

SESSION OF 2003

SUPPLEMENTAL NOTE ON SENATE BILL NO. 8

As Recommended by Senate Committee on
Ways and Means

Brief*

SB 8 would add language to the Legislative Post Audit Act (KSA 46-1106) to make the scope of the annual statewide financial-compliance audit and the scope of the biennial investment performance audit for the Pooled Money Investment Board identical, thus eliminating the separate biennial audit. The Board's practices are currently reviewed as part of two separate audits, with the investment performance audit contracted out by the Board and the financial-compliance audit performed under a contract with the Legislative Division of Post Audit. The audit is conducted by an outside accounting firm hired by the Legislative Division of Post Audit.

Background

SB 8 was recommended by the Legislative Post Audit Committee. The Legislative Division of Post Audit provided testimony that the consolidation of the two requirements into the annual audit of the Pooled Money Investment Board's financial-management practices is the most cost-effective solution. According to the fiscal note by the Division of the Budget and testimony provided by the Board, enactment of SB 8 would save \$10,000 every other year. In addition, the Legislative Division of Post Audit stated that the additional information provided by the bill would not increase the cost of the annual audit and would not have any effect on its budget. The Legislative Division of Post Audit estimates a consolidation savings of as much as \$8,000 every other year.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org/klrd>