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Office of
Inspector General

**Testimony to the Senate Committee on Ways and Means
In Support of SB 456
From
Robin J. Kempf, Inspector General
February 5, 2008**

Good morning, Chairman Umbarger and members of the Committee. My name is Robin Kempf. I am the Inspector General for the Kansas Health Policy Authority (KHPA). Thank you for giving me the opportunity to testify in support for Senate Bill (SB) 456.

This bill proposes a small, technical fix to the statute that created my office, the Office of Inspector General (OIG); however, the bill would have a large impact on the OIG's ability to produce an objective work product. In brief, the bill would clarify reporting lines for the OIG within the KHPA, and would ensure the OIG's organizational independence.

Under existing statutory language, the OIG is required to report directly to the Executive Director of the KHPA for both administrative and substantive purposes. In other words, the Executive Director could say what can or cannot be audited by the OIG. SB 456 would clarify that the OIG would continue to report to the Executive Director for administrative purposes, but would report to the full KHPA Board for substantive purposes. This change would ensure that the OIG would be free from any impairment to its independence that could hypothetically be imposed by an Executive Director and which could bias the OIG's judgment.

According to the generally accepted government auditing standards promulgated by the U.S. Government Accountability Office (GAO), audit organizations must be free from organizational impairments to its independence. One way to do so is to mandate that the organization reports to a statutorily created governing body, the majority of whose members are independently elected or appointed and who come from outside the organization being audited. If the existing statute was amended as proposed in SB 456, the OIG could be presumed to be organizationally independent from the KHPA under auditing standards.

SB 456 is consistent with the many statutory protections to independence already found in K.S.A. 75-7427. For example, my appointment is required to be confirmed by the Senate, thereby providing a check and balance on the Board's authority to hire me. Similarly, my position is a classified position, which provides some protections from retaliation. Finally, the OIG receives a line item appropriation directly from the Legislature, thereby ensuring that the KHPA does not have budgetary authority over its overseer, so to speak. Thus, SB 456 simply cleans up a small inconsistency in the OIG's enabling legislation and strengthens the protections to the OIG's independence.

Thank you for the opportunity to provide these comments in support of SB 456.