KPERS Auditing

2026 KPERS Employer Conference

Presenters

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October 30, 2026

KPERS

Covering Today

- Why KPERS conducts audits
- Two types of audits
- How we choose employers
- The process
- Employer responsibilities
- Objectives and common errors
- Enrollment tips

Two Types of Audits

- GASB 68 audits
- KPERS employer audits

GASB 68

Required by Governmental Accounting Standards Board

- Performed by outside independent auditors
- Verify KPERS census data (start & end dates, birthdates, etc.)
- 70 employers chosen to provide documentation
- Sample of employees chosen for document requests
- KPERS assist in document requests to lower cost

Why KPERS Conducts Employer Audits

Fiduciary responsibility to the members

Employer Audits

- Confirm accuracy of member accounts
- Approximately 115 employers chosen annually
- Review 100% of employees for selected agencies

How We Choose Employers

No fault audit selection

- Most employers are selected by size
- Largest 9 employers audited every year
- Smaller employers audited less often (2 to 10 years)

How We Choose Employers

Other considerations

- Errors on previous audits
- Employer requests
- Whistleblowers
- Media coverage

Audit Process

- We request payroll and census
  - Electronic format (spreadsheet, PDF, CVS)
  - Secure upload to KPERS
- Compare selected years to reported wages
- Review all employees for eligibility
  - Enrolled and not enrolled

Audit Process

- Ask questions
- Request additional records and information
- Request needed adjustments and enrollments
- Schedule exit conference
- Issue report

Employer Responsibilities

- Maintain adequate records
- Respond to questions and research issues
- Create/submit enrollments
- Create/submit and pay adjustments
- Complete refunds to employees

Objectives

Confirm Employee Enrollments

- Are the correct employees enrolled?
  - 630 hours a year for schools
  - 1,000 hours a year for State and Locals
- Enrollment of retired employees
  - Including non-covered positions

Confirm Correct Wages are Reported

Common Errors

Are Wages Reported Correctly?

- Totality of employment – not reporting extra duties
- Reporting paychecks before or after begin/end dates
- Not reporting off-cycle checks
- Lump-sum payments not reported for retired employees
  - Excluding lump-sum payments of leave time only apples to active, non-retired members

Enrollment Tips

- Expecting 630/1,000 hours per year? Enroll employee
- Make decision when employee starts, not when they reach 630/1,000 hours
- If not sure, it is better to enroll and refund
- Employer pays employer and employee arrearage if mistake lasts longer than 6 months

Questions?

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