was requested by any standing, special, select or joint committee of the  
2 legislature, the legislative ~~post audit committee~~ *coordinating council* may  
3 reimburse travel mileage expense incurred by not more than two members  
4 of such committee and not more than one member of any political party.  
5 No travel mileage expense shall be reimbursed under this subsection for  
6 attendance at a legislative post audit committee meeting held during the  
7 time that the legislature is in session, unless the legislature has adjourned  
8 for a period of more than two days.

9 Sec. 9. K.S.A. 46-1113 is hereby amended to read as follows: 46-  
10 1113. In addition to other audits which the legislative ~~post audit committee~~  
11 *coordinating council* may direct the post auditor and the division of post  
12 audit to make, such ~~committee council~~ *council* may direct the post auditor and  
13 division of post audit to make any audit authorized by K.S.A. 46-1114,  
14 *and amendments thereto*, either upon such committee's own initiative or  
15 such ~~committee council~~ *council* may so direct when so requested by a concurrent  
16 resolution of the legislature, the governor or any member or ~~committee~~  
17 *council* of the legislature. In directing the post auditor to make any such  
18 requested audit, such ~~committee council~~ *council* may modify the object and direct  
19 the details of the audit to be performed.

20 Sec. 10. K.S.A. 2011 Supp. 46-1114 is hereby amended to read as  
21 follows: 46-1114. (a) The legislative ~~post audit committee~~ *coordinating*  
22 *council* is hereby authorized to direct the post auditor and the division of  
23 post audit to make an audit of any type described in K.S.A. 46-1106 or 46-  
24 1108, and amendments ~~to these sections~~ *thereto*, of any records or matters  
25 of any person specified in this section, and may direct the object in detail  
26 of any such audit.

27 (b) Upon receiving any such direction, the post auditor with the  
28 division of post audit, shall make such audit and shall have access to all  
29 books, accounts, records, files, documents and correspondence,  
30 confidential or otherwise, to the same extent permitted under subsection  
31 (g) of K.S.A. 46-1106, and amendments thereto, except that such access  
32 shall be subject to the limitations established under subsection (d) of this  
33 section.

34 (c) Audits authorized by this section are the following:

35 (1) Audit of any local subdivision of government or agency or  
36 instrumentality thereof which receives any distribution of moneys from or  
37 through the state.

38 (2) Audit of any person who receives any grant or gift from or  
39 through the state.

40 (3) Audit of the contract relationships and the fiscal records related  
41 thereto of any person who contracts with the state.

42 (4) Audit of any person who is regulated or licensed by any state  
43 agency or who operates or functions for the benefit of any state institution



1 except that any audit of any person regulated by the state corporation  
2 commission shall address only compliance with laws or regulations,  
3 collection or remittance of taxes or fees, or other matters related directly to  
4 state government programs or functions. Any such audit authorized under  
5 this subsection shall not address corporate governance or financial issues  
6 except as they may relate directly to state government programs or  
7 functions. This subsection shall not apply to public utilities as described in  
8 subsection (l) of K.S.A. 66-1,187, and amendments thereto.

9 (d) (1) Access to all books, accounts, records, files, documents and  
10 correspondence, confidential or otherwise, as authorized under subsection  
11 (b) of this section of any nongovernmental person audited under authority  
12 of subsection (c)(2) of this section shall be limited to those books,  
13 accounts, records, files, documents and correspondence, confidential or  
14 otherwise, of such person to which the state governmental agency which  
15 administers the grant or gift and provides for the disbursement thereof is  
16 authorized under law to have access.

17 (2) Access to all books, accounts, records, files, documents and  
18 correspondence, confidential or otherwise, as authorized under subsection  
19 (b) of this section of any nongovernmental person audited under authority  
20 of subsection (c)(3) of this section shall be limited to those books,  
21 accounts, records, files, documents and correspondence, confidential or  
22 otherwise, of such person to which the state governmental agency which  
23 contracts with such person is authorized under law to have access.

24 (3) Access to all books, accounts, records, files, documents and  
25 correspondence, confidential or otherwise, as authorized under subsection  
26 (b) of this section of any nongovernmental person audited under authority  
27 of subsection (c)(4) of this section shall be limited to those books,  
28 accounts, records, files, documents and correspondence, confidential or  
29 otherwise, of such person to which the state governmental agency which  
30 regulates or licenses such person or the state institution on whose behalf  
31 such person operates or functions is authorized under law to have access.

32 Sec. 11. K.S.A. 46-1116 is hereby amended to read as follows: 46-  
33 1116. Failure to make records available for post audit is the intentional  
34 failure to make any books, accounts, contracts or records, files, documents  
35 and correspondence, confidential or otherwise, related to any of the  
36 foregoing available to the post auditor or to a firm performing a financial-  
37 compliance audit or any officer or employee of the division of post audit  
38 or of such firm upon request of the post auditor or such firm or any such  
39 officer or employee for the purpose of post audit as directed by the  
40 legislative ~~post audit committee~~ *coordinating council* under authority of  
41 this act.

42 Failure to make records available for post audit is a class A  
43 misdemeanor.

1       Sec. 12. K.S.A. 2011 Supp. 46-1118 is hereby amended to read as  
2 follows: 46-1118. (a) (1) Except as otherwise provided by statute,  
3 whenever the post auditor performs any additional audit work for any state  
4 agency either to satisfy federal government requirements or to satisfy  
5 financial-compliance audit requirements prescribed by or pursuant to any  
6 statute other than K.S.A. 46-1106 through 46-1117, and amendments  
7 thereto, and incurs costs in addition to those attributable to the operations  
8 of the division of post audit in performance of other duties and  
9 responsibilities, the post auditor shall make charges for such additional  
10 costs.

11       (2) The legislative ~~post-audit-committee~~ *coordinating council* may  
12 authorize the post auditor to perform additional financial-related audit  
13 work at the request of a state agency. Upon the authorization and in  
14 accordance with the direction of the legislative ~~post-audit-committee~~  
15 *coordinating council*, the post auditor may make charges for costs incurred  
16 for the performance of such financial-related audit work.

17       (3) The furnishing of any such audit services by the division of post  
18 audit shall be a transaction between the post auditor and the state agency  
19 receiving such services and such transaction shall be settled in accordance  
20 with the provisions of K.S.A. 75-5516, and amendments thereto.

21       (b) All moneys received for reimbursement of the division of post  
22 audit under this section shall be remitted to the state treasurer in  
23 accordance with the provisions of K.S.A. 75-4215, and amendments  
24 thereto. Upon receipt of each such remittance, the state treasurer shall  
25 deposit the entire amount in the state treasury to the credit of the audit  
26 services fund, which fund is hereby created in the state treasury. All  
27 expenditures from the audit services fund shall be made in accordance  
28 with appropriation acts upon warrants of the director of accounts and  
29 reports issued pursuant to vouchers approved by the post auditor or a  
30 person or persons designated by the post auditor.

31       Sec. 13. K.S.A. 46-1120 is hereby amended to read as follows: 46-  
32 1120. (a) There is hereby created the contract audit committee which shall  
33 consist of the following members: (1) The chairperson of the legislative  
34 ~~post-audit-committee~~ *coordinating council* or a person designated by the  
35 chairperson from among the members of the legislative ~~post-audit-~~  
36 ~~committee~~ *coordinating council*; (2) the vice-chairperson of the legislative  
37 ~~post-audit-committee~~ *coordinating council* or a person designated by the  
38 vice-chairperson from among the members of the legislative ~~post-audit-~~  
39 ~~committee~~ *coordinating council*; (3) a member of the legislative ~~post-audit-~~  
40 ~~committee~~ *coordinating council* designated by majority vote of the  
41 legislative ~~post-audit-committee~~ *coordinating council*; (4) the post auditor  
42 or a person designated by the post auditor; and (5) the secretary of  
43 administration or a person designated by the secretary of administration.

1 The chairperson of the legislative ~~post-audit-committee~~ *coordinating*  
2 *council*, or the person designated by the chairperson to serve as a member  
3 of the contract audit committee, shall be the chairperson of the contract  
4 audit committee. No more than two legislators who are members of the  
5 contract audit committee shall be members of the same political party.

6 (b) The contract audit committee shall be within the division of post  
7 audit as a part thereof. All budgeting, purchasing and related management  
8 functions of the contract audit committee shall be administered under the  
9 direction and supervision of the post auditor.

10 (c) The legislators who are members of the contract audit committee  
11 attending meetings of such committee, or attending a subcommittee  
12 meeting thereof authorized by such committee, shall be paid  
13 compensation, subsistence allowances, mileage and other expenses as  
14 provided in K.S.A. 75-3223, and amendments thereto, upon vouchers  
15 approved by the post auditor or a person designated by the post auditor  
16 from appropriations made for the division of post audit.

17 (d) The contract audit committee shall meet on the call of the  
18 chairperson of such committee. A vote of three members of the contract  
19 audit committee shall be required for any action of the contract audit  
20 committee.

21 Sec. 14. K.S.A. 46-1122 is hereby amended to read as follows: 46-  
22 1122. The legislative ~~post-audit-committee~~ *coordinating council* shall  
23 specify whether a financial-compliance audit of or financial-compliance  
24 audit work at a state agency is to be conducted: (a) By a firm or firms  
25 qualified to perform such audit or audit work; or (b) by the post auditor. If  
26 the legislative ~~post-audit-committee~~ *coordinating council* specifies that a  
27 firm or firms is to perform such audit or audit work, such firm or firms  
28 shall be selected and shall perform such audit or audit work as provided in  
29 K.S.A. 46-1123, and amendments thereto, and K.S.A. 46-1125 to 46-1127,  
30 inclusive, and amendments thereto. If the legislative ~~post-audit-committee~~  
31 *coordinating council* specifies that the post auditor is to perform such audit  
32 or audit work, the post auditor shall perform such audit or audit work as  
33 directed by the legislative ~~post-audit-committee~~ *coordinating council*  
34 pursuant to K.S.A. 46-1106, and amendments thereto, and, if the audit or  
35 audit work is performed to comply with federal government audit  
36 requirements, in accordance with specifications for the conduct of such  
37 audit or audit work established by the contract audit committee.

38 Sec. 15. K.S.A. 46-1127 is hereby amended to read as follows: 46-  
39 1127. (a) The contract audit committee shall monitor the performance of  
40 the firm or firms conducting a financial-compliance audit pursuant to a  
41 contract entered into under K.S.A. 46-1126, and amendments thereto, to  
42 insure that such audit is performed in accordance with the specifications  
43 developed for the conduct of such audit. The firm or firms selected to

1 perform such audit shall submit a written audit report at the conclusion of  
2 the audit to the post auditor who shall distribute the complete audit report  
3 to members of the legislative ~~post-audit-committee~~ *coordinating council*,  
4 the governor, the director of accounts and reports, the director of the  
5 budget, the secretary of administration, the state agency which is audited  
6 and other persons or agencies as may be required by the specifications.

7 (b) In the performance of such audit, the officers and employees of  
8 the firm or firms performing the audit shall be subject to the same duty of  
9 confidentiality applicable to the post auditor and officers and employees of  
10 the division of post audit under the legislative post audit act and shall have  
11 access to all books, accounts, records, files, documents and  
12 correspondence, confidential or otherwise, of any person or state agency  
13 subject to the financial-compliance audit.

14 Sec. 16. K.S.A. 46-1128 is hereby amended to read as follows: 46-  
15 1128. (a) Except as provided by subsections (b) and (c) of this section and  
16 by subsections (d), (e) and (g) of K.S.A. 46-1106, and amendments  
17 thereto, each audit report prepared by the division of post audit or by a  
18 firm under the legislative post audit act, and each finding, conclusion,  
19 opinion or recommendation contained in the audit report, shall be  
20 confidential and shall not be disclosed pursuant to the provisions of the  
21 open records act or under any other law until: (1) The time of the next  
22 scheduled meeting of the legislative ~~post-audit-committee~~ *coordinating*  
23 *council* held after distribution of the report to members of such ~~committee~~  
24 *council*; or (2) the time of the next scheduled meeting of another  
25 legislative ~~committee~~ *council* held after distribution of the report to the  
26 members of such committee as authorized by the legislative ~~post-audit-~~  
27 ~~committee~~ *coordinating council*.

28 (b) The legislative ~~post-audit-committee~~ *coordinating council* may  
29 authorize a specific confidential distribution of any audit report, prior to  
30 any such presentation of the audit report, by motion adopted by the  
31 legislative ~~post-audit-committee~~ *coordinating council* or by rule adopted  
32 by the ~~committee~~ *council*, in accordance with such motion or rule. Each  
33 person who receives an audit report pursuant to any such motion or rule  
34 authorizing a specific confidential distribution of the audit report shall  
35 keep the audit report and each finding, conclusion, opinion or  
36 recommendation contained in the audit report confidential until the audit  
37 report is presented to the legislative ~~post-audit-committee~~ *coordinating*  
38 *council* or another legislative committee at an open meeting of the  
39 committee.

40 (c) The post auditor, or the post auditor's designee may make a  
41 limited distribution of preliminary audit findings, conclusions or  
42 recommendations to any person affected by the audit as part of the process  
43 of conducting the audit. Such preliminary audit findings, conclusions,

1 opinions or recommendations shall be confidential and shall not be subject  
2 to disclosure pursuant to the provisions of the open records act or any  
3 other law, except as provided in subsections (d), (e) and (g) of K.S.A. 46-  
4 1106, and amendments thereto.

5 (d) As used in this section, "audit report" means the written report of  
6 any financial-compliance audit, performance audit, or any other audit or  
7 audit work conducted under the legislative post audit act by the division of  
8 post audit or by a firm under the legislative post audit act; and any other  
9 words and phrases used in this section shall have the meanings  
10 respectively ascribed thereto by K.S.A. 46-1112, and amendments thereto.

11 (e) This section shall be construed as part of the legislative post audit  
12 act.

13 Sec. 17. K.S.A. 2011 Supp. 46-1129 is hereby amended to read as  
14 follows: 46-1129. (a) As used in this section:

15 (1) "Audit" means any financial-compliance audit, performance audit  
16 or any other audit or audit work conducted by the division of post audit or  
17 by a firm under the legislative post audit act;

18 (2) "survey" means any questionnaire or other survey instrument  
19 administered by the division of post audit or by a firm under the legislative  
20 post audit act for the purposes and in the course of an audit, regardless of  
21 form or characteristics; and

22 (3) any other words and phrases used in this section shall have the  
23 meanings respectively ascribed thereto by K.S.A. 46-1112, and  
24 amendments thereto.

25 (b) A response to any survey administered for the purposes and in the  
26 course of an audit approved by the legislative ~~post audit committee~~  
27 *coordinating council* shall be confidential and shall not be disclosed  
28 pursuant to the provisions of the open records act or under any other law  
29 except as required pursuant to the legislative post audit act. Nothing in this  
30 section shall limit the use of any information contained in responses to any  
31 survey by the division of post audit for the purposes of any audit or for any  
32 other purpose authorized or required under the legislative post audit act.

33 Sec. 18. K.S.A. 2011 Supp. 46-1132 is hereby amended to read as  
34 follows: 46-1132. (a) In order to assist the legislature in the gathering of  
35 information which is necessary for the legislature's consideration when  
36 meeting its constitutional duties to: (1) Provide for intellectual,  
37 educational, vocational and scientific improvement in public schools  
38 established and maintained by the state; and (2) make suitable provision  
39 for the finance of educational interests of the state, the school district audit  
40 team established by K.S.A. 2011 Supp. 46-1130, and amendments thereto,  
41 shall conduct performance audits and shall monitor school district funding  
42 and other oversight issues through audit work as directed by the 2010  
43 commission. Except as specifically provided by this section, school district

1 performance audits shall be conducted in the manner provided by the  
2 legislative post audit act. The scope of such audit work may not be  
3 modified by the legislative ~~post-audit committee~~ *coordinating council*.

4 (b) The topics for school district performance audits may include:

5 (1) The accuracy of school expenditures, reports or other information;

6 (2) how school districts use the funding received from the state;

7 (3) the relationship between school funding levels and costs;

8 (4) the weights of various education program components or the level  
9 of equity achieved by the funding system;

10 (5) whether funding levels for education programs or students are  
11 keeping up with the actual costs school districts report;

12 (6) the basis for changes in school district costs;

13 (7) the reasonableness of the amount and type of actual or budgeted  
14 expenditures compared with historical costs or with costs of other districts;

15 (8) options for modifying the school funding formula;

16 (9) other finance issues identified as needing further study;

17 (10) whether a school district has adequate operating or  
18 administrative procedures and fiscal controls and whether it is efficiently  
19 managed;

20 (11) best practices or innovative procedures, practices or controls  
21 operating within any school districts that could present opportunities for  
22 other school districts to operate more efficiently; and

23 (12) any other topic as directed by the 2010 commission.

24 (c) In accordance with and subject to the scope of a school district  
25 performance audit approved by the commission as provided by this  
26 section, the legislative post auditor shall determine which school districts  
27 are to be audited based on the audit topics included and the resources  
28 available to conduct the audit.

29 (d) The provisions of subsection (g) of K.S.A. 46-1106, and  
30 amendments thereto, shall apply to any audit or audit work conducted  
31 pursuant to this section.

32 (e) Any firm which develops information in the course of conducting  
33 a school district performance audit which the legislative post auditor is  
34 required to report under subsection (d) of K.S.A. 46-1106, and  
35 amendments thereto, immediately shall report such information to the  
36 legislative post auditor. The legislative post auditor shall make the report  
37 required in subsection (d) of K.S.A. 46-1106, and amendments thereto.

