



# OFFICE OF THE STATE AUDITOR



## LEGISLATIVE AUDIT COMMITTEE JANUARY 29, 2019 MINUTES

A meeting of the Legislative Audit Committee (LAC) convened on January 29, 2019 at 7:05 a.m. in the Legislative Services Building, Audit Hearing Room B. Senator Nancy Todd called the meeting to order. Roll was called with the following result:

### **Committee Members:**

Representative Rod Bockenfeld, Senator Rhonda Fields (arrived 7:13am), Representative Tracy Kraft-Tharp, Senator Paul Lundeen (arrived 7:10am), Representative Dafna Michaelson Jenet (arrived 7:50am), Senator Jim Smallwood, Representative Lori Saine (Vice Chair), Senator Nancy Todd (Chair)

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

### **OSA**

Dianne E. Ray, State Auditor, Kerri Hunter, Deputy State Auditor, Monica Bowers Deputy State Auditor, Michelle Colin, Managing Legislative Auditor, Derek Johnson, Legislative Auditor, Tessa Mauer, Legislative Auditor

### **Other Attendees:**

#### Department of Human Services

Jerene Petersen, Minna Castillo Cohen, Anders Jacobson, Erin Osterhaus

DIANNE E. RAY, CPA  
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STATE AUDITOR

**Department of Human Services Division of Youth Services Reporting Performance Audit  
January 2019**

Rep. Saine made a motion to release the report of the Department of Human Services Division of Youth Services Reporting Performance Audit January 2019. Rep. Kraft-Tharp seconded the motion and the motion passed unanimously.

Following opening remarks and introductions by Monica Bowers and representatives from the Department of Human Services, Michelle Colin provided an overview of the Division of Youth Services Chapter 1 Section of the report and stated there were some inaccuracies with the data set calculations submitted by the division. As a result her team could not conclude on the accuracy of the educational advancement information on the report and it was addressed in first recommendation.

Derek Johnson presented the findings for the Education Outcomes Reporting and he stated the division's inaccurate use of terms can create misinterpretations for readers and they should consider these factors when producing future reports. Recommendation #1 was reviewed, discussed, and agreed to by the Division of Youth Services. In addition, the grade level placement process was discussed.

Tessa Mauer provided the findings for the Recidivism Report. Recommendation #2 was reviewed, discussed, and agreed to by the Division of Youth Services. Discussion ensued on the three areas of improvement and if there was a link between educational outcomes and recidivism.

**Minutes**

A motion was made to approve the minutes from the January 15, 2019 LAC meeting by Rep. Saine and Sen. Lundeen seconded it. The motion passed unanimously.

**Audit Requests**

Severance Tax

The Office of the State Auditor received a request for an audit of the assessment, collection, and administration of severance taxes. Ms. Bowers discussed the Severance Tax audit request memo.

A motion to move forward with the audit was made by Sen. Smallwood and Rep. Kraft-Tharp seconded it. Motion passed unanimously.

**Report Released without a Hearing**

A motion was made to release the report by Rep. Michaelson Jenet and Rep. Kraft-Tharp seconded the motion. The motion passed unanimously.

Kerri Hunter provided an overview of the 2018 School Capital Construction Annual Reporting by the Colorado Department of Education.

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**Fiscal Year 2020 Office of the State Auditor Proposed Budget**

Auditor Ray presented an overview of the budget request and discussion ensued on the additional costs and oversight.

A motion was made by Rep. Michaelson Jenet to approve the Fiscal Year 2020 Office of the State Auditor Proposed Budget and move it to the Executive Committee with authorization to make any changes as prescribed by the Executive Committee or the Joint Budget Committee and Rep. Saine seconded the motion. The motion passed unanimously.

The meeting adjourned at 8:30 a.m.

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