



OFFICE OF THE STATE AUDITOR



LEGISLATIVE AUDIT COMMITTEE FEBRUARY 12, 2019 MINUTES

A meeting of the Legislative Audit Committee (LAC) convened on February 12, 2019 at 7:00 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 7:06am),
Representative Tracy Kraft-Tharp, Senator Paul Lundeen (arrived 7:02am),
Representative Dafna Michaelson Jenet, 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, Matt Devlin Deputy State Auditor, Crystal Dorsey, Managing Legislative Auditor, Marisa Edwards, Managing Legislative Auditor, Cindi Radke, Managing Legislative Auditor, Michelle Colin, Senior Audit Manager

Other Attendees:

Robert Jaros, State Controller
Pierce Lively, Staff Attorney, Office of Legislative Legal Services
Chris Ryan, Court Administrator, Judicial Branch

DIANNE E. RAY, CPA
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STATE AUDITOR

State of Colorado Statewide Single Audit, Fiscal Year Ended June 30, 2018 (1801F)

Sen. Todd stated that the Statewide Single Audit Report does not include the sections for the Departments of Corrections and Health Care Policy and Financing but will be distributed, released and discussed at the February 26th Hearing.

Rep. Saine made a motion to release the State of Colorado Statewide Single Audit, Fiscal Year Ended June 30, 2018 as presented and Sen. Lundeen seconded the motion and the motion passed unanimously.

Kerri Hunter introduced staff. Crystal Dorsey provided an overview of the audit report sections.

State of Colorado Comprehensive Annual Financial Report (CAFR), Fiscal Year Ended June 30, 2018

Robert Jaros introduced himself and staff as well as discussed his background, position and the Office of the State Controller (OSC). Mr. Jaros discussed the sections of the CAFR and the financial statements.

State of Colorado Statewide Single Audit, Fiscal Year Ended June 30, 2018 (1801F)

Recommendation 2018-026 was reviewed, discussed, and agreed to by the State Controller. Also, discussion ensued regarding OSC staff member not signing the required management representation letter and the issue about higher education institutions being part of the primary government or component units.

Recommendation 2018-027 was reviewed, discussed, and agreed to by the State Controller. Discussion ensued regarding if there is a rank ordering of the issues as they are presented.

Recommendation 2018-028 was reviewed, discussed, and agreed to by the State Controller. Discussion ensued regarding training and proficiency requirements for staff.

Recommendation 2018-029 was reviewed, discussed, and agreed to by the State Controller.

Recommendation 2018-030 was reviewed, discussed, and agreed to by the State Controller. Discussion ensued regarding the process of determining what information is considered material or immaterial when it is reported to the state.

Recommendation 2018-031 was reviewed, discussed, and agreed to by the State Controller. Further discussion ensued regarding evaluation of OSC employees' specific tasks and responsibilities.

Recommendation 2018-032 was reviewed, discussed, and agreed to by the State Controller.

Minutes

A motion was made by Sen. Smallwood to release the January 29, 2019 minutes and it was seconded by Sen. Lundeen. It passed unanimously.

Discussion of HB19-1128

Ms. Colin provided an overview of HB19-1128 regarding Lottery Intercepts.

Pierce Lively provided an overview of Amendment L.007 and discussed the order of lottery winning payments and discussion ensued on child support, victim restitution and court fees.

Mr. Lively provided an overview of technical Amendment L.001 and discussion ensued on the removal of the word “criminal” in the bill trailer.

Auditor Ray informed the committee that the email she sent to the committee regarding the amendment proposal they had all agreed to will not be moving forward or being discussed.

A motion was made to approve amendments L.001 and L.007 by Rep. Michaelson Jenet and it was seconded by Rep. Saine. It passed 7-1 with Rep. Bockenfeld opposing to L.001.

The meeting adjourned at 9:00 a.m.

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