38 (f) In conducting any school district performance audit and subject to  
39 the limitations of the budget of the division and appropriations therefor,  
40 the legislative post auditor may enter into contracts for consultants as the  
41 legislative post auditor deems necessary for any school district  
42 performance audit conducted under this section.

43 (g) This section shall be part of and supplemental to the legislative

1 post audit act.

2 Sec. 19. K.S.A. 46-1202 is hereby amended to read as follows: 46-  
3 1202. The legislative coordinating council shall have general authority  
4 over all legislative services and such authority shall be exercised by such  
5 council as it shall determine, except as otherwise provided by chapter 46  
6 of Kansas Statutes Annotated. The legislative coordinating council shall  
7 represent the legislature when the legislature is not in session. The  
8 legislative coordinating council may adopt and amend rules applicable to  
9 its affairs or to the meetings and activities of special committees, standing  
10 committees or advisory committees, except that such rules shall not apply  
11 to standing committees meeting while the legislature is in session. When  
12 the legislature is not in session, the legislative coordinating council shall  
13 govern the mechanics and procedure of all legislative committee work and  
14 activities, except that of the interstate cooperation commission, legislative  
15 ~~post-audit committee~~ *coordinating council*, state finance council and the  
16 ways and means of the senate and the committee on appropriations of the  
17 house of representatives when meeting under authority of K.S.A. 46-134a,  
18 and amendments thereto. A majority vote of five members of the  
19 legislative coordinating council shall be required for any action of the  
20 council, except that action relating solely to one house of the legislature  
21 may be authorized by the unanimous vote of the members of the  
22 legislative coordinating council who are members of such house of the  
23 legislature.

24 Sec. 20. K.S.A. 46-1206 is hereby amended to read as follows: 46-  
25 1206. (a) Legislative studies shall be initiated in one of the ways specified  
26 in this section.

27 (b) The inherent power of the house of representatives or the senate  
28 to cause a legislative study to be made without the approval of the other  
29 house is recognized. Further, the inherent power of the two houses of the  
30 legislature to cause a legislative study to be made without the limitations  
31 prescribed in this act is also recognized.

32 (c) Concurrent resolutions of the legislature may direct the legislative  
33 coordinating council to provide for legislative studies to be made by  
34 special committees or standing committees. Any such resolution shall  
35 specify the subject to be studied and the time that report is to be made  
36 thereon, but shall not specify the composition of the special committee nor  
37 other incidents related to procedure for the study.

38 (d) The legislative budget committee, the legislative ~~post-audit-~~  
39 ~~committee~~ *coordinating council*, the interstate cooperation commission  
40 and any other committee specifically authorized by statute to make a  
41 legislative study may initiate studies within the subject field of the  
42 committee within limitations prescribed by the authorizing statute.

43 (e) The legislative coordinating council may initiate legislative

1 studies proposed by one or more of its members, and when so initiated  
2 shall refer each study to an appropriate special committee or standing  
3 committee.

4 (f) The legislative coordinating council shall refer each study initiated  
5 under subsection (c) of this section to an appropriate special committee or  
6 standing committee.

7 (g) Any one or more legislators, any legislative committee or the  
8 governor may request the legislative coordinating council to cause a  
9 legislative study to be made. If such council approves any such request,  
10 either in whole or in part, it shall refer the study to an appropriate special  
11 committee or standing committee.

12 Sec. 21. K.S.A. 46-1221 is hereby amended to read as follows: 46-  
13 1221. The provisions of this act shall not apply to the state finance council,  
14 the Kansas commission on interstate cooperation, the advisory committee  
15 to the Kansas commission on interstate cooperation, the motor vehicle  
16 reciprocity commission, the legislative ~~post-audit committee~~ *coordinating*  
17 *council* or the Kansas judicial council, nor to any committee, delegate,  
18 member, officer or employee of any of the foregoing specified in this  
19 section when acting for or under authority thereof.

20 Sec. 22. K.S.A. 46-152, 46-1001, 46-1004, 46-1101, 46-1102, 46-  
21 1103, 46-1104, 46-1108, 46-1109, 46-1113, 46-1116, 46-1120, 46-1122,  
22 46-1127, 46-1128, 46-1202, 46-1206 and 46-1221 and K.S.A. 2011 Supp.  
23 46-1106, 46-1114, 46-1118, 46-1129 and 46-1132 are hereby repealed.

24 Sec. 23. This act shall take effect and be in force from and after its  
25 publication in the statute book.  
26