



Office of the State Auditor

Kerri L. Hunter, CPA, CFE
State Auditor

Legislative Audit Committee June 15, 2026, Minutes

The Legislative Audit Committee (LAC) convened on June 15, 2026, at 10:06 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 10:10 a.m.), Representative Andrew Boesenecker (temporary replacement for Representative Jenny Willford), Representative Max Brooks (remote, arrived online at 10:46 a.m.), Representative Dusty Johnson, Senator William Lindstedt, Senator Rod Pelton, Senator Mike Weissman, Senator Lisa Frizell

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; Crystal Dorsey, Vickie Heller, Harrison Scudamore, Trey Standley

Other Attendees

Department of Agriculture

Jordan Beezley, Deputy Commissioner of External Affairs

Department of Personnel & Administration

Tobin Follenweider, Deputy Executive Director

Sherri Maxwell, Chief Procurement Officer

Rosie McNeil-Cusick, Equity Office Director

Amber Hodges, Supplier Diversity Manager

Johnson Lambert LLP

Sarah McConnell, Partner

Kevin Vikander, Senior Manager

National Canine Advocacy Association

Tony Gagliardi

Pinnacol Assurance

John O'Donnell, CEO and President

Alicia Allen, Chief Financial Officer

Angela Oakley, Risk and Audit Committee Chair

10:06 a.m.

Department of Personnel & Administration, State Contracting Goal for Service-Disabled Veteran-Owned Small Businesses, Performance Audit, May 2026

Senator Weissman made a motion to release the Department of Personnel & Administration (DPA), State Contracting Goal for Service-Disabled Veteran-Owned Small Businesses, Performance Audit, May 2026. Representative Johnson seconded the motion, and the motion passed unanimously.

Ms. Colin introduced self and staff.

Mr. Follenweider (DPA) introduced self.

Other DPA staff introduced themselves.

OSA staff presented an overview of the audit, policy considerations, and audit recommendations.

Chapter 1 overview presented.

Discussion ensued regarding the history of the legislation, the certification process for Service-Disabled Veteran-Owned Small Businesses (SDVOSB), and categories evaluated under the 2020 disparity audit.

Policy consideration 1 presented.

Discussion ensued regarding DPA's statutory requirement for distribution of the annual SDVOSB annual report, and DPA adding the SDVOSB as a specific category in a possible future disparity study.

Policy consideration 2 presented.

Discussion ensued regarding the SDVOSB demographic as a part of state equity programs, and fiscal impact of adopting the policy consideration.

Policy consideration 3 presented.

Discussion ensued regarding previous legislation related to SDVOSB contracting goals, future possible legislation to clarify DPA's role in coordinating with departments, and possible conflicts with preference pricing related to an SDVOSB bid versus State Fiscal Rule 2-1 requiring the purchase of goods and services at a fair and reasonable price.

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

11:04 a.m.

Pinnacol Assurance, Audited Statutory Financial Statements and Supplementary Information, Years ended December 31, 2025 and 2024, with Report of Independent Auditors

Senator Weissman made a motion to release the Pinnacol Assurance, Audited Statutory Financial Statements and Supplementary Information, Years ended December 31, 2025 and 2024, with Report of Independent Auditors. Senator Pelton seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced self, staff, and contractor.

Mr. O'Donnell (Pinnacol Assurance) introduced self and Pinnacol Assurance Risk and Audit Committee Chair.

Johnson Lambert LLP staff presented an overview of the audit.

Discussion ensued regarding auditing Everpeak, possible privatization of Pinnacol, overview of surpluses, and recognition of Pinnacol's work with the agricultural industry.

11:38 a.m.

Minutes

Senator Weissman made a motion to approve the April 1, 2026, LAC hearing minutes. Senator Lindstedt seconded the motion, and the motion passed unanimously.

11:39 a.m.

Schedule for Current and Upcoming Performance Audits, as of May 2026

Ms. Colin presented an overview of current and upcoming performance audits.

Discussion ensued regarding the OSA audit workload as compared to previous years, including a request for a list of the OSA's statutorily-required audits.

11:47 a.m.

Audit Request of the Behavioral Health Administration

Ms. Colin presented an overview of the OSA research related to Senator Mullica's and Representative Rydin's request for an audit of the Behavioral Health Administration (BHA), suggesting that the Committee break the request into two parts. The first proposed audit would look at the effectiveness of the State's behavioral health care system. The second proposed audit of the behavioral health care system's funding and payment structure would be brought to the Committee at a later date for consideration.

Discussion ensued regarding the future introduction of the second proposed audit, clarification of whether there are any other requirements for an audit of the BHA, possible future audits of the BHA by the OSA, the schedule to complete the first proposed audit if approved, and the scoping process for the audit.

Representative Johnson made a motion to approve the first proposed audit request to evaluate the effectiveness of the BHA. Senator Pelton seconded the motion. Roll call vote conducted, and the motion passed unanimously. The results were as follows:

Representative Bacon - Yes

Representative Boesenecker – Yes

Representative Brooks – Yes

Representative Johnson – Yes

Senator Lindstedt - Yes

Senator Pelton – Yes

Senator Weissman– Yes

Senator Frizell – Yes

12:01 p.m.

Audit Request of the Colorado Department of Agriculture Pet Animal Care and Facilities Act Program

Ms. Colin presented an overview of the OSA research related to Assistant Minority Leader Winter's request for an audit of the Colorado Department of Agriculture Pet Animal Care and Facilities Act Program. Mr. Beezley from the Department of Agriculture (Department) was present in the hearing room and came to the table for part of the discussion.

Discussion ensued regarding facility inspections; budget for the Office of Pet Animal Care and Facilities Act Program (PACFA); an overview of the sunset process, including the timeline for implementing recommendations; timing of the audit if the request is approved; PACFA's accountability for addressing concerns in the audit request; the Department's ability to internally enforce the items raised in the audit request; the percentage of inspections completed per inspector; and presenting the concerns raised in the audit request to the Joint Budget Committee or during the Committee of Reference process.

The request was tabled until the August 10, 2026, LAC hearing, at which time the LAC members requested that the Department return to discuss the audit request in further detail.

12:45 p.m.

Report Released Without a Hearing

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

Ms. Edwards presented an overview of the report referenced in the list distributed to LAC members.

Hearing adjourned at 12:47 p.m.

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor