



# OFFICE OF THE STATE AUDITOR



## Legislative Audit Committee January 21, 2021 Minutes

January 21, 2021

A meeting of the Legislative Audit Committee (LAC) convened on January 21, 2021, at 9:03 a.m. in the Colorado State Capitol, Old Supreme Court Chambers. Representative Dafna Michaelson Jenet called the meeting to order. Roll was called with the following results:

### Committee Members

Representative Rod Bockenfeld, Senator Julie Gonzales (arrived 9:05 a.m.), Representative Colin Larson, Representative Dylan Roberts, Senator Robert Rodriguez, Senator Jim Smallwood, Senator Rob Woodward, Representative Dafna Michaelson Jenet (Chair)

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

### OSA

Dianne E. Ray, State Auditor; Michelle Colin, Deputy State Auditor; Jenny Atchley, Dana Berry, Vicky Lane, Jenny Page, Stefanie Winzeler

DIANNE E. RAY, CPA  
—  
STATE AUDITOR

OFFICE OF THE STATE AUDITOR  
1525 SHERMAN STREET  
7TH FLOOR  
DENVER, COLORADO  
80203

303.869.2800

## Other Attendees

### Regional Transportation District

Angie Rivera-Malpiede, Board Chair

Debra A. Johnson, General Manager and CEO

Michael Ford, Chief Operating Officer

Doug MacLeod, Acting Chief Financial Officer and Controller

9:03 a.m.

Representative Michaelson Jenet provided opening remarks regarding extraordinary meetings and audit request letters.

9:07 a.m.

### General Business

#### Election of Vice Chair

Senator Rodriguez made a motion to nominate Senator Smallwood as Vice Chair. Senator Woodward seconded the motion, and the motion passed unanimously.

9:08 a.m.

### Regional Transportation District, Performance Audit, December 2020

Representative Bockenfeld made a motion to release the *Regional Transportation District, Performance Audit, December 2020*. Senator Smallwood seconded the motion, and the motion passed unanimously.

Ms. Colin introduced self and staff.

Ms. Johnson (*Regional Transportation District*) introduced self and Board chair.

OSA staff presented an overview of the report.

Recommendations 1 - 5 were reviewed, discussed, and agreed to by the Regional Transportation District (RTD). Discussion ensued regarding audit scope, ADA mandated services, supervisory management, exit interview process, employee turnover analysis, operator schedules, and audit follow-up.

10:45 a.m.

## **General Business**

### **Minutes**

Senator Smallwood made a motion to approve the December 7, 2020, LAC hearing minutes. Representative Larson seconded the motion, and the motion passed unanimously.

Senator Rodriguez made a motion to approve the December 15, 2020, LAC hearing minutes. Senator Smallwood seconded the motion, and the motion passed unanimously.

10:47 a.m.

### **Legislation**

Ms. Colin provided a summary of LAC sponsored bills for the Colorado Department of Transportation and the Colorado State Fair. Senator Woodward and Representative Roberts volunteered as co-sponsors for the Colorado Department of Transportation bill. Senator Gonzales and Representative Roberts volunteered as co-sponsors for the Colorado State Fair bill.

Representative Larson volunteered as co-prime for the Adult Protective Services bill. Senator Smallwood made a motion to approve the changes to the Adult Protective Services bill. Representative Bockenfeld seconded the motion. A roll call vote was conducted, and the motion passed unanimously.

11:01 a.m.

### **Audit Request**

#### **Extraordinary Session – Administration of Pandemic Funds**

Senator Smallwood made a motion to approve the requested preliminary research time. Senator Rodriguez seconded the motion, and the motion passed unanimously.

11:02 a.m.

### **Reports Released Without a Hearing**

Senator Smallwood made a motion to release the *Reports Released Without a Hearing*. Representative Roberts seconded the motion, and the motion passed unanimously.

Auditor Ray presented an overview of the reports.

11:04 a.m.

### **LAC Statutory Responsibilities**

Auditor Ray announced that she would not seek another appointment. Discussion ensued regarding the process for hiring a new state auditor. The Chair determined that all Members wanted to be involved in the search. Members agreed to conduct a nationwide month-long search, to allow the State Auditor's office to manage the process of advertising and going through the initial screening process to only advance candidates that meet the minimum qualifications, to allow remote options for initial interviews with the preference for in-person final interviews, and to ensure that candidates should be in good standing with the Accountancy Board.

**Hearing adjourned at 11:31 a.m.**

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor



# OFFICE OF THE STATE AUDITOR



## Legislative Audit Committee February 2, 2021 Minutes

February 2, 2021

A meeting of the Legislative Audit Committee (LAC) convened on February 2, 2021, at 9:01 a.m. remotely and in the Legislative Services Building, Audit Hearing Room B. Representative Dafna Michaelson Jenet called the meeting to order. Roll was called with the following results:

### Committee Members (Remote)

Representative Rod Bockenfeld, Senator Julie Gonzales, Representative Colin Larson, Representative Dylan Roberts, Senator Robert Rodriguez, Senator Rob Woodward, Senator Jim Smallwood (Vice Chair), Representative Dafna Michaelson Jenet (Chair)

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

### OSA (Remote)

Dianne E. Ray, State Auditor; Michelle Colin, Deputy State Auditor; Kerri Hunter, Deputy State Auditor; Lynn Obremski, Jenny Page

DIANNE E. RAY, CPA  
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## Other Attendees

### Colorado State Fair Authority (Remote)

Scott Stoller, General Manager

### Governor's Office of Economic Development and International Trade (Remote)

Betsy Markey, Executive Director

Sonya Guram, Deputy Director Tax Credit Programs, Division of Business Funding and Incentives

Leslie Hylton, Director of Government Affairs

Jeff Kraft, Division Director of Business Funding and Incentives

### Wall, Smith, Bateman, Inc. (Remote)

Kimberley Temple, Partner

10:02 a.m.

### **Colorado State Fair Authority, Financial and Compliance Audit, Fiscal Years Ended June 30, 2020 and 2019**

Representative Roberts made a motion to release the *Colorado State Fair Authority, Financial and Compliance Audit, Fiscal Years Ended June 30, 2020 and 2019*. Senator Rodriguez seconded the motion, and the motion passed unanimously.

Ms. Hunter introduced self, staff, and contractor.

Mr. Stoller (*Colorado State Fair Authority*) introduced self.

Ms. Temple (*Wall, Smith, Bateman, Inc.*) presented an overview of the report.

10:21 a.m.

## **General Business**

### **Minutes**

Representative Larson made a motion to approve the January 21, 2021, LAC hearing minutes. Senator Woodward seconded the motion, and the motion passed unanimously.

10:21 a.m.

**Department of Agriculture, Colorado State Fair Authority Performance Audit,  
October 2019, Status Report**

Ms. Colin introduced self and staff.

Ms. Page presented an overview of the report.

Mr. Stoller (*Colorado State Fair Authority*) provided a status update.

Questions arose in regard to legislation relating to Recommendation 1D and the rental contract relating to Recommendation 5C.

10:38 a.m.

**Enterprise Zone Annual Report, State Fiscal Year 2020**

Ms. Markey (*Governor's Office of Economic Development and International Trade*) introduced self and staff.

Ms. Markey and Ms. Guram (*Governor's Office of Economic Development and International Trade*) presented an overview of the report.

Auditor Ray added that the tax expenditure team performed an analysis of the tax expenditures related to enterprise zones and those documents were available on the website under the tax expenditures tab.

11:01 a.m.

**Preliminary Investigation Report on State Employee Protection Act Report**

Ms. Colin presented the results of the preliminary investigation on State Employee Protection Act complaint.

Senator Smallwood made a motion to request a status report on the implementation of audit recommendations from the Gaming Administrative Expenses Performance Audit. Representative Bockenfeld seconded the motion, and the motion passed unanimously.

11:05 a.m.

**Audit Request**

**Extraordinary Session – Administration of Pandemic Funds**

Ms. Colin presented an overview of the OSA research regarding the audit request for *Extraordinary Session – Administration of Pandemic Funds*.

Senator Woodward made a motion to move forward with the audit request. Senator Rodriguez seconded the motion. A roll call vote was conducted, and the motion passed unanimously.

11:08 a.m.

### **Legislation**

Ms. Colin presented background to indicate that the LAC will no longer need to move forward on a bill draft regarding suicide prevention legislation per Representative Michaelson Jenet's prior discussions with the Office of Suicide Prevention.

11:10 a.m.

### **Legislative Audit Committee Rule Change**

Auditor Ray presented an overview of proposed changes to the Legislative Audit Committee rules under Rule 1 – Meetings and Rule 14 – Requesting Audits. Discussion arose regarding voting on each rule change separately, the possible need to act on emergency audit requests, and the checks and balances in place for the Committee.

Senator Smallwood made a motion on the first rule change to remove the authority of the chair to unilaterally call a special meeting without the input and vote of the body. Representative Roberts seconded the motion. A roll call vote was conducted, and the motion passed 7 – 1. The results were as follows:

Representative Bockenfeld - Yes

Senator Gonzales - Yes

Representative Larson - Yes

Representative Roberts - Yes

Senator Rodriguez - Yes

Senator Woodward - No

Senator Smallwood - Yes

Representative Michaelson Jenet - Yes

Senator Smallwood made a motion on the second rule change clarifying that an audit request would need to be submitted prior to a hearing. This change would provide time for review and study so that the Committee could make a fiscally responsible decision on whether or not to move forward on an audit. Senator Rodriguez seconded the motion. A roll call vote was conducted, and the motion passed 6 – 2. The results were as follows:



Representative Bockenfeld - Yes  
Senator Gonzales - Yes  
Representative Larson - No  
Representative Roberts - Yes  
Senator Rodriguez - Yes  
Senator Woodward - No  
Senator Smallwood - Yes  
Representative Michaelson Jenet - Yes

11:22 a.m.

