

House Bill 19-1136
State Auditor Access to Records for Audits

Background

The State Auditor's statutes explicitly provide authority to access books, accounts, reports, vouchers, or other records or information contained in state departments, institutions, or agencies [Section 2-3-107(2)(a)(I), C.R.S.]. In addition, Section 2-3-103.7(1), C.R.S. specifies that any state employee or those acting in an oversight role as members of a committee, board, or commission who disclose the contents of a report prepared by the Office of the State Auditor, prior to release by the Legislative Audit Committee, is guilty of a misdemeanor.

In recent years the General Assembly has added audit requirements or audit authority for the State Auditor to audit entities outside of state government. Specifically, authority or requirements have been added to conduct audits of: the Colorado New Energy Improvement District (a nonprofit organization); the use of the state historical funds for preservation and restoration by the Cities of Black Hawk, Central, and Cripple Creek (local governments); the Health Benefit Exchange (nonprofit); and the Community-Centered Boards (nonprofits). The Office of the State Auditor has obtained the records needed to conduct these audits through implicit authority corresponding to the audit requirements. However, the OSA has encountered challenges in accessing records relevant to audit of non-state entities. Such challenges have sometimes required the involvement of legal counsel for resolution and created delays and additional costs to complete the audit. Providing explicit authority to access records of non-state entities the OSA has authority or responsibility to audit could help prevent such challenges and the costs and delays they create.

What Would This Bill Do?

This Bill would amend Section 2-3-107, C.R.S. and Section 2-3-103.7, C.R.S. to:

- Link explicit authority to access records with the existing statutory authority to audit the Colorado New Energy Improvement District and the New Energy Improvement Program; the use of state historical funds used for preservation and restoration by the Cities of Central, Black Hawk, and Cripple Creek; the Health Benefit Exchange; and the Community-Centered Boards. This explicit authority to access records of the Cities of Central, Black Hawk, and Cripple Creek terminates along with the existing audit authority upon release of the final required audit report.
- Expand the confidentiality requirements of audit reports prior to release by the Legislative Audit Committee to include the members of oversight bodies listed in the first bullet.

This does not create new or expanded audit authority for the State Auditor.