

SB09-065

**Possible Legislation Concerning
the Audit Requirements for the
Public Safety Communications Trust Fund**

What Would this Bill Do?

This bill would amend Section 24-37.5-506(6), C.R.S. to delete the requirement that the Legislative Audit Committee review the administration of and expenditures from the Public Safety Communications Trust Fund (Fund) every four years.

Why Is This Bill Necessary?

This bill is needed to eliminate the requirement established in 1998 when the Fund was created that a stand-alone audit be conducted of the Fund every two years. [Note: SB08-155 changed the requirement to every four years.] The annual financial audit of the State conducted by the Office of the State Auditor (OSA) includes coverage of the administration and expenditures of the Fund. Since 1998 the OSA has performed a stand-alone examination of the Fund four times. The most recent review dated October 2007 identified a total of three findings related to capital assets and controls over disbursements. These areas are reviewed during the Statewide audit, and follow up on these findings has been incorporated into the annual Statewide audit.

When the Fund was created in 1998, it was anticipated that the Fund would incur significant expenditure outlays for public safety radio communications asset purchases. According to the Governor's Office of Information Technology, as of January 2009 the statewide Digital Trunked Radio System was largely completed and covers about 89 percent of the geographic area of the State. The Governor's Office of Information Technology received a \$7 million appropriation for Fiscal Year 2009 to upgrade the existing network. The Office also received one federal grant totaling \$300,000 in Fiscal Year 2009 to complete installation of one additional site. The Office estimates the geographic coverage of the Digital Trunked Radio System will be at approximately 93 percent at the end of Fiscal Year 2009. Other expenditures are primarily for maintenance and equipment updates for state-owned equipment. During Fiscal Year 2008, the Fund had \$11.3 million in expenditures; \$10.6 million of the expenditures related to a one-time federal award for rebanding of state radios as required by the Federal Communications Commission. Local governments have also purchased significant amounts of equipment related to the Digital Trunked Radio System.

The bill would maintain the authority of the State Auditor under Section 24-37.5-506(6), C.R.S. to "... investigate the affairs of the fund, severally examine the properties and records relating to the fund, and prescribe accounting methods and procedures for rendering periodical reports in relation to disbursements and purchases made from the fund." Further, under existing statutes the State Auditor has the authority to audit the Fund at any time.

Comments:

The Governor's Office of Information Technology supports this bill.