



OFFICE OF THE STATE AUDITOR



Legislative Audit Committee March 10, 2020 Minutes

March 10, 2020

A meeting of the Legislative Audit Committee (LAC) convened on March 10, 2020, at 7:00 a.m. in the Legislative Services Building, Audit Hearing Room B. Representative Lori Saine called the meeting to order. Roll was called with the following results:

Committee Members

Representative Rod Bockenfeld, Senator Rhonda Fields (arrived 7:23 a.m.), Representative Tracy Kraft-Tharp (arrived 7:05 a.m.), Senator Paul Lundeen, Representative Jonathan Singer (arrived 7:06 a.m.), Senator Jim Smallwood, Senator Nancy Todd, Representative Lori Saine (Chair)

The following Office of the State Auditor (OSA) staff and others attended:

OSA

Dianne E. Ray, State Auditor; Kerri Hunter, Deputy State Auditor;
Crystal Dorsey, Monica Power

DIANNE E. RAY, CPA
—
STATE AUDITOR

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Other Attendees

Office of the State Controller

Robert Jaros, State Controller

Jeffrey Kahn, Director of Financial Reporting & Analysis

7:01 a.m.

State of Colorado, Statewide Single Audit, Fiscal Year Ended June 30, 2019

Senator Smallwood made a motion to release the *State of Colorado, Statewide Single Audit, Fiscal Year Ended June 30, 2019*, as presented without the section for Health Care Policy and Financing. Senator Lundeen seconded the motion and the motion passed unanimously.

Ms. Hunter introduced self and staff.

Mr. Jaros (*Office of the State Controller*) introduced self and staff.

Ms. Dorsey presented an overview of the report.

7:18 a.m.

State of Colorado, Comprehensive Annual Financial Report, For the Fiscal Year Ended June 30, 2019

Mr. Jaros presented an overview of the report.

Discussion ensued regarding percentages used for reserves, reversions, and over-expenditures.

7:42 a.m.

State of Colorado, Statewide Single Audit, Fiscal Year Ended June 30, 2019

Recommendation 2019-030 was reviewed, discussed, and agreed to by the Office of the State Controller. Discussion ensued regarding labor allocation, timekeeping, and higher education reporting as issues that have arisen that affect the timely completion of the Comprehensive Annual Financial Report.

Recommendation 2019-031 was reviewed, discussed, and agreed to by the Office of the State Controller.

8:16 a.m.

General Business:

Minutes

Senator Lundeen made a motion to approve the February 25, 2020, LAC hearing minutes. Senator Todd seconded the motion, and the motion passed unanimously.

Withdrawal of Audit Request

An audit request of the use of state dollars at all state institutions of higher education, previously submitted by Senator Todd and Senator Moreno, was withdrawn.

8:17 a.m.

Audit Requests:

COGCC Production Reporting Process and System

Representative Singer made a motion to move forward with the requested preliminary research time. Representative Bockenfeld seconded the motion. Discussion ensued regarding the role of the auditor to research efficiencies/inefficiencies of a department and the cost of an audit. Additional discussion revolved around requesting the COGCC report back to the committee on progress from previous hearing. A roll call vote was conducted and the motion passed 5 – 3. The results were as follows:

Representative Bockenfeld – Yes

Senator Fields – No

Representative Kraft-Tharp – No

Senator Lundeen – Yes

Representative Singer – Yes

Senator Smallwood – Yes

Senator Todd – No

Representative Saine - Yes

COGCC Permitting and Rulemaking Processes

Senator Lundeen made a motion to move forward with the requested preliminary research time. Senator Smallwood seconded the motion. Discussion revolved around requesting the COGCC report back to the committee on their actions in regard to statutory

requirements. A roll call vote was conducted and the motion failed on a split vote. The results were as follows:

Representative Bockenfeld – Yes

Senator Fields – No

Representative Kraft-Tharp – No

Senator Lundeen – Yes

Representative Singer – No

Senator Smallwood – Yes

Senator Todd – No

Representative Saine - Yes

8:45 a.m.

General Business:

Proposed 2020 LAC Interim Calendar

The Committee was asked to review the proposed 2020 LAC interim calendar and submit any changes prior to the March 17, 2020, LAC hearing.

Additional Discussion

It was requested that the State Auditor research possible LAC legislation regarding the Statewide Single Audit and the CAFR.

Additionally, the State Auditor was asked to extend an invitation to the COGCC to present a status report during June 8-9 LAC hearing.

Hearing adjourned at 8:47 a.m.

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor