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### **Five State Departments Are Holding Excess Funding**

DENVER—The Colorado Office of the State Auditor (OSA) has issued its annual Cash Funds Uncommitted Reserves performance audit for the Fiscal Year Ended June 30, 2021. The audit identified five state departments with about \$15.1 million in fee-based revenue in excess of allowable statutory reserves at fiscal year-end.

The five departments with excess uncommitted reserves in 19 separate cash funds included: Department of Personnel & Administration, Department of Public Health and Environment, Department of Public Safety, Department of Regulatory Agencies, and Department of Revenue.

State law requires departments with excess uncommitted reserves to reduce fees or increase expenditures in order to spend down reserves. “Paying attention to excess revenue in cash funds is important because it can affect whether the State owes refunds under the Taxpayer’s Bill of Rights,” said Gina Faulkner, Legislative Audit Supervisor.

The Department of Public Health and Environment and the Department of Regulatory Agencies have each had cash funds with excess uncommitted reserves for 3 consecutive years. As a result, the Office of the State Controller has restricted both departments’ spending authority in those funds for Fiscal Year 2022, an action that is required by state law until the excess uncommitted reserves are eliminated.

The audit makes five recommendations for departments to address their excess uncommitted reserves.

The full report is available @ [www.colorado.gov/auditor](http://www.colorado.gov/auditor).

**About the Office of the State Auditor (OSA)**

Under the direction of the State Auditor, the OSA’s nonpartisan, professional staff promote government accountability by conducting independent performance, financial, and IT audits and evaluations of state agencies, departments, and institutions of higher education, conducting independent evaluations of the State’s tax expenditures (e.g., credits, exemptions, deductions), tracking about 4,000 Colorado local governments for compliance with the Local Government Audit Law, and operating a statewide fraud reporting hotline.

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