### **Proposed Revised 2021 Session Calendar**

Auditor Ray proposed changes to the *2021 Session Calendar*, eliminating the February 16, 2021, hearing and adding a hearing on March 9, 2021, to review state auditor applications. A voice vote was conducted. There were no objections. The changes to the calendar were adopted.

Auditor Ray was asked to assist with the process for selecting the new state auditor.

Ms. Colin presented an update on the state auditor hiring process timeline. The Committee agreed to have Ms. Colin provide questions for members to use during the interview process.

11:29 a.m.

### **Reports Released Without a Hearing**

Representative Larson made a motion to release the *Reports Released Without a Hearing*. Representative Bockenfeld seconded the motion, and the motion passed unanimously.

Ms. Hunter presented an overview of the reports.

### **Hearing adjourned at 11:31 a.m.**

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor



# OFFICE OF THE STATE AUDITOR



## Legislative Audit Committee March 2, 2021 Minutes

March 2, 2021

The Legislative Audit Committee (LAC) convened a hearing on March 2, 2021, at 7:03 a.m. in the Colorado State Capitol, Old Supreme Court Chambers. Representative Dafna Michaelson Jenet called the meeting to order. Roll was called with the following results:

### Committee Members

Representative Rod Bockenfeld, Senator Julie Gonzales, Representative Colin Larson, Senator Dominick Moreno (arrived 7:08 a.m.), Representative Dylan Roberts, Senator Rob Woodward, Senator Jim Smallwood (Vice Chair) (excused), Representative Dafna Michaelson Jenet (Chair)

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

### OSA

Dianne E. Ray, State Auditor; Michelle Colin, Deputy State Auditor; Matt Devlin, Deputy State Auditor; Kerri Hunter, Deputy State Auditor; Vickie Heller, Jenny Page

DIANNE E. RAY, CPA  
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## Other Attendees

### Colorado Civil Rights Division and Commission, Department of Regulatory Agencies

Aubrey L. Elenis, Division Director (Remote)

### Colorado Department of Transportation

Herman Stockinger, Deputy Executive Director and Director of Policy

Bob Fifer, Branch Manager and Superintendent of ITS & Network Services

### Colorado Statewide Internet Portal Authority

Ajay Bagal, Executive Director

Dr. Catherine Kunst, Chief Operating Officer

Jerrod Roth, Chief Technology Officer

### Governor's Office of Information Technology

Debbi Blyth, Chief Information Security Officer

### Eide Bailly LLP

Anders Erickson, Principal

7:04 a.m.

## General Business

### Minutes

Representative Larson made a motion to approve the February 2, 2021, LAC hearing minutes. Senator Woodward seconded the motion, and the motion passed unanimously.

7:04 a.m.

### **Colorado Statewide Internet Portal Authority, Evaluation of Web Application Security at the Colorado Statewide Internet Portal Authority, Information Technology Performance Evaluation (Public Report), February 2021**

Representative Roberts made a motion to release the *Colorado Statewide Internet Portal Authority, Evaluation of Web Application Security at the Colorado Statewide Internet Portal Authority, Information Technology Performance Evaluation (Public Report)*,

February 2021. Senator Woodward seconded the motion, and the motion passed unanimously.

Ms. Devlin introduced self and contractor.

Mr. Bagal (*Statewide Internet Portal Authority*) introduced self and staff.

Ms. Erickson (*Eide Bailly, LLP*) presented an overview of the report.

Recommendation 1 was reviewed, discussed, and agreed to by the Statewide Internet Portal Authority.

7:18 a.m.

Senator Gonzales made a motion to move the hearing to executive session pursuant to Sections 24-6-402(3)(a)(III) and (IV), C.R.S., to discuss the *Evaluation of Web Application Security at the Colorado Statewide Internet Portal Authority, Information Technology Performance Evaluation (Confidential Report), February 2021; Required Communication to Those Charged with Governance; and the Status Reports for the Evaluation of Information Technology Security at the Colorado Department of Transportation (Confidential Report), February 2020*. Representative Roberts seconded the motion, and the motion passed unanimously.

7:52 a.m.

Executive Session concluded.

7:52 a.m.

**General Business**

**Status Reports**

**Governor's Office of Information Technology, Evaluation of Information Technology, Security at the Colorado Department of Transportation (Public Report), February 2020**

Mr. Devlin presented an overview of the audit recommendations for both the Governor's Office of Information Technology and the Colorado Department of Transportation.

Ms. Blyth (*Governor's Office of Information Technology*) presented a status update.

**Colorado Department of Transportation, Evaluation of Information Technology Security at the Colorado Department of Transportation (Public Report), February 2020**

Mr. Stockinger (*Colorado Department of Transportation*) presented a status update.

7:55 a.m.

**OSA Fiscal Year 2022 Proposed Budget**

Auditor Ray presented an overview of the budget.

Senator Gonzales made a motion to approve the *OSA Fiscal Year 2022 Budget* with authorization to make any changes as prescribed by the Executive Committee or the Joint Budget Committee. Senator Woodward seconded the motion and the motion passed unanimously.

8:00 am

**Status Report**

**Colorado Civil Rights Commission, Colorado Civil Rights Division, Management of Civil Rights Discrimination Complaints, August 2019**

Ms. Colin introduced self and staff.

Ms. Heller presented an overview of the audit recommendations.

Ms. Elenis (*Colorado Civil Rights Division and Commission, Department of Regulatory Agencies*) introduced self and noted appreciation for opportunity to improve their processes.

8:03 a.m.

**Legislation**

Ms. Colin presented an overview of the consideration for the Repeal of the School Capital Construction Report.

Senator Woodward made a motion to request a bill draft to Repeal the School Capital Construction Report. Representative Roberts seconded the motion. A roll call vote was conducted, and the motion passed 7 – 0, with one excused. The results were as follows:

Representative Bockenfeld – Yes

Senator Gonzales – Yes

Representative Larson – Yes

Senator Moreno – Yes  
Representative Roberts – Yes  
Senator Woodward – Yes  
Senator Smallwood – Excused  
Representative Michaelson Jenet – Yes

Ms. Colin presented an overview of the consideration for the Repeal of the Statutory Audits of Gaming Cities. Discussion ensued regarding the timing for repeal of the audit requirement for 2027.

Representative Roberts made a motion to request a bill draft to Repeal the Statutory Audits of Gaming Cities. Senator Woodward seconded the motion. A roll call vote was conducted, and the motion failed 4-3, with one excused. The results were as follows:

Representative Bockenfeld – No  
Senator Gonzales – Yes  
Representative Larson – No  
Senator Moreno – Yes  
Representative Roberts – Yes  
Senator Woodward – No  
Senator Smallwood – Excused  
Representative Michaelson Jenet – Yes

8:10 a.m.

### **Audit Request**

#### **RTD Fiscal Governance**

Auditor Ray presented an overview of the audit request. Discussion ensued to clarify that the Committee could approve the audit request after the research even though the audit would not start for another 2-1/2 years per the request, and RTD's annual financial audit.

Representative Bockenfeld made a motion to approve the requested preliminary research time. Representative Roberts seconded the motion, and the motion passed 6 -1, with one excused. The results were as follows:

Representative Bockenfeld – Yes  
Senator Gonzales – Yes  
Representative Larson – Yes  
Senator Moreno – No

Representative Roberts – Yes  
Senator Woodward – Yes  
Senator Smallwood – Excused  
Representative Michaelson Jenet – Yes

8:14 a.m.

### **Proposed 2021 LAC Interim Calendar**

The Committee was asked to review the Proposed 2021 LAC Interim Calendar and submit any changes prior to the March 16, 2021, LAC hearing.

8:15 a.m.

### **Reports Released Without a Hearing**

Representative Larson made a motion to release the Reports Released Without a Hearing. Representative Roberts seconded the motion, and the motion passed unanimously.

Ms. Hunter presented an overview of the reports.

8:17 a.m.

### **Other Discussion**

An update was provided on the CAPS bill.

### **Hearing adjourned at 8:18 a.m.**

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor



# OFFICE OF THE STATE AUDITOR



## Legislative Audit Committee March 9, 2021 Minutes

March 9, 2021

The Legislative Audit Committee (LAC) convened a hearing on March 9, 2021, at 8:00 a.m. in the Colorado State Capitol, Old Supreme Court Chambers. Representative Dafna Michaelson Jenet called the meeting to order. Roll was called with the following results:

### Committee Members

Representative Rod Bockenfeld, Senator Julie Gonzales, Representative Colin Larson, Representative Dylan Roberts, Senator Robert Rodriguez, Senator Rob Woodward, Senator Jim Smallwood (Vice Chair), Representative Dafna Michaelson Jenet (Chair)

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

### OSA

Dianne E. Ray, State Auditor; Michelle Colin, Deputy State Auditor; Vicky Lane

DIANNE E. RAY, CPA  
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8:01 a.m.

## General Business

### Legislation

Ms. Colin presented an overview of the consideration for the Repeal of the Statutory Audits of Gaming Cities.

Representative Roberts made a motion to request a bill draft to Repeal the Statutory Audits of Gaming Cities. Representative Bockenfeld seconded the motion. A roll call vote was conducted, and the motion passed 7 - 0, with one excused. The results were as follows:

Representative Bockenfeld – Yes

Senator Gonzales – Yes

Representative Larson - Excused

Representative Roberts – Yes

Senator Rodriguez - Yes

Senator Woodward – Yes

Senator Smallwood – Yes

Representative Michaelson Jenet – Yes

Ms. Colin presented an overview of the bill draft for the Repeal of the School Capital Construction Report. A question arose regarding the effective date of the bill.

Senator Smallwood made a motion to request to move the bill draft to bill paper.

Representative Roberts seconded the motion. A roll call vote was conducted, and the motion passed 7 – 0, with one excused. The results were as follows:

Representative Bockenfeld – Yes

Senator Gonzales – Yes

Representative Larson – Excused

Senator Rodriguez - Yes

Representative Roberts – Yes

Senator Woodward – Yes

Senator Smallwood – Yes

Representative Michaelson Jenet – Yes

8:07 a.m.

Senator Smallwood made a motion to move the hearing to executive session pursuant to Section 24-6-402(3)(b)(I), C.R. S., to review the Applications for State Auditor. Senator Woodward seconded the motion, and the motion passed unanimously.

**Public portion of the hearing adjourned at 8:08 a.m.**

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor



# OFFICE OF THE STATE AUDITOR



## Legislative Audit Committee March 16, 2021 Minutes

March 16, 2021

The Legislative Audit Committee (LAC) convened a hearing on March 16, 2021, at 7:09 a.m. in the Colorado State Capitol, Old Supreme Court Chambers. Representative Dafna Michaelson Jenet called the meeting to order. Roll was called with the following results:

### Committee Members

Representative Rod Bockenfeld, Senator Julie Gonzales (arrived 7:15 a.m.), Representative Colin Larson, Representative Dylan Roberts, Senator Robert Rodriguez, Senator Rob Woodward, Senator Jim Smallwood (Vice Chair) (arrived 7:15 a.m.), Representative Dafna Michaelson Jenet (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

DIANNE E. RAY, CPA  
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## Other Attendees

### Department of Labor and Employment

Daniel Chase, Chief of Staff

Darcy Kennedy, Deputy Executive Director, Chief Financial Officer (Remote)

Paulina Delora, Controller (Remote)

Phill Spesshardt, Acting Unemployment Insurance Director (Remote)

Kiersten Howard, Deputy Unemployment Insurance Director (Remote)

### Office of the State Controller

Robert Jaros, CPA, MBA, JD, State Controller

Tammy Nelson, Deputy State Controller (Remote)

Jeffrey Kahn, Director, Financial Reporting & Analysis (Remote)

### BDO, USA, LLP

Randy Watkins, Partner (Remote)

Tyra Litzau, Director

7:10 a.m.

### **State of Colorado, Statewide Financial Audit, Fiscal Year Ended June 30, 2020**

Senator Rodriguez made a motion to release the *State of Colorado Statewide Financial Audit. Fiscal Year Ended June 30, 2020*. Representative Roberts 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. Hunter presented opening comments.

Ms. Dorsey presented an overview of the Statewide Financial Audit.

7:25 a.m.

### **State of Colorado, Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2020**

Mr. Jaros presented opening comments and an overview of the Comprehensive Annual Report.

8:01 a.m.

**State of Colorado, Statewide Financial Audit, Fiscal Year Ended June 30, 2020,  
Office of the State Controller Recommendation**

Ms. Dorsey presented the finding and Recommendation 2020-028. The recommendation was discussed and agreed to by the Office of the State Controller.

Questions arose in regard to the repeat concern with obtaining up-to-date exhibits and accurate reports from departments, the potential impact of the modified opinion, and internal controls implemented by the Office of the State Controller to ensure accuracy of reported information.

7:35 a.m.

**Department of Labor and Employment Recommendations**

Mr. Chase (*Department of Labor and Employment*) introduced self, staff, and presented opening comments.

Ms. Hunter introduced contractor staff.

Ms. Litzau (*BDO, USA, LLP*) presented findings and Recommendations 2020-023 and 2020-024. The recommendations were discussed and agreed to by the Department of Labor and Employment (Department).

Questions arose in regard to the overpayment of claims due to claimants reporting gross vs. net income, the unemployment form utilized by the Department, the Department's ability to process the large influx of unemployment requests, and tools implemented to address fraudulent claims.

8:49 a.m.

**General Business**

**Minutes**

Senator Gonzales made a motion to approve the March 2, 2021, LAC hearing minutes. Representative Bockenfeld seconded the motion, and the motion passed unanimously.

Senator Gonzales made a motion to approve the March 9, 2021, LAC hearing minutes. Senator Smallwood seconded the motion, and the motion passed unanimously.

8:50 a.m.

### **Legislation**

Auditor Ray presented an overview of the bill draft for the Repeal of the Statutory Audits of Gaming Cities.

Senator Smallwood made a motion to request to move the bill draft to bill paper. Representative Roberts seconded the motion. A roll call vote was conducted, and the motion passed 7 – 1. The results were as follows:

Representative Bockenfeld – No  
Senator Gonzales – Yes  
Representative Larson – Yes  
Senator Rodriguez - Yes  
Representative Roberts – Yes  
Senator Woodward – Yes  
Senator Smallwood – Yes  
Representative Michaelson Jenet – Yes

Prime sponsors: Representative Roberts, Representative Michaelson Jenet, Senator Smallwood, and Senator Rodriguez.

8:52 a.m.

### **Proposed 2021 Interim Calendar**

Representative Larson made a motion to approve the Proposed 2021 Interim Calendar. Senator Smallwood seconded the motion, and the motion passed unanimously.

8:53 a.m.

### **Report Released Without a Hearing**

Senator Gonzales made a motion to release the Report Released Without a Hearing. Senator Smallwood seconded the motion, and the motion passed unanimously.

Ms. Hunter presented an overview of the report.

### **Hearing adjourned at 8:54 a.m.**

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor



# OFFICE OF THE STATE AUDITOR



## Legislative Audit Committee April 1, 2021 Minutes

April 1, 2021

The Legislative Audit Committee (LAC) convened a hearing on April 1, 2021, at 8:43 a.m. in the Colorado State Capitol, Old Supreme Court Chambers. Representative Dafna Michaelson Jenet called the meeting to order. Roll was called with the following results:

### Committee Members

Representative Rod Bockenfeld, Senator Rhonda Fields, Representative Colin Larson, Representative Dylan Roberts, Senator Robert Rodriguez, Senator Rob Woodward, Senator Jim Smallwood (Vice Chair), Representative Dafna Michaelson Jenet (Chair)

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

### OSA

Dianne E. Ray, State Auditor; Kerri Hunter, Deputy State Auditor

DIANNE E. RAY, CPA  
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**State Auditor Finalist**

Senator Smallwood made a motion to move Kerri Hunter's name forward as the LAC's selection for State Auditor. Representative Larson seconded the motion, and the motion passed unanimously.

A short hearing will be scheduled to approve the Resolution naming Kerri Hunter as State Auditor, which will occur after consultation with the Executive Committee to meet statutory requirements.

Ms. Hunter introduced self and noted appreciation for the opportunity to serve as the next State Auditor.

**Hearing adjourned at 8:45 a.m.**

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor





# OFFICE OF THE STATE AUDITOR



## Legislative Audit Committee April 29, 2021 Minutes

April 29, 2021

The Legislative Audit Committee (LAC) convened a hearing on April 29, 2021, at 8:44 a.m. in the Colorado State Capitol, Old Supreme Court Chambers. Representative Dafna Michaelson Jenet called the meeting to order. Roll was called with the following results:

### Committee Members

Representative Rod Bockenfeld, Senator Julie Gonzales, Representative Colin Larson, Representative Dylan Roberts, Senator Robert Rodriguez, Senator Rob Woodward, Senator Jim Smallwood (Vice Chair), Representative Dafna Michaelson Jenet (Chair)

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

### OSA

Dianne E. Ray, State Auditor; Kerri Hunter, Deputy State Auditor

DIANNE E. RAY, CPA  
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8:45 a.m.

**State Auditor Resolution**

Senator Gonzales made a motion to approve the resolution to name Kerri L. Hunter as State Auditor, effective July 1, 2021. Senator Smallwood seconded the motion, and the motion passed unanimously.

The resolution will start in the House. All members of the LAC will be included on the resolution.

**Hearing adjourned at 8:45 a.m.**

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor



# OFFICE OF THE STATE AUDITOR



## Legislative Audit Committee June 21 - 22, 2021 Minutes

Day 1 - June 21, 2021

The Legislative Audit Committee (LAC) convened a hearing on June 21, 2021, at 10:01 a.m. in the Colorado State Capitol, Old Supreme Court Chambers. Representative Dafna Michaelson Jenet called the meeting to order. Roll was called with the following results:

### Committee Members

Representative Rod Bockenfeld, Senator Julie Gonzales (excused), Representative Colin Larson, Representative Dylan Roberts, Senator Robert Rodriguez (excused), Senator Rob Woodward, Senator Jim Smallwood (Vice Chair), Representative Dafna Michaelson Jenet (Chair)

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

### OSA

Kerri Hunter, Deputy State Auditor; Michelle Colin, Deputy State Auditor, Marisa Edwards, Adrien Kordas, Jenny Page, Robert Regan, Maya Rosochacova, Kate Shiroff, Pooja Tulsian

KERRI L. HUNTER, CPA  
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## Other Attendees

### Department of Health Care Policy and Financing

Kim Bimestefer, Executive Director

Ralph Choate, Chief Operating Officer and Medicaid Operations Office Director

Greg Tanner, Controller

### Department of Regulatory Agencies

Patty Salazar, Executive Director

Ronne Hines, Director, Division of Professions and Occupations

Dmitry Kunin, Senior Program Director

10:03 a.m.

### **Department of Regulatory Agencies, Colorado Prescription Drug Monitoring Program, Performance Audit, March 2021**

Senator Smallwood made a motion to release the *Department of Regulatory Agencies, Colorado Prescription Drug Monitoring Program, Performance Audit, March 2021*.

Representative Bockenfeld seconded the motion, and the motion passed unanimously.

Ms. Colin introduced self and staff.

Ms. Salazar (*Department of Regulatory Agencies*) introduced self and staff.

OSA Staff presented an overview of the report.

Recommendation 1 was reviewed, discussed, and agreed to by the Department of Regulatory Agencies (Department). Discussion ensued regarding the effectiveness of policies implemented in other states, other states' policies in relation to HIPAA requirements, and enforcement of violations of current statutes.

Recommendation 2 was reviewed, discussed, and agreed to by the Department. Discussion ensued regarding prescriber registration and registration fees.

Recommendation 3 was reviewed, discussed, and agreed to by the Department. Discussion ensued regarding licensing fees.

Recommendation 4 was reviewed, discussed, and agreed to by the Department.

Recommendation 5 was reviewed, discussed, and agreed to by the Department. Discussion ensued regarding PDMP data fees.

11:27 a.m.

## **General Business**

### **Minutes**

Senator Smallwood made a motion to approve the March 16, 2021, LAC hearing minutes. Senator Woodward seconded the motion, and the motion passed unanimously.

Representative Roberts made a motion to approve the April 1, 2021, LAC hearing minutes. Senator Woodward seconded the motion, and the motion passed unanimously.

Senator Smallwood made a motion to approve the April 29, 2021, LAC hearing minutes. Senator Woodward seconded the motion, and the motion passed unanimously.

11:28 a.m.

### **Audit Request**

Ms. Colin presented an overview of the OSA research regarding the audit request for *RTD Fiscal Governance*.

Representative Bockenfeld made a motion to move forward with the audit request. Senator Smallwood seconded the motion. A roll call vote was conducted, and the motion passed 6 – 0, with two excused. The results were as follows:

Representative Bockenfeld – Yes  
Senator Gonzales – Excused  
Representative Larson – Yes  
Senator Rodriguez - Excused  
Representative Roberts – Yes  
Senator Woodward – Yes  
Senator Smallwood – Yes  
Representative Michaelson Jenet – Yes

11:31 a.m.

### **State Auditor Recognition**

Auditor Ray was recognized for her service to the Office of the State Auditor.

11:33 a.m.

### **Recess**

1:31 p.m.

**State of Colorado, Statewide Single Audit, Fiscal Year Ended June 30, 2020**

Senator Woodward made a motion to release the *State of Colorado, Statewide Single Audit, Fiscal Year Ended June 30, 2020*. Representative Bockenfeld seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced self and staff, and presented an overview of the report.

1:42 a.m.

**Department of Health Care Policy and Financing Recommendations**

Ms. Bimestefer (*Department of Health Care Policy and Financing*) introduced self and staff.

OSA staff presented recommendations.

Recommendation 2020-034 was reviewed and discussed. Sub-parts A and B were agreed to, while C was partially agreed to by the Department of Health Care Policy and Financing (Department).

Recommendation 2020-035 was reviewed, discussed, and agreed to by the Department.

Recommendation 2020-036 was reviewed and discussed. Sub-parts A, C, and E were agreed to, while B, D, and F were partially agreed to. Discussion ensued regarding the partially agreed-to sections.

Recommendation 2020-037 and 2020-038 were reviewed, discussed, and agreed to by the Department.

3:06 p.m.

**Proposed Changes to the LAC Calendar**

Representative Larson made a motion to change the LAC August hearing date to August 17, and the September hearing dates to September 27 and 28. Senator Smallwood seconded the motion, and the motion passed unanimously.

3:08 p.m.

**Recess**

## Day 2 – June 22, 2021

A meeting of the Legislative Audit Committee (LAC) convened on June 22, 2021, at 9:02 a.m. in the Colorado State Capitol, Old Supreme Court Chambers. Representative Dylan Roberts called the meeting to order. Roll was called with the following results:

### **Committee Members**

Representative Rod Bockenfeld, Senator Julie Gonzales, Representative Colin Larson (arrived 9:06 a.m.), Senator Robert Rodriguez, Representative Brianna Titone (remote), Senator Rob Woodward, Senator Jim Smallwood (Vice Chair) (arrived 9:56 a.m.), Representative Dylan Roberts (Chair)

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

### **OSA**

Kerri Hunter, Deputy State Auditor; Michelle Colin, Deputy State Auditor; Marisa Edwards, Deputy State Auditor; Greg Fugate

### **Other Attendees**

#### Department of Personnel & Administration

Kara Veitch, Executive Director

Brandy Malatesta, Senior Compensation Manager

#### Department of Labor and Employment

Daniel Chase, Chief of Staff

Phil Spesshardt, Unemployment Insurance Director

Darcy Kennedy, Deputy Executive Director, Chief Financial Officer

Paulina Delora, Controller

#### BDO USA, LLP

Tyra Litzau, Director

#### The Segal Group, Inc.

Patrick Bracken, Senior Consultant and Vice President

9:03 a.m.

**Department of Personnel & Administration, Evaluation of the Colorado Department of Personnel & Administration's Annual Compensation Survey, June 2021**

Representative Bockenfeld made a motion to release the *Department of Personnel & Administration, Evaluation of the Colorado Department of Personnel & Administration's Annual Compensation Survey, June 2021*. Senator Rodriguez seconded the motion, and the motion passed unanimously.

Ms. Colin introduced self, staff, and contractor.

Ms. Veitch (*Department of Personnel & Administration*) introduced self and staff.

Mr. Bracken (*The Segal Group, Inc.*) presented an overview of the report.

Recommendation 1 was reviewed, discussed, and agreed to by the Department of Personnel & Administration (Department). Discussion ensued regarding data cut patterns, incentive pay, and equal pay for equal work.

Recommendation 2 was reviewed, discussed, and agreed to by the Department.

9:48 a.m.

**State of Colorado, Statewide Single Audit, Fiscal Year Ended June 30, 2020**

**Department of Labor and Employment Recommendations**

Ms. Edwards introduced self and staff.

Mr. Chase (*Department of Labor and Employment*) introduced self and staff.

Ms. Litzau (*BDO USA, LLP*) presented an overview of the report.

Recommendation 2020-066 was reviewed, discussed, and agreed to by the Department of Labor and Unemployment (Department). Discussion ensued regarding fraudulent claims, ID.me, unemployment claim backlogs, unemployment overpayments, and technology and reporting updates.

Recommendation 2020-067 was reviewed, discussed, and agreed to by the Department. Discussion ensued regarding unemployment fraud and claims' processing in Colorado in relation to other states.



10:08 a.m.

**Report Released Without a Hearing**

Senator Woodward made a motion to release the Report Released Without a Hearing. Senator Gonzales seconded the motion, and the motion passed unanimously.

Ms. Edwards presented an overview of the report.

11:00 am

**Additional discussion**

The August LAC date was moved to August 18.

**Hearing adjourned at 11:00 a.m.**

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor



# OFFICE OF THE STATE AUDITOR



## Legislative Audit Committee August 18, 2021 Minutes

KERRI L. HUNTER, CPA  
—  
STATE AUDITOR

The Legislative Audit Committee (LAC) convened a hearing on August 18, 2021, at 10:00 a.m. in the Colorado State Capitol, Old Supreme Court Chambers. Representative Dafna Michaelson Jenet called the meeting to order. Roll was called with the following members present:

### Committee Members

Representative Rod Bockenfeld, Senator Julie Gonzales, Representative Colin Larson, Senator Robert Rodriguez, Representative Dylan Roberts, Senator Rob Woodward, Senator Jim Smallwood (Vice Chair), Representative Dafna Michaelson Jenet (Chair)

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

### OSA

Kerri L. Hunter, State Auditor; Marisa Edwards, Deputy State Auditor; Crystal Dorsey, Greg Fugate, Dr. Chris Harless, Kate Shiroff

### Other Attendees

#### Colorado Public Employees' Retirement Association

Suzanne E. Kubec, Board of Trustees Vice Chairperson

Ron Baker, Executive Director

Amy C. McGarrity, Chief Investment Officer

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Other General Assembly Member

Representative Shannon Bird

Pinnacol Assurance

Howard Carver, Chair of Risk & Audit Committee

Phil Kalin, President and CEO

Kathy Kranz, Vice President and CFO

Segal

Brad Ramirez, FSA, MAAA, EA, Vice President and Actuary

Melissa Krumholz, FSA, MAAA, Senior Consultant and Actuary

CliftonLarsonAllen

Jason Ostroski, Partner

KPMG

Ashley Busse, Partner

Lexi Oberoi, Senior Manager

10:01 a.m.

**Pinnacol Assurance, Statutory-Basis Financial Statements and Supplemental Schedules of Investment and Reinsurance Information, December 31, 2020 and 2019 (With Independent Auditors' Report Thereon)**

Senator Smallwood made a motion to release the *Pinnacol Assurance, Statutory-Basis Financial Statements and Supplemental Schedules of Investment and Reinsurance Information*. Representative Larson seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced self, staff, and contractor.

Mr. Kalin (*Pinnacol Assurance*) introduced the Chair, self and staff.

Ms. Busse and Ms. Oberoi (*KPMG*) presented an overview of the report.

Discussion ensued regarding accounting principles required by the Division of Insurance for insurance companies.

10:27 a.m.

### **General Business**

#### **Minutes**

Senator Smallwood made a motion to approve the June 21-22, 2021, LAC hearing minutes. Representative Bockenfeld seconded the motion, and the motion passed unanimously.

10:28 a.m.

### **Legislation**

Mr. Fugate introduced self and staff, and presented an overview regarding legislation related to prior audits, as well as possible future legislation recommended or related to prior audits.

10:41 a.m.

### **External Peer Review Results**

Mr. Fugate presented an overview of the OSA's recent external peer review report. The OSA received a "pass" rating, the highest possible rating.

10:44 a.m.

### **Audit Request**

Representative Roberts withdrew his audit request.

10:46 a.m.

### **Recess**

1:31 p.m.

**Colorado Public Employees' Retirement Association (PERA) Reports:**

- **Colorado Public Employees' Retirement Association, Comprehensive Annual Financial Report, For the Year Ended December 31, 2020**
- **Colorado Public Employees' Retirement Association, Financial Audit, Year Ended December 31, 2020**

Representative Bockenfeld made a motion to release the *Colorado Public Employees' Retirement Association, Financial Audit* (PERA). Senator Smallwood seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced self and contractor.

Ms. Kubec (*Colorado Public Employees' Retirement Association*) introduced self and staff.

Mr. Ostroski (*CliftonLarsonAllen*) presented an overview of the PERA Comprehensive Annual Financial Report and PERA Financial Audit.

Mr. Ramirez (*Segal*) introduced himself and Ms. Krumholz, and they presented an overview of the actuarial report on the retirement and health plans.

Discussion ensued regarding the assumptions used in determining which factors applied to future growth, deferred investment gains, and inflation as a piece of the pension plan's model.

Mr. Baker and Ms. McGarrity (*Colorado Public Employees' Retirement Association*) presented additional information on PERA.

Discussion ensued regarding inflation-adjusted net benefits to beneficiaries, and PERA payments to ex-spouses.

**Hearing adjourned at 2:56 p.m.**

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor



# OFFICE OF THE STATE AUDITOR



## Legislative Audit Committee September 27 - 28, 2021 Minutes

The Legislative Audit Committee (LAC) convened a hearing on September 27, 2021, at 10:00 a.m. in the Colorado State Capitol, Old Supreme Court Chambers. Representative Dafna Michaelson Jenet called the meeting to order. Roll was called with the following members present:

### Committee Members

Representative Rod Bockenfeld, Senator Julie Gonzales (arrived 10:02 a.m.), Representative Colin Larson, Senator Robert Rodriguez (arrived 10:02 a.m.), Representative Dylan Roberts, Senator Rob Woodward, Senator Jim Smallwood (Vice Chair), Representative Dafna Michaelson Jenet (Chair)

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

### OSA

Kerri L. Hunter, State Auditor; Michelle Colin, Deputy State Auditor; Marisa Edwards, Deputy State Auditor; Crystal Dorsey, John Kelly, Lynn Obremski, Jenny Page, Laura Russell, Cariann Ryan, Stefanie Winzeler

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## Other Attendees

### Colorado Oil and Gas Conservation Commission

Julie Murphy, Director

Scott Cuthbertson, Deputy Director

### Department of Education

Kate Bartlett, Executive Director of School District Operations

### Department of Health Care Policy and Financing

Kim Bimestefer, Executive Director

Dr. Tracy Johnson, Director, Medicaid and Health Programs Office

William Heller, Director, Division of Benefits and Services (Remote)

### Department of Human Services

Michelle Barnes, Executive Director

Katie McLoughlin, Chief Legal Director

Yolanda Webb, Director, Office of Adult, Aging, and Disability Services

### Department of Natural Resources

Dan Gibbs, Executive Director

### Hanover School District 28

Patricia Petrukitas, Director of Business Services and Human Resources

### Huerfano School District RE-1

Erica Mason, Business Manager

### Summit School District RE-1

Kara Drake, Chief Financial Officer

### Weld RE-4 School District

Nikki Schmidt, Chief Financial Officer

10:01 a.m.

**Department of Health Care Policy and Financing, Medicaid Non-Emergent Medical Transportation, Performance Audit, August 2021**

Senator Smallwood made a motion to release the *Department of Health Care Policy and Financing, Medicaid Non-Emergent Medical Transportation, Performance Audit, August 2021*. Representative Bockenfeld seconded the motion, and the motion passed with no objections.

Ms. Colin introduced self and staff.

Ms. Bimestefer (*Department of Health Care Policy and Financing*) introduced self and staff.

OSA staff presented an overview of the report.

Recommendations 1 – 6 were reviewed, discussed, and agreed to by the Department of Health Care Policy and Financing.

Discussion ensued regarding on-time performance calculations, insurance coverage, incident follow-ups, and performance-related metrics.

11:34 a.m.

**General Business**

**Minutes**

Senator Smallwood made a motion to approve the August 18, 2021, LAC hearing minutes. Representative Roberts seconded the motion, and the motion passed unanimously.

**Department of Human Services, Adult Protective Services, Performance Audit, May 2020, Status Report**

Ms. Colin introduced staff.

Ms. Page presented an overview of the report, noting that Recommendations 2 - 6 were implemented, and Recommendation 1 will not be implemented.

Ms. Barnes (*Department of Human Services*) introduced self and staff, and staff presented the status update.

Discussion ensued regarding measuring the success of the Department of Human Services' alternatives to Recommendation 1.



11:49 a.m.

*Recess*

1:30 p.m.

**Department of Natural Resources, Colorado Oil and Gas Conservation Commission, Oil and Gas Production Reporting, Performance Audit, August 2021**

Representative Bockenfeld made a motion to release the *Department of Natural Resources, Colorado Oil and Gas Conservation Commission, Oil and Gas Production Reporting, Performance Audit, August 2021*. Representative Larson seconded the motion, and the motion passed unanimously.

Ms. Colin introduced staff.

Mr. Gibbs (*Department of Natural Resources*) introduced self and members of the Colorado Oil and Gas Conservation Commission.

OSA staff presented an overview of the report.

Recommendations 1 and 2 were reviewed, discussed, and agreed to by the Department of Natural Resources, Colorado Oil and Gas Conservation Commission.

1:52 p.m.

**Colorado School Districts, Fiscal Health Analysis, Fiscal Years 2018-2020, Informational Report, August 2021**

Senator Smallwood made a motion to release the *Colorado School Districts, Fiscal Health Analysis, Fiscal Years 2018-2020, Informational Report, August 2021*. Senator Gonzales seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced self and staff.

Ms. Bartlett (*Department of Education*) introduced self.

OSA staff presented an overview of the report.

Ms. Petrukitas (*Hanover School District 28*) introduced self and discussed Hanover School District 28's response.

Ms. Mason (*Huerfano School District RE-1*) introduced self and discussed Huerfano School District RE-1's response.

Ms. Drake (*Summit School District RE-1*) introduced self and discussed Summit School District RE-1's response.

Ms. Schmidt (*Weld RE-4 School District*) introduced self and discussed Weld RE-4 School District's response.

2:31 p.m.

### **Audit Requests**

#### **Colorado Department of Transportation Public-Private Initiatives Act**

Senator Rodriguez made a motion to approve the requested preliminary research time. Representative Larson seconded the motion. A roll call vote was conducted, and the motion passed unanimously.

### **Additional audit request**

Senator Woodward withdrew his audit request.

2:46 p.m.

### **Required Communication to Those Charged with Governance**

Senator Smallwood made a motion to conduct an Executive Session in accordance with Section 24-6-402(3)(a)(III), C.R.S., to review the *Required Communications with Those Charged with Governance*. Senator Gonzales seconded the motion, and the motion passed unanimously.

2:52 p.m.

### **Recess**

## **Day 2 – September 28, 2021**

The Legislative Audit Committee (LAC) convened a hearing on September 28, 2021, at 9:07 a.m. in the Colorado State Capitol, Old Supreme Court Chambers. Representative Dafna Michaelson Jenet called the meeting to order. Roll was called with the following members present:

## Committee Members

Representative Rod Bockenfeld, Senator Julie Gonzales, Representative Colin Larson, Senator Robert Rodriguez, Representative Dylan Roberts, Senator Rob Woodward, Senator Jim Smallwood (Vice Chair), Representative Dafna Michaelson Jenet (Chair)

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

## OSA

Kerri L. Hunter, State Auditor; Michelle Colin, Deputy State Auditor; Dana Berry, Nina Frant

## Other Attendees

### Colorado State Fair Authority

Scott Stoller, General Manager (Remote)

### Department of Education

Jennifer Okes, Chief Operating Officer, Division of School Finance and Operations

### Department of Human Services

Clint Woodruff, Deputy Executive Director of Financial Services and Chief Financial Officer

### Department of Local Affairs

Dionne Williams, Deputy Executive Director

### Department of Natural Resources, Division of Water Resources

Kevin Rein, State Engineer, Director, Division of Water Resources

Matthew Sares, Hydrogeology Section Chief, Division of Water Resources

### Department of Regulatory Agencies

Ronne Hines, Director of the Division of Professions and Occupations

Michael Nicoletti, Legislative Liaison

Department of Revenue

Dan Hartman, Director, Division of Gaming

Governor's Office of Economic Development and International Trade (OEDIT)

Jeff Kraft, Deputy Director, and Director of Business Funding and Incentives

Judicial Department

Steven Vasconcellos, State Court Administrator

9:07 a.m.

**Pandemic Relief Programs Administrative Expenses Performance Audit, September 2021**

Senator Smallwood made a motion to release the *Pandemic Relief Programs Administrative Expenses Performance Audit, September 2021*. Senator Gonzales seconded the motion, and the motion passed unanimously.

Ms. Colin introduced self and staff.

Ms. Okes (*Department of Education*) introduced self.

Mr. Woodruff (*Department of Human Services*) introduced self.

Ms. Williams (*Department of Local Affairs*) introduced self.

Mr. Vasconcellos (*Judicial Department*) introduced self.

Mr. Kraft (*Governor's Office of Economic Development and International Trade*) introduced self.

OSA staff presented an overview of the report.

Discussion ensued regarding the distribution of funds for the Eviction Legal Defense Funds Program, Childcare Sustainability Grant Program, and childcare funding from the American Rescue Program.

9:51 a.m.

**Legislation**

**State Fair Proposed Legislation Discussion**

Ms. Colin introduced staff.

Ms. Page presented a summary of the audit finding and recommendations related to the proposed legislation.

Mr. Stoller (*Colorado State Fair Authority*) introduced self and presented an overview of the requested legislation.

Senator Smallwood made a motion to request a bill draft. Representative Michaelson Jenet seconded the motion. A roll call vote was conducted, and the motion passed 5 - 3. The results were as follows:

Representative Bockenfeld – No  
Senator Gonzales – Yes  
Representative Larson – No  
Representative Roberts – Yes  
Senator Rodriguez – Yes  
Senator Woodward – No  
Senator Smallwood – Yes  
Representative Michaelson Jenet – Yes

### **Prescription Drug Monitoring Program Proposed Legislation Discussion**

Ms. Colin introduced staff.

Ms. Page presented a summary of the audit finding and recommendations related to the proposed legislation.

Mr. Nicoletti (*Department of Regulatory Agencies*) introduced self and staff.

Ms. Hines (*Department of Regulatory Agencies*) presented an overview of the proposed legislation.

Discussion ensued regarding the query system functionality and licensing renewal process.

Senator Smallwood made a motion to request a bill draft. Representative Roberts seconded the motion. A roll call vote was conducted, and the motion passed unanimously.

**10:14 a.m.**

### **Status Reports**

#### **Department of Natural Resources, Division of Water Resources, Water Well Inspection Program, Performance Audit, May 2019, Status Report**

Ms. Colin introduced staff.

Ms. Frant presented an overview of the report.

Mr. Rein (*Department of Natural Resources, Division of Water Resources*) introduced self and staff, and presented the status update.

**Division of Gaming, Gaming Administrative Expenses Performance Audit, June 2018, Status Report**

Ms. Colin introduced staff.

Ms. Frant presented an overview of the report.

Mr. Hartman introduced self and presented the status update.

Discussion ensued regarding the whistleblower violation, the cost and timeframe of a special audit or management study noted in the related statute, and the merits of a management study.

**Hearing adjourned at 10:45 a.m.**

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor



# OFFICE OF THE STATE AUDITOR



## LEGISLATIVE AUDIT COMMITTEE OCTOBER 25, 2021 MINUTES

The Legislative Audit Committee (LAC) convened a hearing on October 25, 2021, at 10:00 a.m. in the Colorado State Capitol, Old Supreme Court Chambers. Representative Dafna Michaelson Jenet called the meeting to order. Roll was called with the following members present:

### Committee Members

Representative Rod Bockenfeld, Senator Julie Gonzales, Representative Colin Larson (arrived 10:01 a.m.), Senator Robert Rodriguez, Representative Dylan Roberts, Senator Rob Woodward, Senator Jim Smallwood (Vice Chair), Representative Dafna Michaelson Jenet (Chair)

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

### OSA

Kerri L. Hunter, State Auditor; Michelle Colin, Deputy State Auditor; Marisa Edwards, Deputy State Auditor; Madeline Beasley, Crystal Dorsey, Gina Faulkner, Nina Frant, Greg Fugate, Sammy Gomez, Jr., Derek Johnson, Jenny Page, Heidi Wagner, Brad Walcher

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## Other Attendees

### Colorado Lottery

Tom Seaver, Director

Lorri Dugan, Dept. of Revenue CFO

### Department of Agriculture

Scott Stoller, Colorado State Fair Authority, General Manager (Remote)

### Department of Health Care Policy and Financing

Kim Bimestefer, Executive Director

Ralph Choate, Chief Operating Officer and Medicaid Operations Office Director

### Department of Human Services

Michelle Barnes, Executive Director

Yolanda Webb, Director, Office of Adult, Aging, and Disability Services

Dr. Renee Marquardt, Chief Medical Officer

Elizabeth Mullins, Division Director, Veterans Community Living Centers

### Department of Local Affairs, Division of Housing

Alison George, Director

Wendy Hawthorne, Deputy Director

Bruce Eisenhauer, Legislative Liaison

### Department of Public Health and Environment

Sarah Brummett, Office of Suicide Prevention Director

### Great Outdoors Colorado

Charles Garcia, Finance Committee Chair

Jackie Miller, Executive Director

Christy Reeves, Controller

### Office of the State Controller

Robert Jaros, State Controller

Jeffrey Kahn, Director of Financial Reporting & Analysis



Other General Assembly Member

Senator Ray Scott

Eide Bailly, LLP

Jeffrey Burch, Audit Senior Manager (Remote)

10:01 a.m.

**Department of Local Affairs, Division of Housing, Pandemic Housing Relief - Property Owner Preservation Program, Performance Audit, October 2021**

Senator Smallwood made a motion to release the *Department of Local Affairs, Division of Housing, Pandemic Housing Relief - Property Owner Preservation Program, Performance Audit, October 2021*. Senator Gonzales seconded the motion, and the motion passed unanimously.

Ms. Colin introduced self and staff.

Ms. George (*Department of Local Affairs, Division of Housing*) introduced self and staff. OSA staff presented an overview of the report.

Recommendations 1 and 2 were reviewed, discussed, and agreed to by the Department of Local Affairs, Division of Housing.

Discussion ensued regarding the status of application payments, geographic distribution of payments, use of artificial intelligence to perform first level screening of ledgers, number of landlord applications statewide, time between application and payment, ability to audit nonprofits that received state funds, and average payment amounts.

10:40 a.m.

**Department of Human Services, COVID-19 Infection Prevention at the Veterans Community Living Centers, Performance Audit, October 2021**

Senator Gonzales made a motion to release the *Department of Human Services, COVID-19 Infection Prevention at the Veterans Community Living Centers, Performance Audit, October 2021*. Senator Smallwood seconded the motion, and the motion passed unanimously.

Ms. Colin introduced staff.

Ms. Barnes (*Department of Human Services*) introduced self and staff.

Mr. Johnson presented an overview of the report.

Legislators expressed appreciation for the work performed by the facilities and their employees, as well as the timeline of events provided by the Office of the State Auditor.

11:09 a.m.

### **General Business**

### **Minutes**

Senator Smallwood made a motion to approve the September 27-28, 2021, LAC hearing minutes. Senator Gonzales seconded the motion, and the motion passed unanimously.

11:10 a.m.

### **Status Reports**

#### **Department of Health Care Policy and Financing, Medicaid Client Correspondence, Performance Audit, September 2020, Status Report**

Ms. Colin introduced staff.

Mr. Fugate presented an overview of the report, noting that three subparts of two recommendations had been fully implemented, and one subpart had not yet been fully implemented.

Ms. Bimestefer (*Department of Health Care Policy and Financing*) introduced self and staff, and presented a status update.

Discussion ensued regarding the correlation between correspondence improvements and decreased phone congestion.

#### **Department of Public Health and Environment, Suicide Prevention, Performance Audit, November 2020, Status Report**

Ms. Colin introduced staff.

Ms. Frant presented an overview of the report.

Ms. Brummett (*Department of Public Health and Environment*) introduced self and presented a status update.

11:24 a.m.

### **Division of Gaming Whistleblower Follow-Up**

Ms. Colin introduced staff.

Ms. Frant presented an overview of the Whistleblower case. The Committee agreed with the recommended next step of providing written notification of the findings to the Governor, the Chair of the Senate Finance Committee, and the Chair of the House Finance Committee as provided by Section 2-3-101(3)(e), C.R.S.

11:34 a.m.

### **Proposed 2022 Session Calendar**

The Committee was asked to review the Proposed 2022 LAC Session Calendar and submit any changes prior to the December LAC hearing.

11:35 a.m.

### **Legislation Discussion**

#### **Office of the State Auditor Legislation Tracking**

An overview of a request for proposed legislation regarding tracking and evaluation by the Office of the State Auditor of the implementation of new legislation was presented.

Discussion ensued regarding how the proposed legislation would differ from department accountability, for example, during the SMART hearings, and why this would be a specific LAC bill rather than a general piece of legislation.

Representative Michaelson Jenet made a motion to request a bill draft. Senator Smallwood seconded the motion. A roll call vote was conducted, and the motion passed 7 – 1. The results were as follows:

Representative Bockenfeld – No

Senator Gonzales – Yes

Representative Larson – Yes

Representative Roberts – Yes

Senator Rodriguez – Yes

Senator Woodward – Yes

Senator Smallwood – Yes

Representative Michaelson Jenet – Yes

11:44 a.m.

**Recess**

1:31 p.m.

**State Board of the Great Outdoors Colorado Trust Fund, Financial and Compliance Audit, For the Years June 30, 2021 and 2020**

Senator Smallwood made a motion to release the *State Board of the Great Outdoors Colorado Trust Fund, Financial and Compliance Audit, For the Years June 30, 2021 and 2020*. Representative Larson seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced self, staff, and contractor.

Ms. Miller (*Great Outdoors Colorado*) introduced self, Finance Committee Chair, and staff.

Mr. Burch (*Eide Bailly, LLP*) presented an overview of the report.

1:49 p.m.

**Colorado Lottery, Financial and Compliance Audit, June 30, 2021 and 2020**

Senator Smallwood made a motion to release the *Colorado Lottery, Financial and Compliance Audit, June 30, 2021 and 2020*. Representative Bockenfeld seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced staff.

Mr. Seaver (*Colorado Lottery*) introduced self and staff

Mr. Burch (*Eide Bailly, LLP*) presented an overview of the report.

Discussion ensued regarding the online option for lottery sales.

2:10 p.m.

**Additional Discussion**

Discussion ensued regarding a possible change to LAC rules to allow remote participation for future LAC hearings.

2:11 p.m.

**Schedule of TABOR Revenue, Fiscal Year 2021, Performance Audit, October 2021**

Senator Smallwood made a motion to release the *Schedule of TABOR Revenue, Fiscal Year 2021, Performance Audit, October 2021*. Representative Bockenfeld seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced staff.

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

OSA Staff presented an overview of the report.

Discussion ensued regarding the decrease in the severance tax line item in the report.

2:27 p.m.

**Higher Education TABOR Enterprise Status for Fiscal Year 2021 with Projections for Fiscal Year 2022**

Senator Smallwood made a motion to release the *Higher Education TABOR Enterprise Status for Fiscal Year 2021 with Projections for Fiscal Year 2022*. Representative Roberts seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced staff.

Ms. Dorsey presented an overview of the report.

2:31 p.m.

**Audit Requests**

**Colorado COVID Testing Programs**

Senator Woodward withdrew his request.

**Colorado Department of Transportation Contracting Process**

Senator Scott presented an overview of the audit request.

Senator Smallwood made a motion to approve the requested preliminary research time.

Senator Woodward seconded the motion. A roll call vote was conducted, and the motion passed unanimously.

3:22 p.m.

## **Legislation Discussion**

### **State Fair**

Ms. Colin introduced staff.

Ms. Page presented a summary of the audit finding, recommendation related to the proposed legislation, and an overview of the bill draft.

Mr. Stoller introduced self and indicated the State Fair's agreement with the bill draft.

Discussion ensued regarding the funding and presentation of non-agricultural displays, interagency expertise and cooperation in development of displays, clarification of the draft language, and interpretation of State Fair Board decision authority.

Proposed draft updates will be presented at a later hearing.

### **Prescription Drug Monitoring Program (PDMP)**

Ms. Page indicated that there should be a PDMP bill draft available for discussion during the December LAC hearing.

### **Hearing adjourned at 3:52 p.m.**

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor



# OFFICE OF THE STATE AUDITOR



## Legislative Audit Committee

December 6 - 7, 2021

## Minutes

The Legislative Audit Committee (LAC) convened a hearing on December 6, 2021, at 10:00 a.m. in the Colorado State Capitol, Old Supreme Court Chambers. Representative Dafna Michaelson Jenet called the meeting to order. Roll was called with the following members present:

### Committee Members

Representative Rod Bockenfeld, Senator Julie Gonzales (remote), Representative Colin Larson, Senator Robert Rodriguez, Representative Dylan Roberts, Senator Rob Woodward, Senator Jim Smallwood (Vice Chair), Representative Dafna Michaelson Jenet (Chair)

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

### OSA

Kerri L. Hunter, State Auditor; Michelle Colin, Deputy State Auditor; Matt Devlin, Deputy State Auditor; Marisa Edwards, Deputy State Auditor; Jenny Atchley, Ethan Greenberg, Nina Frant, Jenny Page, Cindi Radke, Kate Shiroff, Trey Standley, James Taurman

### Other Attendees

#### Department of Agriculture

Scott Stoller, General Manager, State Fair Authority

KERRI L. HUNTER, CPA  
STATE AUDITOR

OFFICE OF THE STATE AUDITOR  
1525 SHERMAN STREET  
7TH FLOOR  
DENVER, COLORADO  
80203

303.869.2800

Department of Labor & Employment

Daniel Chase, Department Chief of Staff

Phil Spesshardt, Director, Unemployment Insurance Division

Department of Public Safety

Joe Thome, Director, Division of Criminal Justice

Christopher Lobanov-Rostovsky, Program Manager, Sex Offender Management Board

Department of Regulatory Agencies

Ronne Hines, Director, Division of Professions and Occupations

Michael Nicoletti, Director of Legislative Affairs

Office of Legislative Legal Services

Bob Lackner, Managing Senior Attorney

Other General Assembly Member

Tammy Story, Colorado State Senator

Statewide Internet Portal Authority

Ajay Bagal, Executive Director

Jerrod Roth, Chief Technology Officer

10:01 a.m.

**Department of Labor and Employment, Unemployment Insurance Benefits (Public Report), Performance Audit, November 2021**

Senator Smallwood made a motion to release the *Department of Labor and Employment, Unemployment Insurance Benefits (Public Report), Performance Audit, November 2021*. Representative Bockenfeld seconded the motion, and the motion passed unanimously.

Ms. Colin introduced self and staff.

Mr. Chase (*Department of Labor and Employment*) introduced self and staff.

OSA staff presented an overview of the report.

Recommendation 1 was reviewed, discussed, and agreed to by the Department of Labor and Employment.



Discussion ensued regarding identity verification for individuals that do not have a social security number.

10:37 a.m.

**Department of Labor and Employment, Unemployment Insurance Benefits (Confidential Report), Performance Audit, November 2021**

Senator Smallwood made a motion to conduct an Executive Session in accordance with Section 24-6-402(3)(a)(IV), C.R.S., to review the *Department of Labor and Employment, Unemployment Insurance Benefits (Confidential Report), Performance Audit, November 2021*. Representative Bockenfeld seconded the motion, and the motion passed unanimously.

11:17 a.m.

**Department of Labor and Employment, Unemployment Insurance Benefits (Public Report), Performance Audit, November 2021**

Recommendation 2 was reviewed, discussed, and agreed to by the Department of Labor and Employment (Department).

Discussion ensued regarding documentation, timelines, and best practices for the resolution of claims.

Recommendation 3 was reviewed, discussed, and agreed to by the Department.

Discussion ensued regarding internal controls for documenting the resolution of complaints, and the deployment of the MyUI+ system and new pandemic programs.

12:04 p.m.

**General Business**

**Minutes**

Senator Smallwood made a motion to approve the October 25, 2021, LAC hearing minutes. Representative Bockenfeld seconded the motion, and the motion passed unanimously.

12:05 p.m.

***Recess***

1:34 p.m.

**Tax Expenditures Compilation Report, September 2021**

Ms. Colin introduced staff.

Mr. Taurman presented an overview of the report.

1:45 p.m.

**Annual Report: Status of Audit Recommendations Not Fully Implemented, as of June 30, 2021, Informational Report, November 2021**

Senator Smallwood made a motion to release the *Annual Report: Status of Audit Recommendations Not Fully Implemented, as of June 30, 2021, Informational Report, November 2021*. Representative Larson seconded the motion, and the motion passed unanimously.

Ms. Devlin introduced self and staff.

Ms. Page presented an overview of the report.

2:08 p.m.

**Colorado Statewide Internet Portal Authority, Evaluation of Web Application Security at the Colorado Statewide Internet Portal Authority, Information Technology Performance Evaluation (Public Report), February 2021, Status Report**

Mr. Devlin introduced staff.

Ms. Radke presented an overview of the report.

Mr. Bagel (*Statewide Internet Portal Authority*) introduced self, staff, and presented the status report.

2:14 p.m.

**Colorado Statewide Internet Portal Authority, Evaluation of Web Application Security at the Colorado Statewide Internet Portal Authority, Information Technology Performance Evaluation (Confidential Report), February 2021, Status Report**

Senator Smallwood made a motion to conduct an Executive Session in accordance with Section 24-6-402(3)(a)(IV), C.R.S., to review the *Colorado Statewide Internet Portal Authority, Evaluation of Web Application Security at the Colorado Statewide Internet Portal Authority, Information Technology Performance Evaluation (Confidential Report)*,

*February 2021, Status Report.* Representative Roberts seconded the motion, and the motion passed unanimously.

2:23 p.m.

## Legislation Discussion

### Office of the State Auditor Legislation Tracking

Ms. Colin introduced staff.

Ms. Frant presented a summary of the legislation request and an overview of the bill draft.

Discussion ensued regarding the initial year for implementation of the legislation tracking, funding costs, differences between the bill and SMART act, and the process for moving a bill draft to bill paper.

Representative Michaelson Jenet made a motion to move the bill draft to bill paper. Senator Smallwood seconded the motion. A roll call vote was conducted, and the motion failed 4 – 3, with one excused. The results were as follows:

Representative Bockenfeld – No

Senator Gonzales – Excused

Representative Larson – No

Representative Roberts – Yes

Senator Rodriguez - Yes

Senator Woodward – No

Senator Smallwood – Yes

Representative Michaelson Jenet – Yes

Additional discussion arose regarding the rules for reconsideration of the previous vote.

