

Approved February 29, 1988  
Date

MINUTES OF THE Senate COMMITTEE ON Governmental Organization

The meeting was called to order by Senator Vidricksen at  
Chairperson

1:45 ~~xxx~~/p.m. on February 23, 1988 in room 531N of the Capitol.

All members were present except:

Senator Bogina  
Senator Gaines

Committee staff present:

Julian Efird - Research  
Jill Wolters - Revisor

Conferees appearing before the committee:

Ed Flentje - Department of Administration  
Ron Miles - Director, Board of Indigents' Defense  
Judy Pope - Attorney with Dixon and Pope  
Meredith Williams - Legislative Post Audit  
T.C. Anderson - Executive Director, Kansas Society of CPA's

The Chairman called the meeting to order and attention was turned to SB 654 which related to certain state employees; concerning the personnel of the State Board of Indigents' Defense Services; the Division of Printing and the Division of Architectual Services.

Mr. Flentje addressed the committee in support of the bill explaining that it would move three groups of state employees into classified service and protect the interests of the affected employees. He recommended that the architectural staff be brought into classified service and distributed a balloon version of the bill recommending an amendment and new language to place the employees of the Division of Printing on a monthly payroll. (Exhibit A) It was also recommended that the clerical employees in the Indigents' Defense Services be brought into classified service.

Ron Miles spoke in support of the amendment in lines 70-78 saying this would help to keep clerical people in the Department. As it is now there is quite a turnover because of the way they are classified.

Judy Pope spoke on behalf of Local Unions 23B and 49C in opposition to SB 654. She pointed out that this bill would affect pay cuts, allow for no overtime, change hours and the way they are paid. She stated that in her opinion this bill was not legal, it would deprive the people of their rights and would go into enforce without a proper hearing as well as take away their rights to collective bargaining.

Some questions were raised and discussed but no action was taken on SB 654.

Meredith Williams spoke in support of SB 661 explaining that it would cut down on the audits that had to be done by Legislative Post Audit. A chart was distributed to show the changes this bill would effect. (Exhibit B) T.C. Anderson addressed the committee in support of SB 661 stating that the new language proposed in this bill would insure that an audit presence in each state agency is maintained and that these engagements can be performed by all Kansas CPA firms. (Exhibit C)

A motion to approve the minutes of the February 22 meeting was made by Senator Strick. This was seconded by Senator Hoferer. Motion carried.

The meeting was adjourned by the Chairman at 2:33 p.m.

GUEST LIST

COMMITTEE: Senate Governmental Organization DATE: February 23, 1988

NAME	ADDRESS	COMPANY/ORGANIZATION
Ron Hays	4306 SW 30 <sup>th</sup> TERR	DIV OF PRINTING
Daid "Lynn"	445 NW 58 <sup>th</sup>	" " "
Cheryl Paslay	LeCompton - RR1	" " "
Sheila McDaniel	7142 SW 21 <sup>st</sup> Topeka	" " "
Donna Kaberline	2840 S.E. Greenfield Ct.	" " "
Martha Huntsman	1471 ne Taylor Topeka	" " "
Judy A. Pope	2833 SW Sunset Rd.	Dickson + Pope, P.A.
Donald Meiler	1707 SW Central Park Top	Bus Agent 49-C
Joyce Keelling	Carbondale RR	Division of Printing
Dianna Bareley	4113 Ridgeway Terr Topeka	Div. of Printing
Mark Louis	3637 S.E. Wray 40 <sup>th</sup> -1	Div. of Printing
Randa Dunn	1708 Gatt	Div. of Printing
Skip Anderson	1169 Plann Topeka	Div. of printing
Ed Maratto	3441 Oak Park Way Top	Div. of National Sec.
Leonard J. Masilionis	3901 Burlingame Rd, Topeka	" " " "
FATREN	2205 SW 15 <sup>th</sup> TOPEKA	FR. ARCH SERV.
RICHARD SMITH	2205 W26 <sup>th</sup> #D206 LAWRENCE	DIV. ARCH SERV.
Laurie Warner	2401 SW 10 <sup>th</sup> , Topeka	Div. of Printing
Jerry Reese	3616 Humboldt Topeka	Div. of Printing
Marvin F. Long	439 The Drive	" "
Donald C. Coyle	4431 Brickyard Rd Topeka	" "
Joan Lopez	2705 Minnesota, Topeka	Div of printing
Jim Minnick	RR1 Box 104 Ussak	Div of printing
Phillip L. Swank	7610 Oxfordshire Dr.	Div. of Printing
Mary Huber	4 <sup>th</sup> floor DSOB	KCC
Zane Tillman	6150 SW 9 <sup>th</sup> Wakarusa	Div of Printing

GUEST LIST

COMMITTEE: Senate Governmental Organization DATE: \_\_\_\_\_

NAME	ADDRESS	COMPANY/ORGANIZATION
Peter Simon	1215 E 31st Topeka	Div of Printing
A. P. Besser	1830 N.W. Tyler	Div of Printing
Edward J. Fegantuck	2342 S. E. Coartwood	" " "
W. J. Williams	233 NW 82 Trp.	" " "
RAWDY TONGIER	109 W. 9th, SUITE 301	Post Audit
Dale L. Culver	KCMO	Arthur Andersen & Co
T. G. ANDERSON	TOPEKA	KSCPA
Jan Kacek	Topoka	KSCPA
Ron Niles	TOPEKA	BIDS
Wayne Maich	Topoka	K AFL-CIO
Art Griggs	Topoka	Dept. of Adm.
Meredith Williams	Topoka	Post A. St
Ken Sartorius	Topoka	Div of Printing
Paul B. Shinn	Topoka	" " "
Harry D. Nelson	Wichita	K, AFL-CIO

0083 as otherwise prescribed by law, all employees in the division of  
0084 printing shall be in the classified service under the Kansas civil  
0085 service act. Subject to, and in accordance with this section and  
0086 K.S.A. 75-2938, and amendments thereto, on July 1, 1988, all  
0087 positions in the division of printing in the classified service shall  
0088 be assigned to job classes and pay ranges.

0089 (b) No employee who is employed in the division of printing  
0090 immediately prior to the implementation date for the assign-  
0091 ment of job positions and pay ranges pursuant to subsection (a)  
0092 shall receive, as a result of such implementation, a rate of  
0093 compensation for nonovertime work which, when equated to an  
0094 hourly rate, is less than the hourly rate such employee was  
0095 receiving for nonovertime work on June 30, 1988.

0096 (c) The standard workweek for classified employees of the  
0097 division of printing shall be a 40-hour workweek, and such  
0098 employees shall be assigned to a range on the pay plan based  
0099 upon a 40-hour workweek. Payment of overtime pay to employ-  
0100 ees of the division of printing shall be in accordance with  
0101 regulations adopted pursuant to K.S.A. 75-3747, and amend-  
0102 ments thereto.

0103 (d) Implementation of the provisions of this section shall not  
0104 be deemed a violation of K.S.A. 75-4333, and amendments  
0105 thereto.

0106 (e) ~~For the purpose of paying compensation to officers and~~  
0107 ~~employees of the division of printing, unless biweekly payroll~~  
0108 ~~periods are established under K.S.A. 75-5501a, and amendments~~  
0109 ~~thereto, which apply to such officers and employees, the director~~  
0110 ~~of printing shall file a semimonthly payroll with the director of~~  
0111 ~~accounts and reports which shall cover a work period from the~~  
0112 ~~first to the fifteenth, and the sixteenth to the close of the month.~~  
0113 ~~If biweekly payroll periods are so established which apply to~~  
0114 ~~such officers and employees, the director of printing shall file~~  
0115 ~~biweekly payrolls with the director of accounts and reports~~  
0116 ~~therefor. The compensation for semimonthly payrolls shall be~~  
0117 ~~paid to the officers and employees semimonthly on the fifth day~~  
0118 ~~following the end of the preceding semimonthly work period,~~  
0119 ~~and the biweekly earnings shall be paid to officers and employ-~~

0120 ~~ees on the twelfth calendar day following the end of the~~  
0121 ~~biweekly work period.~~ \*

0122 Sec. 4. K.S.A. 1987 Supp. 22-4524 is hereby amended to read  
0123 as follows: 22-4524. (a) There is hereby created the position of  
0124 state director of indigents' defense services. The director shall *be*  
0125 *in the unclassified service under the Kansas civil service act,*  
0126 *shall* be appointed by the state board of indigents' defense  
0127 services and shall devote full time to the performance of the  
0128 duties of the office of director.

0129 (b) The state director of indigents' defense services, *the*  
0130 *assistant director* and all ~~other officers and employees~~ *attorneys*  
0131 appointed or employed by the state board of indigents' defense  
0132 services shall be in the unclassified service under the Kansas  
0133 civil service act. *All other officers and employees of the board*  
0134 *shall be in the classified service.*

0135 Sec. 5. K.S.A. 75-1017, 75-1202a and 75-1202d and K.S.A.  
0136 1987 Supp. 22-4524 are hereby repealed.

0137 Sec. 6. This act shall take effect and be in force from and  
0138 after its publication in the statute book.

All employees of the division of printing shall be paid on a monthly basis as provided in K.S.A. 75-5515. In the conversion of employees from semimonthly to monthly paid wages, the director of printing may make such payment of unearned wages as deemed necessary to avoid undue hardship on employees by virtue of such conversion.

## FINANCIAL-COMPLIANCE AUDITS

### Current Practice

- ◇ Annual Audits (5 each year)
  - Retirement System
  - Lottery
  - Department of Transportation
  - State Treasurer's Office
  - Pooled Money Investment Board
- ◇ Biennial Audits (about 30 each year)
  - Agencies Receiving Federal Assistance
  - Department of Revenue
- ◇ Triennial Audits (about 15 each year)

### Senate Bill No. 661

- ◇ Annual Statewide Audit
- ◇ Annual Audits (3 each year)
  - Retirement System
  - Lottery
  - Department of Transportation
- ◇ Triennial Audit Work (20 - 25 agencies each year)



Kansas Society of  
Certified Public Accountants

FOUNDED OCTOBER 17, 1932

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Senate Government Organization Committee

Re: SB 661

By

T. C. Anderson, Executive Director

Kansas Society of CPAs

February 23, 1988

Mr. Chairman, members of the Committee, I am T. C. Anderson, Executive Director of the 2,000-member Kansas Society of Certified Public Accountants.

I appear today to discuss SB 661 relating to audits of federal financial assistance to state agencies and other audit work.

It is our understanding the federal government has imposed an annual audit requirement on those state agencies receiving federal funds. This requirement negates the current language contained in K.S.A. 46-1106 which calls for a financial compliance audit of those agencies once every three years.

I have circulated SB 661 to the CPA firms, that I am familiar with, which currently perform the audits required under the Legislative Post Audit Act.

While most would prefer the status quo, they realize the proposed change is being generated by external forces. They concur that an annual single audit of the entire state is the best avenue for the state to pursue.

They understand that the intent of the new language in Section 1(b) beginning at line 35 is to insure that an audit presence in each state agency is maintained and that these engagements can be performed by all Kansas CPA firms.

They also understand individual audits will still be necessary for K.P.E.R.S., the Department of Transportation and the Kansas Lottery.

Mr. Chairman, the profession appreciates the efforts of the Post Auditor and his staff to keep it informed of the issues involved relating to SB 661 and for discussing various alternatives available for legislative consideration.

Thank you, and I'll be pleased to stand for questions.