

# **COMPLIANCE AND CONTROL AUDIT REPORT**

**Governor's Office  
Lieutenant Governor's Office  
Secretary of State's Office  
Interstate Cooperation Commission  
Commission on Governmental Standards and Conduct  
Board of Tax Appeals**

**A Report to the Legislative Post Audit Committee  
By the Legislative Division of Post Audit  
State of Kansas  
June 1993**

# ***Legislative Post Audit Committee***

## ***Legislative Division of Post Audit***

The Legislative Post Audit Committee and its audit agency, the Legislative Division of Post Audit, are the audit arm of Kansas government. The programs and activities of State government now cost about \$6 billion a year. As legislators and administrators try increasingly to allocate tax dollars effectively and make government work more efficiently, they need information to evaluate the work of government agencies. The audit work performed by Legislative Post Audit helps provide that information.

We conduct our audit work in accordance with applicable government auditing standards set forth by the U. S. General Accounting Office. These standards pertain to the auditor's professional qualifications, the quality of the audit work, and the characteristics of professional and meaningful reports. These audit standards have been endorsed by the American Institute of Certified Public Accountants and adopted by the Legislative Post Audit Committee.

The Legislative Post Audit Committee is a bipartisan committee comprising five senators and five representatives. Of the Senate members, three are appointed by the President of the Senate and two are appointed by the Senate Minority Leader. Of the representatives, three are appointed by the Speaker of the House and two are appointed by the House Minority Leader.

As part of its audit responsibilities, the Division is charged with meeting the requirements of the Legislative Post Audit Act which address audits of financial matters. Those requirements call for two major types of audit work.

First, the Act requires an annual audit of the State's financial statements. Those statements, prepared by the Department of Administration's Division of Accounts and Reports, are audited by a certified public accounting firm under contract with the Legislative Division of Post Audit. The firm is selected by the Contract Audit Committee, which comprises three

members of the Legislative Post Audit Committee (including the Chairman and Vice-Chairman), the Secretary of Administration, and the Legislative Post Auditor. This audit work also meets the State's audit responsibilities under the federal Single Audit Act of 1984.

Second, the Act provides for a regular audit presence in every State agency by requiring that audit work be conducted at each agency at least once every three years. Audit work done in addition to the annual financial statement audit focuses on compliance with legal and procedural requirements and on the adequacy of the audited agency's internal control procedures in areas not covered by the annual audit. These compliance and control audits are conducted by the Division's staff under the direction of the Legislative Post Audit Committee.

### **LEGISLATIVE POST AUDIT COMMITTEE**

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Representative Tom Bishop  
Representative Duane Goossen  
Representative Walker Hendrix  
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### **LEGISLATIVE DIVISION OF POST AUDIT**

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## **COMPLIANCE AND CONTROL AUDIT REPORT**

**GOVERNOR'S OFFICE  
LIEUTENANT GOVERNOR'S OFFICE  
SECRETARY OF STATE'S OFFICE  
INTERSTATE COOPERATION COMMISSION  
COMMISSION ON GOVERNMENTAL STANDARDS AND CONDUCT  
BOARD OF TAX APPEALS**

### **OBTAINING AUDIT INFORMATION**

This audit was conducted by Randy Tongier, Financial-Compliance Audit Manager, and Roy Fitzpatrick, Auditor, of the Division's staff. If you need any additional information about the audit's findings, please contact Mr. Tongier at the Division's offices.

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SECRETARY OF STATE'S OFFICE, INTERSTATE COOPERATION  
COMMISSION, COMMISSION ON GOVERNMENTAL  
STANDARDS AND CONDUCT, BOARD OF TAX APPEALS**

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**GOVERNOR'S OFFICE  
LIEUTENANT GOVERNOR'S OFFICE  
SECRETARY OF STATE'S OFFICE  
INTERSTATE COOPERATION COMMISSION  
COMMISSION ON GOVERNMENTAL STANDARDS AND CONDUCT  
BOARD OF TAX APPEALS**

**Summary of Legislative Post Audit's Findings**

Legislative Post Audit conducted compliance and control audit work at the Governor's Office, Lieutenant Governor's Office, Secretary of State's Office, Interstate Cooperation Commission, Commission on Governmental Standards and Conduct, and Board of Tax Appeals in partial fulfillment of the Legislative Post Audit Act's requirement that audit work be conducted at each State agency at least once every three years. This compliance and control audit addressed the area of State property. The audit also followed up on prior audit findings and recommendations. The period covered by this audit was fiscal year 1992.

**Did the agencies covered by this audit follow adequate property management procedures, and comply with applicable State requirements?** In general, we found that five of the six agencies did not have written property management procedures. As a result, responsible employees were less likely to be able to fulfill their responsibilities, and the risk of loss or misuse of State property was increased. Our testwork also showed that required procedures were not performed at the Commission on Governmental Standards and Conduct and the Board of Tax Appeals, and some property items could not be located at the Commission.

**Was the exemption of certain agency purchases from normal purchasing requirements reasonable?** We found that the Governor's Office and Secretary of State's Office each made one purchase that was exempted from the State's normal purchasing requirements, and that the exemptions were reasonable.

The prior audit report addressed one recommendation to the Governor's Office, and one to the Secretary of State's Office. Both of these recommendations had been implemented.

The report recommends that the Governor's Office, Lieutenant Governor's Office, Secretary of State's Office, Commission on Governmental Standards and Conduct, and Board of Tax Appeals put all of their property management procedures in writing. In addition, the report recommends that the Commission on Governmental Standards and Conduct and Board of Tax Appeals perform the required annual inspection of State property. The report also recommends that the Commission review and test its State property lists to ensure that items listed can be located. Finally, the report recommends that the Board of Tax Appeals ensure that State property items have property numbers.

We would be happy to discuss these recommendations or any other items in the report with legislative committees, individual legislators, or other State officials.

  
Barbara J. Hinton  
Legislative Post Auditor



**GOVERNOR'S OFFICE  
LIEUTENANT GOVERNOR'S OFFICE  
SECRETARY OF STATE'S OFFICE  
INTERSTATE COOPERATION COMMISSION  
COMMISSION ON GOVERNMENTAL STANDARDS AND CONDUCT  
BOARD OF TAX APPEALS**

The Legislative Post Audit Act requires that audit work be conducted at each State agency at least once every three years. In partial fulfillment of that requirement, the Legislative Division of Post Audit has conducted compliance and control audit work covering fiscal year 1992 at the Governor's Office, Lieutenant Governor's Office, Secretary of State's office, Interstate Cooperation Commission, Commission on Governmental Standards and Conduct, and Board of Tax Appeals.

Compliance and control audits identify noncompliance with applicable requirements and poor financial management practices. Although the resulting audit findings usually do not result in significant program improvements or cost savings, they often identify needed improvements that can help minimize the risk of potential future loss or misuse of State resources.

To avoid duplication of audit work conducted as part of the statutorily required audit of the State's financial statements, our audit work focused on areas not covered by that audit. These areas included State property—which includes not only capital outlay items such as office equipment and furniture, but also commodities such as supplies and pharmaceuticals—and agency purchases exempted from normal purchasing requirements. In addition, we followed up on any prior audit findings and recommendations. This audit addresses the following specific questions:

- 1. Did the agencies covered by this audit follow adequate property management procedures and comply with applicable State requirements?**
- 2. Was the exemption of certain agency purchases from normal purchasing requirements reasonable?**

To answer the first question, we identified the applicable State requirements by reviewing relevant statutes, administrative regulations, and sections of the Division of Accounts and Reports' Policy and Procedure Manual. We also interviewed agency personnel, reviewed written procedures, and examined related supporting documents to identify the agencies' procedures for handling State property. We then compared those procedures with the applicable legal and procedural requirements.

In addition, we identified the potential for loss or misuse of State property, and we evaluated the level of control provided by the agencies' procedures in preventing and detecting loss or misuse of State property. Finally, we reviewed and tested property records, and tested a sample of property transactions at each agency.

To answer the second question, we reviewed statutes, regulations, and guidelines to identify the types of purchases that qualify for exemption from normal purchasing requirements. We then identified the agency purchases during the audit period that were exempted from those requirements. Finally, by reviewing supporting documents and interviewing appropriate personnel, we determined whether the exemption was reasonable.

In conducting this audit work, we followed all applicable generally accepted government auditing standards set forth by the U. S. General Accounting Office.

In general, we found that five of the six agencies covered by this audit did not have written property management procedures. As a result, responsible employees were less likely to be able to fulfill their responsibilities, and the risk of loss or misuse of State property was increased. Our testwork also showed that required procedures were not performed at the Commission on Governmental Standards and Conduct and the Board of Tax Appeals, and some property items could not be located at the Commission.

We also found that the Governor's Office and Secretary of State's Office each made one purchase that was exempted from the State's normal purchasing requirements, and that the exemptions were reasonable.

These findings are described following a background section on the six agencies covered by this audit.



## **Background**

This audit report covers six State agencies—the Governor's Office, Lieutenant Governor's Office, Secretary of State's Office, Interstate Cooperation Commission, Commission on Governmental Standards and Conduct, and Board of Tax Appeals. The operations of each agency are briefly described below.

### **Governor's Office**

The Governor is elected to a four-year term of office on a ticket which includes the Lieutenant Governor. Among the constitutional powers and duties of the Governor are signing or vetoing acts of the Legislature, presenting an annual message to the Legislature on the condition of the State, submitting an annual State budget to the Legislature, and considering pardon of those convicted of criminal acts. The Governor also appoints members of various boards, commissions, and authorities, as well as executive heads of specific State agencies.

The operations of the Governor's Office, including amounts for the Governor's residence, are funded almost exclusively by State General Fund appropriations. According to the Governor's Budget Report, the Office's fiscal year 1992 expenditures totaled \$1.5 million, of which \$1.1 million (72.8 percent) was for salaries and wages.

### **Lieutenant Governor's Office**

Since the 1974 election, the Governor and Lieutenant Governor have been elected jointly to four-year terms. All duties of the Lieutenant Governor are assigned by the Governor. The Lieutenant Governor succeeds to the office of Governor in the event that office becomes vacant. The Lieutenant Governor is, by statute, a member of the State Election Board, and may concurrently serve as a cabinet officer or department head under provisions of a 1982 legislative act.

The operations of the Lieutenant Governor's Office are funded entirely by State General Fund appropriations. According to the Governor's Budget Report, the Office's fiscal year 1992 expenditures totaled \$82,262, of which \$46,671 (56.7 percent) was for salaries and wages.

### **Secretary of State's Office**

The Secretary of State is elected to a four-year term. The Secretary of State serves on the State Board of Canvassers, the State Elections Contest Board, and the State Rules and Regulations Board. Major duties of the Secretary of State include registration of corporations doing business in Kansas, supervision of and assistance to

local election officers in all elections, and administration of the State Uniform Commercial Code. The Secretary of State also is responsible for distributing the Kansas Statutes Annotated, Kansas Session Laws, and Kansas Administrative Regulations. The Secretary of State's Office also publishes the Kansas Register, which is the official publication regarding State government.

The operations of the Secretary of State's Office are funded by both State General Fund appropriations and agency receipts. Major agency receipts result from the sale of publications and from charges for clerical services. During fiscal year 1992, the Secretary of State's Office received \$13.7 million from these sources, of which \$12 million was deposited in the State General Fund. According to the Governor's Budget Report, the Office's fiscal year 1992 expenditures totaled \$4.2 million, of which \$1.8 million (43.5 percent) was for salaries and wages.

### **Interstate Cooperation Commission**

The Interstate Cooperation Commission was established to provide State participation as a member in the Council of State Governments and the National Conference on State Legislatures, to assist State officials and employees in maintaining contact with other governmental units, and to promote cooperation between the State and other units of government. The Commission is comprised of the members of the Senate and House Committees on Interstate Cooperation, and the members of the Governor's Committee on Interstate Cooperation. The Commission also appoints an Advisory Committee on Uniform State Laws.

The operations of the Interstate Cooperation Commission are funded by State General Fund appropriations. According to the Governor's Budget Report, the Commission's fiscal year 1992 expenditures totaled \$187,796, of which \$6,377 (3.4 percent) was for salaries and wages. Major expenditures were for membership fees and dues for the National Conference of State Legislatures and the Council of State Governments.

### **Commission on Governmental Standards and Conduct**

The Commission on Governmental Standards and Conduct was established to maintain the integrity of the electoral process and governmental decision-making by administering laws pertaining to campaign finance, conflicts of interest, and lobbying. The Commission consists of nine persons, two appointed by the Governor, one by the Chief Justice of the Supreme Court, one by the Attorney General, one by the Secretary of State, and four by the legislative leadership. The Commission has a six-person staff.

The operations of the Commission on Governmental Standards and Conduct are funded by State General Fund appropriations. According to the Governor's

Budget Report, the Commission's fiscal year 1992 expenditures totaled \$296,150, of which \$207,020 (69.9 percent) was for salaries and wages.

### **Board of Tax Appeals**

The Board of Tax Appeals consists of five members appointed by the Governor and confirmed by the Senate. Board members serve staggered, four-year terms. One member represents each of the four congressional districts, and one member represents the State at-large. The Board's duties include hearing appeals arising from property taxes paid under protest, equalization appeals, tax exemptions, and tax grievances. The Board also hears appeals resulting from the orders of the Director of Taxation involving sales, income, and compensating use taxes, and the orders of the Director of Property Valuation regarding reappraisal appeals, State-assessed properties, and valuation guides. The Board also has the authority to approve the issuance of no-fund warrants and certain general obligation bonds. Finally, industrial revenue bond applicants must file certain information with the Board concerning the issuance of bonds.

The operations of the Board of Tax Appeals are funded by State General Fund appropriations. According to the Governor's Budget Report, the Board of Tax Appeals' fiscal year 1992 expenditures totaled \$1.5 million, of which \$1.3 million (81.7 percent) was for salaries and wages.

## **Did the Agencies Covered by This Audit Follow Adequate Property Management Procedures and Comply With Applicable State Requirements?**

We found that five of the six agencies covered by this audit did not have written property management procedures. As a result, responsible employees were less likely to be able to fulfill their responsibilities, and the risk of loss or misuse of State property was increased. Our testwork on fiscal year 1992 found that required procedures were not performed at the Commission on Governmental Standards and Conduct and the Board of Tax Appeals, and some property items could not be located at the Commission. These and other findings are described below, following a brief section on good property management practices.

### **A State Agency's Primary Objective In Managing State Property Is to Protect That Property From Loss or Misuse**

To safeguard State property from potential loss or misuse, State agencies must follow a number of basic procedures. These procedures not only help prevent loss or misuse of State property, but also help identify on a timely basis any loss or misuse that may occur. For the purposes of this audit, we considered State property to include not only capital items, such as furniture and equipment, but also commodities and supplies, such as office supplies and food items. The following list includes the basic procedures necessary.

- ◇ For capital items such as furniture and equipment:
  - = List all State property owned by the agency with each item's location, cost, and property number. (The property number is required by the Division of Accounts and Reports.)
  - = Add property purchased to the list.
  - = Remove property sold or discarded from the list.
  - = Periodically inspect State property to check the accuracy of the property list, and identify missing items. (This step is required by the Division of Accounts and Reports. The Division also requires State agencies to send it a copy of their property list every year.)
  - = Periodically check the list to make sure that it includes all purchases, and does not include any property discarded or sold. (This step is required by the Division of Accounts and Reports. The Division also requires State agencies to report on this check every year.)

- ◇ For such items as commodities and supplies, if the amounts involved are significant, or if there is a special risk of loss or misuse (e.g., pharmacy drugs), consider doing some or all of the following:
  - = Restrict access to the items by placing them in a storeroom or locked cabinet, and assign an employee to be custodian of these items.
  - = Establish a formal system for authorizing and recording items purchased, items given to users, and items on hand.

These procedures, if properly followed, should provide adequate protection against loss or misuse of State property. However, if the procedures are not followed, the safeguards they provide will not be effective. To ensure that these procedures are followed, State agencies should take the following steps.

- ◇ Adopt specific steps for each procedure.
- ◇ Put those steps in writing.
- ◇ Assign to specific employees the responsibility for performing the steps.
- ◇ Establish a timetable for completing each procedure.
- ◇ Train the responsible employees.
- ◇ Require that the completion of procedures be documented.
- ◇ Provide for supervisory checks to ensure that procedures are adhered to.

Some of these procedures may be excessive for smaller agencies with a limited amount of State property in one location. Those agencies would have a lesser risk of loss or misuse than larger agencies with a greater amount of property in many different locations. To ensure cost-effective property management, State agencies should tailor their procedures and the amount of resources devoted to property management to match the risk involved. In any event, State agencies' procedures should meet the procedural requirements of the Division of Accounts and Reports.

### **Our Review and Evaluation of Property Management Procedures Found That Most of the Agencies Covered by This Audit Did Not Have Written Property Management Procedures**

We found that the Governor's Office, Lieutenant Governor's Office, Secretary of State's Office, Commission on Governmental Standards and Conduct, and Board of Tax Appeals had no written property management procedures. Although many property management procedures are specified by the Division of Accounts and

Reports' Policy and Procedures Manual and other written guidance, those documents do not provide sufficient detail to serve as the internal procedures for each State agency. In particular, the agency's procedures should address such things as responsibility, timing, and documentation.

Without written agency procedures, responsible employees are less likely to be able to fulfill their responsibilities, and the risk of loss or misuse of State property and noncompliance with State requirements is increased.

### **Our Tests of Property Management Procedures, Records, and Reports Found Problems at the Commission on Governmental Standards and Conduct And the Board of Tax Appeals**

While testing property management procedures, records, and reports, we found that the Board of Tax Appeals and Commission on Governmental Standards and Conduct did not perform the required annual inspection of State property, and the Board of Tax Appeals did not file its annual property report on a timely basis. In addition, we could not find some property items selected for testing at the Commission on Governmental Standards and Conduct. Finally, we found that some of the property items tested at the Board of Tax Appeals did not have property numbers as required. These agencies' lack of written property management procedures, noted earlier in this report, could have contributed to these situations. Our findings are described in more detail below.

**The Board of Tax Appeals and Commission on Governmental Standards and Conduct did not perform the required annual inspection of State property.** The Division of Accounts and Reports requires State agencies annually to inspect their State property. That inspection helps ensure that all State property of an agency is either on hand or identified as missing. The agency then can search for any missing property on a timely basis. In addition, the agency's property list can be corrected if the property has been moved to a different location. Finally, if the annual inspection finds that property numbers are missing from any items, those numbers can be replaced.

We found that the Board of Tax Appeals had not performed the required inspection, and that the Commission on Governmental Standards and Conduct did not include property in its storage area in its inspection. Because these agencies had not conducted the required inspections, the risk of property being gone without responsible employees being aware of it, and the risk of missing property numbers, was increased.

**The Board of Tax Appeals did not file its annual property report on a timely basis.** The Division of Accounts and Reports requires all State agencies to submit a property report by September 30th of each year. This report includes the agency's property list and an accounting for property additions and deletions during

the fiscal year. We found that the Board of Tax Appeals did not file the property report that was due September 30, 1992, until late in February 1993, almost five months late.

**We were not able to find all the property items we selected from the Commission on Governmental Standards and Conduct's State property lists for testing.** To test the completeness and accuracy of the agencies' property listings, we selected a sample of items listed and attempted to locate these items. In addition, we selected a sample of other property items we located, and attempted to find these items on the agencies' State property lists. We could not find four of the 40 items selected from the Commission's property list. These items were a typing stand, a book cart, a set of draperies, and two outdated volumes from the Kansas Statutes Annotated. The total cost of these items was about \$275.

**Not all State property items had property numbers on them, as required by the Division of Accounts and Reports.** The Division requires State agencies to assign a property number to each item of State property, and put that property number on the item itself. This helps State agencies identify individual property items during their periodic inspections of State property.

To test compliance with this requirement, we examined a sample of property items at each agency. At the Board of Tax Appeals, we found that property numbers were missing from three (eight percent) of the 40 items we located.

### **Recommendations**

1. To improve the agencies' ability to carry out their property management procedures effectively, the Governor's Office, Lieutenant Governor's Office, Secretary of State's Office, Commission on Governmental Standards and Conduct, and Board of Tax Appeals should put all of their property management procedures in writing.
2. To ensure that State property at the Commission on Governmental Standards and Conduct and Board of Tax Appeals is more adequately safeguarded from loss or misuse, the following actions should be taken.
  - a. The Commission on Governmental Standards and Conduct and Board of Tax Appeals should perform the required annual inspection of State property.
  - b. The Commission on Governmental Standards and Conduct should review and test its State property lists to ensure that

items listed can be located. Any items that cannot be located should be removed from the list.

- c. The Board of Tax Appeals should ensure that State property items have property numbers as required by the Division of Accounts and Reports.



## **Was the Exemption of Certain Agency Purchases From Normal Purchasing Requirements Reasonable?**

For fiscal year 1992, we found that the Governor's Office and the Secretary of State's Office each made one purchase that was exempted from the State's normal purchasing requirements. In both cases, the basis for the exemption was that the services could be obtained from only one vendor. We found that both agencies adhered to procedures for requesting special purchase authority, and the circumstances of the special purchases reasonably warranted the exemption from normal purchasing requirements. These findings are described in more detail below.

### **The State Exempts Some State Agency Purchases From Its Normal Purchasing Requirements**

The State's purchasing requirements are designed to ensure that State agency purchases result in the acquisition of quality goods and services at the most economical price. These requirements involve such things as competitive bidding, Statewide contracts, and the involvement of Division of Purchases staff in the procurement process.

Kansas statutes exempt certain types of purchases from these normal purchasing requirements. These types of purchases include the following:

- ◇ emergency purchases
- ◇ purchases for which competition does not exist; for example, when a product is sold by only one vendor
- ◇ purchases through a contract between State agencies, or between a State agency and other governmental or certain not-for-profit organizations
- ◇ purchases for which purchasing authority has been delegated to the State agency by the Division of Purchases
- ◇ negotiated purchases, as opposed to those made competitively
- ◇ purchases for use in laboratories or experimental studies
- ◇ purchases for which the normal requirement for publication of bid solicitation notice in the Kansas Register has been waived

Each purchase exempted from the State's normal purchasing requirements must be approved by the Division of Purchases and reported to the Legislative Coordinating Council, Senate Ways and Means Committee, and House Appropriations Committee.

**For fiscal year 1992, our review showed that the special purchases of the Governor's Office and the Secretary of State's Office reasonably warranted the exemption from the competitive bid requirements. In each case, the Division of Purchases granted the exemption based on its conclusion that the services needed could be obtained from only one vendor. The nature of these purchases are summarized below:**

- ◇ *The Governor's Office purchased a maintenance agreement on a copying machine. According to documentation we reviewed, the maintenance services could be provided by only one vendor.*
- ◇ *The Secretary of State's Office purchased computer programming services to complete programming on its "corporation" software. This programming had been started by a particular vendor, and was to have been completed by the agency's staff. However, the staff member assigned to the project resigned. Based on information it developed, the Secretary of State's Office concluded that it would be more cost-effective to hire the original vendor to complete the programming than to hire and train staff to complete the project. The Division of Purchases agreed to treat this purchase as a "sole-source" procurement, and exempted it from the normal purchasing requirements.*

## **Follow Up of Prior Audit Findings and Recommendations**

As part of this audit, we followed up on prior audit findings and related recommendations. The prior audit report made one audit recommendation to the Governor's Office, and one to the Secretary of State's Office. Our review indicated all prior audit recommendations had been fully implemented.

### **Governor's Office**

The previous audit report recommended that the Governor's Office establish procedures to ensure that advances from the imprest fund are reimbursed on a timely basis, and that reimbursements can be identified with the original advances made from the fund.

**We found that this recommendation had been implemented.**

### **Secretary of State's Office**

The previous audit report recommended that the Secretary of State's Office provide for a regular comparison of the Prepaid Services Fund balance with the total of the individual user account balances that make up the total Fund balance, and promptly investigate any differences found.

**We found that this recommendation had been implemented.**

### **Lieutenant Governor's Office**

### **Interstate Cooperation Commission**

### **Commission on Governmental Standards and Conduct**

### **Board of Tax Appeals**

The above agencies had no prior audit findings and recommendations.



## **Appendix A**

### **Agency Responses**

On May 5, we provided copies of the draft audit report to the Governor's Office, Lieutenant Governor's Office, Secretary of State's Office, Interstate Cooperation Commission, Commission on Governmental Standards and Conduct, and the Board of Tax Appeals. Their written responses are included as this Appendix.

STATE OF KANSAS



OFFICE OF THE GOVERNOR

JOAN FINNEY, Governor  
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May 17, 1993

Randy Tongier  
Legislative Division of Post Audit  
Merchants Bank Tower  
800 S.W. Jackson  
Suite 1200  
Topeka, KS 66612-2212

Dear Randy:

As per our phone conversation, I am responding to our recent compliance and control audit report on the Governor's Office.

The recommendation made to the Governor's Office was to put all of our property management procedures in writing. We are currently in the process of preparing written property management procedures to comply with this request.

If further information is needed, please don't hesitate to contact me.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Kelly Schmittlein".

Kelly Schmittlein  
Operations Manager

STATE OF KANSAS



OFFICE OF THE LIEUTENANT GOVERNOR

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JAMES L. FRANCISCO

LIEUTENANT GOVERNOR

May 21, 1993



Ms. Barbara Hinton  
Legislative Post Auditor  
800 SW Jackson, Suite 1200  
Topeka, KS 66612-2212

Dear Ms. Hinton:

We are in receipt of the Draft Report on the Compliance and Control Audit report for state fiscal year 1992 for the Office of Lieutenant Governor.

We are in agreement with your recommendation that we should have property management procedures in writing.

We will strive to have these procedures set out before the next audit. Thank you to your staff for their cooperation.

If there are any further questions or comments, please feel free to call this office.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Francisco".  
JAMES L. FRANCISCO  
LIEUTENANT GOVERNOR

Bill Graves  
Secretary of State

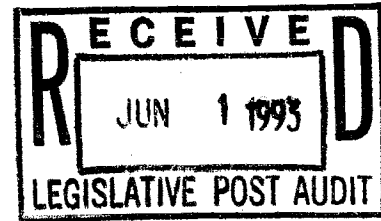


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## STATE OF KANSAS

June 1, 1993

Barbara J. Hinton  
Legislative Post Auditor  
Merchants Bank Tower  
800 SW Jackson, suite 1200  
Topeka. KS 66612-2212



Dear Ms. Hinton:

Thank you for the opportunity to address the draft copy of your compliance and control audit report.

Your report suggests our office develop a written property management procedure. Although the audit did not reveal any irregularities, we will comply with your request.

If you have any questions or comments please feel free to contact me.

Sincerely,

BILL GRAVES  
Secretary of State

  
RON THORNBURGH  
Assistant Secretary of State



STATE OF KANSAS



COMMISSION ON INTERSTATE COOPERATION

OFFICE OF SECRETARY

THIRD FLOOR, STATE HOUSE

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May 14, 1993



Barbara J. Hinton  
Legislative Division of Post Audit  
Merchants Bank Tower  
800 SW Jackson, Suite 1200  
Topeka, Kansas 66612-2212

Dear Barb,

I have reviewed the draft compliance and control audit report for the Commission on Interstate Cooperation covering state fiscal year 1992, and I do not have any suggestions or comments to make concerning the audit report.

Sincerely,

A handwritten signature in cursive script that reads "Norman J. Furse".

Norman J. Furse  
Secretary

NJF:jes



**KANSAS COMMISSION ON GOVERNMENTAL STANDARDS AND CONDUCT**

May 14, 1993

Barbara J. Hinton  
Legislative Post Auditor  
Division of Post Audit  
Merchants Bank Tower  
800 SW Jackson, Suite 1200  
Topeka, Kansas 66612



Dear Ms. Hinton:

I have reviewed the draft copy of the Compliance and Control Audit Report of the Kansas Commission on Governmental Standards and Conduct. Our examination does not reveal any inaccuracies.

The report recommends establishment of written property management procedures. The Commission will implement written property management procedures as soon as possible. Since it is impossible to inspect and safeguard agency property stored in the building's storage facility, the Commission will dispose of all unused property to State Surplus Property in the immediate future.

As always, we appreciate the courteous and expeditious manner in which the audit was conducted.

Sincerely,

A handwritten signature in cursive script that reads "Carol E. Williams".

Carol E. Williams  
Executive Director

CEW:dlw

Joan Finney

Governor

THE STATE



OF KANSAS

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Jack Shriver, Chairman

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Topeka, Kansas 66612-1505  
AC-913-296-2388 FAX 296-6690

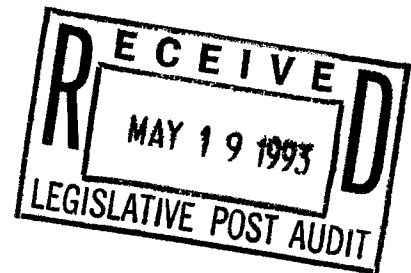
Maybelle Mertz, Member  
Myra B. Gross, Member  
Fred J. Hirsch, Member  
Lawrence L. Tenopir, Member

May 19, 1993

Barbara J. Hinton  
Legislative Post Audit  
Merchants Bank Tower  
Suite 1200  
Topeka, Kansas 66612

Attention: Randy Tongier

Dear Randy:



This will acknowledge receipt of correspondence regarding a draft copy of our compliance with regards to inventory procedures.

In regard to the Written Management Procedures, we have been using the guidelines set forth in the Division of Accounts & Reports' Policy and Procedures Manual. We will be addressing the need for our own policy in the near future.

With respect to the yearly inspection of property and the lack of property numbers is largely due to our busy schedule. An inspection was started, but not completed. This will be a priority in the future.

The annual report is due by September 30, which conflicts with budget preparations thus for the delay. A diligent effort will be made to file the report on time.

We found all of your criticism constructive and we will do our best to correct them.

Sincerely,

BOARD OF TAX APPEALS

A handwritten signature in cursive script, appearing to read "J. Shriver".

Jack Shriver  
Chairman