Representative Larson, having been on the prevailing side, made a motion to reconsider the previous vote. Senator Rodriguez seconded the motion. A roll call vote was conducted, and the motion passed 5 – 1, with two excused. The results were as follows:

Representative Bockenfeld – No

Senator Gonzales – Excused

Representative Larson – Yes

Representative Roberts – Yes

Senator Rodriguez - Yes

Senator Woodward – Excused

Senator Smallwood – Yes

Representative Michaelson Jenet – Yes

Representative Larson proposed an amendment to the previous motion to move the bill forward for preliminary fiscal bill analysis without moving it to bill paper. Senator Rodriguez seconded the motion. A roll call vote was conducted, and the motion passed 5 - 1, with two excused. The results were as follows:

Representative Bockenfeld – No

Senator Gonzales – Excused

Representative Larson – Yes

Representative Roberts – Yes

Senator Rodriguez - Yes

Senator Woodward – Excused

Senator Smallwood – Yes

Representative Michaelson Jenet – Yes

2:51 p.m.

**Department of Public Safety, Sex Offender Management Board, Performance Audit, June 2020, Status Report**

Ms. Colin introduced staff.

Ms. Atchley presented an overview of the report.

Mr. Thome (*Department of Public Safety*) introduced self, staff, and presented the status report.

3:03 p.m.

**Department of Regulatory Agencies, Update on the Prescription Drug Monitoring Program Audit Recommendations**

Ms. Hines (*Department of Regulatory Agencies*) presented an overview of the status of the implementation of audit recommendations.

3:12 p.m.

**Legislation Discussion**

**Prescription Drug Monitoring Program**

Ms. Colin introduced staff.

Ms. Page presented a summary of the audit finding, recommendations related to the proposed legislation, and an overview of the bill draft.

Senator Smallwood made a motion to move the bill draft to bill paper. Representative Roberts seconded the motion. A roll call vote was conducted, and the motion passed 6 – 1, with one excused. The results were as follows:

Representative Bockenfeld – No

Senator Gonzales – Excused

Representative Larson – Yes

Representative Roberts – Yes

Senator Rodriguez - Yes

Senator Woodward – Yes

Senator Smallwood – Yes

Representative Michaelson Jenet – Yes

Prime sponsors were Senator Smallwood, Senator Rodriguez, Representative Michaelson Jenet, and Representative Larson.

### **State Fair**

Ms. Colin introduced staff.

Mr. Stoller (*Department of Agriculture*) introduced self.

Ms. Page presented a summary of the audit finding, recommendations related to the proposed legislation, and an overview of the bill draft.

Senator Smallwood made a motion to move the bill draft to bill paper. Representative Roberts seconded the motion. A roll call vote was conducted, and the motion passed 7 - 0, with one excused. The results were as follows:

Representative Bockenfeld – Yes

Senator Gonzales – Excused

Representative Larson – Yes

Representative Roberts – Yes

Senator Rodriguez - Yes

Senator Woodward – Yes

Senator Smallwood – Yes

Representative Michaelson Jenet – Yes

Prime sponsors were Representative Roberts and Senator Woodward. Co-sponsors were Representative Michaelson Jenet and Senator Rodriguez.

3:27 p.m.

### **Audit Requests**

#### **Colorado Department of Transportation Contracting Process**

Ms. Colin presented an overview of the OSA research regarding the audit request for the *Colorado Department of Transportation Contracting Process*.

Discussion ensued regarding information that was presented in the original audit request letter.

Senator Smallwood made a motion to move forward with the audit request. Senator Woodward seconded the motion. A roll call vote was conducted, and the motion passed 7 – 0, with one excused. The results were as follows:

Representative Bockenfeld – Yes

Senator Gonzales – Excused

Representative Larson – Yes

Representative Roberts – Yes

Senator Rodriguez - Yes

Senator Woodward – Yes

Senator Smallwood – Yes

Representative Michaelson Jenet – Yes

#### **Colorado Public Utilities Commission Gas Pipeline Safety Program**

Auditor Hunter presented an overview of the audit request.

Senator Story discussed the details of the audit request.

Discussion ensued regarding action by the Public Utilities Commission on complaints filed with the agency, and if the audit request overlapped with other audits that the Office of the State Auditor currently conducts.

Representative Roberts made a motion to approve the requested preliminary research time. Representative Bockenfeld seconded the motion. A roll call vote was conducted, and the motion passed 7 – 0, with one excused. The results were as follows:

Representative Bockenfeld – Yes  
Senator Gonzales – Excused  
Representative Larson – Yes  
Representative Roberts – Yes  
Senator Rodriguez - Yes  
Senator Woodward – Yes  
Senator Smallwood – Yes  
Representative Michaelson Jenet – Yes

3:39 p.m.

*Recess*

Day 2 – December 7, 2021

The Legislative Audit Committee (LAC) convened a hearing on December 7, 2021, at 9:00 a.m. in the Colorado State Capitol, Old Supreme Court Chambers. Representative Dafna Michaelson Jenet called the meeting to order. Roll was called with the following members present:

### **Committee Members**

Representative Rod Bockenfeld, Senator Julie Gonzales (remote), Representative Colin Larson (arrived 9:05 a.m.), Senator Robert Rodriguez, Representative Dylan Roberts, Senator Rob Woodward (remote), Senator Jim Smallwood (Vice Chair), Representative Dafna Michaelson Jenet (Chair)

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

### **OSA**

Kerri L. Hunter, State Auditor; Michelle Colin, Deputy State Auditor; Marisa Edwards, Deputy State Auditor; Crystal Dorsey, Greg Fugate, Derek Johnson, Robert Regan, Laura Russell

## Other Attendees

### Colorado Department of Labor & Employment

Daniel Chase, Chief of Staff

Robert Hanni, Regional Services Manager

### Colorado Workforce Development Council

Lee Wheeler-Berliner, Managing Director

### Division of Gaming

Dan Hartman, Division of Gaming Director

Vickie Floyd, Division of Gaming Controller (Remote)

Eric Shannon, Division of Gaming Deputy Controller

### Office of the State Controller

Bob Jaros, State Controller

Jeffrey Kahn, Director of Financial Reporting & Analysis

### State Court Administrator's Office

Steven Vasconcellos, State Court Administrator

### CliftonLarsonAllen LLP

John-Paul LeChevallier, CPA, Signing Director

9:01 a.m.

### **State of Colorado, Cash Funds Uncommitted Reserves, Fiscal Year Ended June 30, 2021, Performance Audit, November 2021**

Senator Smallwood made a motion to release the *State of Colorado, Cash Funds Uncommitted Reserves, Fiscal Year Ended June 30, 2021, Performance Audit, November 2021*. Representative Roberts seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced self and staff.

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

Ms. Dorsey presented an overview of the report.



9:11 a.m.

**Division of Gaming, Department of Revenue, State of Colorado, Financial Statements, Independent Auditors' Report and Supplementary Information, Years Ended June 30, 2021 and 2020**

Senator Smallwood made a motion to release the *Division of Gaming, Department of Revenue, State of Colorado, Financial Statements, Independent Auditors' Report and Supplementary Information, Years Ended June 30, 2021 and 2020*. Representative Roberts seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced staff and contractor.

Mr. Hartman (*Division of Gaming*) introduced self and staff.

Mr. LeChevallier (*CliftonLarsonAllen LLP*) presented an overview of the report.

9:25 a.m.

**Judicial Department, State Court Administrator's Office, Performance Audit, November 2020, Status Report**

Ms. Colin introduced staff.

Mr. Johnson presented an overview of the report.

Mr. Vasconcellos (*State Court Administrators' Office*) introduced self and presented the status report.

9:42 a.m.

**Additional discussion**

Discussion ensued regarding a possible future audit of the Department of Health Care Policy and Financing related to the behavioral health system in Colorado, including concerns about the Colorado Community Health Alliance's Medicaid payments to behavioral health providers.

Discussion ensued regarding a possible future audit of the Colorado COVID testing programs.

9:51 a.m.

**Department of Labor and Employment, Workforce Innovation and Opportunity Act, Performance Audit, November 2020, Status Report**

Ms. Colin introduced staff.

Ms. Russell presented an overview of the report.

Mr. Chase (*Colorado Department of Labor & Employment*) introduced self and staff, and presented the status report.

Mr. Wheeler-Berliner (*Colorado Workforce Development Council*) introduced self and presented the status report.

9:57 a.m.

### **Colorado Office of the State Auditor, Fiscal Year 2021 Annual Report**

Mr. Fugate presented an overview of the report.

Discussion ensued complimenting the OSA for the community service portion of the report.

10:02 a.m.

### **Proposed 2022 Session Calendar**

Senator Smallwood made a motion to approve the *Proposed 2022 Session Calendar*. Representative Bockenfeld seconded the motion, and the motion passed unanimously.

10:03 a.m.

### **Procedures for January Election of Vice Chair**

Auditor Hunter presented the *Procedures for January Election of Vice Chair*. The next Vice Chair will be a Senate Democrat.

10:04 a.m.

### **Reports Released Without a Hearing**

Senator Smallwood made a motion to release the *Reports Released Without a Hearing*. Senator Rodriguez seconded the motion, and the motion passed unanimously.

Ms. Edwards presented an overview of the reports.

### **Hearing adjourned at 10:07 a.m.**

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor