

House Bill 16-1086
Concerning a Modification of the Dates on Which the Required Performance Audits of
Certain Governmental Entities are Due

What Would This Bill Do?

Section 24-50-103.5(2)(b), C.R.S., requires a performance audit of the Department of Personnel & Administration (Department) and the State Personnel Board (Board) to be conducted every 4 years. The audit is to consider ten factors listed in statute [Section 24-50-103.5(3)(b), C.R.S.], mostly related to functions within the Division of Human Resources and specific to the Board. Our next audit is due “at least seven months before” July 1, 2017, or by December 1, 2016.

This Bill would revise Section 24-50-103.5(2)(b), C.R.S., to:

- Move the next due date to “at least 7 months before July 1, 2020,” or by December 1, 2019.
- Remove the 4-year audit requirement, leaving future audits (after the 2019 audit) to be completed thereafter at the discretion of the State Auditor.

This Bill has an effective date of August 10, 2016.

Why Is This Bill Necessary?

The Department is in process of procuring and implementing a new statewide Human Resources (HR) Information System, with the target “go live” date of July 1, 2017. Conducting an audit just prior to implementation of a new system likely will result in repeated responses from the Department that the finding will be corrected with the new system. A better use of resources would be to conduct the required audit after the system has been implemented.

This audit has been conducted nine times, with recommendations related to identifying greater efficiencies with the Department’s monitoring of agency HR functions, improvements to the State’s HR Information System, and the Board’s processes for managing appeals. The Department and the Board have historically implemented the recommendations. However, our last three audits have not found areas of high risk or significant new cost savings for either the Department or the Board. Therefore, it would also be a better use of resources to remove the 4-year audit requirement and change this to a discretionary audit.