

NARRATIVE INFORMATION—DA 400

DIVISION OF THE BUDGET
DEPARTMENT OF ADMINISTRATION, STATE OF KANSAS

AGENCY NAME: Legislative Division of Post Audit
AGENCY-SUBAGENCY CODES: 540 FUNCTION NO. 1
PROGRAM TITLE AND CODE:
SUBPROGRAM TITLE AND CODE:

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Program Information

A. Statutory Authority for the Division

In 1971, the Kansas Legislature created the Legislative Post Audit Committee, a bipartisan committee of five senators and five representatives, and the Legislative Division of Post Audit. The authority for the Legislative Division of Post Audit, which is under the control of the Legislative Post Audit Committee, is contained in the Legislative Post Audit Act, Chapter 46, Article 11, Kansas Statutes Annotated.

B. Statutory Duties and Responsibilities of the Division

Performance audits. The division conducts performance audits at the direction of the Legislative Post Audit Committee. Performance audits answer specific questions raised by individual legislators or committees and may determine one or more of the following: whether an agency's programs have been carried out in accordance with the Legislature's intent in establishing and funding them, whether programs have been carried out efficiently and effectively, and whether a change in a program or an agency would better serve the Legislature's goal of providing quality services to Kansans in a cost-effective fashion. In fiscal year 2023, the division issued 8 performance audits. The audits were requested by individual legislators, legislative committees, or the Legislative Post Audit Committee. As spelled out in the committee rules, all audit requests are channeled through the Legislative Post Audit Committee, which must approve the scope and timing of each audit.

In addition to audits selected by the Committee, K.S.A. 12-5377(c) requires a performance audit of the 911 System every five years, and K.S.A. 46-1136 requires a performance audit of the Retirement System every three years. Further, K.S.A. 72-5173 mandates a school finance audit each year until 2024.

Information technology audits. Computer security is a critical issue in state government because of the large number of state computer systems, many of which contain confidential information about Kansas residents. In fiscal year 2002, the division began conducting security audits of state agency computer systems. These ongoing security audits provide part of the critical oversight the state needs to help ensure that its information technology infrastructure, systems, and data are adequately safeguarded.

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K.S.A. 46-1135, which was originally enacted by the 2015 Legislature, explicitly authorizes information-technology audits as a separate category of audit work. In fiscal year 2023, the division issued 3 individual agency IT security audit reports, as well as a statewide summary report. The individual agency reports are considered confidential under the Kansas Open Records Act, and may only be heard by legislative committees in executive session.

K.S.A. 46-1135 also authorizes continuous audits of ongoing state information technology projects. The statute requires the division to communicate the findings of these audits to the Legislative Post Audit Committee, the Joint Committee on Information Technology, and the governmental branch Chief Information Technology Officers in certain circumstances. In fiscal year 2023, the division issued 3 project-monitoring reports.

Evaluations of economic development incentive programs. K.S.A. 46-1137 requires the division to conduct a systematic and comprehensive review, analysis, and evaluation of economic development incentive programs. Those programs are defined in K.S.A. 2019 Supp. 74-50,226 and are selected by the Post Audit Committee. The evaluations are to be done on a schedule developed by the Post Audit Committee so that all programs will be reviewed every three years (and new programs the year after they start). All evaluations must include 1) a description of the program, its history, and its goals 2) a literature review of its effectiveness, and 3) an estimate of the economic and fiscal impact of the program. The Post Audit Committee is given broad discretion to decide what other types of analysis it wants the division to include. In fiscal year 2023, the division released an evaluation of the 5 major economic development programs: HPIP, JCF, KIT, KIR and PEAK as well as a brief review for each of the newly created incentives.

C. Division Organization

The Legislative Division of Post Audit is under the direct supervision of the Legislative Post Auditor, in accordance with the Legislative Post Audit Act. Employees in the division are in the unclassified service. The division's current organization, as authorized by the Legislature and approved by the Legislative Post Audit Committee, provides for 26 professional and support positions.

The division's regular performance audit work is conducted by audit staff led by the Deputy Post Auditor and the Performance Audit Manager. The division's IT audit staff is led by an IT Audit Manager. The division has instituted the following career ladder for its audit staff: associate auditor, auditor, senior auditor, and principal auditor. Staff are assigned to these positions based on their experience and performance levels.

The division's Office Manager, who also serves as assistant to the Legislative Post Audit Committee, as well as the Information Systems & Security Administrator, and the Recruiting and Training Manager report to the Post Auditor.

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2. Sources of Revenues

The Legislative Division of Post Audit's primary revenue source is an appropriation from the State General Fund. For fiscal year 2024, the division has a total of \$4,143,055 available, which includes the moneys appropriated and re-appropriated by the Legislature.

3. Budgeted Expenditures

The fiscal year 2024 budget revision totals \$3,543,167. The division is requesting \$3,478,835 for fiscal year 2025.

A. Salaries and Benefits

The division has a multidisciplinary staff with backgrounds in such areas as public administration, law, social sciences and business. The learning curve involved in understanding and conducting effective performance audits and the competitive market for employees with division staff members' expertise make salary levels an ongoing issue the division must focus on to retain high-caliber employees. Over the years, members of the House Appropriations Committee, the Senate Ways and Means Committees, the Legislative Coordinating Council, and the Legislative Post Audit Committee have strongly encouraged the division to adjust salaries within the resources available to it to keep salaries competitive and retain its employees.

The division's fiscal year 2024 revised estimate for salaries and benefits is \$3,176,917. For fiscal year 2025, that figure is \$3,162,585.

B. Contractual Services

The division's fiscal year 2024 revised estimate includes \$346,250 for contractual services, which includes such items as office space and travel costs. This category also includes a contingency for hiring outside contractors. The estimate for fiscal year 2025 is \$ 296,250.

C. Commodities

For fiscal years 2024 and 2025, the division's estimate for each year includes \$10,000 for office supplies.

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D. Capital Outlay

For fiscal years 2024 and 2025, the division's estimate for each year includes \$10,000, primarily for office equipment and technology.