

Colorado Office of the State Auditor

Strategic Plan 2023

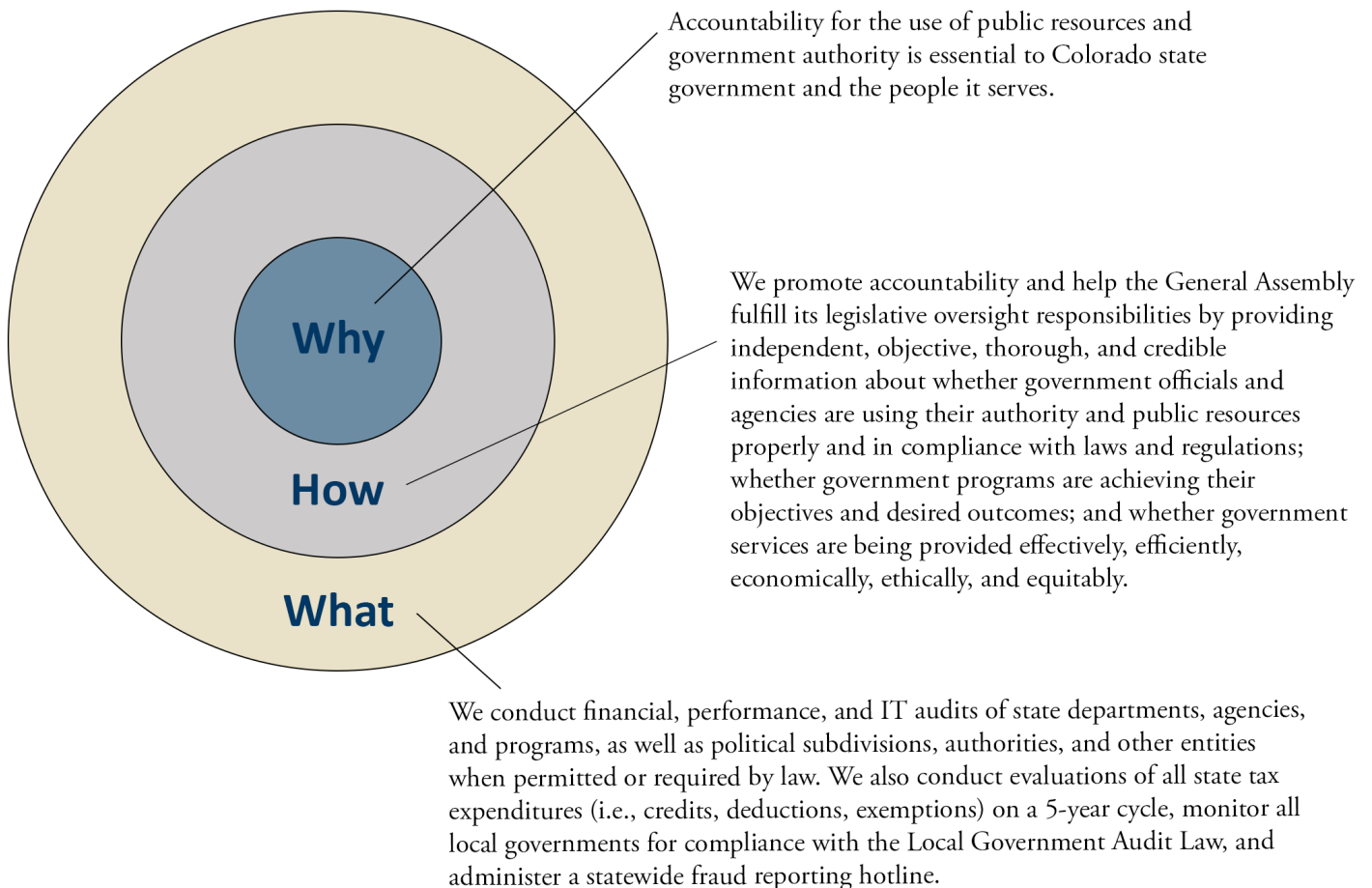
Introduction

Overseen by the State Auditor, the Office of the State Auditor (OSA) is an independent, nonpartisan staff agency within Colorado’s Legislative Branch. The OSA employs approximately 80 professional staff and has an annual budget of about \$13.5 million. The OSA is organized into five divisions: Financial Audits, Performance Audits, IT Audits, Tax Expenditure Evaluations, and Local Government Audits.

OSA Mission Statement

The OSA’s mission is to improve government for the people of Colorado.

The OSA’s Why, How, and What



Core Values & Principles

There are a number of interrelated core values and principles that we strive to uphold and that are the foundation for our individual and collective abilities to deliver on the OSA's mission.



We Are a Legislative Audit Organization

- We recognize the important role we play in supporting the General Assembly's legislative oversight responsibilities, which are essential to maintaining the Legislative Branch as a co-equal branch of government.
- We value the role of the General Assembly as a policy-making body. We provide objective analysis and information needed to help the General Assembly make informed decisions.
- We are one of four nonpartisan staff service agencies in the Legislative Branch subject to the overall operational direction and common policies set by legislative leadership.
- We work in service to the public and are accountable for being responsible stewards of the authority and resources entrusted to us to carry out our statutory responsibilities.
- We serve the public interest by performing our professional responsibilities competently and with integrity, objectivity, and independence.
- We base our judgments on reliable evidence while avoiding preconceived conclusions, presumptions of fact, partisanship, and political ideology.
- We maintain confidentiality and use discretion to protect private and personal information that is entrusted to us in the course of performing our work.
- We respect agencies by communicating with them throughout the audit and evaluation process and by providing them with opportunities to understand, inform, and comment on our work.



We Strive for Excellence

- We set high expectations and recognize that producing high-quality work is at the core of our credibility.
- We maintain a mindset of continuous improvement for our processes, work products, and services.

- We invest in our professional development and recognize that engaging in professional development opportunities throughout our careers helps us excel in our profession and produce high-quality work.
- We encourage new perspectives, creativity, and innovation when developing ideas, identifying solutions to problems, and overcoming challenges.
- When there is a setback, failure, or disappointment, we identify the key learnings and share them within the team and the organization.



We Support One Another

- We work cooperatively and collaboratively with one another.
- We value an inclusive work environment where everyone has a voice and a contribution to make.
- We promote work-life balance and physical and mental wellness.
- We act in a way that builds and maintains mutual trust and respect.
- We celebrate accomplishments and recognize and congratulate one another for good work.
- We recognize that when one team succeeds, we all succeed.
- We understand that the success of the team depends on each of us to follow through on our individual commitments and contributions.
- We are willing to ask for, give, and accept help when needed.

Strategic Goals & Performance Measures



Goal #1 – Our People

Our employees are the backbone of the OSA and its most critical assets. We will maintain a diverse and supportive work environment where we invest in and challenge employees, celebrate employees’ accomplishments, and help employees realize their potential.

Performance Measure 1.1

The OSA will maintain an overall employee job satisfaction rating at or above 80% in each year’s employee job satisfaction survey.

Whether an employee is satisfied with their job depends on many factors and circumstances that are individualized and personal for each employee. For example, some employees’ job satisfaction may be affected by factors such as a competitive salary and benefits or having a clear career path, whereas other employees’ job satisfaction might depend more on having professional development opportunities and a supportive team environment. Regardless of the factors that contribute to any individual employee’s job satisfaction, having a high overall employee job satisfaction rating collectively reflects positively on the OSA’s organizational health and contributes to other positive outcomes, such as increased motivation and work productivity and staff retention.

Colorado Office of the State Auditor Employee Job Satisfaction Ratings Calendar Years 2022-2026

	2022	2023	2024	2025	2026
Overall Employee Job Satisfaction Rating ¹	85.2%	--%	--%	--%	--%

Source: Annual OSA employee job satisfaction survey.

¹The percentage of OSA employees responding as “strongly agree” or “agree” to the statement: “Overall, I am satisfied with my job at the OSA.”



Goal #2 – Our Work

Producing high-quality work is at the core of the OSA’s credibility. We will adhere to internal quality control standards, applicable auditing standards, and legal and ethical requirements when planning, conducting, and reporting on the results of our work.

Performance Measure 2.1

The OSA will achieve a “pass” rating on its triennial external peer reviews.

Every 3 years, the OSA undergoes an external peer review, which is an examination of our system of quality control by an independent team with experience in government auditing.

The primary purpose of the external peer review is to evaluate whether the OSA has a system of quality control that is properly designed and is operating effectively to provide reasonable assurance of the OSA’s compliance with applicable auditing standards.

**Colorado Office of the State Auditor
NSAA External Peer Review Ratings¹
2012-2024**

Peer Review Date	Rating
2012	Pass
2015	Pass
2018	Pass
2021	Pass
2024 ²	—

Source: Office of the State Auditor.

¹The OSA began participating in the National State Auditors Association (NSAA) Peer Review Program in 2012; prior to this date the OSA contracted with a CPA firm to conduct the external peer review.

²The OSA’s next external peer review will take place in May 2024.



Goal #3 – Our Accountability

As a publicly funded government agency within Colorado’s Legislative Branch, the OSA is accountable to the General Assembly and, ultimately, to the taxpayers. We will be responsible stewards of the authority and resources entrusted to us to carry out our statutory responsibilities.

Performance Measure 3.1

The OSA will complete 85% of audits, evaluations, and other work products issued each year by the project’s planned completion date.

Decision-makers, agencies, and the public rely on our work. One of the ways the OSA demonstrates accountability is to be responsive and timely when completing our work. Some projects are required by law or auditing standards to be completed by a specified deadline, whereas other projects afford us more flexibility when determining their completion dates. The goal of completing 85% of audits, evaluations, and other work products by the project’s planned completion date helps to ensure that the OSA remains responsive and timely, while also being able to adjust to changing circumstances (e.g., changes in staff resources, changes in work priorities, changes in legislative priorities, coordinating on timing with the audited agency) after the project’s work plan has been finalized.

**Percentage of Audits, Evaluations, and Other Work Products Completed on Time¹
Fiscal Years 2022-2025**

	2022	2023	2024	2025
Number of Projects Completed on Time	70	--	--	--
Total Number of Projects Completed	87	--	--	--
Percentage of Projects Completed on Time	80.5%	%	%	%

Source: Office of the State Auditor.

¹The OSA calculates this measure by comparing the project’s planned completion date with the project’s actual completion date.

Performance Measure 3.2

The OSA will complete its Audit Request Memo within 45 days of the Legislative Audit Committee’s approval of preliminary research time for all audit requests from legislators or the Governor.

Many of the OSA’s audits are precipitated by a legislative or gubernatorial request for audit, and state statute requires the Legislative Audit Committee (LAC) to approve any audit requests from legislators or the Governor. The OSA is committed to being responsive to legislators’ needs and facilitating the LAC’s timely consideration of such audit requests. Under the LAC’s rules, the OSA first seeks approval to conduct preliminary research on the request. This research helps the OSA to understand the reasons for the request and evaluate the feasibility of an audit. Once the preliminary research is complete, the OSA issues a memo to the LAC that outlines the proposed focus of the audit, if an audit is feasible. A majority of the LAC members must vote to proceed with the request before the OSA puts the audit on its work plan for assignment to an available audit team.

**Percentage of Audit Request Memos Completed Within 45 Days¹
Fiscal Years 2022-2025**

	2022	2023	2024	2025
Number of Audit Requests Received	8	--	--	--
Number of Audit Requests Approved for Preliminary Research	5	--	--	--
Number of Audit Request Memos Completed Within 45 Days of Approval for Preliminary Research	4	--	--	--
Percentage of Audit Request Memos Completed Within 45 Days of Approval for Preliminary Research	100%²	%	%	%

Source: Office of the State Auditor.

¹The OSA calculates this measure by comparing the date the LAC approved preliminary research with the date the OSA completed its Audit Request Memo.

²One audit request was withdrawn subsequent to the LAC’s approval of research time; it is not counted in the total for purposes of calculating the percentage.

Performance Measure 3.3

The OSA will annually maintain at least a 5:1 ratio of financial benefits to net operating costs averaged over a 5-year period.

The OSA is primarily funded through state general funds. The OSA’s audits, evaluations, and other work products frequently identify financial benefits. The goal of maintaining at least a 5:1 benefit-to-cost ratio reflects the OSA’s commitment to ensuring a return on investment for the people of Colorado whose tax dollars fund our agency. Financial benefits include the identification of potential cost savings, questionable payments, opportunities to improve the effective management of funds, collection of fees or debts owed, policies that could be changed to increase revenue, opportunities to leverage state resources with matching funds, and increases in the value of state assets.

**Colorado Office of the State Auditor
Ratio of Financial Benefits to Net Operating Costs Based on 5-Year Annual Averages
Fiscal Years 2018 to 2022
Dollars in Millions**

	2019 (FY 2015-2019 Avg.)	2020 (FY 2016-2020 Avg.)	2021 (FY 2017-2021 Avg.)	2022 (FY 2018-2022 Avg.)	2023 (FY 2019-2023 Avg.)
Average Annual Financial Benefits Identified	\$54.7	\$170.5	\$186.1	\$201.2	\$--
Average Annual Net Operating Costs ¹	\$7.8	\$8.1	\$8.2	\$8.3	\$--
Benefit-to-Cost Ratio	7:1	21:1	23:1	24:1	--

Source: Office of the State Auditor.

¹Annual net operating costs are based on the OSA’s General Fund appropriations less reversions.

Organization-Wide Operational Initiatives

These initiatives are intended to articulate and prioritize key efforts to help the OSA and its employees work better and in support of the OSA's strategic goals. These operational initiatives are organization-wide and, therefore, will drive significant efforts and activities across all of the OSA's divisions over the next 12-18 months. Additional initiatives may be developed at the division level to help improve operations. Division-level initiatives need not be directly tied to nor solely driven by these organization-wide initiatives.

2023 OSA Operational Initiatives



Complete implementation of the OSA's new electronic workpaper software, Workiva.



Complete development of a comprehensive communications strategy for the OSA.



Identify and implement approaches that continue to promote effective workload management.



Identify and implement approaches that continue to foster and maintain a supportive work environment.



Reassess and realign the OSA's IT audit function based on current needs, priorities, and resources.



Identify and implement approaches that continue to encourage and facilitate employee recognition.