

COMPLIANCE AND CONTROL AUDIT REPORT

**HUMAN RIGHTS COMMISSION
ATTORNEY GENERAL'S OFFICE
KANSAS BUREAU OF INVESTIGATION
BICENTENNIAL COMMISSION OF THE U.S. CONSTITUTION
BOARD OF INDIGENTS' DEFENSE SERVICES
COMMISSION ON VETERANS' AFFAIRS**

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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**HUMAN RIGHTS COMMISSION
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Summary of Legislative Post Audit's Findings

The Legislative Division of Post Audit conducted compliance and control audit work at the Human Rights Commission, Attorney General's Office, Bicentennial Commission of the U.S. Constitution, Board of Indigents' Defense Services, and Commission on Veterans' Affairs 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 receipts. The audit also followed up on prior audit findings and recommendations. The period covered by this audit was fiscal year 1991.

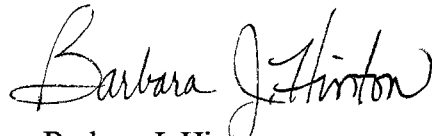
Did the agencies covered by this audit comply with legal and procedural requirement applicable to their receipts, and provide adequate internal control over their receipts? With some exceptions, the agencies complied with these legal and procedural requirements and provided adequate control. The Attorney General's Office and Board of Indigents' Defense Services did not deposit receipts in the State Treasury on a timely basis. In addition, the Attorney General's Office does not compare its receipts records to the State's central accounting records. Finally, the Kansas Bureau of Investigation does not record the dates on which its receipts are received.

Did the Attorney General's Office and Commission on Veterans' Affairs comply with the legal and procedural requirements applicable to their locally administered funds, and provide adequate internal control over those funds? The agencies complied with these legal and procedural requirements and provided adequate control.

Did the Bicentennial Commission of the U.S. Constitution comply with legal and procedural requirements applicable to its expenditures? The agency complied with these legal and procedural requirements.

The prior audit reports addressed one recommendation to the Human Rights Commission, one to the Attorney General's Office, seven to the Kansas Bureau of Investigation, and three to the Commission on Veterans' Affairs. All prior recommendations had been implemented except one addressed to the Kansas Bureau of Investigation. That recommendation, regarding improved recordkeeping for property purchased with federal grant moneys, was repeated.

The report recommends that the Attorney General's Office and Board of Indigents' Defense Services deposit their receipts in the State Treasury on a timely basis. In addition, the report recommends that the Attorney General's Office periodically compare its receipts records to the State's central accounting records. Finally, the report recommends that the Kansas Bureau of Investigation record the dates its receipts are received. We would be happy to discuss these recommendations or any other items in the report with legislative committees, individual legislators, or other State officials.

A handwritten signature in cursive script that reads "Barbara J. Hinton". The signature is fluid and elegant, with a large initial 'B' and 'H'.

Barbara J. Hinton
Legislative Post Auditor

**HUMAN RIGHTS COMMISSION
ATTORNEY GENERAL'S OFFICE
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The Legislative Post Audit Act requires that an annual financial statement audit be conducted of the State's general purpose financial statements. The Act also requires that audit work be conducted at each State agency at least once every three years. Audit work conducted as part of the annual financial statement audit partially fulfills the latter requirement. Also in partial fulfillment of that requirement, the Legislative Division of Post Audit has conducted compliance and control audit work at the Human Rights Commission, Attorney General's Office, Kansas Bureau of Investigation, Bicentennial Commission of the U. S. Constitution, Board of Indigents' Defense Services, and Commission on Veterans' Affairs, covering the fiscal year 1991.

To avoid duplication of audit work conducted as part of the annual, Statewide audit, our audit work focused on areas not covered by the Statewide audit. These areas include receipts and locally administered funds, although four of the six agencies covered by this report had no locally administered funds. All the audited agencies except the Bicentennial Commission of the U. S. Constitution had receipts during the audit period. Because the Bicentennial Commission of the U. S. Constitution had neither receipts nor locally administered funds during the audit period, we tested the Commission's expenditures for compliance with applicable legal and procedural requirements. In addition, we followed up on any prior audit findings and recommendations. The audit addresses the following specific questions:

- 1. Did the agencies covered by this audit comply with legal and procedural requirements applicable to their receipts, and provide adequate internal control over receipts?**
- 2. Did the Attorney General's Office and the Commission on Veterans' Affairs comply with legal and procedural requirements applicable to their locally administered funds, and provide adequate internal control over those funds?**
- 3. Did the Bicentennial Commission of the U. S. Constitution comply with legal and procedural requirements applicable to its expenditures?**

We identified the applicable legal and procedural 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, re-

viewed written procedures, and examined related supporting documents to identify the agencies' procedures for handling receipts, locally administered funds, and expenditures. We then compared those procedures with the applicable legal and procedural requirements. In addition, we identified the potential for loss or misuse of receipts and locally administered funds, and we evaluated the level of control provided by the agencies' procedures in preventing and detecting loss or misuse of those moneys. Finally, we performed analytical tests of receipts and locally administered funds, reviewed accounting records, and tested a sample of transactions at each agency.

In general, we found that the agencies complied with applicable legal requirements, and provided adequate internal controls. However, we did find several exceptions to this general conclusion. The Attorney General's Office and Board of Indigent Defense Services did not deposit receipts as often as required. In addition, we found that the Attorney General's Office and Kansas Bureau of Investigation could improve their controls over receipts. We also found that the Bicentennial Commission of the U. S. Constitution complied with legal and procedural requirements applicable to its expenditures. Finally, in following up on prior audit recommendations, we found that the Kansas Bureau of Investigation had not implemented a prior recommendation regarding adherence to State and federal property recordkeeping requirements. That prior recommendation is repeated.

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

Background

This audit report covers six State agencies—the Human Rights Commission, Attorney General’s Office, Kansas Bureau of Investigation, Bicentennial Commission of the U. S. Constitution, Board of Indigents’ Defense Services, and Commission on Veterans’ Affairs. The operations of each agency are briefly described below.

Human Rights Commission

The Human Rights Commission, established by the Kansas Act Against Discrimination, seeks to eliminate and prevent segregation and discrimination because of race, religion, color, sex, disability, age, national origin, or ancestry in the areas of employment, housing, and accommodations.

The Commission consists of seven members—two representing labor, two representing industry, one representing the real estate industry, a practicing lawyer, and one member appointed at large. The Governor appoints Commission members to four-year terms. Offices are located in Topeka and Wichita.

To accomplish its purpose, the Commission has the following major functions: investigating complaints alleging discriminatory practices, conducting hearings and pursuing litigation relating to enforcement of the Kansas Act Against Discrimination and the Kansas Age Discrimination in Employment Act, monitoring employment practices of entities contracting with the State or with its political subdivisions, and conducting an educational program to promote citizen awareness of civil rights problems and methods of resolving or preventing discrimination.

The operations of the Commission are funded by appropriations from the State General Fund and receipts collected. During fiscal year 1991, the Commission received \$509,513 in federal moneys, and \$2,096 from other sources, mainly fees for file copies. According to the Governor’s Budget Report, the Commission’s fiscal year 1991 expenditures totaled \$1.5 million, of which \$1.2 million (81 percent) was for salaries and wages.

Attorney General’s Office

The Attorney General is elected to a four-year term, and is the chief legal officer of the State. Principal responsibilities of the Attorney General’s Office include: issuing formal legal opinions; defending the State and its officials in litigation; engaging in and overseeing other litigation on behalf of the State; enforcing the State’s Consumer Protection Act; investigating and prosecuting criminal acts; approving the form and legality of various publications and actions by State officials; and administering the Crime Victims Bill of Rights and the Crime Victims Compensation laws.

The operations of the Office are funded by appropriations from the State General Fund and receipts collected. During fiscal year 1991, the Office collected \$5.9 million, mainly from fines and penalties, General Fund transfers, district court fees, and fees from the sale of opinions and other documents, of which \$1.2 million was deposited in the State General Fund and \$4.7 million in the agency's own funds. According to the Governor's Budget Report, the Office's fiscal year 1991 expenditures totaled \$9.7 million, of which \$2.3 million (23 percent) was for salaries and wages.

Kansas Bureau of Investigation

The Kansas Bureau of Investigation is under the jurisdiction of the Attorney General's Office. The Bureau's director is appointed by the Attorney General, subject to Senate confirmation. The Bureau has two principal duties: to conduct investigations at the direction of the Attorney General, and to establish and maintain criminal justice records for use by criminal justice agencies and for exchange within authorized organizations. The Bureau fulfills these requirements by providing expert field investigations and technical services at the direction of the Attorney General or at the request of local law enforcement agencies. The Bureau also provides assistance in the training of professional law enforcement officers, and provides information on crime trends to public officials and interested citizens. The Bureau is organized into an Administrative program and four operating programs: Investigation, Special Services, Laboratory Services, and Narcotics.

The operations of the Bureau are funded by appropriations from the State General Fund and receipts collected. During fiscal year 1991, the Bureau collected \$2.3 million, mainly from federal grants, proceeds from property seizures and forfeitures, the sale of publications, and fees for providing individual criminal history information., of which \$32,100 was deposited in the State General Fund and the remainder in the agency's own funds. According to the Governor's Budget Report, the Bureau's fiscal year 1991 expenditures totaled \$9.9 million, of which \$6.3 million (63 percent) was for salaries and wages.

Bicentennial Commission of the U. S. Constitution

The Bicentennial Commission of the U. S. Constitution was formed to coordinate and promote activities commemorating the signing and ratification of the U. S. Constitution. The Commission plans and develops appropriate activities.

In addition to developing its own activities, the Commission encourages private organizations and government entities to commemorate the bicentennial, and coordinates activities throughout the State. The Commission also serves as a clearinghouse for the collection and dissemination of information on the Constitution and its history, and

cooperates and coordinates with the U. S. Commission on the Bicentennial of the Constitution.

The operations of the Commission are funded by appropriations from the State General Fund. According to the Governor's Budget Report, the Commission's fiscal year 1991 expenditures totaled \$14,738, all of which was granted to the Kansas Commission on the Bicentennial of the U. S. Constitution, Inc., a private not-for-profit organization.

The statutory provisions establishing this Commission expired December 31, 1991, and the Commission's operations have ceased.

Board of Indigents' Defense Services

The Board of Indigents' Defense Services is part of the executive branch of State government, and was created to provide legal services for indigent felons as required by the Sixth Amendment to the U. S. Constitution. The Board's program provides for State public defender offices and the financing of court-appointed counsel and other defense services for indigent persons charged with felony crimes.

The program is supervised by a nine-member board appointed by the Governor, subject to confirmation by the Senate. The Board comprises five members who are attorneys registered with the Kansas Supreme Court, and four members who are not attorneys. In operating its programs, the Board currently uses appointed counsel, makes arrangements for providing contract counsel, operates public defender offices, conducts attorney training programs, and accepts services of volunteer workers and consultants.

The Board also provides financial support to Legal Services for Prisoners, Inc., which provides legal assistance to indigent inmates in Kansas correctional facilities. Students in clinical programs at Washburn University and the University of Kansas law schools also provide assistance to indigent inmates in Kansas correctional facilities.

The operations of the Board are funded by appropriations from the State General Fund and receipts. During fiscal year 1991, the Board collected about \$711,000, mainly from reimbursement of legal fees by defendants and district court fees. About \$561,000 of that total was deposited in the State General Fund and the remainder in the agency's own funds. According to the Governor's Budget Report, the Board's fiscal year 1991 expenditures totaled \$7.2 million, of which \$2.5 million (34 percent) was for salaries and wages.

Commission on Veterans' Affairs

The Commission on Veterans' Affairs comprises five members who have served in the armed forces of the United States. Members are appointed by the Governor to

four-year terms. The Commission appoints an executive director to administer the activities of the Agency. The Commission provides veterans with information concerning benefits, assists eligible veterans in obtaining benefits, supervises and establishes the policies of the Soldiers' Home, and coordinates other State programs dealing with veterans' benefits. The Commission is also a referral agency for certain training programs administered by the federal government. In particular, the Commission is a referral agency for the Disabled Veteran Outreach program and the Licensed Veteran Employment Representatives program administered through the Department of Human Resources' Job Service Centers.

The Kansas Soldiers' Home located at Fort Dodge is under the direct supervision of the Commission. The Commission appoints a superintendent to administer the activities of the Home and to be responsible for carrying out the policies of the Commission. The Home provides three levels of care for honorably discharged veterans and eligible dependents who are incapable of self-support because of disability or old age. The cottage level of care allows members to rent cottages for independent living, the dormitory level of care provides medical supervision for members who are self-sufficient and self-directed, and the nursing level of care is provided for those members requiring complete nursing care. The Home has accommodations for 400 residents. In fiscal year 1991, the average daily resident population was 221.

The operations of the Commission are funded by appropriations from the State General Fund and receipts collected. During fiscal year 1991, the Commission collected \$2.4 million, mainly from federal grants and the care and hospitalization fees charged members residing at the Soldiers' Home, all of which was deposited in the agency's own funds. According to the Governor's Budget Report, the Commission's fiscal year 1991 expenditures totaled \$5.3 million, of which \$4 million (76 percent) was for salaries and wages.

Did the Agencies Covered by This Audit Comply With Legal and Procedural Requirements Applicable to Their Receipts, and Provide Adequate Internal Control Over Receipts?

For fiscal year 1991, our review showed that these agencies complied with legal and procedural requirements applicable to receipts, except that the Attorney General's Office and the Board of Indigents' Defense Services did not deposit receipts in the State Treasury on a timely basis. In addition, the agencies' procedures provided adequate control over receipts, except that Attorney General's Office and the Kansas Bureau of Investigation need to improve internal controls over cash receipts. Our conclusions were based on the following.

With Some Exceptions, Agencies Complied With Applicable Requirements And Provided Adequate Internal Control

In the area of receipts, we identified the agencies' procedures for handling receipts, determined whether those procedures met applicable legal requirements, evaluated the internal controls provided by those procedures, and tested a sample of transactions, records, and reports to determine whether the applicable procedures had been followed. In particular, we determined whether:

- ◇ amounts due the agencies were properly assessed and collected
- ◇ amounts collected by the agencies were deposited in the local fee bank accounts on a timely basis
- ◇ amounts collected by the agencies were deposited in the State Treasury on a timely basis
- ◇ the agencies' receipts procedures provided adequate controls to limit to an acceptable level the risk of loss or misuse of receipts and the risk of noncompliance with legal and procedural requirements

With the exceptions discussed in the following sections, we found that amounts due were assessed and collected, amounts collected were deposited on a timely basis, and agencies procedures provided adequate controls.

The Attorney General's Office and the Board of Indigents' Defense Services Did Not Deposit Receipts as Often as Required by State Law

State law requires State agencies located in Topeka to deposit receipts in the State Treasury on a daily basis, unless the Pooled Money Investment Board grants an exemp-

tion to that requirement. In testing for compliance with this requirement, we found that the Attorney General's Office and the Board of Indigents' Defense Services did not deposit receipts as frequently as required.

During the audit period, the Attorney General's Office was required to deposit its receipts in the State Treasury at least weekly or when \$1,000 in receipts had been accumulated. The agency's receipts mainly consisted of fees for Attorney General opinions, reimbursement of legal expenses, restitutions from convicted felons, contributions, and other fees collected. In reviewing for compliance with this requirement, we tested a sample of 60 deposits made by the agency's Administrative Office and Crime Victims Compensation Office, which totaled \$572,099. We noted that 17 (28 percent) of these deposits included moneys that had been collected and on hand for more than one week. These deposits accounted for \$133,844 (23 percent) of the total amount tested. Some of the moneys had been on hand for as long as 51 days. Our testwork indicated that, for the items deposited late, the average number of days late was 19 days.

During the audit period, the Board of Indigents' Defense Services was required to deposit its receipts in the State Treasury twice a week. The Board's receipts mainly consist of reimbursement for legal expenses. In reviewing for compliance with this requirement, we tested a sample of 40 individual receipts, which totaled \$4,119. We found that 19 (48 percent) of these receipts were not deposited on a timely basis. The late deposits accounted for \$2,972 (72 percent) of the total amount tested. Some of the moneys had been on hand for as long as 66 days. The average number of days late for these items was 16 days.

Timely deposit of receipts not only achieves compliance with legal requirements, but it also reduces the risk of loss or misuse because moneys in the State Treasury are more secure than moneys on hand at a State agency's offices. In addition, those moneys are not available for the Pooled Money Investment Board to invest, and the State loses the interest it could be earning on those moneys. Although we did not estimate the loss, it appears that the amount was very small. However, even this loss could have been avoided.

Recommendation

The Attorney General's Office and the Board of Indigents' Defense Services should ensure that they meet the State's requirement for timely deposit of moneys in the State Treasury.

The Attorney General's Office and Kansas Bureau of Investigation Could Improve Their Controls Over Receipts

State agencies are responsible for ensuring that moneys collected are adequately safeguarded until they are deposited in the State Treasury. This calls for procedures to minimize the risk of loss or misuse of these moneys. In addition, State agencies are responsible for ensuring that accounting records and reports are complete, accurate, and prepared in accordance with the requirements of the Division of Accounts and Reports. In reviewing the agencies' controls over their receipts, we noted several instances where those controls could be improved.

The Attorney General's Office did not compare its recorded cash receipts to the State's central accounting records. Each State agency is responsible for ensuring that its accounting records are complete and accurate. One way to help accomplish this is periodically to compare the agency accounting records to those of the State's central accounting system. Any differences found would be potential errors. In the process of investigating the differences, the agency could ensure that its own accounting records and those of the State's central accounting system were complete and accurate.

In reviewing the Attorney's General's Office receipts procedures, we found that the Office did not compare its cash receipts records to State Treasury deposits. As a result, errors in the Office's records or in the State's central accounting records could go undetected. Although we found no evidence of any errors, the risk still exists.

The Kansas Bureau of Investigation did not record the dates moneys were received. During the audit period, the Kansas Bureau of Investigation was required to make deposits weekly, or when \$1,000 in receipts was accumulated. The Bureau's receipts comprised mainly fees for criminal record checks, federal grants, and other fees and assessments collected. In reviewing for compliance with this requirement, we found that receipts were not dated when received. As a result, we could not determine whether those moneys were deposited on a timely basis. In addition, the Kansas Bureau of Investigation itself had no way to ensure that its receipts had been deposited on a timely basis.

Recommendations

1. To reduce the risk of loss or misuse of receipts and the risk of incomplete or inaccurate accounting records, the Attorney General's Office periodically should compare its cash receipts records to the State's central accounting records, and investigate any differences.

2. To ensure complete accounting records and reports and compliance with requirements for timely deposits in the State Treasury, the Kansas Bureau of Investigation should record the dates receipts are received.

**Did the Attorney General's Office and Commission on Veterans' Affairs
Comply with Legal and Procedural Requirements Applicable to
Their Locally Administered Funds, and Provide
Adequate Internal Control Over Those Funds?**

The Attorney General's Office has one locally administered fund—an imprest fund. The Office's imprest fund is used to make small expenditures that require immediate attention. The Commission on Veterans' Affairs (Soldiers' Home) has four locally administered funds—a trust fund, two benefit funds, and an imprest fund. The trust fund is used to account for residents' personal moneys held in trust by the Home. The two benefit funds are used to account for donations and the interest earned on bank accounts and certificates of deposit belonging to the trust fund and benefit funds. The imprest fund at the Soldiers' Home is used as a change fund for collecting State fees. These moneys are kept in local bank accounts.

For fiscal year 1991, we concluded that the Attorney General's Office and the Commission on Veterans' Affairs complied with legal and procedural requirements applicable to their locally administered funds. We also concluded that these agencies' procedures generally provided adequate internal control over locally administered funds. Our conclusions are based on the following.

In reviewing the agencies' use of locally administered funds, we identified the agencies' procedures for handling those funds, determined whether those procedures met applicable legal requirements, evaluated the internal controls provided by those procedures, and tested a sample of transactions, records, and reports to determine whether the applicable procedures had been followed for those transactions. In particular, we determined whether:

- ◇ trust, benefit, and imprest fund moneys had been properly deposited in local bank accounts
- ◇ the agencies' use of local bank accounts was proper, and banks themselves were designated by the Pooled Money Investment Board
- ◇ interest earned from investment of trust and benefit moneys was properly credited to the appropriate accounts
- ◇ the agencies' procedures provided adequate controls to limit to an acceptable level the risk of loss or misuse of locally administered fund moneys and the risk of noncompliance with legal and procedural requirements

**Did the Bicentennial Commission of the U. S. Constitution
Comply With Legal and Procedural Requirements
Applicable to Its Expenditures?**

For fiscal year 1991, we concluded that the Bicentennial Commission of the U. S. Constitution complied with legal and procedural requirements applicable to its expenditures. Our conclusion was based on the following.

In the area of expenditures, we identified the legal and procedural requirements applicable to the audited agency's expenditures by reviewing relevant statutes, administrative regulations, and sections of the Division of Accounts and Reports Policy and Procedure Manual. We examined the expenditure vouchers together with their supporting documentation and determined whether the expenditures were made in accordance with the applicable requirements. In particular, we determined that:

- ◇ payments were made in accordance with the guidelines of the Division of Purchases

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 reports made one audit recommendations to the Human Rights Commission, one to the Attorney General's Office, seven to the Kansas Bureau of Investigation, and three to the Commission on Veterans' Affairs. Our review indicated all prior audit recommendations had been implemented except one to the Kansas Bureau of Investigation regarding property recordkeeping. This recommendation is repeated.

Human Rights Commission

The prior audit recommended that the Human Rights Commission recover an overpayment of salaries and wages made during fiscal year 1988.

We found that this recommendation had been implemented.

Attorney General's Office

The prior audit recommended that the Crime Victims Compensation Board of the Attorney General's Office ensure that financial status reports of federal grants are filed on a timely basis.

We found that this recommendation had been implemented.

Kansas Bureau of Investigation

The prior audit recommended that the Kansas Bureau of Investigation give the necessary time and agency support to the field agent assigned to bring the property inventory records in compliance with the Division of Accounts and Reports' Policy and Procedure Manual, Filing No. 13,001.

We found that this recommendation had been implemented. The fixed asset reports for fiscal years 1988 through 1990 have been completed, and the report for fiscal year 1991, which was due on September 30, 1991, is in the process of being completed.

The prior audit recommended that the Kansas Bureau of Investigation implement a property inventory system that identifies the property purchased with federal grant funds and distinguishes between the particular grants responsible for the property.

We found that this recommendation had not been implemented. The Kansas Bureau of Investigation did not identify all property purchased with federal funds, nor did it identify the federal grants responsible for the property purchased. The Division of Accounts and Reports' Policy and Procedures Manual and federal regulations require property records to identify the property purchased with federal funds. In addition, federal regulations require property records to identify the particular federal grant responsible for the property.

The previous two audit reports recommended that the Kansas Bureau of Investigation identify in its property records the property purchased with federal funds and also identify the particular federal grants responsible for the property. In our follow up of this recommendation, we found that the 1990 inventory reports identified some property purchased with federal funds. However, the property so identified was purchased prior to fiscal year 1989. The property purchased with federal funds in fiscal years 1989 and 1990 was not identified as purchased with federal funds. Furthermore, we found that the Bureau's property records did not identify the particular federal grants responsible for the property purchased with federal funds.

Recommendation

To comply with the Division of Accounts and Reports' Policy and Procedures Manual and federal requirements, the Kansas Bureau of Investigation should identify in its property inventory records all property purchased with federal funds, and show the particular federal grants responsible for that property.

The prior audit recommended that the Kansas Bureau of Investigation have a person who does not have custody or access to the evidence fund perform and document the quarterly audits of the fund.

We found that this recommendation had been implemented.

The prior audit recommended that the Kansas Bureau of Investigation improve its filing system for payment vouchers to ensure that vouchers can be located efficiently.

We found that this recommendation had been implemented.

The prior audit recommended that the Kansas Bureau of Investigation file federal financial reports on a timely basis.

We found that this recommendation had been implemented.

The prior audit recommended that the Kansas Bureau of Investigation review its policy of depositing moneys which were received from the federal government for asset seizures and forfeitures in the Marijuana Eradication Program Fund.

We found that this recommendation had been implemented.

The prior audit recommended that the Kansas Bureau of Investigation contact the Federal Drug Enforcement Agency to resolve \$2,646 in questioned vehicle costs noted in the fiscal year 1985 audit.

We found that this recommendation had been implemented.

Commission on Veterans' Affairs

The prior audit recommended that the Commission on Veterans' Affairs establish procedures to ensure compliance with federal records retention requirements.

We found that this recommendation had been implemented.

The prior audit recommended that the Commission on Veterans' Affairs continue to monitor the percentage of veterans care days to total care days to ensure compliance with the Veterans Administration's veterans occupancy requirement for dormitory facilities.

We found that this recommendation had been implemented.

The prior audit recommended that the Commission on Veterans' Affairs ensure that all property acquired by the agency with locally administered funds be recorded in its State property inventory.

We found that this recommendation had been implemented.

Bicentennial Commission of the U. S. Constitution **Board of Indigents' Defense Services**

The above agencies had no prior audit findings and recommendations.

APPENDIX A

Agency Response

On May 8, 1992, we provided copies of the draft audit report to the Human Rights Commission, Attorney General's Office, Kansas Bureau of Investigation, Bicentennial Commission of the U.S. Constitution, Board of Indigents' Defense Services, and the Commission on Veterans' Affairs. Their responses are included as this Appendix.



STATE OF KANSAS

OFFICE OF THE ATTORNEY GENERAL

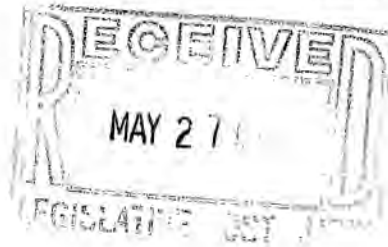
2ND FLOOR, KANSAS JUDICIAL CENTER, TOPEKA 66612-1597

ROBERT T. STEPHAN
ATTORNEY GENERAL

May 27, 1992

MAIN PHONE: (913) 296-2215
CONSUMER PROTECTION: 296-3751
TELECOPIER: 296-6296

Ms. Barbara J. Hinton
Legislative Post Auditor
Merchants Bank Tower
800 S.W. Jackson, Ste. 1200
Topeka, KS 66612-2212



Dear Ms. Hinton:

This is in response to your letter of May 8, 1992, regarding draft audit findings on, among other agencies, this office and the Kansas Bureau of Investigation. I appreciate your assistance in helping us to tighten up our procedures regarding the handling of receipts and property. The following is a response to specific recommendations regarding this office and the Kansas Bureau of Investigation.

The first applicable recommendation dealt with the timely deposit of monies received by the agencies. Indeed, several years ago my office, in cooperation with the Division of Accounts and Reports, adopted the policy of depositing receipts weekly or more frequently when receipts of over \$1,000.00 were received. Generally, I believe this policy has been followed by my main office. Upon assumption of the Crime Victims Compensation Board, however, it appears we failed to inform personnel there of this policy. Generally, it is there where late deposit of receipts occurred. Personnel of that office have now been informed of the policy and have been instructed to comply.

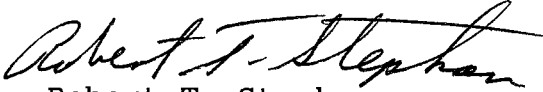
The second recommendation indicated that my office should reconcile its receipts with Division of Accounts and Reports records. My staff is in the process of identifying the best report provided by the STARS system with which to accomplish this recommendation and has been instructed to reconcile agency receipt records with those shown in such STARS report.

It was reported that the KBI did not record the dates on which receipts were received. This practice has been corrected.

Finally, it was reported that the KBI was not yet in compliance with a prior audit recommendation to identify in its property inventory records all property purchased with federal funds and show the particular federal grants responsible for that property. It is my understanding that responsibilities for the keeping of inventory records at the Kansas Bureau of Investigation have been shifted within the agency and inventory records regarding current purchases do reflect the federal source, where appropriate. Attempts are being made to identify federal sources of purchases which occurred prior to July 1, 1991, however, this process is not yet complete.

Thank you for your assistance in these matters. If we can provide you with any further information, please contact me.

Very truly yours,


Robert T. Stephan
Attorney General

RTS/NAW/clk

STATE OF KANSAS



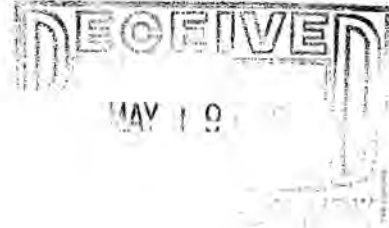
BOARD OF INDIGENTS' DEFENSE SERVICES

LONDON STATE OFFICE BUILDING
900 JACKSON, ROOM 506
TOPEKA, KANSAS 66612-1220

(913) 296-4505

May 18, 1992

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



Dear Ms. Hinton:

I am in receipt of your draft copy of your compliance and control audit report on the State Board of Indigents' Defense Services covering fiscal year 1991.

I concur with your findings and recommendations. The agency has taken steps to ensure timely deposit of receipts.

Please do not hesitate to contact me if you have any questions. Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ronald E. Miles".
Ronald E. Miles
Director

REM:mcm

JOAN FINNEY, GOVERNOR

STATE OF KANSAS



KANSAS HUMAN RIGHTS COMMISSION

LONDON STATE OFFICE BLDG.—8TH FLOOR
900 S.W. JACKSON ST.—SUITE 851 S.
TOPEKA, KANSAS 66612-1258
(913) 296-3208

ALYCE HAYES BROWN, Chairperson
TOPEKA

FRANCIS ACRE
DODGE CITY

ROBERT WESLEY
INDEPENDENCE

CORBIN R. BENHAM
MULVANE

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LAWRENCE

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WICHITA

MICHAEL J. BRUNGARDT
EXECUTIVE DIRECTOR

ROBERT G. LAY
ASSISTANT DIRECTOR

BRANDON L. MYERS
CHIEF LEGAL COUNSEL

ARTHUR R. BRUCE
SUPERVISOR OF COMPLIANCE

WILLIAM V. MINNER
FIELD SUPERVISOR

LINDA L. AUWARTER
OFFICE MANAGER

TDD# (913) 296-0245
FAX# (913) 296-0589

June 17, 1992

RECEIVED
JUN 18 1992

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

Dear Ms. Hinton:

This is to inform you that we have received the draft copy of the control audit report for Fiscal Year 1991. I have reviewed the report and find it correct to the best of my knowledge. Therefore, I will make no recommendations for corrections or clarifications.

Thank you for your cooperation and for providing the agency the opportunity to review and comment.

Sincerely,

Handwritten signature of Robert G. Lay in cursive.
Robert G. Lay
Assistant Director

RGL/laf



KANSAS
COMMISSION ON VETERANS' AFFAIRS
KANSAS

**Jayhawk Towers, Suite 701, 700 SW Jackson
Topeka, Kansas 66603 913-296-3976**

June 30, 1992

Mr. Randy Tongier
Financial-Compliance Audit Manager
Legislative Division of Post Audit
Merchants Bank Tower
800 SW Jackson, Suite 1200
Topeka, Kansas 66612-2212

JUL 1 1992
LEGISLATIVE DIVISION OF POST AUDIT

Dear Randy:

The financial statement audit conducted by Legislative Division of Post Audit on the Kansas Commission on Veterans Affairs for fiscal year 1991 has been reviewed by this office.

Considering that the audit conclusions did not have any adverse findings or recommendations in reference to this agency, we have no response or comments regarding this audit.

If you have any questions or need additional information regarding this matter, please do not hesitate contacting this office.

Sincerely,

Stan Teasley

STAN TEASLEY
Executive Director