



OFFICE OF THE STATE AUDITOR



Legislative Audit Committee

March 8, 2016

Minutes

A meeting of the Legislative Audit Committee (LAC) was convened on March 8, 2016, at 7:00 a.m., in Hearing Room B (Audit Hearing Room), Legislative Services Building. Chair Nordberg called the meeting to order. The roll was called with the following result:

PRESENT: Senator Carroll, Senator Holbert (arrived at 8:10 a.m.), Senator Jahn, Representative Nordberg, Representative Primavera, Representative Ryden, Representative Saine

EXCUSED: Senator Neville

The following legislator, Office of the State Auditor (OSA) staff, and agency staff were in attendance:

OTHER LEGISLATOR PRESENT: Representative Tracy Kraft-Tharp

OSA STAFF PRESENT: Dianne E. Ray, State Auditor; Monica Bowers, Kerri Hunter, Deputy State Auditors; Trey Standley

AGENCY STAFF PRESENT: Bill Leone, Bob Bacon, Dino Ioannides, Independent Ethics Commission

DIANNE E. RAY, CPA
STATE AUDITOR

7:00 a.m. – **Independent Ethics Commission**
8:45 a.m. **Judicial Branch**
Performance Audit, February 2016

A motion was made by Representative Saine and seconded by Representative Primavera to release the *Independent Ethics Commission, Judicial Branch, Performance Audit* (February 2016). The motion passed by a vote of 6-0.

Following introductions and opening remarks, Monica Bowers and Trey Standley provided an overview of the audit. The Independent Ethics Commission (IEC) agreed to implement all audit recommendations as written with one minor exception for Recommendation 1A. Further discussion ensued regarding the breakdown of the \$350,000 Fiscal Year 2016 IEC budget and the retention schedule for ethic complaint records.

8:10 a.m. Senator Holbert arrived.

Recommendations 1 and 2 were reviewed, discussed, and agreed to by staff from the IEC. Further discussion ensued regarding the process for determining if a complaint is frivolous, which includes in its definition those that are deemed outside the jurisdiction of the IEC, and requests to better inform the public about the complaint application process, the IEC's jurisdiction, and the available complaint remedies.

Recommendations 3, 4, 5, 6 and 7 were reviewed, discussed, and agreed to by staff from the IEC. The IEC stated that it would be open to utilizing existing resources, such as Legislative Council or the Office of Legislative Legal Services, to develop policies and procedures to improve the practices of the IEC.

Recommendation 8 was reviewed, discussed, and agreed to by staff from the IEC. Further discussion ensued regarding the burden placed on the complainants to conduct part of the investigation and the possibly effect of "Amendment 41" on increased partisanship in the General Assembly.

8:45 a.m. **GENERAL BUSINESS**

Minutes

A motion was made by Senator Holbert and seconded by Representative Saine to approve the Minutes from February 23, 2016. The motion passed by a vote of 7-0.

Census Data Attestation for the Colorado Public Employees' Retirement Association (PERA) 2015 Annual Financial Audit

A motion was made by Senator Jahn and seconded by Senator Holbert to release the *Census Data Attestation for the Colorado Public Employees' Retirement Association (PERA) 2015 Annual Financial Audit*. The motion passed by a vote of 7-0.

Kerri Hunter provided an overview of the attestation.

State Auditor Re-Appointment

A motion was made by Chair Nordberg and seconded by Representative Saine to approve Dianne E. Ray, State Auditor, for re-appointment to a second 5-year term as State Auditor, beginning July 1, 2016, and submit her name to Legislative Council's Executive Committee for consultation and give contingent approval to draft a joint resolution. The motion passed by a vote of 7-0.

State Auditor Ray accepted the nomination to be re-appointed to a second 5-year term as State Auditor.

The joint resolution will start in the House.

Sponsors: Representatives Nordberg and Ryden
 Senators Holbert and Jahn

Co-Sponsors: Representatives Primavera and Saine
 Senators Carroll and Neville

Adoption of the 2016 Interim Legislative Audit Committee Calendar

A motion was made by Senator Holbert and seconded by Representative Saine to adopt the 2016 Interim LAC calendar. The motion passed by a vote of 7-0.

8:51 a.m. There being no further business to come before the LAC, the meeting adjourned. The next scheduled hearings are June 6-7, 2016, at 10:00 a.m., in Hearing Room B (Audit Hearing Room), Legislative Services Building.

Minutes submitted by: Brittany Wirth
 Executive Assistant to the State Auditor
 Office of the State Auditor