OFFICE
OF THE STATE AUDITOR

DIANNE E. RAY, CPA

STATE AUDITOR

Legislative Audit Committee
December 7, 2020
Minutes

December 7, 2020

A meeting of the Legislative Audit Committee (LAC) convened on December 7, 2020, at 8:59 a.m. in the Colorado State Capitol, Old Supreme Court Chambers. Representative Lori Saine called the meeting to order. Roll was called with the following results:

Committee Members

Representative Rod Bockenfeld, Senator Rhonda Fields (arrived 9:00 a.m.), Representative Tracy Kraft-Tharp, Senator Paul Lundeen (arrived 9:01 a.m.), Senator Robert Rodriguez, Senator Jim Smallwood (arrived 9:08 a.m.), Representative Dafna Michaelson Jenet (Vice-Chair), Representative Lori Saine (Chair)

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

OSA

Dianne E. Ray, State Auditor; Michelle Colin, Deputy State Auditor; Kerri Hunter, Deputy State Auditor; Matt Devlin, Deputy State Auditor; Crystal Dorsey, Nina Frant, Greg Fugate, Vickie Heller, Derek Johnson, Jenny Page, Cariann Ryan, Heidi Wagner, Brad Walcher, Shannon Wawrzyniak

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Other Attendees

Colorado Workforce Development Council
Tim Fry, Chair (Remote)
Lisanne McNew, Chair-Elect (Remote)

Department of Human Services
Kevin Neimond, Director, Legislative Affairs
Yolanda Webb, Director, Office of Adult, Aging, and Disability Services

Department of Labor and Employment
Joe Barela, Executive Director (Remote)
Darcy Kennedy, Deputy Executive Director (Remote)
William Dowling, Director, Division of Employment and Training (Remote)
Rob Hanni, Employment and Training Regional Director (Remote)

Department of Natural Resources, Division of Water Resources
Kevin Rein, State Engineer, Director
Matthew Sares, Hydrogeology Section Chief

Department of Public Health and Environment
Jill Hunsaker Ryan, Executive Director (Remote)
Sarah Brummett, Director, Office of Suicide Prevention (Remote)
Wayne Peel, Branch Director, Prevention Services Division, Fiscal, Contracts, Compliance, and Operations (Remote)

Department of Regulatory Agencies
Michael Nicoletti, Director of Legislative Affairs (Remote)

Judicial Department
Nathan B. Coats, Chief Justice, Colorado Supreme Court
Steven Vasconcellos, State Court Administrator

Office of the State Controller
Robert Jaros, Colorado State Controller

9:00 a.m.

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

Representative Michaelson Jenet made a motion to release the *Judicial Department, State Court Administrator's Office, Performance Audit, November 2020.* Representative Bockenfeld seconded the motion, and the motion passed unanimously.

Chief Justice Coats *(Judicial Department)* introduced self and staff.
Ms. Colin 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 Justice, State Court Administrator's Office. Discussion ensued regarding the management of severances, voluntary separation waivers of claims, guiding principles for determining award amounts, implementation timelines, agency culture, internal controls, cooling off period for contracting with former employees, and the control of electronic documents.

10:20 a.m.

General Business

Minutes

Representative Michaelson Jenet made a motion to approve the September 21-22, 2020, LAC hearing minutes. Representative Bockenfeld seconded the motion, and the motion passed unanimously.

10:21 a.m.

State Employee Protection Act Report, Request for Preliminary Research

Auditor Ray introduced the *State Employee Protection Act Report* and requested time for preliminary research. Representative Michaelson Jenet made a motion to approve preliminary research. The motion was seconded, and the motion passed unanimously.

10:22 a.m.

Recess

10:29 a.m.

State of Colorado, Cash Funds Uncommitted Reserves, Fiscal Year Ended June 30, 2020, Performance Audit, November 2020

Representative Michaelson Jenet made a motion to release the *State of Colorado, Cash Funds Uncommitted Reserves, Fiscal Year Ended June 30, 2020, Performance Audit, November 2020.* Senator Lundeen seconded the motion, and the motion passed unanimously.

Ms. Hunter introduced self and staff.
Ms. Dorsey presented an overview of the report.

10:39 a.m.

Schedule of Tabor Revenue, Fiscal Year 2020, Performance Audit, November 2020

Representative Michaelson Jenet made a motion to release the *Schedule of Tabor Revenue, Fiscal Year 2020, Performance Audit, November 2020.* Representative Bockenfeld seconded the motion, and the motion passed unanimously.

Ms. Hunter introduced staff.
Mr. Walcher presented an overview of the report.
Mr. Jaros *(Office of the State Controller)* introduced self.

10:50 a.m.

Annual Report: Status of Audit Recommendations Not Fully Implemented, as of June 30, 2020, Informational Report, November 2020

Representative Michaelson Jenet made a motion to release the *Annual Report: Status of Audit Recommendations Not Fully Implemented, as of June 30, 2020, Informational Report, November 2020.* Senator Lundeen seconded the motion, and the motion passed unanimously.

Mr. Devlin introduced self and staff.
Ms. Page presented an overview of the report.

Discussion ensued regarding mechanisms to compel departments to act on implementation of recommendations, connecting with a point person in executive branch to coordinate with departments on unimplemented recommendations, and distribution of report to legislators and Committees of Reference.

11:12 a.m.

OSA Annual Report, Fiscal Year 2020

Mr. Fugate presented an overview of the *OSA Annual Report, Fiscal Year 2020.*

Discussion ensued regarding the Office of the State Auditor's work with tax expenditure reports and the fraud hotline.

11:17 a.m.

Proposed 2021 Session Calendar

Representative Michaelson Jenet made a motion to approve the *Proposed 2021 Session Calendar.* Senator Fields seconded the motion, and the motion passed unanimously.

11:18 a.m.

Procedures for January Election of Vice Chair

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

11:20 a.m.

Recess

12:59 a.m.

Legislation

Ms. Page presented an overview of the Adult Protective Services bill draft.

Discussion ensued regarding report documentation, employer notification, information required to act on a license, and issues surrounding confidentiality. The OSA staff will continue to work with the Colorado Department of Human Services and the Department of Regulatory Affairs to coordinate the process outlined in this bill draft.

Representative Michaelson Jenet made a motion to move the bill draft to bill paper. Senator Fields seconded the motion. A roll call vote was conducted, and the motion passed 6 – 2. The results were as follows:

Representative Bockenfeld – Yes
Senator Fields – Yes
Representative Kraft-Tharp – No

Senator Lundeen – Yes
Senator Rodriguez – No
Senator Smallwood – Yes
Representative Michaelson Jenet – Yes
Representative Saine – Yes

Prime sponsors: Representative Michaelson Jenet, Senator Fields, Senator Smallwood

1:28 a.m.

Department of Public Health and Environment, Suicide Prevention, Performance Audit, November 2020

Representative Michaelson Jenet made a motion to release the *Department of Public Health and Environment, Suicide Prevention, Performance Audit, November 2020.* Representative Saine seconded the motion, and the motion passed unanimously.

Ms. Colin introduced staff
Ms. Hunsaker Ryan *(Department of Public Health and Environment)* introduced self and staff.
OSA staff presented an overview of the report.

Recommendation 1 was reviewed, discussed, and agreed to by the Department of Public Health and Environment. Discussion ensued regarding federal funding, identifying trends and best practices, community outreach, if an evaluation of suicide prevention dollars in departments other than the Office of Suicide Prevention was conducted, technical guidance provided to other departments in the area of suicide prevention, and suicide-related indicators.

2:26 p.m.

Water Well Performance Audit, LAC Discussion of Implementation of Recommendations

Ms. Colin introduced staff.
Ms. Frant presented an overview of the recommendations.
Mr. Rein *(Department of Natural Resources, Division of Water Resources)* introduced self and staff.

Discussion ensued regarding advance notice for high risk wells and location of wells as part of the advance notice.

The consensus of the Legislative Audit Committee was to ask the Department of Natural Resources, Division of Water Resources to return in six months to provide a status update of high risk water well inspections since the policy changes.

2:58 p.m.

Additional discussion

Representative Michaelson Jenet made a motion to request a bill draft to create authority for an individual in the Office of Suicide Prevention to act as a formal liaison to all other departments doing suicide prevention with the job of streamlining spending and maximizing federal dollar use. Representative Kraft-Tharp seconded the motion. A roll call vote was conducted, and the motion passed 7 – 1. The results were as follows:

Representative Bockenfeld – No
Senator Fields – Yes
Representative Kraft-Tharp – Yes
Senator Lundeen – Yes
Senator Rodriguez – Yes
Senator Smallwood – Yes
Representative Michaelson Jenet – Yes
Representative Saine – Yes

3:07 p.m.

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

Representative Michaelson Jenet made a motion to release the *Department of Labor and Employment, Workforce Innovation and Opportunity Act, Performance Audit, November 2020*. Senator Smallwood seconded the motion, and the motion passed unanimously.

Ms. Colin introduced staff.
Mr. Fry *(Colorado Workforce Development Council)* introduced self and staff.
Mr. Barela *(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 Division of Employment and Training.

Recommendation 2 was reviewed, discussed, and agreed to by the Colorado Workforce Development Council.

3:40 p.m.

Reports Released Without a Hearing

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

Ms. Hunter presented an overview of the reports.

3:43 p.m.

Passing of the Gavel

Representative Saine, as outgoing Chair, passed the gavel to Representative Michaelson Jenet, incoming Chair.

Hearing adjourned at 3:45 p.m.

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor