

MINUTES OF THE HOUSE COMMITTEE ON COMMUNICATIONS, COMPUTERS AND TECHNOLOGY

The meeting was called to order by Representative Mike Meacham at  
Chairperson

3:30 ~~AM~~ p.m. on February 1, 1984 in room 522-S of the Capitol.

All members were present except:

Representative Aylward (excused)

Committee staff present:

Sherry Brown, Fiscal Staff, Research Department  
Chris Stanfield, Fiscal Staff, Research Department  
Mary Galligan, Fiscal Staff, Research Department  
James A. Wilson, III, Senior Assistant Revisor  
Betty Ellison, Secretary to the Committee

Conferees appearing before the committee:

Mr. Ron Green, Senior Auditor, Legislative Division of Post Audit

Mr. Jim Cobler, Director, Division of Accounts and Reports  
Department of Administration

The meeting was called to order by Chairman Meacham. Sherry Brown of the Research Department passed out a summary sheet regarding the Proposed Water Data Base. (Attachment 1) She explained the differences between these numbers and those presented at the time of the hearings from the interagency group. The Chairman noted that a recommendation on this matter would be made to the Ways and Means Committee next week.

A summary of the Legislative Post Audit Report on the Duplication of Computerized Accounting Systems was distributed. (Attachment 2) Mr. Ron Green, supervisor of this audit project, reviewed the report. Major questions addressed in the audit were:

1. To what extent do state agencies' automated accounting systems duplicate the Central Accounting System of Kansas (CASK)?
2. To what extent do state agencies' automated accounting systems provide important information that is not provided through CASK?
3. What alternatives are available to help minimize duplication and bring about more efficiency in accounting systems?

Ten agencies that have their own computerized systems of accounting expenditures or receipts were selected for study. (Attachment 2, page 2)

Mr. Green explained that one of the goals established by the Division of Accounts and Reports for CASK when it was created in 1975 was to minimize duplication of accounting functions between that department and state agencies. However, when agencies maintain their own accounting systems, they duplicate many of the steps that go into maintaining CASK. The figure in (Attachment 2, page 3) shows how the agencies handle their reporting of expenditures and receipts. The figure shows that there are parallel systems running outside of CASK which indicate possibilities for duplication and inefficiency. In (Attachment 2, page 4) a list is shown of the kinds of duplication which can occur when an agency has its own accounting system in addition to CASK. In response to a question from the Chairman, Mr. Green stated that the Department of Health and Environment and the Kansas Corporation Commission use UNIVAC computer time to run their accounting systems.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON COMMUNICATIONS, COMPUTERS AND TECHNOLOGY,

room 522-S, Statehouse, at 3:30 ~~a.m.~~ p.m. on February 1, 1984

Findings regarding the second question being addressed are summarized in (Attachment 2, page 5). Mr. Green commented that those agencies that have a large number of locations making significant purchasing decisions seemed to need a complete financial picture and used this to justify their current systems. It was concluded that the kinds of information shown on (Attachment 2, page 5) which are being maintained by the state agencies are generally helpful, and in most cases necessary, to the efficient operation of those agencies. However, there is currently little planning or control to minimize duplication. Both the separate agencies' accounting systems and the CASK system need to be scrutinized to determine how they might be operated most efficiently with a minimum of duplication. Mr. Green noted that under current law, the Director of Accounts and Reports would be the key position in any effort to coordinate the Central Accounting System and the agencies' computerized accounting systems. He felt that close coordination with DISC would be necessary to insure that the development of the Computerized Accounting System is effectively controlled.

Regarding the third question being addressed, some possible options for minimizing duplication in accounting systems are listed in (Attachment 2, page 6).

Mr. Green said that a response from Secretary Harder of the Department of Administration indicated general agreement with the findings and plans for attacking existing inefficiencies that have been identified. A copy of this letter of response, as well as one from Joan Finney, State Treasurer, are included in the complete publication, Performance Audit Report, Duplication of Computerized Accounting Systems by the Legislative Division of Post Audit, January, 1984. This report may be found in the Legislative Research Department for reference. Mr. Green noted that all of the agencies agreed that the findings were on target and they were willing to look at ways to improve the efficiency of their agency accounting systems.

Mr. Jim Cobler testified that the Division of Accounts and Reports worked vigorously to minimize duplication but needed resources to accomplish that goal. It was his feeling that the agency accounting systems could never be eliminated in a reasonable way because they do have individual requirements. However, they complement one another in many ways. He noted that his data entry department had been reduced by ten people as a result of receiving data entry from magnetic tape. He said that receipt tapes should start with the Department of Revenue because most of the data originates there. They need to give tapes with all the receipt detail to the State Treasurer; then the Treasurer can do what she is required to do and send it on to the Division of Accounts and Reports. Mr. Cobler noted that his department has in-house capability but insufficient staff to carry out these procedures. He said that it takes significant staff effort to do something that crosses all agency lines. He felt that it would take a minimum of four to six people over considerable time to implement the procedures discussed.

The meeting was adjourned at 4:25 p.m.

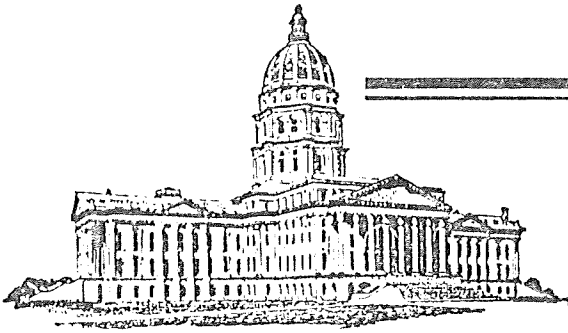
The next meeting of the Committee will be held at 3:30 p.m. on February 8, 1984.



PROPOSED KANSAS WATER DATA BASE

<u>Agency/Proposed Application</u>	<u>Amounts Reviewed by Committee</u>	<u>Agency Budget Request FY 1985</u>	<u>Governor's Recommendation FY 1985</u>	<u>Revised Estimates Under Coordinated Proposal</u>	<u>Cost of Implementation in Addition to Gov. Rec. FY 1985</u>
<u>Division of Water Resources</u>					
Dam Inventory System	\$ 39,580 <sup>a</sup>	\$ 10,000	\$ --	\$ --	\$ --
Water Rights Graphics	4,825 <sup>a</sup>	--	--	--	--
Subtotal - Division of Water Resources	<u>\$ 44,405<sup>a</sup></u>	<u>\$ 10,000</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
<u>Kansas Water Office</u>					
Water Abstract Index <sup>c</sup>	\$ 7,300	\$ 10,396 <sup>b</sup>	\$ 6,488	\$ 6,788	\$ 300
<u>Kansas Corporation Commission</u>					
Geologic/Water Data Base	\$ 12,000	\$ 12,000	\$ --	\$ 12,738	\$ 12,738
Install Terminals in District Offices	15,720	14,800	--	14,800	14,800
Subtotal - Kansas Corporation Commission	<u>\$ 27,720</u>	<u>\$ 26,800</u>	<u>\$ --</u>	<u>\$ 27,538</u>	<u>\$ 27,538</u>
<u>Kansas Department of Health and Environment</u>					
Compliance Monitoring System	\$ 4,500	\$ 4,300	\$ 4,300	\$ 4,300	\$ --
Water Quality Network	1,000	1,000	1,000	1,000	--
Use Inventory File	2,778	2,778	2,778	2,778	--
Water Quality Modeling	2,100	2,100	2,100	2,100	--
District Office Microcomputers	--	70,000	--	27,908	27,908
Hazardous Waste	--	3,450	3,450	9,528	6,078
<u>Bureau of Oil Fields and Environmental Geology</u>					
Equipment	\$ --	\$ --	\$ --	\$ 4,736	\$ 4,736
DISC Processing	--	--	--	7,200	7,200
Water Well Records	--	--	--	765	765
Injection Well Records	--	--	--	110	110
Groundwater Quality	--	--	--	740	740
LPG Storage Wells	--	--	--	15	15
Salt Solution Mining Wells	--	--	--	15	15
<u>Bureau of Water Protection</u>					
Wastewater Source Inventory	--	--	--	15	15
Effluent Quality Data Set	--	--	--	15	15
Drinking Water Supply Inventory	--	--	--	15	15
Drinking Water Quality Data Set	--	--	--	15	15
Surface Water Quality	--	--	--	1,110	1,110
Biological Data	--	--	--	15	15
Equipment	--	--	--	4,736	4,736
DISC Processing	--	--	--	7,200	7,200
Subtotal - Kansas Department of Health and Environment	<u>\$ 10,378</u>	<u>\$ 83,628</u>	<u>\$ 13,628</u>	<u>\$ 74,316</u>	<u>\$ 60,688</u>
<b>GRAND TOTAL</b>	<u><b>\$ 89,803</b></u>	<u><b>\$130,824</b></u>	<u><b>\$ 20,116</b></u>	<u><b>\$ 108,642</b></u>	<u><b>\$ 88,526</b></u>

- a) The plan as reviewed by the Committee proposed to initiate this application beginning in FY 1986.
- b) Excludes fringe benefits and FY 1985 salary increases for temporary staff.
- c) In the coordinated proposal, the agency refers to this new application as a Water Information Catalog.



**DUPLICATION OF COMPUTERIZED ACCOUNTING SYSTEMS**

**A Presentation to the House Committee  
on Communications, Computers, and Technology**

**February 1, 1984**

**Legislative Division of Post Audit  
Ron Green, Senior Auditor  
296-3792**



TOPEKA

HOUSE OF  
REPRESENTATIVES

August 17, 1983

Representative Robert H. Miller  
Chairman  
Legislative Post Audit Committee  
R.R. 4  
Wellington, Kansas 67152

Dear Representative Miller:

At its July meeting, the House Communications, Computers, and Technology Committee voted to request a study by Post Audit of possible duplication of computerized accounting functions by state agencies. In the course of its study under Proposal No. 8 -- Agency Data Processing Applications, the Committee learned that a number of state agencies maintain their own automated accounting system in addition to the Central Accounting System of Kansas (CASK). Without a more detailed review than this Committee has time to pursue, it is impossible to determine the necessity of these agency-specific accounting systems. But naturally we are concerned that agencies do not devote resources to an in-house system that either duplicates or provides only marginal value over CASK.

Your favorable consideration of this request will be appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Mike Meacham".

Representative Mike Meacham, Chairman  
House Committee on Communications,  
Computers and Technology

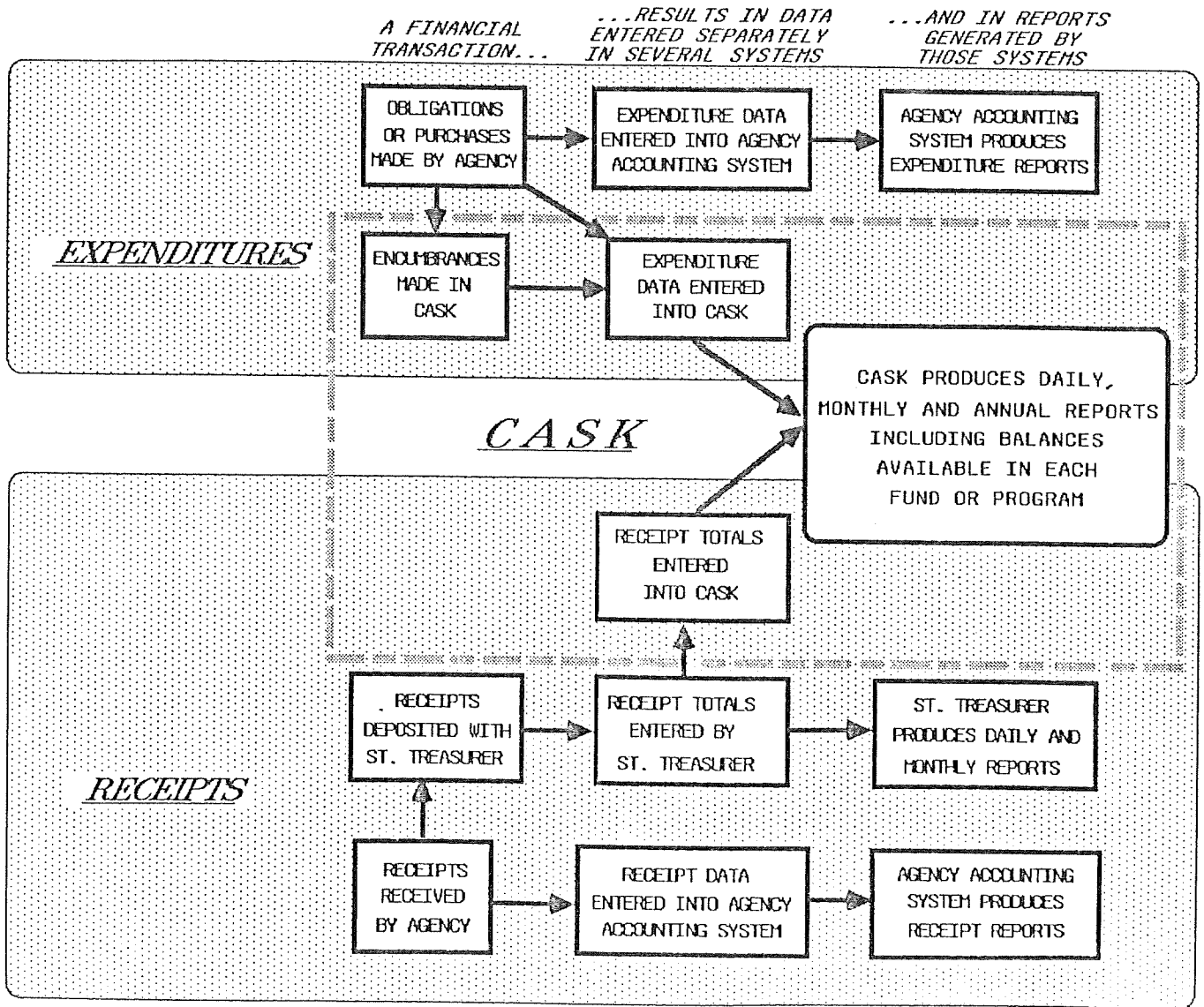
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AUG 19 1983

DIVISION OF POST AUDIT

The auditors selected ten agencies that have their own computerized system of accounting for expenditures or receipts.

- Department of Corrections
- Corporation Commission
- Department of Health and Environment
- Department of Human Resources
- Insurance Department
- Department of Revenue
- Secretary of State
- Department of Social and Rehabilitation Services
- State Treasurer
- Department of Transportation





When an agency has both CASK and its own accounting system, duplication of effort can occur in the following ways:

1. **Duplication of equipment.** The agencies' accounting systems generally operate on other computers than CASK does. In some cases, the computers are the agencies' own; in others, the State's central computers are used.
2. **Duplication of programming.** The individual accounting systems are developed by data processing personnel at the agencies and are developed separately from CASK.
3. **Duplication of data entry.** Agency personnel enter data into the agency's own accounting system, and in a separate step, that same data is then entered again into CASK by personnel of the Division of Accounts and Reports.
4. **Duplication of processing time.** Because the systems run independently, usually on completely different computers, total computer time needed for producing the reports is increased.

Agency officials generally recognized that data maintained in their own automated accounting systems is a partial duplication of CASK. However, their independent systems do provide additional information that is important to the management of their agencies, including:

1. **Information about planned or potential obligations.** This kind of information is needed by the agencies to know whether funds are available for making specific purchases.
2. **Expenditure data at levels deeper than the object code level provided in CASK.** This information is used to make internal management decisions and to answer inquiries about how the agencies spend their appropriations.
3. **Information to meet federal requirements.** Agencies such as the Department of Transportation and the Department of Human Resources have developed special automated accounting systems to comply with federal requirements and to prepare billing information for federal reimbursement.
4. **Information about accounts receivable.** Two of the agencies reviewed have automated systems for managing their accounts receivable. CASK does not maintain data on accounts receivable.

### **Options for Addressing Current and Future Duplication of Accounting Systems**

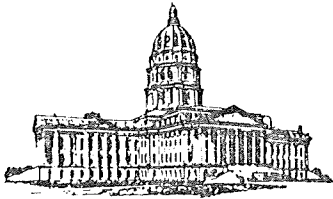
1. Requiring the Director of Accounts and Reports to develop policies and procedures for minimizing duplication between CASK and other accounting systems.
2. Placing these same responsibilities with the Secretary of Administration, a task force, or some other person or group.

### **Options for Increasing Efficiency in Existing Accounting Systems**

1. Continuing periodic training sessions on the capabilities of CASK.
2. Transferring expenditure data to CASK on magnetic tape to reduce duplication of data entry.
3. Having receipts information transferred to CASK on magnetic tape generated by the State Treasurer.
4. Providing detailed object code data on monthly CASK budget reports.

STATE OF KANSAS

SENATOR PAUL HESS  
SENATE DISTRICT 30, SEDGWICK COUNTY  
THE HILLCREST  
115 S. RUTAN  
WICHITA, KANSAS 67218



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS

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CHAIRMAN: LEGISLATIVE POST AUDIT  
MEMBER: STATE FINANCE COUNCIL  
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COMMISSION

PRESIDENTIAL COMMISSIONS

VICE CHAIRMAN: STATE PLANNING COUNCIL ON  
RADIOACTIVE WASTE MANAGEMENT  
(1980-1981)  
MEMBER: ADVISORY PANEL ON FINANCING  
ELEMENTARY AND SECONDARY  
EDUCATION (1982-1983)

January 26, 1984

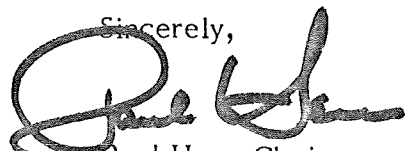
TO: Members, House Committee on Communications, Computers and Technology

- |                                |   |
|--------------------------------|---|
| Rep. Mike Meacham, Chairperson | Rep. Rochelle Chronister, Vice-Chairman |
| Rep. Joan Adam                 | Rep. Jayne Aylward                      |
| Rep. Elizabeth Baker           | Rep. George Dean                        |
| Rep. Jerry Friedeman           | Rep. Duane Goossen                      |
| Rep. Kenneth Green             | Rep. Henry Helgersen                    |
| Rep. Clarence Love             | Rep. Alfred Ramirez                     |
| Rep. Edward Rolfs              | Rep. L. V. Roper                        |
| Rep. Don Sallee                |   |

Enclosed is a copy of the performance audit on Duplication of Computerized Accounting Systems in State government. This report was originally requested by the House Committee on Communications, Computers, and Technology. As approved at the January 17 meeting of the Legislative Post Audit Committee, this audit will be distributed immediately.

The responses of the Secretary of Administration and the State Treasurer are included in Appendix C of the report. Both responses indicated basic agreement with the audit's suggestions for minimizing duplication of computerized accounting systems.

Legislative Post Audit staff will be prepared to present this report at a future meeting of your committee. In the meantime, contact the Division of Post Audit if you have any questions about the report. Ron Green, the senior auditor in charge of the project, can be reached at 296-3792.

Sincerely,  
  
Paul Hess, Chairman  
Legislative Post Audit Committee

PH:mkz  
Enclosure