



Legislative Post Audit Compliance Audit Report Highlights

Highlights

State of Kansas: Federal Compliance (A-133)
Audit of Fiscal Year 2013

Report Highlights

April 2014 • R-14-008

Summary of Legal Requirements

The federal government requires organizations that receive a significant amount of federal funding to undergo a "single audit" in accordance with OMB Circular A-133.

The Single Audit combines the audit of the state's financial statements with an organization-wide audit of compliance with federal regulations and award agreements. The Single Audit is presented in two parts. The first part was the audit of the state's basic financial statements for fiscal year 2013 (R-13-016 released in December 2013). This second part is the report on state agencies' compliance with federal awards requirements.

Background Information

RubinBrown, a CPA firm under contract with the Legislative Division of Post Audit, conducted this audit.

Reported federal expenditures for fiscal year 2013 were \$5.3 billion.

AUDIT OBJECTIVES: The federal A-133 audit has three major objectives: (1) evaluate state agencies' compliance with federal laws, regulations, contracts, and other requirements; (2) evaluate agencies' internal controls over compliance; and (3) identify any questioned costs associated with non-compliance.

- **The auditors reported that the state was in material compliance with the requirements applicable for the 28 federal programs audited.**
- **The auditors reported a total of 26 problem findings related to the federal awards.**
 - All of the 26 findings were significant deficiencies (which are less severe than a material weakness).
 - All 26 problem findings are listed in the separate document, Summary of Problem Findings from the FY 2013 OMB Circular A-133 Audit.
 - Of the 26 problem findings noted above, six are repeat findings from prior years.
- **The auditors estimated questioned costs as a result of the findings in the unemployment insurance program.** Although the auditors initially identify the questioned costs, the applicable federal agency ultimately decides if the state will have to reimburse the federal government and how much.
 - Department of Labor
 - 2013-002: \$250 (known), \$6,552,000 (projected)
 - 2013-003: \$444 (known), \$11,636,000 (projected)
 - Kansas Corporation Commission
 - 2013-011: \$53 (known and projected)
 - Department for Children and Families
 - 2013-016: \$92 (known), \$273,000 (projected)
 - 2013-019: \$1,179 (known), up to 14% of the amount reported as maintenance (projected)

SUMMARY OF RECOMMENDATIONS:

- The auditors made recommendations to address the problem findings identified.

AGENCY RESPONSE:

- Each agency responded to its respective findings with a corrective action plan.

HOW DO I REQUEST AN AUDIT?

By law, individual legislators, legislative committees, or the Governor may request an audit, but any audit work conducted by the division must be directed by the Legislative Post Audit Committee. Any legislator who would like to request an audit should contact the division directly at (785) 296-3792.

Legislative Division of Post Audit

800 SW Jackson Street
Suite 1200
Topeka, Kansas 66612-2212
Telephone (785) 296-3792
Fax: (785) 296-4482
Website:
<http://www.kslpa.org/>

Scott Frank
Legislative Post Auditor

For more information on this
audit report, please contact
Julie Pennington
(785) 296-3792
Julie.Pennington@lpa.ks.gov