

# Fiscal Year 2023 Annual Report



OFFICE OF THE STATE AUDITOR

C O L O R A D O

# Contents

Message from the State Auditor	1
Legislative Audit Committee	3
About the OSA	4
Financial Benefits	5
Audit Recommendations	7
Allocation of Resources	8
Performance Audits	9
Financial Audits	10
IT Audits	13
Tax Expenditure Evaluations	14
Other Work Products	16
Local Government Audit Division	17
Fraud Hotline	18
Legislation	20
About the State Auditor	23
OSA Employees	24
Audit Industry Leadership	25
Community Service	27

# A Message from the State Auditor

This annual report provides information about the Office of the State Auditor's (OSA) activities and accomplishments. During Fiscal Year 2023, we issued 52 financial, performance, and IT audits and evaluations; 24 tax expenditure evaluations; and 5 other work products.

Our work provides the General Assembly and the public with independent, objective, thorough, and credible information about the operation of state government programs and the use of taxpayer resources.



- We issued 10 performance audits that focused on a range of topics, including the Colorado Department of Transportation's use of alternative contract delivery methods, the Public Utilities Commission's administration of Colorado's Gas Pipeline Safety Program, and the Department of Public Safety's administration and monitoring of expenditures from Colorado's Disaster Emergency Fund.
- We issued 41 financial statement audits and attestation engagements, including the Fiscal Year 2022 *Statewide Single Audit*. This annual financial and compliance audit covered \$61.2 billion in total assets, \$45.1 billion in total expenditures, and \$21.5 billion in federal funds.
- We issued 23 separate tax expenditure evaluation reports covering 33 individual tax expenditures related to excise taxes, severance taxes, insurance premium taxes, income taxes, and sales and use taxes.
- We issued an information technology (IT) performance audit of cybersecurity resiliency at the Governor's Office of Information Technology that identified needed governance and oversight improvements for the security of State IT systems.

- We reviewed 2,597 local government audit and exemption filings to ensure that local governments' financial reporting is in compliance with statutory requirements.

We continue to be recognized nationally for our high-quality work, having received a 2023 Certificate of Impact Award from the National Conference of State Legislatures' National Legislative Program Evaluation Society for our February 2022 performance audit of Foster Care Education. We also received a 2023 Blue Pencil & Gold Screen Award from the National Association of Government Communicators for the recent redesign of the OSA's logo.

In closing, we continue to uphold our standards of independence, objectivity, and excellence in producing high-quality work, as well as maintaining a mindset of continuous improvement for our processes, work products, and services. I am proud of what the OSA has accomplished this past year in service to the Legislative Branch, the State, and, ultimately, the people of Colorado.



Kerri L. Hunter, CPA, CFE  
State Auditor

# Legislative Audit Committee

The Legislative Audit Committee (LAC) includes four senators and four representatives with equal representation from the two major political parties. The LAC holds public hearings to review and release audit reports prepared by the State Auditor, proposes special audits, sponsors legislation related to issues identified in audits, and holds agencies accountable for implementing audit recommendations. In addition, every 5 years the LAC recommends a candidate to the General Assembly for appointment as State Auditor.

## LAC Members as of June 30, 2023



Senator  
Robert Rodriguez  
Chair



Representative  
Lisa Frizell  
Vice Chair



Representative  
Andrew Boesenecker



Representative  
Gabe Evans



Senator  
Rhonda Fields



Representative  
Dafna Michaelson Jenet



Senator  
Rod Pelton



Senator  
Kevin Van Winkle

## About the OSA

Overseen by the State Auditor, the OSA is an independent, nonpartisan staff agency within Colorado's Legislative Branch. Our mission is to improve government for the people of Colorado.

We promote accountability in government and help the General Assembly fulfill its legislative oversight responsibilities by providing independent, objective, thorough, and credible information about whether (1) government officials and agencies are using their authority and public resources properly and in compliance with laws and regulations; (2) government programs are achieving their objectives and desired outcomes; and (3) government services are being provided effectively, efficiently, economically, ethically, and equitably.

Section 2-3-103(1), C.R.S., grants the OSA broad authority and access to records to conduct performance, financial, and IT audits of all state departments and agencies, public colleges and universities, most special purpose authorities, any state entity designated as an enterprise under the Taxpayer's Bill of Rights (TABOR), and other political subdivisions and non-State entities as required by law.

Additionally, the OSA carries out the following major statutory responsibilities:

- Conducts evaluations of all state tax expenditures on a 5-year cycle [Section 39-21-305(1)(d), C.R.S.]
- Monitors local governments for compliance with the Local Government Audit Law [Section 29-1-601, et seq., C.R.S.]
- Administers a statewide fraud reporting hotline [Section 2-3-110.5, C.R.S.]

