



OFFICE OF THE STATE AUDITOR



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COLORADO STATEWIDE AUDIT MAKES 84 RECOMMENDATIONS ON FINANCIAL AND FEDERAL PROGRAM ISSUES

DENVER—The Colorado Office of the State Auditor (OSA) has issued its Statewide Single Audit for Fiscal Year 2016, an annual audit that reviews the State of Colorado’s financial statements covering \$36.3 billion in assets and \$31.4 billion in expenditures. The audit also reviews the State’s compliance with requirements for major federal programs, which expended \$12.3 billion over the same period. The OSA issued an “unmodified opinion,” which means the State’s financial statements presented fairly in all material respects.

Since 1984, the federal Single Audit Act has required states and other entities that receive federal funding to report out on their financial records and statements, and their federal awards transactions and expenditures, to give the public a snapshot of where the state receives its funding from, where it spends those funds, and how it manages them.

The four federal programs in the State of Colorado with the largest expenditures this year were:

- Medicaid: \$5.1 billion
- Student Financial Assistance: \$1.4 billion
- Research and Development Cluster: \$818 million

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- Highway Planning and Construction: \$827 million

Overall, the OSA found 51 internal control issues related to the State's financial reporting and 35 issues related to compliance with major federal programs. Auditors classify their findings by three levels of severity, the most serious of which is called a "material weakness." This year the OSA found 28 total material weaknesses across 12 state departments and institutions.

The 616 page Single Audit makes 84 recommendations and is available at www.colorado.gov/auditor.

Under the direction of the state auditor, the OSA is the state's nonpartisan, independent external auditor with broad authority to audit state agencies, departments, institutions of higher education, and the Judicial and Legislative Branches. The OSA's professional staff serve the people of Colorado by addressing relevant public issues through high-quality, objective audits and reviews that promote accountability and positive change in government. Performance audits address whether programs operate in compliance with laws and regulations and in a manner that accomplishes intended program goals. Financial audits include annual audits of the state's basic financial statements and federal grants on a statewide level. IT audits review procedures and technology to ensure the confidentiality, integrity and availability of the state's critical computer systems and taxpayer data. The OSA also tracks about 4,000 Colorado local governments for compliance with the Local Government Audit Law.