

**SENATE BILL No. 408**

By Senator Pyle

2-7

1 AN ACT concerning state officers; creating the office of state auditor and  
2 providing for the election and expiration thereof; relating to the powers  
3 and duties of the state auditor, subpoenas, reports; concerning audits of  
4 state entities, investigation of misuse of public funds; issuance of  
5 reports.  
6

7 *Be it enacted by the Legislature of the State of Kansas:*

8 Section 1. (a) (1) There is hereby created the office of state auditor,  
9 which shall consist of the state auditor and such employees that are  
10 deemed necessary by the auditor within available appropriations, who  
11 shall be in the unclassified service under the Kansas civil service act and  
12 shall receive an annual salary fixed by the auditor. Prior to assuming the  
13 office of state auditor, the auditor shall take and subscribe to the proper  
14 oath of office, which shall be filed in the office of the secretary of state.

15 (2) There shall be held a general election to elect the state auditor on  
16 the Tuesday succeeding the first Monday in November 2018, and, subject  
17 to the provisions of this section, every four years thereafter.

18 (3) The state auditor shall receive for services a salary at a biweekly  
19 pay rate of \$3,307.81, and which shall increase at the same rate that the  
20 pay rate for the state treasurer increases pursuant to K.S.A. 75-3111a, and  
21 amendments thereto.

22 (4) For the purposes of filing for election, fundraising limitations and  
23 conducting partisan primaries and general elections, the requirements of  
24 chapter 25 of the Kansas Statutes Annotated, and amendments thereto,  
25 applicable to the state treasurer shall apply to the state auditor.

26 (b) (1) The state auditor shall have the authority to conduct a full  
27 audit and examination of all accounts, records, assets or other evidence of  
28 financial transactions of any state entity. The state auditor shall have the  
29 authority to administer oaths, issue subpoenas, compel attendance of  
30 witnesses, require the production of records and cause the deposition of  
31 witnesses.

32 (2) The auditor may file with the district court for contempt to compel  
33 compliance with the request of the auditor. If any person willfully fails or  
34 refuses to produce any records or obey any subpoena issued by the auditor  
35 and required by this act, the auditor may, after notice, apply to the district  
36 court and, after a hearing thereon, the district court may issue an order

1 compelling such person's attendance or production of such records.

2 (c) Whenever any audit or examination by the auditor, in the opinion  
3 of the auditor, discloses official misconduct, misuse of public funds or any  
4 other waste, fraud or abuse by an officer or employee of any state entity, a  
5 written report shall be prepared by the auditor identifying the specific  
6 violations. Copies of such report shall be signed by the auditor and filed  
7 with the legislature. It shall be the duty of the attorney general to  
8 undertake such civil proceedings against such officer or employee to  
9 secure to the state the recovery of any misused funds or other assets.

10 (d) The state auditor shall file audit reports with any state entity that  
11 is audited and annually provide a report of all audits conducted to the  
12 legislature. Such reports shall identify: (1) Whether all funds of state  
13 entities have been expended for the purposes authorized in appropriation  
14 acts; (2) if all such funds have been accounted for and paid into the state  
15 treasury as required by law; (3) any illegal practices of an officer or  
16 employee of any state entity; and (4) all information and recommendations  
17 as the auditor may deem appropriate.

18 (e) The state auditor may promulgate any rules and regulations  
19 necessary to effectuate the provisions of this section including, but not  
20 limited to, requiring state entities to preserve and make available accounts,  
21 records, assets and other evidence of financial transactions for audit  
22 purposes.

23 (f) Prior to February 1, 2022, and every four years thereafter, the state  
24 auditor shall provide a cumulative report of the audits and examinations  
25 conducted during the prior four years that identifies all official  
26 misconduct, misuse of public funds or any other waste, fraud or abuse by  
27 an officer or employee of any state entity identified by the auditor during  
28 such period, to the governor and the legislature.

29 (g) The provisions of this section shall expire on March 1, 2022, or  
30 following the issuance of any cumulative report every four years  
31 thereafter, if the total amount of funds quantified and identified as official  
32 misconduct, misuse of public funds or any other waste, fraud or abuse by  
33 an officer or employee of any state entity by the auditor during the  
34 previous three years for the February 1, 2022, report, and each four-year  
35 period thereafter, is less than the costs expended by the office of state  
36 auditor during such period.

37 (h) For the purposes of this section:

38 (1) "Misuse of public funds" shall have the meaning ascribed to it in  
39 K.S.A. 2017 Supp. 21-6005, and amendments thereto;

40 (2) "official misconduct" shall have the meaning ascribed to it in  
41 K.S.A. 2017 Supp. 21-6002, and amendments thereto; and

42 (3) "state entity" means any state agency or governmental unit or  
43 instrumentality thereof that receives any distribution of moneys from or

1 through the state.

2       Sec. 2. This act shall take effect and be in force from and after its  
3 publication in the Kansas register.