# Financial Benefits

Our audits and evaluations frequently identify financial benefits, which collectively represent the dollar value the OSA provides to the people of Colorado by ensuring the responsible stewardship of public funds.

In Fiscal Year 2023, we identified financial benefits totaling \$825.0 million. For the 5-year period from Fiscal Year 2019 through Fiscal Year 2023, we identified financial benefits totaling approximately \$1,785.0 million, or an average of about \$357.0 million per year.

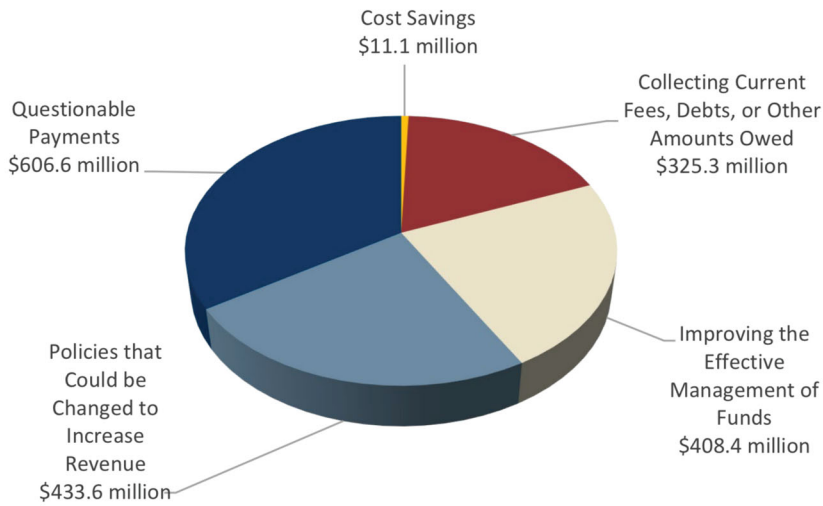
Financial Benefits Identified Fiscal Years 2019–2023 (Dollars In Millions)						
2019	2020	2021	2022	2023	Total	Average
\$93.4	\$622.2	\$148.0	\$96.4	\$825.0	\$1,785.0	\$357.0

Our goal is to achieve at least a 5:1 ratio of benefits to costs over a 5-year period. We have achieved a 42:1 ratio of benefits to costs, which means that the return on investment to the taxpayer is approximately \$42 in financial benefits for every \$1 spent on the OSA’s operations.

Benefit-to-Cost Ratio Fiscal Years 2019–2023	
Average Annual Financial Benefits Identified in Reports	\$357.0 million
Average Annual Net Operating Costs*	\$8.5 million
Ratio of Benefits to Costs	42:1
*Annual net operating costs calculated from General Fund appropriations less General Fund reversions.	

Financial benefits include the identification of potential cost savings, questionable payments, opportunities to improve the effective management of funds, collection of fees or debts owed, policies that could be changed to increase revenue, opportunities to leverage state resources with matching funds, and increases in the value of state assets.

The following chart breaks down the \$1,785.0 million in financial benefits identified by the OSA for Fiscal Years 2019 through 2023 by category:





# Audit Recommendations

Audit recommendations promote positive change in government and are an important part of ensuring that agencies correct the issues identified by our financial, performance, and IT audits.

Each fall, we issue our *Annual Report on the Status of Audit Recommendations Not Fully Implemented*, which compiles and summarizes all audit recommendations made during the prior 5-year period. This report helps us fulfill our statutory reporting responsibilities to the General Assembly under the State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act, and provides information for legislative oversight committees to hold agencies accountable for their use of public resources.

Overall, agencies make the changes that they agree or partially agree to make. However, some audit recommendations remain unimplemented. As of June 30, 2022:

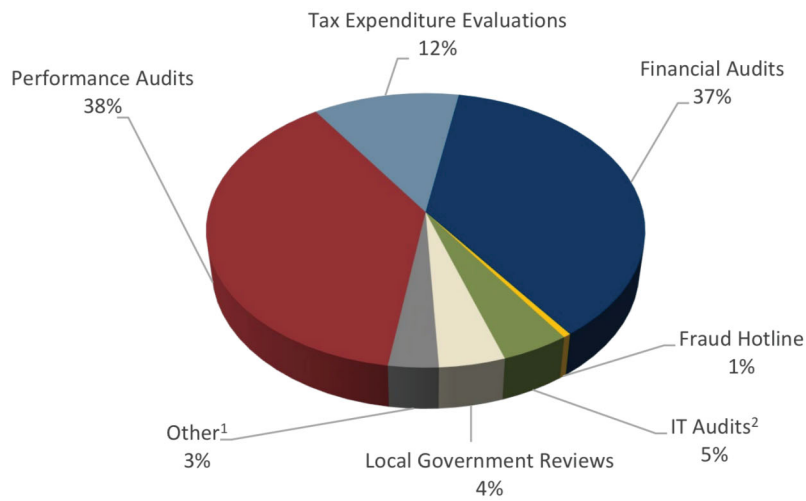
- 102 of the 1,494 audit recommendations (7 percent) that the OSA made from July 2016 through June 2021, and that agencies agreed or partially agreed to implement, remained unimplemented.
- 46 of the 102 unimplemented recommendations (45 percent) are considered high priority due to their seriousness or because they have remained unimplemented for 3 years or more.

# Allocation of Resources

During Fiscal Year 2023, the OSA issued 81 financial, performance, and IT audit and evaluation reports; tax expenditure evaluations; and other work products based on the following authority:

- 75 (93 percent) were completed in response to statutory or other legal requirements.
- 4 (5 percent) were completed at the State Auditor’s discretion based on risk, coverage, and other considerations.
- 2 (2 percent) were completed in response to legislative requests.

The following chart breaks down where the OSA’s project hours were spent in Fiscal Year 2023:



<sup>1</sup> “Other” includes hours for nonaudit work products (e.g., Annual Report of Audit Recommendations Not Fully Implemented, School District Fiscal Health Report) and other activities such as status reports, audit topic planning and research, legislation, internal quality control monitoring, and external peer review activities.

<sup>2</sup> The majority of the IT audit team’s work is completed as part of the annual statewide financial and compliance audit.

## Performance Audits

Performance audits and evaluations address whether programs are operated in an effective and efficient manner to accomplish their intended goals and are in compliance with laws and regulations.

During Fiscal Year 2023, we issued the following performance audits and evaluations:

Report Name	Report Release Date	Report No.
Alternative Delivery Contract Methods	April 2023	2251P
Automobile Inspection and Readjustment (AIR) Program	December 2022	2173P
Cash Funds Uncommitted Reserves, Fiscal Year Ended June 30, 2022	November 2022	2257P
Consideration of Best Value Employment Metrics in Electric Utility Resource Acquisitions	August 2022	2250P
Driver License Services	September 2022	2172P
Evaluation of Colorado's K-12 Education Accountability System	December 2022	2160P
Gas Pipeline Safety Program	June 2023	2256P
Schedule of TABOR Revenue, Fiscal Year Ended June 30, 2022	November 2022	2252P
The Disaster Emergency Fund	December 2022	2163P
Veterans Services	September 2022	2170P

## Financial Audits

Financial audits determine whether financial information is fairly presented, in all material respects, and whether agencies receiving federal grants are complying with applicable grant requirements. Each year, we conduct an audit of the State’s financial statements and federal grant compliance (also known as the Single Audit) on a statewide level, as well as other required standalone financial audits.

During Fiscal Year 2023, we issued the following financial audits and attestation engagements:

Report Name	Report Release Date	Report No.
Adams State University, Fiscal Years Ended June 30, 2022 and 2021	December 2022	2202F
Adams State University, NCAA Agreed-Upon Procedures, Fiscal Year Ended June 30, 2022	January 2023	2202F-B
Auraria Higher Education Center, Fiscal Years Ended June 30, 2022 and 2021	June 2023	2207F
Census Data Attestation for Colorado Public Employees’ Retirement Association (PERA) 2022 Annual Financial Audit	April 2023	2314F-AT
CollegelInvest, College Savings Program Funds, Fiscal Years Ended June 30, 2022 and 2021	December 2022	2209F
Colorado Community College System, Fiscal Years Ended June 30, 2022 and 2021	January 2023	2211F
Colorado High Performance Transportation Enterprise, Fiscal Years Ended June 30, 2022 and 2021	January 2023	2232F
Colorado Lottery, Fiscal Years Ended June 30, 2022 and 2021	November 2022	2220F
Colorado Mesa University, Fiscal Years Ended June 30, 2022 and 2021	December 2022	2212F
Colorado Mesa University, NCAA Agreed-Upon Procedures, Fiscal Year Ended June 30, 2022	January 2023	2212F-A
Colorado Public Employees’ Retirement Association, Fiscal Year Ended December 31, 2022	August 2022	2113F

Report Name	Report Release Date	Report No.
Colorado School of Mines, Fiscal Years Ended June 30, 2022 and 2021	January 2023	2203F
Colorado School of Mines, NCAA Agreed-Upon Procedures, Fiscal Year Ended June 30, 2022	January 2023	2203F-A
Colorado State Fair Authority, Fiscal Years Ended June 30, 2022 and 2021	January 2023	2215F
Colorado State University System, Fiscal Years Ended June 30, 2022 and 2021	January 2023	2216F-A
Colorado State University, NCAA Agreed-Upon Procedures, Fiscal Year Ended June 30, 2022	January 2023	2216F-C
Colorado State University-Global Campus, Fiscal Years Ended June 30, 2022 and 2021	December 2022	2216F-B
Colorado State University-Pueblo, NCAA Agreed-Upon Procedures, Fiscal Year Ended June 30, 2022	January 2023	2216F-D
Colorado Student Loan Program, dba College Assist, Fiscal Years Ended June 30, 2022 and 2021	December 2022	2208F
Colorado Tourism Office Agreed-Upon Procedures, Fiscal Year Ended June 30, 2022	January 2023	2253F-AT
Colorado Veterans Community Living Center at Rifle, Fiscal Year Ended June 30, 2022	January 2023	2206F
Division of Gaming, Fiscal Years Ended June 30, 2022 and 2021	December 2022	2219F
Fort Lewis College, Fiscal Years Ended June 30, 2022 and 2021	December 2022	2204F
Fort Lewis College, NCAA Agreed-Upon Procedures, Fiscal Year Ended June 30, 2022	January 2023	2204F-A
Metropolitan State University of Denver, Fiscal Years Ended June 30, 2022 and 2021	January 2023	2223F
Metropolitan State University of Denver, NCAA Agreed-Upon Procedures, Fiscal Year Ended June 30, 2022	January 2023	2223F-A
Pinnacol Assurance, Fiscal Year Ended December 31, 2021 and 2020	August 2022	2110F
Pinnacol Assurance, Fiscal Year Ended December 31, 2022 and 2021	June 2023	2210F
State Board of the Great Outdoors Colorado Trust Fund, Fiscal Years Ended June 30, 2022 and 2021	November 2022	2222F

Report Name	Report Release Date	Report No.
Statement of Federal Land Payments, Fiscal Year Ended September 30, 2022	March 2023	2351F
Statewide Bridge and Tunnel Enterprise, Fiscal Years Ended June 30, 2022 and 2021	January 2023	2233F
Statewide Single Audit, Fiscal Year Ended June 30, 2022	August 2023	2201F-R
U.S. Department of Housing and Urban Development Agreed-Upon Procedures Reporting, Fiscal Year 2022	April 2023	2229F-AT
U.S. Department of Housing and Urban Development Reporting, Agreed-Upon Procedures, Fiscal Year 2021	August 2022	2129F-AT
University of Colorado, Fiscal Years Ended June 30, 2022 and 2021	December 2022	2205F
University of Colorado-Boulder, NCAA Agreed-Upon Procedures, Fiscal Year Ended June 30, 2022	January 2023	2205F-B
University of Colorado-Colorado Springs, NCAA Agreed-Upon Procedures, Fiscal Year Ended June 30, 2022	January 2023	2205F-A
University of Northern Colorado, Fiscal Years Ended June 30, 2022 and 2021	December 2022	2237F
University of Northern Colorado, NCAA Agreed-Upon Procedures, Fiscal Year Ended June 30, 2022	January 2023	2237F-B
Western Colorado University, Fiscal Years Ended June 30, 2022 and 2021	December 2022	2238F
Western Colorado University, NCAA Agreed-Upon Procedures, Fiscal Year Ended June 30, 2022	January 2023	2238F-A

# IT Audits

Our IT audit team evaluates processes related to information security and other IT controls over critical and essential state information systems and applications. The majority of the IT audit team’s work is completed as part of our annual statewide financial and compliance audit by testing controls for information systems that are significant to the State’s financial activities and federal compliance requirements.

The IT team also conducts or oversees standalone IT performance audits and evaluations. During Fiscal Year 2023, we issued the following standalone IT performance audit:

Report Name	Report Release Date	Report No.
Audit of Cybersecurity Resiliency at the Governor’s Office of Information Technology (Public Report) <sup>1</sup>	June 2023	2250P-IT

<sup>1</sup> A separate confidential report was also prepared and presented to the Legislative Audit Committee; however, in accordance with Section 2-3-103(2), C.R.S., it was not publicly released due to the IT security-sensitive nature of its contents.

# Tax Expenditure Evaluations

Section 39-21-305(1)(d), C.R.S., requires the State Auditor to evaluate all of the State’s tax expenditures at least once every 5 years. Statute defines a tax expenditure as “a tax provision that provides a gross or taxable income definition, deduction, exemption, credit, or rate for certain persons, types of income, transactions, or property that results in reduced tax revenue.” Tax expenditures reduce the amount of revenue the State collects from sales and use, income, insurance premium, excise, and severance taxes.

The OSA completed the 2018-2022 evaluation cycle in September 2022 and is now working on the 2023-2027 evaluation cycle, which will include reevaluating tax expenditures that were evaluated in the previous cycle, as well as evaluating any new tax expenditures established since 2018.

During Fiscal Year 2023, we issued the following tax expenditure evaluation reports:

Report Name	Report Release Date	Report No.
Credit for Taxes Paid to Other States	May 2023	2023-TE10
Dual Resident Trust Tax Credit	July 2022	2022-TE26
Exonerated Persons Deduction	July 2022	2022-TE31
Farm Close-Out Sales Tax Exemption	May 2023	2023-TE9
First-Time Home Buyer Savings Account Deduction	July 2022	2022-TE32
Foreign Source Income Exclusions for C Corporations and Export Partnerships	September 2022	2022-TE36
Home Modification Tax Credit	January 2023	2023-TE1
Innovative Cars and Trucks Credits	July 2022	2022-TE34
Insurance Premium Tax Credit for Contributions to the Colorado Health Benefit Exchange	July 2022	2022-TE28
Job Growth Credit	September 2022	2022-TE38
Long-Term Lodging Exemption	February 2023	2023-TE3
Low-Emitting Vehicles and Commercial Vehicles Used in Interstate Commerce Exemptions	July 2022	2022-TE29
Marijuana Related Tax Expenditures	September 2022	2022-TE37



Report Name	Report Release Date	Report No.
Military Family Relief Fund Grants Deduction	July 2022	2022-TE27
Military Retirement Benefits Deduction	January 2023	2023-TE2
Newsprint & Printer's Ink and Newspapers Exemptions	May 2023	2023-TE6
Nonresident Disaster Relief Worker Subtraction	September 2022	2022-TE35
Preservation of Historic Structures Tax Credit	July 2022	2022-TE33
Rural Broadband Equipment Refund	July 2022	2022-TE30
Sacramental Wine Exemption	May 2023	2023-TE7
Sales to Charitable Organizations Exemption	May 2023	2023-TE8
Structural Insurance Premium Tax Expenditures	February 2023	2023-TE5
Wildfire Mitigation Deduction	February 2023	2023-TE4

## Other Work Products

In addition to our audits and evaluations, we issue other work products that provide important information and analysis for the General Assembly, state and local government agencies, and the public.

During Fiscal Year 2023, we issued the following other work products:

Report Name	Report Release Date	Report No.
Annual Report: Status of Audit Recommendations Not Fully Implemented as of June 30, 2022	December 2022	2252S
Colorado Educational and Cultural Facilities Authority Memo, Calendar Year 2022	February 2023	2351S
Colorado School Districts Fiscal Health Analysis, Fiscal Years 2019-2021	September 2022	2202S
Rates Charged for Collection of Debts Owed to the State (Part I)	December 2022	2201S
Rates Charged for Collection of Debts Owed to the State (Part II)	February 2023	2201S-A

## Local Government Audit Division

The OSA's Local Government Audit Division (Division) tracks Colorado's local governments for compliance with the Local Government Audit Law [Section 29-1-601, et seq., C.R.S.], which requires every local government in the state to undergo an annual financial audit conducted by an independent certified public accountant and submit it to the State Auditor for review. Local governments with revenues or expenditures that are not more than \$750,000 for the fiscal year may apply to the State Auditor for an exemption from audit.

The Division examines annual financial audits submitted by local governments to determine compliance with governmental accounting standards and other statutory requirements. The Division also reviews and approves Exemption from Audit applications and provides technical assistance to local governments and their independent auditors. In Fiscal Year 2023, we completed reviews of nearly 2,600 local government audit and exemption filings.

One of the Division's award-winning work products is the annual *Fiscal Health Analysis of Colorado School Districts*. This report provides a set of financial indicators for each school district that can warn district officials and the Colorado Department of Education about financial stress that may require further examination and remedial action.

The OSA provides a similar fiscal health analysis tool on its website for use by Colorado counties and municipalities. We use this fiscal analysis tool internally when reviewing the independent financial audit reports that Colorado counties and municipalities submit to the OSA.

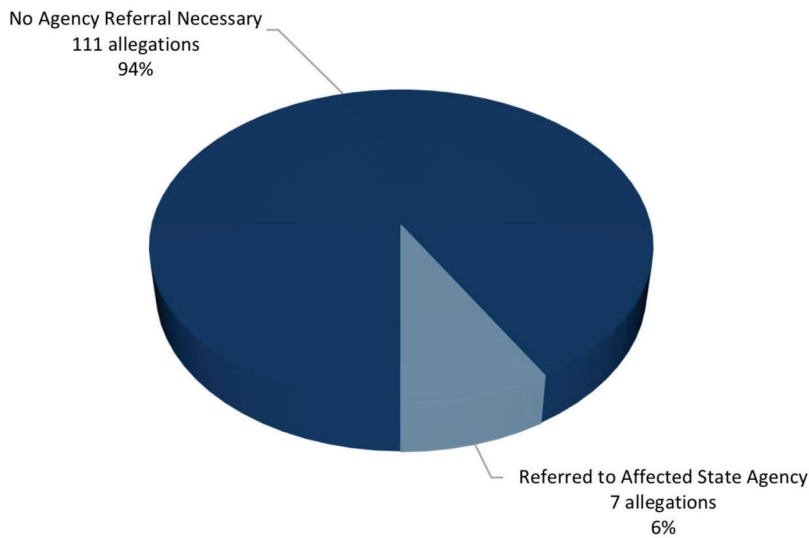
# Fraud Hotline

The purpose of the OSA’s Fraud Hotline is to receive reports about occupational fraud, which is a situation in which a state employee or contracted individual may be using their position or access as an employee or contractor to commit fraud against the State or others.

Statute requires the OSA to determine whether allegations reported to the Hotline constitute possible occupational fraud against the State. When applicable, we refer occupational fraud allegations to the affected state agencies for further investigation [see Section 2-3-110.5, C.R.S.]. Under certain circumstances, the State Auditor has statutory authority to investigate allegations reported to the Hotline.

## Hotline Reports

During Fiscal Year 2023, the OSA’s Fraud Hotline received a total of 118 reported allegations, which was an 11 percent increase over the prior year. We handled the 118 reported allegations as follows:



We did not refer the majority of reported allegations to an affected state agency because the allegations did not fall within the Hotline's jurisdiction (e.g., they did not constitute an allegation of occupational fraud or involved a local government).

### **Agency Referrals**

Of the seven occupational fraud allegations that we referred to affected state agencies during Fiscal Year 2023:

- Four allegations were found to be not substantiated.
- One allegation was referred to the affected state agency; the state agency then referred the allegation to the federal agency responsible for managing the contract with the alleged fraud.
- One allegation was found to be substantiated, and the affected state agency reported that it would be taking corrective action against the employee for misappropriation of assets.
- One allegation was still undergoing investigation by the agency as of June 30, 2023.

Additionally, one of the occupational fraud allegations that the OSA referred during the previous fiscal year was completed in Fiscal Year 2023. For that referred allegation, the affected state agency substantiated the procurement fraud allegation and reported that the employee is no longer working for the State.

# Legislation

Issues raised in our audits and evaluations often prompt members of the General Assembly to seek statutory change. Legislation can originate as a bill sponsored by the Legislative Audit Committee or another committee, or as a bill sponsored by individual legislators.

During the 2023 Legislative Session, eight bills were enacted into law related to issues raised in the OSA’s audits and evaluations or the OSA’s audit authority and statutory responsibilities.

Bill and Bill Title	Related Audit/Evaluation, Work Product, or Authority/Requirement
SB 23-292 Labor Requirements for Energy Sector Construction	Requires the OSA to conduct a performance audit of the Public Utilities Commission’s approval of energy sector public works projects no later than January 1, 2029, and at least every 5 years thereafter. Also, addresses policy considerations raised in the OSA’s <i>Consideration of Best Value Employment Metrics in Electric Utility Resource Acquisitions Performance Audit</i> (July 2022).
HB 23-1295 Audits of Department of Health Care Policy and Financing Payments to Providers	Requires the OSA to contract for an independent review of the Department of Health Care Policy and Financing’s Recovery Audit Contractor Program in Fiscal Year 2024.
SB 23-064 Continue Office of Public Guardianship	Requires the OSA to conduct a performance audit of the Office of Public Guardianship between July 1, 2027 and June 30, 2030.
HB 23-1260 Advanced Industry and Semiconductor Manufacturing Incentives	Allows the OSA to evaluate the implementation of the Creating Helpful Incentives to Produce Semiconductors and Science Act of 2022 (CHIPS) Zone Program and make recommendations for statutory change, if any.

Bill and Bill Title	Related Audit, Work Product, or Authority/Requirement
HB 23-1241 Task Force to Study K-12 Accountability System	Creates a task force to study the statewide K-12 education accountability system in order to address resource inequities contributing to student performance. The task force may review the results of the OSA's <i>Evaluation of Colorado's K-12 Education Accountability System</i> (November 2022).
HB 23-1121 Repeal of Infrequently Used Tax Expenditures	Repealed 10 tax expenditures that the OSA's tax expenditure evaluations found were infrequently used or obsolete: <ol style="list-style-type: none"> <li>1. Crop Hail Insurance Premium Tax Exemption</li> <li>2. In-State Investment Pre-1959 Insurance Premium Tax Deduction</li> <li>3. Corporate Condemnation Capital Gains Income Tax Deduction</li> <li>4. Oil Shale Excess Percentage Depletion Income Tax Deduction</li> <li>5. Mining and Milling Impact Assistance Corporate Income Tax Credit</li> <li>6. Oil Shale Equipment and Machinery Severance Tax Deduction</li> <li>7. Oil Shale Processing Severance Tax Deduction</li> <li>8. Oil Shale Severance Tax Rate Reductions</li> <li>9. Oil Shale Noncommercial Production Severance Tax Exemption</li> <li>10. Mineral and Mineral Fuels Impact Assistance Severance Tax Credit</li> </ol>

Bill and Bill Title	Related Audit, Work Product, or Authority/Requirement
HB 23-1111 Unauthorized Insurance Premium Tax Rate	Ensures the tax expenditures are more effective and impactful for intended beneficiaries by harmonizing the unauthorized insurance premium tax rate with the surplus lines insurance premium tax rate, thereby addressing issues that created inequity in tax treatment. See the OSA's <i>Unauthorized Insurance Premium Tax Expenditures Evaluation</i> (January 2020).
HB 23-1112 Earned Income and Child Tax Credits	Temporarily increases the amount of the credits that can be claimed (based on the federal tax credits), adjusts the qualifying income brackets, and makes the credits refundable. See the OSA's <i>Colorado Earned Income Tax Credit Evaluation</i> (April 2022).



## About the State Auditor

Kerri L. Hunter was appointed unanimously by the General Assembly to the position of State Auditor in May 2021 for a 5-year term starting July 1, 2021. As Colorado's State Auditor, Kerri leads the OSA and its staff of 81 professionals and approximately \$14.3 million annual budget. With more than 29 years of governmental auditing experience at the OSA, Kerri has dedicated her career to promoting government accountability and seeking positive change in government for the people of Colorado. She possesses in-depth knowledge of Colorado's state and local governments and is highly regarded as a subject matter expert in internal control, the federal Single Audit Act, and auditing standards.

Prior to her appointment as State Auditor, Kerri served as the OSA's Deputy State Auditor for Financial Audits, responsible for overseeing various financial and performance audits, including the State's annual statewide financial and compliance audit, as well as the OSA's Local Government Audit Division, quality assurance program, and accounting, budgeting, contracting, and financial reporting functions.

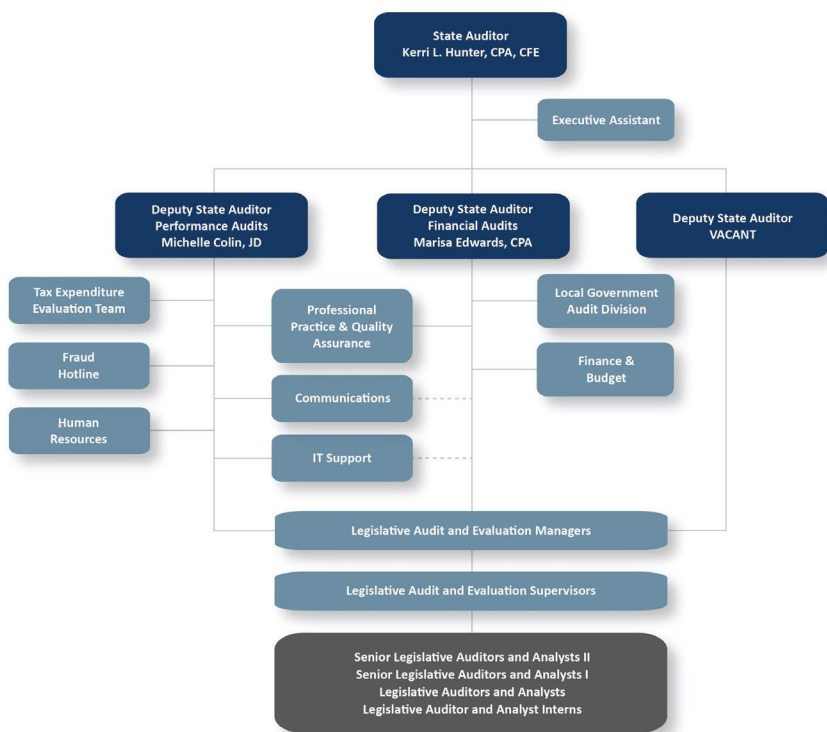
Kerri participates in professional organizations, including the American Institute of Certified Public Accountants, the Colorado Society of Certified Public Accountants, the National State Auditors Association, the Association of Certified Fraud Examiners, and State Employees Leading Colorado. Kerri serves as a Board member and Audit Committee Chair for the Colorado Housing and Finance Authority. Kerri is a 2021 recipient of the Pro15 Northeast Colorado's 2021 Alumni of the Plains Award for professional excellence. In 2016, Kerri was named by the Colorado Society of Certified Public Accountants and the American Institute of Certified Public Accountants as one of three "Women to Watch" in the Emerging Leader category. In 2008, she was awarded the Rotary Foundation Paul Harris Award for exceptional service. As one of Colorado's select Boettcher Foundation Scholars, Kerri earned a degree in Accounting with honors from the University of Denver. Kerri is a Certified Public Accountant licensed to practice in Colorado and a Certified Fraud Examiner. A fifth-generation Coloradan, Kerri grew up on Colorado's eastern plains.

# OSA Employees

Our employees are dedicated public servants. Collectively, we possess 495 years of auditing and evaluation experience. Forty-nine percent of our auditors and analysts hold a graduate degree (e.g., Master’s degree, Juris Doctorate), and 33 percent hold a professional license or certification, including:

- Certified Public Accountant
- Certified Fraud Examiner
- Certified Information Systems Auditor
- Certified Internal Auditor
- Certified Government Auditing Professional
- Certified Government Finance Officer
- Colorado Bar Association (Licensed Attorney)

## OSA Organizational Structure



## Audit Industry Leadership

The OSA and its employees continue to be active participants in the government auditing and accountability community.

### Peer Organizations

We participate in national and regional organizations that provide opportunities to share best practices, exchange ideas, and better understand the unique and changing demands facing state audit organizations:

- The National State Auditors Association (NSAA) is part of the National Association of State Auditors, Controllers, and Treasurers (NASACT). NSAA is dedicated to supporting state audit organizations and their respective state governments by providing opportunities for the free exchange of information and ideas and promoting accountability, transparency, and the observance of professional auditing standards. The OSA participates in the NSAA's External Peer Review Program, which conducts an external peer review of the OSA's audit function every 3 years, as required by auditing standards. Several of our audit managers serve on or lead teams assigned to conduct external quality control peer reviews of other state audit organizations and serve on various NSAA standing committees and workgroups.
- The National Legislative Program Evaluation Society (NLPES) is a professional staff association of the National Conference of State Legislatures (NCSL). NLPES is dedicated to strengthening state legislatures through the performance auditing and program evaluation function and supporting the legislative staff who perform this work.
- The Mountain and Plains Intergovernmental Audit Forum (MPIAF) is one of 10 regional audit forums sponsored by the U.S. Government Accountability Office that connect and support government auditors at the federal, state, and local levels. The OSA's Deputy State Auditor for Performance Audits serves on the MPIAF Executive Committee.

## **External Presentations**

We routinely speak at professional conferences, training events, and with higher education classrooms about our work and role in state government. During Fiscal Year 2023, we gave presentations for the following organizations:

- American Institute of Certified Public Accountants
- Colorado Association of School Business Officials
- Colorado Government Finance Officers Association
- Colorado Safety Resource Center
- Colorado State Conservation Board
- Institute for International Cooperation
- National Association of State Auditors, Comptrollers, and Treasurers
- National Conference of State Legislatures
- State Employees Leading Colorado

## **Professional Associations**

We are active members in the following professional associations:

- American Institute of Certified Public Accountants
- Association of Certified Fraud Examiners
- Colorado Government Finance Officers Association
- Colorado Society of Certified Public Accountants
- Information Systems Audit and Control Association
- Institute of Internal Auditors
- National Association of Government Communicators
- National State Auditors Association
- State Employees Leading Colorado

## Community Service

We give back to the local community. In Fiscal Year 2023, OSA employees personally donated \$5,040 through the annual Colorado Combined Campaign, which is a charitable donation program coordinated across all departments of state government.

We also participated in volunteer events and donation drives through the OSA's Community Service Program to benefit the following organizations:

- A Little Help
- Hog Haven Farm
- Project Angel Heart
- The GrowHaus



OFFICE OF THE STATE AUDITOR

C O L O R A D O

*Working to improve government for the people of Colorado.*

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