



Office of the State Auditor

Kerri L. Hunter, CPA, CFE
State Auditor

Legislative Audit Committee March 11, 2026, Minutes

The Legislative Audit Committee (LAC) convened on February 25, 2026, at 7:19 a.m. in the Old Supreme Court Chambers. Senator Lisa Frizell called the meeting to order. Roll was called with the following members present or excused:

Committee Members

Representative Jennifer Bacon (arrived 7:24 a.m.), Representative Max Brooks (arrived 7:26 a.m.), Representative Dusty Johnson, Senator William Lindstedt, Senator Rod Pelton, Representative Jenny Willford (arrived 7:51 a.m.), Senator Mike Weissman, Senator Lisa Frizell

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

OSA

Kerri L. Hunter, State Auditor; Marisa Edwards, Deputy State Auditor; Ferminia Hebert, Chris McClain, Jenny Page, Maya Rosochacova

Other Attendees

Colorado Department of Labor and Employment

Darcy Kennedy, Deputy Executive Director, CFO (remote)

Paulina Delora, Controller

Alexander Fink, Deputy Controller

Jean Matadi, Controller 1

Department of Military and Veterans Affairs

Brigadier General (Ret.) Michael Bruno, Deputy Director

Nicholas Severn, Chief Financial Officer

Sarah Edwards, Chief Operating Officer

John (JT) Davis, Controller

Office of Legislative Legal Services

Christy Chase, Deputy Director

7:20

State of Colorado, Statewide Single Audit, Fiscal Year Ended June 30, 2025

Ms. Edwards introduced self and staff.

Ms. Kennedy (Colorado Department of Labor and Employment) introduced self and staff.

Ms. Hebert presented the findings and recommendations.

Recommendation 2025-014 was reviewed, discussed, and agreed to by the Colorado Department of Labor and Employment (Department).

Discussion ensued regarding the discrepancies reported in the unemployment insurance program, collectability of receivables, classification of accounts receivable vs. accounts payable, and types of receivables created due to overpayments.

Recommendation 2025-015 was reviewed and discussed. The Department agreed with parts A and B of the recommendation, and disagreed with part C.

Discussion ensued regarding prior year unimplemented recommendations, implementation date of part B of the recommendation, the overstatement created by moving capital assets between funds, and overall response time to recommendations.

Ms. Edwards introduced staff.

Brigadier General (Ret.) Bruno (Department of Military and Veterans Affairs) introduced self and staff.

Mr. McClain presented the finding and recommendation.

Recommendation 2025-020 was reviewed, discussed, and agreed to by the Department of Military and Veterans Affairs.

Discussion ensued regarding the status of unspent tuition assistance funds at the end of each fiscal year, interest on unspent funds, and differences between a continuous appropriation and cash fund.

8:16 a.m.

Minutes

Senator Weissman made a motion to approve the February 25, 2026, LAC hearing minutes.

Representative Johnson seconded the motion, and the motion passed unanimously.

8:17 a.m.

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

Ms. Page introduced self and presented the status report, noting that 9 recommendations were fully implemented and three were partially implemented.

Discussion ensued regarding the recommendations referencing rule making and conflict of interest.

8:22 a.m.

Audit Request of the Colorado Department of Health Care Policy & Financing, Office of Community Living's Transition Coordination Services

Ms. Page presented an overview of the OSA research related to Senator Lindstedt's request for an audit of the Colorado Department of Health Care Policy & Financing, Office of Community Living's Transition Coordination Services, recommending that the Committee not move forward with the audit at the present time.

Senator Lindstedt presented additional background and asked that the request be withdrawn.

The LAC agreed to not move forward with the audit request.

Discussion ensued with LAC members requesting the OSA assess the need for an audit in the future.

8:27 a.m.

Proposed 2026 LAC Interim Calendar

Auditor Hunter presented the Proposed 2026 LAC Interim Calendar to the Committee and asked the members to review it and submit any requested changes prior to the March 25, 2026, LAC hearing.

8:28 a.m.

State Auditor Reappointment

Chair Frizell provided Committee members with a reminder and overview of the State Auditor reappointment process. She informed the Committee that she met with the Executive Committee to consult with them on Auditor Hunter's reappointment as required by statute and that the Executive Committee unanimously concurred with the LAC recommendation to reappoint Auditor Hunter to a second five-year term. Discussion ensued regarding the background of the draft resolution, and if this resolution affected the number of bills a member may sponsor.

Senator Weissman made a motion to approve the resolution to reappoint Kerri L. Hunter as State Auditor, effective July 1, 2026. Senator Pelton seconded the motion, and the motion passed unanimously.

Committee members agreed that the resolution would start in the Senate. Prime sponsors are Senators Frizell and Weissman, and Representatives Brooks and Willford. Co-sponsors are Senators Pelton and Lindstedt, and Representatives Johnson and Bacon.

8:32 a.m.

Report Released Without a Hearing

Senator Weissman made a motion to release the Reports Released Without a Hearing. Senator Lindstedt seconded the motion, and the motion passed unanimously.

Ms. Edwards presented an overview of the report.

Hearing adjourned at 8:34 a.m.

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor