



OFFICE OF THE STATE AUDITOR



LEGISLATIVE AUDIT COMMITTEE JANUARY 15, 2019 MINUTES

DIANNE E. RAY, CPA
—
STATE AUDITOR

A meeting of the Legislative Audit Committee (LAC) convened on January 15, 2019 at 7:05 a.m. in the Legislative Services Building, Audit Hearing Room B. Madam Chair Todd called the meeting to order. Roll was called with the following result:

Committee Members:

Senator Rhonda Fields, Representative Tracy Kraft-Tharp, Senator Paul Lundeen (arrived 8:30am), Representative Dafna Michaelson Jenet, Representative Kim Ransom, Representative Lori Saine (Vice Chair), Senator Jim Smallwood (arrived 7:15am), Senator Nancy Todd (Chair)

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

OSA

Dianne E. Ray, State Auditor, Matt Devlin, Deputy State Auditor, Kerri Hunter, Deputy State Auditor, Michelle Colin, Managing Legislative Auditor

Other Legislators and Attendees:

Representative Daneya Esgar

Department of Agriculture

Kate Greenberg, Joy Moore

Colorado State Fair Authority

Scott Stoller

Wall, Smith, Bateman, Inc.

Karla Willschau

Office of Economic Development and Trade

Betsy Markey, Sonya Guram, Jeff Kraft

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**Colorado State Fair Authority Financial and Compliance Audit
Fiscal Years Ended June 30, 2018 and 2017**

Sen. Todd made a motion to release the report of the Colorado State Fair Authority Financial and Compliance Audit, Fiscal Years Ended June 30, 2018 and 2017. Rep. Saine seconded the motion and the motion passed unanimously.

Ms. Willschau presented an overview of the audit report.

Discussion ensued regarding the difference between box office sales and gate admissions sales, challenges regarding the decline in attendance and the plan to increase it, and the new changes in local government positions and how it can affect the Colorado State Fair Authority.

Minutes

Sen. Todd made a motion to approve minutes from the December 3-4, 2018 LAC meeting and Rep. Saine seconded it. The motion passed unanimously.

Enterprise Zone Annual Report, State Fiscal Year 2018

Ms. Markey introduced self and her staff then proceeded to discuss Enterprise Zone's (EZ) functions in the communities it serves. Discussion ensued regarding how EZ determines the merit of organizations to have access to these funds and detailed information on all businesses that use these tax credits available on the OEDIT website per statutes and the Secretary of State's Transparency Online Project.

Legislation

Lottery Intercepts

Ms. Colin provided an overview of Lottery Intercepts Bill Draft. Discussion ensued regarding how the process works.

Sen. Todd made a motion to move the bill draft to bill paper and Rep. Saine seconded the motion; the motion passed unanimously.

House Prime Sponsors: Rep. Kraft-Tharp and Rep. Saine

Senate Prime Sponsors: Sen. Smallwood, Sen. Fields

Co-sponsors: Sen. Todd, Rep. Michaelson Jenet

Audit Requests

Suicide Prevention

Auditor Ray requested research time from committee.

Rep. Michaelson Jenet made a motion to approve research time and Rep. Saine seconded it. Motion passed unanimously.

Great Colorado Payback

Auditor Ray stated that Sen. Fields had agreed to rescind the request.

DHS Report Process Audit

Sen. Todd rescinded her audit request.

Update on CDPHE Outstanding Recommendations

Mr. Devlin updated the committee on the recommendations now being fully implemented.

Report Released without a Hearing

Rep. Saine made a motion to release the reports, Rep. Michaelson Jenet seconded the motion. The motion passed unanimously.

Ms. Hunter provided an overview of the reports.

The meeting adjourned at 8:25 a.m.

Minutes submitted by: Santiago Vidaurri
Executive Assistant
Office of the State Auditor