



## Legislative Audit Committee December 9, 2024 Minutes

The Legislative Audit Committee (LAC) convened a hearing on December 9, 2024, at 9:04 a.m. in the Old Supreme Court Chambers. Representative Lisa Frizell called the meeting to order. Roll was called with the following members present or excused:

### Committee Members

Senator Janet Buckner (LAC temporary replacement for Senator Julie Gonzales) (remote) (arrived 9:07 a.m.), Representative Anthony Hartsook (LAC temporary replacement for Representative Gabe Evans), Representative William Lindstedt (remote), Senator Dafna Michaelson Jenet, Senator Rod Pelton, Senator Kevin Van Winkle, Representative Andrew Boesenecker (Vice Chair), Representative Lisa Frizell (Chair)

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

### OSA

Kerri L. Hunter, State Auditor; Michelle Colin, Deputy State Auditor; Marisa Edwards, Deputy State Auditor; Lillian Adams, Matt Devlin, Crystal Dorsey, Gina Faulkner, Nina Frant, Catherine Friday, Lynn Obremski, Jenny Page, Cindi Radke, Annalisa Triola, Pooja Tulsian

### Other Attendees

#### Department of Health Care Policy & Financing

Kim Bimestefer, Executive Director

#### Department of Personnel & Administration

Tony Gherardini, Executive Director

#### Department of Regulatory Agencies

Ginny Brown, Deputy Executive Director

Governor's Office of Information Technology  
David Edinger, Executive Director and Chief Information Officer  
Jill Fraser, Chief Information Security Officer

Great Outdoors Colorado (GOCO)  
Jackie Miller, Executive Director  
Patty Imhoff, GOCO Board Member  
Christy Reeves, Controller

Office of Administrative Courts  
Laura Broniak, Director and Chief Judge

Office of the State Controller  
Bob Jaros, State Controller

Public Utilities Commission  
Rebecca E. White, Director

Regional Transportation District (RTD)  
Michael Davies, Government Relations Officer

State Fair Authority  
Andrea Wiesenmeyer, General Manager  
Lea Cassidy, Director of Finance and Budget

Eide Bailly LLP  
Janeen Hathcock, Partner  
Paul Kane, Partner  
Sara Kurtz, Partner  
Alex Arndt, Manager

9:05 a.m.

**Department of Personnel & Administration, Office of Administrative Courts, Performance Audit, November 2024**

Representative Boesenecker made a motion to release the *Department of Personnel & Administration, Office of Administrative Courts, Performance Audit, November 2024*. Senator Pelton seconded the motion, and the motion passed unanimously.

Ms. Colin introduced self and staff.

Mr. Gherardini (*Department of Personal & Administration*) introduced self and Ms. Broniak (*Office of Administrative Courts*).

OSA staff presented an overview of the audit.

Discussion ensued regarding the increase in Medicaid cases in 2023.

Recommendation 1 was reviewed, discussed, and agreed to by the Office of Administrative Courts (OAC).

Discussion ensued regarding the addition of temporary employees, and the budget request for additional staff.

Recommendation 2 was reviewed, discussed, and agreed to by OAC.

Discussion ensued regarding resources required to update the website.

Recommendation 3 was reviewed, discussed, and agreed to by OAC.

Discussion ensued regarding comparison of customer service practices in other states, use of artificial intelligence (AI) to streamline the quantitative analysis, data entry training, as well as the rules, permissions, and responsibilities in Sales Force.

9:47 a.m.

**State Board of the Great Outdoors Colorado Trust Fund, Financial and Compliance Audit, For the Years June 30, 2024 and 2023**

Representative Boesenecker made a motion to release the *State Board of the Great Outdoors Colorado Trust Fund, Financial and Compliance Audit, For the Years June 30, 2024 and 2023*. Senator Pelton seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced self, staff, and contractor.

Ms. Miller (*Great Outdoors Colorado - GOCO*) introduced self, GOCO Board member, and staff.

Eide Bailly, LLP staff presented an overview of the audit.

Discussion ensued regarding the provision in statute allowing GOGO to purchase land.

Recommendation 1 was reviewed, discussed, and agreed to by GOCO.

10:09 a.m.

**Colorado State Fair Authority, Financial and Compliance Audit, Fiscal Years Ended June 30, 2024 and 2023**

Representative Boesenecker made a motion to release the *Colorado State Fair Authority, Financial and Compliance Audit, Fiscal Years Ended June 30, 2024 and 2023*. Senator Pelton seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced staff and contractor.

Ms. Wiesenmeyer (*State Fair Authority*) introduced self and staff.

Eide Bailly, LLP staff presented an overview of the audit.

10:37 a.m.

**State of Colorado, Cash Funds Uncommitted Reserves, Fiscal Year Ended June 30, 2024, Performance Audit, November 2024**

Representative Boesenecker made a motion to release the *State of Colorado, Cash Funds Uncommitted Reserves, Fiscal Year Ended June 30, 2024, Performance Audit, November 2024*. Senator Pelton seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced staff.

Mr. Jaros (*Office of the State Controller*) introduced self and staff.

Ms. Adams presented an overview of the audit.

10:50 a.m.

**Annual Report: Status of Audit Recommendations Not Fully Implemented as of June 30, 2024, Informational Report, November 2024**

Representative Boesenecker made a motion to release the *Annual Report: Status of Audit Recommendations Not Fully Implemented as of June 30, 2024, Informational Report, November 2024*. Senator Pelton seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced staff.

Ms. Tulsian presented an overview of the report.

Discussion ensued regarding the progress of recommendations not yet implemented, how updated technology affects recommendations, outstanding recommendations identified as having material weaknesses, and relevance of long-outstanding recommendations.

11:12 a.m.

**Minutes**

Representative Boesenecker made a motion to approve the *October 14, 2024, LAC hearing minutes*. Senator Pelton seconded the motion, and the motion passed unanimously.

**Department of Regulatory Agencies, Public Utilities Commission, Gas Pipeline Safety Program, Performance Audit, May 2023, Status Report**

Ms. Colin introduced staff.

Ms. Page presented an overview of the report.

Ms. Brown (*Department of Regulatory Agencies*) introduced self and Ms. White (*Public Utilities Commission*).

Ms. White (*Public Utilities Commission*) presented the status report.

Discussion ensued recognizing both the audit and PUC staffs for their work on this audit, as well as the timely completion of recommendations.

11:24 a.m.

**Governor's Office of Information Technology, Cybersecurity Resiliency Public Report, May 2023, Status Report**

Mr. Devlin introduced self and staff.

Ms. Radke presented an overview of the report.

Mr. Edinger (*Governor's Office of Information Technology*) introduced self and staff.

Ms. Fraser (*Governor's Office of Information Technology*) presented the status report.

1131 a.m.

**Governor's Office of Information Technology, Cybersecurity Resiliency Confidential Report, May 2023, Status Report**

Representative Boesenecker made a motion to conduct an Executive Session in accordance with Section 24-6-402(3)(a)(IV), C.R.S., to review the *Governor's Office of Information Technology, Cybersecurity Resiliency Confidential Report, May 2023, Status Report*. Senator Pelton seconded the motion, and the motion passed unanimously.

11:48 a.m.

**Executive Session concluded**

11:49 a.m.

**Regional Transportation District Potential Legislation**

Ms. Colin introduced staff.

Ms. Frant presented an overview of the potential legislation.

Mr. Davies (*Regional Transportation District*) introduced self and discussed the legislation.

Representative Boesenecker made a motion to move the bill draft to bill paper, with permission to make technical changes. Senator Pelton seconded the motion. A roll call vote was conducted, and the motion passed 8-0. The results were as follows:

Senator Buckner – Yes

Representative Hartsook – Yes

Representative Lindstedt – Yes

Senator Michaelson Jenet - Yes

Senator Pelton – Yes

Senator Van Winkle - Yes

Representative Boesenecker – Yes

Representative Frizell – Yes

The legislation will start in the Senate. Senate prime sponsors were Senator Michaelson Jenet and Senator Pelton. Senate co-sponsor was Representative (Senator-elect) Frizell. House prime sponsors were Representative Lindstedt and Representative Boesenecker.

11:55 a.m.

**Department of Health Care Policy & Financing, Medicaid Recovery Audit Contractor Program, Update on Potential Legislation**

Ms. Page presented an update on the potential legislation.

Ms. Bimestefer discussed the legislation.

Discussion ensued regarding the Joint Budget Committee's interest in pursuing similar legislation and the possibility of LAC members supporting that legislation.

Senator Pelton made a motion to move the bill draft to bill paper. Representative Boesenecker seconded the motion. A roll call vote was conducted, and the motion failed on a tie vote. The results were as follows:

Senator Buckner – No

Representative Hartsook – Yes

Representative Lindstedt – No

Senator Michaelson Jenet - No

Senator Pelton – Yes

Senator Van Winkle - Yes

Representative Boesenecker – Yes

Representative Frizell – No

12:03 p.m.

**Colorado Secretary of State's Election Division Audit Request**

Auditor Hunter presented an overview of the *Colorado Secretary of State's Election Division Audit Request*.

Representative Frizell presented additional background on the audit request.

Discussion ensued regarding a report released by the Colorado Secretary of State's (SOS) office, which contained recommendations to the SOS, as well as questions about the origin of the SOS-released report, and concerns regarding strengthening the relationship between county clerks and SOS.

Senator Van Winkle made a motion to approve preliminary research time on the *Secretary of State's Election Division Audit Request*. Senator Pelton seconded the motion. A roll call vote was conducted, and the motion failed on a tie vote. The results were as follows:

Senator Buckner – No

Representative Hartsook – Yes

Representative Lindstedt – No

Senator Michaelson Jenet - No

Senator Pelton – Yes

Senator Van Winkle - Yes

Representative Boesenecker – No

Representative Frizell – Yes

12:11 p.m.

**Colorado Office of the State Auditor, Fiscal Year 2024 Annual Report**

Ms. Page presented an overview of the report.

Auditor Hunter recognized staff.

12:50 p.m.

**Proposed 2025 Session Calendar**

Auditor Hunter presented an overview of the *Proposed 2025 Session Calendar*.

Discussion ensued regarding modifying the meeting day.

Senator Pelton made a motion to approve the *Proposed 2025 Session Calendar*. Senator Michaelson Jenet seconded the motion, and the motion passed unanimously.

12:20 p.m.

**Procedures for January Election of Vice Chair**

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

12:21 p.m.

**Reports Released Without a Hearing**

Representative Boesenecker made a motion to release the *Reports Released Without a Hearing*. Senator Pelton seconded the motion, and the motion passed unanimously

Ms. Edwards presented an overview of the reports.

12:24 p.m.

**Passing of the Gavel**

Representative Frizell, as outgoing Chair, passed the ceremonial gavel to Representative Boesenecker, incoming Chair.

**Hearing adjourned at 12:26 p.m.**

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor