



MEMORANDUM

Date: August 9, 2011

To: Members of the Legislative Audit Committee

From: Dianne E. Ray, CPA, State Auditor

Re: Office of the State Auditor Recommendation Database

As part of an initiative to hold state agencies accountable for audit recommendations they have agreed to implement and to provide better information to policy makers and the general public, the Office of the State Auditor (OSA) has developed a database to capture, query, and report on all audit recommendations contained in audit reports released by the Legislative Audit Committee since January 2008. Enclosed are four reports detailing how agencies have or have not implemented recommendations since January 2008. These four reports are:

- **Report 1:** Financial recommendations that have appeared in more than one Statewide Single Audit report but have not yet been entirely implemented by agencies as of Fiscal Year Ending June 30, 2010.
- **Report 2:** All performance and IT audit report recommendations that agencies agreed to implement but are past due (January 2008 through July 2011).
- **Report 3:** All performance and IT audit report recommendations that agencies agreed to implement but have only partially implemented as of the due date (January 2008 through July 2011).
- **Report 4:** All recommendations, including performance, IT, and financial audit recommendations, with which agencies have disagreed (January 2008 through July 2011).

Summary Information

Since January 2008, the Office of the State Auditor has made approximately 2,650 recommendations to state agencies. Of these 2,650 recommendations, agencies agreed to implement nearly 92 percent of the recommendations. Agencies partially agreed to implement another 7 percent of these recommendations. Agencies disagreed with slightly more than 1 percent of OSA recommendations. The following table provides more detail.



We Set the Standard for Good Government

Overall Agency Response to OSA Audit Recommendations January 2008 through July 2011		
Agency Response	Number of Recommendations¹	Percentage
Agree	2,430	92%
Partially Agree	190	7%
Disagree	30	1%
TOTAL	2,650	100%
Source: Office of the State Auditor recommendation database. ¹ The OSA tracks a recommendation with multiple sub-parts as multiple recommendations. For example, a recommendation with three sub-parts is tracked as three separate recommendations. Additionally, if a recommendation is made to two agencies, the recommendation is tracked as two separate recommendations.		

While acknowledging that agencies agree with the vast majority of our recommendations, the attached reports detail which recommendations agencies have agreed to implement but either have not implemented or have not fully implemented. Additionally, one of the reports details those recommendations with which agencies disagreed. The table on the following page shows the number of recommendations that have been repeated in subsequent Statewide Single Audit reports, that each agency has not fully implemented, and with which agencies have disagreed since 2008.

Agency Totals by Report
Office of the State Auditor Recommendation Tracking Database

Agency	Recommendations Repeated in Subsequent Annual Statewide Single Audit	Recommendations that Agency Agreed to Implement But Are Past Due	Recommendations that Agency Agreed to But Have Only Partially Implemented	Recommendations with Which Agency Has Disagreed	Total
Dept of Education	2	0	0	0	2
Dept of Health Care Policy & Financing	73	2	0	2	77
Dept of Higher Education	0	0	0	2	2
Colorado Historical Society	2	0	0	0	2
CSU – Pueblo	1	0	0	0	1
College Assist	1	0	0	0	1
CollegeInvest	0	0	2	1	3
Dept of Human Services	104	0	0	16	120
Dept of Labor & Employment	9	0	1	0	10
Dept of Local Affairs	0	0	0	1	1
Dept of Military & Veterans Affairs	2	0	0	0	2
Dept of Natural Resources	0	0	0	1	1
Dept of Personnel & Administration	6	6	1	0	13
Dept of Public Health & Environment	1	0	1	1	3
Dept of Public Safety	0	2	0	1	3
Dept of Revenue	12	1	2	3	18
Dept of Transportation	6	2	1	0	9
Office of the Governor	8	0	0	0	8
Office of Information Technology	0	0	1	0	1
Office of the State Treasurer	3	0	0	0	3
Judicial Branch	0	0	1	0	1
Office of Administrative Courts	0	0	1	0	1
Pinnacol Assurance	0	0	1	1	2
Secretary of State	4	0	2	1	7
TOTAL	234	13	14	30	291

Source: Office of the State Auditor recommendation database.

Past Due Recommendations

Attached to this memo are three reports detailing those recommendations that agencies agreed or partially agreed to implement but have not yet implemented or have only partially implemented. Two of these reports are specific to performance and IT audit recommendations that are outstanding or “past due.” Because of the complexity of financial recommendations related to the annual Statewide Single Audit, we track past due financial recommendations in a separate report.

These reports are important because policy makers now have current information on outstanding recommendations, such as the specific nature of the recommendation, the original and current estimated date of implementation, and (in some cases) an agency’s latest status update on efforts to implement the recommendation. Policy makers can gauge agencies’ willingness to implement recommendations by reviewing outstanding recommendations.

Statewide Single Audit Financial Report Recommendations

One of our concerns is the number of financial-based recommendations that are repeated in the annual Statewide Single Audit report. Currently, 234 recommendations were either repeated again in the Fiscal Year 2010 Statewide Single Audit from prior year reports or have not yet been sufficiently resolved. The table below breaks down how long these recommendations have been repeated. Of these 234 recommendations, 15 have been repeated in some fashion since the Fiscal Year 2007 Statewide Single Audit. An additional 59 new recommendations were made in Fiscal Year 2008 that were repeated, in some fashion, in the Fiscal Year 2010 Statewide Single Audit. Finally, 160 new recommendations were made in Fiscal Year 2009 that were repeated in the following year.

Statewide Single Audit Recommendations Repeated in the Fiscal Year 2010 Audit Report Fiscal Years When Recommendations Were First Made			
Total (Repeated in 2010)	2009	2008	2007
234	160	59	15
Source: Office of the State Auditor analysis based on most recent (Fiscal Year 2010) Statewide Single Audit.			

Of the 234 total recommendations repeated in the Fiscal Year 2010 Statewide Single Audit report, more than two-thirds were made to the Department of Human Services (104 recommendations) and the Department of Health Care Policy and Financing (73 recommendations). Following up on these prior year financial audit recommendations is resource intensive, both for OSA and agency staff. While the OSA recognizes the need to fulfill sufficient follow up, the best solution would be for agencies to implement these recommendations so that efficiencies can be realized.

Performance and IT Audit Report Recommendations

Overall, we found 13 performance or IT recommendations that agencies agreed or partially agreed to implement but that agencies have not yet implemented and are past due. Additionally, we found 14 performance or IT recommendations that agencies agreed or partially agreed to implement but have only partially implemented to this point. The reports detailing performance and IT recommendations capture the following pieces of information:

- Agency Name
- Date Audit Was Released to LAC
- Name of Audit
- Recommendation Number
- Agency Response
- Original & Current Implementation Date
- Text of Recommendation
- Latest Implementation Status
- Source of Latest Status Update
- Date of Latest Status Update
- Agency Comments from Latest Status Update

The table on page 3 shows summary totals of each report by agency. The table shows that the Department of Personnel & Administration had the greatest number (7) of recommendations that it had agreed or partially agreed to but was past due in implementing. The majority of these recommendations come from a performance audit of the Department's Division of Human Resources. The Department of Personnel & Administration has opted not to implement these recommendations. It reports that "after years of limited success in establishing a formal audit program, the Department has determined that the formal auditing function should remain under the authority of the State Auditor." The Department attributes the limited success to "a number of factors including ongoing staffing issues, competing internal priorities, urgency of consulting interactions, and access and availability of audited agencies."

Of particular note is our recommendation to the Department of Health Care Policy and Financing recommending that the Department establish data collection and analysis processes to more effectively manage the Children's Basic Health Plan program. We released this audit report in June 2008, and the Department initially agreed to implement this recommendation by June 2009. However, in the latest status update (March 2011), the Department reported it had not implemented the recommendation and could not provide an estimated date of implementation.

Recommendations With Which Agencies Disagreed

This report contains a list of all recommendations, including all financial, performance, and IT audits, with which an agency has disagreed since January 2008. This report is important because policy makers now have current information on recommendations that agencies did not agree to implement. This information includes the specific nature of the recommendation, an agency's full text response on why they did not agree, and any status update information.

The report is similar in layout to the performance and IT reports showing agreed to or partially agreed to but not yet implemented reports. This report includes the following fields:

- Agency Name
- Name of Audit
- Date Audit Was Released to LAC
- Recommendation Number
- Agency Response
- Text of Recommendation
- Agency Comments Within Audit Report Explaining Why Agency Disagreed
- Agency Comments from Latest Status Update

The Department of Human Services has disagreed with 16 of our recommendations over the past two and a half years. These 16 recommendations vary in scope, but include the following areas:

- Improving information for evaluating county administrative and case management costs.
- Improving and developing additional tools and reports to monitor compliance with federal programs.
- Improving the effectiveness of the Temporary Assistance for Needy Families (TANF) by changing how TANF funds are allocated to counties.
- Establishing guidance to help counties and child placement agencies properly expend foster care funds.

Overall Conclusions

When considering the number of recommendations overall, the attached reports show that agencies generally agree with our recommendations and usually implement them in a timely manner. However, these reports highlight those recommendations that are either past due or that the agencies do not intend to implement. Policy makers now have information to determine which recommendations are outstanding and, in some cases, why the recommendations are outstanding. This information should provide the General Assembly with additional oversight tools.

Future OSA Initiatives

The Office of the State Auditor will continue to develop and refine its policies and procedures to capture and report on audit recommendations. To this end, the OSA will continue to work in the following areas:

- Improving the database by moving it to a more user- and web-friendly platform.
- Improving and automating workflow within our office.
- Increasing transparency and accountability by making the database available on the OSA website.
- Developing procedures for disposing of past due recommendations that have been outstanding for five or more years.
- Developing a method to capture cost savings/financial benefits on a recommendation-by-recommendation basis.

Office of the State Auditor Audit Recommendation Database



We Set the Standard for Good Government

August 2011

Table of Contents

Report 1: Financial Recommendations Not Entirely Implemented as of Fiscal Year Ending June 30, 2010

Report 2: All Performance and IT Recommendations That Agencies Agreed to Implement But Are Past Due (January 2008 through July 2011)

Report 3: All Performance and IT Recommendations That Agencies Agreed to But Have Only Partially Implemented (January 2008 through July 2011)

Report 4: All Financial, IT, and Performance Recommendations With Which Agencies Have Disagreed (January 2008 through July 2011)

Office of the State Auditor Recommendations

Financial Recommendations Not Entirely Implemented As of Fiscal Year Ending June 30, 2010

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Education	Ensure compliance with federal grant requirements by: (a) evaluating job descriptions and ensuring that descriptions are consistent with related job activities and salary allocations correspond with time worked on grants for employees.	52a	Deficiency in Internal Control	Partially Implemented	January 2011	52a	Deficiency in Internal Control	N/A	July 2010								
Department of Education	Ensure compliance with federal grant requirements by: (b) documenting employee time and effort capturing the work actually performed for grant objectives.	52b	Deficiency in Internal Control	Partially Implemented	January 2011	52b	Deficiency in Internal Control	N/A	July 2010								
Office of the Governor	The Governor's Office of Information Technology (OIT) should strengthen its controls over the State mainframe computer by: (a) implementing audit recommendations related to network security and user access communicated to OIT in 2006 under separate cover.	4a	Deficiency in Internal Control	Not Implemented	July 2011	4a	Deficiency in Internal Control	Deferred	January 2010	4a	Deficiency in Internal Control	N/A	Agree - original implementation date is January 2010				
Office of the Governor	The Governor's Office of Information Technology (OIT) should strengthen its controls over the State mainframe computer by: (b) periodically reviewing Top Secret security parameters to ensure compliance with best practices and OIT security policies.	4b	Deficiency in Internal Control	Not Implemented	October 2010	4b	Deficiency in Internal Control	Deferred	January 2010	4b	Deficiency in Internal Control	N/A	Agree - original implementation date is January 2010				
Office of the Governor	The Governor's Office of Information Technology (OIT) should strengthen its controls over the State mainframe computer by: (c) ensuring password management controls are in compliance with State Cyber Security Policies.	4c	Deficiency in Internal Control	Not Implemented	January 2011	4c	Deficiency in Internal Control	Deferred	January 2010	4c	Deficiency in Internal Control	N/A	Agree - original implementation date is January 2010				
Office of the Governor	The Governor's Office of Information Technology (OIT) should strengthen its controls over the State mainframe computer by: (e) establishing policies and procedures for agency security administrators to follow when creating generic IDs.	4e	Deficiency in Internal Control	Not Implemented	January 2011	4e	Deficiency in Internal Control	Deferred	January 2010	4e	Deficiency in Internal Control	N/A	Agree - original implementation date is January 2010				

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Office of the Governor	The Governor's Office of Information Technology (OIT) should strengthen its controls over the State mainframe computer by: (f) restricting system administrator-level privileges to those who have a documented business need for such access.	4f	Deficiency in Internal Control	Not Implemented	February 2011	4f	Deficiency in Internal Control	Deferred	January 2010	4f	Deficiency in Internal Control	N/A	Agree - original implementation date is January 2010				
Office of the Governor	The Governor's Office of Information Technology (OIT) should strengthen its controls over the State mainframe computer by: (g) ensuring all mainframe security administrators are properly trained and understand their roles and responsibilities.	4g	Deficiency in Internal Control	Partially Implemented	February 2011	4g	Deficiency in Internal Control	Deferred	January 2010	4g	Deficiency in Internal Control	N/A	Agree - original implementation date is January 2010				
Office of the Governor	The Governor's Office of Information Technology (OIT) should strengthen its controls over the State mainframe computer by: (h) overseeing the activities of agency security administrators to ensure compliance with established information system controls and security policies and procedures.	4h	Deficiency in Internal Control	Partially Implemented	February 2011	4h	Deficiency in Internal Control	Deferred	January 2010	4h	Deficiency in Internal Control	N/A	Agree - original implementation date is January 2010				
Office of the Governor	The Governor's Office of Information Technology (OIT) should strengthen its controls over the State mainframe computer by: (i) researching instances identified during this audit where user IDs for terminated employees were used after the date of termination and taking action as appropriate.	4i	Deficiency in Internal Control	Partially Implemented	July 2011	4i	Deficiency in Internal Control	Deferred	January 2010	4i	Deficiency in Internal Control	N/A	Agree - original implementation date is January 2010				
Department of Health Care Policy and Financing	Improve controls over the calculation of the Incurred But Not Reported expenditure estimate for Medicaid by: (a) implementing an independent review of the calculation, including the drug rebate amounts.	7	Significant Deficiency	Not Implemented	August 2011	4a	Significant Deficiency	N/A	Agree - original implementation date is July 2010								
Department of Health Care Policy and Financing	Improve controls over the calculation of the Incurred But Not Reported expenditure estimate for Medicaid by: (b) continuing to annually evaluate the calculation methodology and modify it, if necessary, to ensure a more accurate estimate.	7	Significant Deficiency	Not Implemented	August 2011	4b	Significant Deficiency	N/A	Agree - original implementation date is August 2010								
Department of Health Care Policy and Financing	Improve internal controls over financial reporting process by: (a) creating and documenting the process for communicating financial adjustments to the accounting section and the Office of the State Controller.	6a	Deficiency in Internal Control	Partially Implemented	August 2011	6a	Deficiency in Internal Control	N/A	Agree - original implementation date is June 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Health Care Policy and Financing	Improve internal controls over financial reporting process by: (b) providing training throughout the Department on this process.	6b	Deficiency in Internal Control	Partially Implemented	August 2011	6b	Deficiency in Internal Control	N/A	Agree - original implementation date is June 2010								
Department of Health Care Policy and Financing	Follow established policies in completing performance plans and consider changing policies to be consistent with current practice. If changes are warranted, a revised policy should be issued and communicated to staff.	8	Deficiency in Internal Control	Not Implemented	Not provided by agency	8	Deficiency in Internal Control	N/A	Agree - original implementation date is April 2010								
Department of Health Care Policy and Financing	Establish and implement policies and procedures for recording, investigating, and refunding, if appropriate, excess amounts repaid by providers.	8	Significant Deficiency	Not Implemented	October 2011	9	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Health Care Policy and Financing	Improve controls over documentation in Medicaid case files to support eligibility by: (a) continuing to monitor counties and Medical Assistance (MA) sites to ensure that they are obtaining and maintaining the required case file documentation to support eligibility determinations.	63	Significant Deficiency	Not Implemented	April 2011	53a	Material Weakness	N/A	Agree - original implementation date is from February 2010 through December 2013								
Department of Health Care Policy and Financing	Improve controls over documentation in Medicaid case files to support eligibility by: (b) requiring that counties and MA sites review case files to ensure consistency of information between the case file and the Colorado Benefits Management System (CBMS).	63	Significant Deficiency	Not Implemented	April 2011	53b	Material Weakness	N/A	Agree - original implementation date is from February 2010 through December 2013								
Department of Health Care Policy and Financing	Improve controls over Medicaid program eligibility determinations and data entry into the Colorado Benefits Management System (CBMS) by: (a) ensuring that county departments of human/social services and medical assistance sites have in place effective supervisory reviews of CBMS data entry, including comparisons of case file data with CBMS data as part of the eligibility determination process.	60	Material Weakness	Not Implemented	June 2011	54a	Material Weakness	N/A	Agree - original implementation date is from February through December 2010								
Department of Health Care Policy and Financing	Improve controls over Medicaid program eligibility determinations and data entry into the Colorado Benefits Management System (CBMS) by: (b) reviewing counties' and medical assistance sites' data input and monitoring their supervisory reviews.	60	Material Weakness	Not Implemented	June 2011	54b	Material Weakness	N/A	Agree - original implementation date is from February through December 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Health Care Policy and Financing	Improve controls over Medicaid program eligibility determinations and data entry into the Colorado Benefits Management System (CBMS) by: (c) expanding the Medicaid training and technical assistance provided to counties and medical assistance sites to emphasize the issues identified.	60	Material Weakness	Partially Implemented	April 2011	54c	Material Weakness	N/A	Agree - original implementation date is from February through December 2010								
Department of Health Care Policy and Financing	Ensure that county departments of human/social services and medical assistance sites are addressing Income, Eligibility, and Verification System data discrepancies within 45 days of receiving notification of a discrepancy, including discrepancies related to Department of Labor and Employment data, as required by federal regulations and in accordance with its state plan filed with the federal government.	59	Material Weakness	Not Implemented	July 2011	55	Material Weakness	N/A	Agree - original implementation date is January 2011								
Department of Health Care Policy and Financing	Improve controls over eligibility of Medicaid providers by: (a) ensuring that the Medicaid Management Information System contains current licensing information for all Medicaid providers that are required to have a license.	58	Material Weakness	Partially Implemented	June 2011	56a	Material Weakness	N/A	Agree - original implementation date is June 2010								
Department of Health Care Policy and Financing	Improve controls over eligibility of Medicaid providers by: (b) developing and implementing a process for verifying the current licensure of all providers that are required to have a license, including out-of-state providers.	58	Material Weakness	Not Implemented	June 2011	56b	Material Weakness	N/A	Agree - original implementation date is June 2010								
Department of Health Care Policy and Financing	Improve controls over eligibility of Medicaid providers by: (c) ensuring that all providers have valid current provider participation agreements or contracts.	58	Material Weakness	Not Implemented	June 2011	56c	Material Weakness	N/A	Agree - original implementation date is November 2010 (interim) and July 2011								
Department of Health Care Policy and Financing	Improve controls over requests for federal funds through the American Recovery and Reinvestment Act (Recovery Act) by: (b) documenting written procedures and ensuring adequate review of federal draws and supporting information to ensure their accuracy.	N/A	Deficiency in Internal Control	Partially Implemented	August 2011	57b	Material Weakness	N/A	Agree - original implementation date is March 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Health Care Policy and Financing	Ensure that the Colorado Benefits Management System (CBMS) alerts are working as designed and that Medicaid eligibility is terminated in a timely manner, when appropriate, by: (a) correcting the CBMS problem related to the Transitional Medicaid program to ensure prompt termination of eligibility when a beneficiary does not submit a Transitional Benefits Report as required.	55	Material Weakness	Not Implemented	June 2011	58a	Material Weakness	N/A	Agree - original implementation date is March 2010								
Department of Health Care Policy and Financing	Ensure that the Colorado Benefits Management System (CBMS) alerts are working as designed and that Medicaid eligibility is terminated in a timely manner, when appropriate, by: (b) ensuring that CBMS alerts are working as designed for all Medicaid programs that have specified time limitations for eligibility, such as the Medicaid Qualified Pregnant Woman program.	55	Material Weakness	Not Implemented	June 2011	58b	Material Weakness	N/A	Agree - original implementation date is January 2011								
Department of Health Care Policy and Financing	Reduce eligibility determination errors for the Children's Basic Health Plan (CBHP) by improving oversight and training of eligibility sites by: (a) continuing to provide eligibility sites with CBHP training and technical assistance on eligibility and documentation requirements.	63	Significant Deficiency	Partially Implemented	April 2011	59a	Material Weakness	N/A	Agree - original implementation date is February 2010 through December 2013								
Department of Health Care Policy and Financing	Reduce eligibility determination errors for the Children's Basic Health Plan (CBHP) by improving oversight and training of eligibility sites by: (b) enforcing eligibility sites' supervisory review processes and corrective action plans by following up on problems identified through the Department's monitoring program and this audit.	63	Significant Deficiency	Not Implemented	April 2011	59b	Material Weakness	N/A	Agree - original implementation date is February 2010 through December 2013								
Department of Health Care Policy and Financing	Reduce eligibility determination errors for the Children's Basic Health Plan (CBHP) by improving oversight and training of eligibility sites by: (c) investigating the causes of the CBMS errors identified in the audit and modify CBMS as needed to correct them.					59c	Material Weakness	N/A	Agree - original implementation date is February 2010 through December 2013								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Health Care Policy and Financing	Ensure that all county departments of human/social services and medical assistance sites have access to Income, Eligibility, and Verification System (IEVS) data and address any discrepancies, including those related to Department of Labor and Employment data, as required by state regulations. Additionally, the Department should incorporate IEVS requirements within the CBHP program's state plan and within the Department rules for this program.	59	Material Weakness	Not Implemented	January 2012	60	Material Weakness	N/A	Partially agree - implementation date is January 2011								
Department of Health Care Policy and Financing	Improve controls over the Children's Basic Health Plan (CBHP) program data entry into CBMS by: (a) ensuring that county departments of human/social services and medical assistance sites have in place effective supervisory reviews of CBMS data entry, including comparisons of case file data with CBMS data as part of the eligibility determination process.	62a	Deficiency in Internal Control	Partially Implemented	March 2011	62a	Significant Deficiency	N/A	Agree - original implementation date is February 2010 through December 2013								
Department of Health Care Policy and Financing	Improve controls over the Children's Basic Health Plan (CBHP) program data entry into CBMS by: (b) reviewing counties' and medical assistance sites' data input and monitoring their supervisory reviews.	62b	Deficiency in Internal Control	Partially Implemented	March 2011	62b	Significant Deficiency	N/A	Agree - original implementation date is February 2010 through December 2013								
Department of Health Care Policy and Financing	Improve controls over the Children's Basic Health Plan (CBHP) program data entry into CBMS by: (c) expanding the CBHP training and technical assistance provided to counties and medical assistance sites to emphasize the issues identified, such as CBMS income calculations.	62c	Deficiency in Internal Control	Partially Implemented	March 2011	62c	Significant Deficiency	N/A	Agree - original implementation date is February 2010 through December 2013								
Department of Health Care Policy and Financing	Ensure compliance with federal regulations governing Medicaid and the Children's Basic Health Plan (CBHP) programs by: (a) ensuring that all Medicaid applications include the citizenship and identity documentation required by the Deficit Reduction Act (DRA) prior to approving or denying eligibility for Medicaid.	67	Deficiency in Internal Control	Partially Implemented	January 2011	63a	Deficiency in Internal Control	N/A	Agree - original implementation date is January 2010								
Department of Health Care Policy and Financing	Ensure compliance with federal regulations governing Medicaid and the Children's Basic Health Plan (CBHP) programs by: (b) maintaining DRA documentation received with Medicaid applications in CBHP case files.	67	Deficiency in Internal Control	Partially Implemented	January 2011	63b	Deficiency in Internal Control	N/A	Agree - original implementation date is January 2010 through December 2013								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Health Care Policy and Financing	Ensure that all program processing requirements for Medicaid and Children's Basic Health Plan (CBHP) eligibility are met by: (a) using existing mechanisms, such as CBMS reports and the Monitoring and Quality Unit, to identify all cases, including long-term care cases, which exceed processing guidelines.	64	Significant Deficiency	Not Implemented	June 2011	64a	Significant Deficiency	N/A	Agree - original implementation date is February 2010 through December 2013								
Department of Health Care Policy and Financing	Ensure that all program processing requirements for Medicaid and Children's Basic Health Plan (CBHP) eligibility are met by: (b) working with county departments of human/social services and Medical Assistance sites to improve the application processing timeliness by offering technical assistance that focuses on the cause of untimely processing to ensure that new cases and redeterminations for Medicaid and for the CBHP program are processed within state and federal guidelines.	64	Significant Deficiency	Partially Implemented	June 2011	64b	Significant Deficiency	N/A	Agree - original implementation date is February 2010 through December 2013								
Department of Health Care Policy and Financing	Improve controls over the calculation and reporting of family planning expenditures under the Medicaid Managed Care Program by: (a) completing its review of the methodology used to calculate and report family planning expenditures and developing and implementing written policies and procedures for the methodology.	61	Material Weakness	Partially Implemented	August 2011	65a	Material Weakness	N/A	Agree - original implementation date is June 2010								
Department of Health Care Policy and Financing	Improve controls over the calculation and reporting of family planning expenditures under the Medicaid Managed Care Program by: (c) maintaining all supporting documentation used for the calculation of the family planning expenditures.	61	Material Weakness	Not Implemented	August 2011	65c	Material Weakness	N/A	Agree - original implementation date is June 2010								
Department of Health Care Policy and Financing	Improve controls over the calculation and reporting of family planning expenditures under the Medicaid Managed Care Program by: (d) ensuring that supervisors review the data used, calculations, and the supporting documentation for compliance with the established methodology prior to submission of reports to the federal government.	61	Material Weakness	Not Implemented	August 2011	65d	Material Weakness	N/A	Agree - original implementation date is June 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Health Care Policy and Financing	Improve controls over the calculation and reporting of family planning expenditures under the Medicaid Managed Care Program by: (e) ensuring all data from COFRS are extracted in a consistent manner and in accordance with policies and procedures.	61	Material Weakness	Not Implemented	August 2011	65e	Material Weakness	N/A	Agree - original implementation date is June 2010								
Department of Health Care Policy and Financing	Improve controls over payments to laboratory providers for the Medicaid program by: (a) ensuring that MMIS edits necessary for accepting complete certification information from providers are working as intended to ensure compliance with the Clinical Laboratory Improvement Amendment (CLIA) requirements.	57	Material Weakness	Partially Implemented	July 2011	66a	Material Weakness	N/A	Agree - original implementation date is July 2011								
Department of Health Care Policy and Financing	Improve controls over payments to laboratory providers for the Medicaid program by: (b) until system edits can be completed, establishing an alternative method to verify that only providers with CLIA certification are receiving payment through the Medicaid program.	57	Material Weakness	Not Implemented	July 2011	66b	Material Weakness	N/A	Agree - original implementation date is December 2009								
Department of Health Care Policy and Financing	Improve controls over payments to laboratory providers for the Medicaid program by: (c) identifying and recovering any payments erroneously made to laboratories that were not CLIA-certified.	57	Material Weakness	Not Implemented	December 2011	66c	Material Weakness	N/A	Agree - original implementation date is March 2010								
Department of Health Care Policy and Financing	Improve controls over occupational and physical therapy claims processed through the Medicaid Management Information System by working with Affiliated Computer Services, Inc., and policy staff to ensure that the resolution text related to these claims is consistent with Department policy, including the requirement to receive authorization prior to processing these claims when the annual service limit has been reached.	66	Significant Deficiency	Not Implemented	June 2011	67	Significant Deficiency	N/A	Agree - original implementation date is December 2009								
Department of Health Care Policy and Financing	Improve controls over expenditures by strengthening its supervisory review process to ensure the accuracy of expenditure allocations among Medicaid, the Children's Basic Health Plan, and the Old Age Pension program, and request reimbursement for the \$22,000 in federal funds identified in the audit.	69	Deficiency in Internal Control	Not Implemented	February 2011	72	Deficiency in Internal Control	N/A	Agree - original implementation date is April 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Health Care Policy and Financing	Improve the Medicaid Management Information System (MMIS) user access controls by immediately implementing our prior year recommendation and strengthening MMIS's operating system, including: (a) evaluating MMIS user access profiles and identifying those profiles, or combinations of profiles, that are appropriate for different system users. This information should be shared with the supervisors of MMIS users.	73a	Deficiency in Internal Control	Not Implemented	December 2010	73a	Deficiency in Internal Control	N/A	Agree - original implementation date is March 2010								
Department of Health Care Policy and Financing	Improve the Medicaid Management Information System (MMIS) user access controls by immediately implementing our prior year recommendation and strengthening MMIS's operating system, including: (b) establishing a written procedure that HCPF IT security staff follow when MMIS access is requested.	73b	Deficiency in Internal Control	Not Implemented	December 2010	73b	Deficiency in Internal Control	N/A	Agree - original implementation date is January 2010								
Department of Health Care Policy and Financing	Improve the Medicaid Management Information System (MMIS) user access controls by immediately implementing our prior year recommendation and strengthening MMIS's operating system, including: (c) ensuring that profiles or profile combinations that provide escalated system privileges are identified and tightly controlled, including the establishment of compensating controls.	73c	Deficiency in Internal Control	Not Implemented	December 2010	73c	Deficiency in Internal Control	N/A	Agree - original implementation date is May 2010								
Department of Health Care Policy and Financing	Improve the Medicaid Management Information System (MMIS) user access controls by immediately implementing our prior year recommendation and strengthening MMIS's operating system, including: (d) periodically reviewing MMIS user access levels for appropriateness and promptly removing access for terminated users, including comparing active MMIS users to termination information contained in the Colorado Personnel Payroll System and requiring business managers to annually verify the accuracy and relevance of access levels belonging to the MMIS users they supervise.	73d	Deficiency in Internal Control	Not Implemented	December 2010	73d	Deficiency in Internal Control	N/A	Agree - original implementation date is May 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Health Care Policy and Financing	Improve the Medicaid Management Information System (MMIS) user access controls by immediately implementing our prior year recommendation and strengthening MMIS's operating system, including: (e) strengthening the configuration of the MMIS operating system by implementing the recommendations made under separate cover.	73e	Deficiency in Internal Control	Partially Implemented	December 2010	73e	Deficiency in Internal Control	N/A	Agree - original implementation date is February 2010								
Department of Health Care Policy and Financing	Improve monitoring of and communication with Medicaid durable medical equipment and supplies providers by: (b) developing uniform standards for providers to follow for the purchase and billing of new and used equipment and related-party purchases and referrals.	77b	Deficiency in Internal Control	Partially Implemented	March 2011	77b	Deficiency in Internal Control	N/A	Agree - original implementation date is June 2010								
Department of Health Care Policy and Financing	Improve oversight of Medicaid laboratory and radiology providers by: (a) performing periodic clinical reviews, preferably on-site, of laboratory and radiology providers to assess whether providers comply with the six criteria established in state regulations related to laboratory and radiology services.	78a	Deficiency in Internal Control	Partially Implemented	Spring 2011	78a	Deficiency in Internal Control	N/A	Partially agree - implementation date is ongoing								
Department of Health Care Policy and Financing	Improve oversight of Medicaid laboratory and radiology providers by: (b) periodically reviewing laboratory and radiology claims to ensure that it has not double paid for the technical and professional components of these services.	78b	Deficiency in Internal Control	Partially Implemented	Spring 2011	78b	Deficiency in Internal Control	N/A	Agree - original implementation date is October 2009								
Department of Health Care Policy and Financing	Ensure a comprehensive and uniform assessment process for determining functional eligibility and the services necessary to address the needs of individuals seeking long-term care services by: (a) improving written guidance to direct Single Entry Point (SEP) agencies on all aspects of the intake, functional assessment, and service planning processes, including how case managers should document information in the Benefits Utilization System.	81a	Deficiency in Internal Control	Partially Implemented	June 2011	81a	Significant Deficiency	N/A	Agree - original implementation date is October 2009								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Health Care Policy and Financing	Ensure a comprehensive and uniform assessment process for determining functional eligibility and the services necessary to address the needs of individuals seeking long-term care services by: (b) modifying State Medicaid Rules to more clearly define how to score functioning when the individual uses an assistive device, and making appropriate corresponding changes to the Department's functional assessment instrument.	81b	Deficiency in Internal Control	Not Implemented	June 2011	81b	Significant Deficiency	N/A	Agree - original implementation date is October 2009								
Department of Health Care Policy and Financing	Ensure a comprehensive and uniform assessment process for determining functional eligibility and the services necessary to address the needs of individuals seeking long-term care services by: (c) strengthening its state-sponsored training by making standard core training courses available to all SEP agencies.	81c	Deficiency in Internal Control	Not Implemented	June 2011	81c	Significant Deficiency	N/A	Agree - original implementation date is October 2009								
Department of Health Care Policy and Financing	Ensure a comprehensive and uniform assessment process for determining functional eligibility and the services necessary to address the needs of individuals seeking long-term care services by: (d) setting minimum standards for SEP agencies' quality assurance and case file review practices. Standards should include steps for measuring inter-rater reliability of functional assessment scoring and for systematically compiling, reporting, and addressing the results of the case file reviews.	81d	Deficiency in Internal Control	Not Implemented	June 2011	81d	Significant Deficiency	N/A	Agree - original implementation date is October 2009								
Department of Health Care Policy and Financing	Ensure eligible individuals have timely access to Medicaid long-term care services by developing an integrated approach to monitor the timeliness of all components of the eligibility determination process, identify problems, and make improvements by: (a) providing clear and consistent written guidance to Single Entry Point (SEP) agencies regarding how the timeliness of the functional assessment and other processes will be measured.	82a	Deficiency in Internal Control	Partially Implemented	June 2011	82a	Deficiency in Internal Control	N/A	Agree - original implementation date is October 2009								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Health Care Policy and Financing	Ensure eligible individuals have timely access to Medicaid long-term care services by developing an integrated approach to monitor the timeliness of all components of the eligibility determination process, identify problems, and make improvements by: (b) making improvements to the Benefits Utilization System to capture all dates necessary to evaluate the timeliness of SEP agencies' intake and functional assessment processes.	82b	Deficiency in Internal Control	Partially Implemented	December 2010	82b	Deficiency in Internal Control	N/A	Agree - original implementation date is December 2009								
Department of Health Care Policy and Financing	Ensure eligible individuals have timely access to Medicaid long-term care services by developing an integrated approach to monitor the timeliness of all components of the eligibility determination process, identify problems, and make improvements by: (d) making changes to weekly reports in CBMS to identify all pending Medicaid long-term care applications that exceed required processing time frames and compile summary statistics on the timely processing of Medicaid applications by county and statewide.	64	Significant Deficiency	Not Implemented	Spring 2011	82d	Deficiency in Internal Control	N/A	Contingent upon funding and joint prioritization								
Department of Health Care Policy and Financing	Ensure eligible individuals have timely access to Medicaid long-term care services by developing an integrated approach to monitor the timeliness of all components of the eligibility determination process, identify problems, and make improvements by: (e) working with the disability determination contractor and county departments of human/social services to investigate and address the underlying factors contributing to delays in transmitting disability applications.	64	Significant Deficiency	Partially Implemented	Spring 2011	82e	Deficiency in Internal Control	N/A	Agree - original implementation date is starting in June 2009								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Health Care Policy and Financing	Ensure eligible individuals have timely access to Medicaid long-term care services by developing an integrated approach to monitor the timeliness of all components of the eligibility determination process, identify problems, and make improvements by: (f) capturing and analyzing data on an ongoing basis to monitor and evaluate how long it takes eligible individuals to gain access to Medicaid long-term care services from the time they first enter the system.	82f	Deficiency in Internal Control	Partially Implemented	December 2010	82f	Deficiency in Internal Control	N/A	Agree - original implementation date is October 2010								
Department of Health Care Policy and Financing	Ensure that reports submitted to the federal government regarding the Home and Community Based Services (HCBS) waivers are accurate and complete by: (a) developing procedures to review the accuracy of CMS-372 reports and the underlying data prior to submitting the reports to CMS.	83a	Deficiency in Internal Control	Not Implemented	October 2010	83a	Deficiency in Internal Control	N/A	Agree - original implementation date is June 2009								
Department of Health Care Policy and Financing	Improve monitoring and oversight of its interagency agreement with the Division to ensure compliance with agreement provisions, as well as with federal requirements. The Department should make monitoring improvements to ensure the Division: (a) develops clear, written fiscal and administrative procedures for the HCBS-DD waiver program.	84a	Deficiency in Internal Control	Partially Implemented	June 2011	84a	Deficiency in Internal Control	N/A	Agree - original implementation date is June 2010								
Department of Health Care Policy and Financing	Improve controls over updating Medicaid provider licenses in the Medicaid Management Information System (MMIS) by: (a) ensuring that all Medicaid providers required to have a license have current license information entered into MMIS.	58	Material Weakness	Not Implemented	June 2011	56a	Material Weakness	Not Implemented	June 2010	64a	Material Weakness	N/A	Agree - original implementation date is June 2009				
Department of Health Care Policy and Financing	Improve controls over updating Medicaid provider licenses in the Medicaid Management Information System (MMIS) by: (b) continuing to develop and implement a plan to automate the process for updating licenses for providers participating in the Medicaid program.	58	Material Weakness	Not Implemented	June 2011	85	Material Weakness	Deferred	June 2010	64b	Material Weakness	N/A	Agree - original implementation date is December 2010				
Department of Health Care Policy and Financing	Improve controls over updating Medicaid provider licenses in the Medicaid Management Information System (MMIS) by: (c) developing a process for obtaining all current licenses for all out-of-state providers.	58	Material Weakness	Not Implemented	June 2011	56c	Material Weakness	Not Implemented	July 2011	64c	Material Weakness	N/A	Agree - original implementation date is June 2009				

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Health Care Policy and Financing	Improve the Medicaid Eligibility Quality Control (MEQC) system by: (a) ensuring that county departments of human/social services and Medical Assistance sites respond to findings and that corrective action plans adequately address deficiencies identified.	60a	Deficiency in Internal Control	Partially Implemented	January 2011	60a	Deficiency in Internal Control	Partially Implemented	No new implementation date provided	60a	Material Weakness	N/A	Agree - Implemented and ongoing				
Department of Health Care Policy and Financing	Improve the Medicaid Eligibility Quality Control (MEQC) system by: (c) ensuring that pilot program reporting requirements are met.	60c	Deficiency in Internal Control	Partially Implemented	January 2011	60c	Deficiency in Internal Control	Partially Implemented	No new implementation date provided	60c	Material Weakness	N/A	Agree - Implemented				
Department of Health Care Policy and Financing	Improve controls over subrecipient monitoring for the Medicaid and the Children's Health Insurance programs by: (c) requiring all subrecipients with federal expenditures of \$500,000 or more within a fiscal year to provide annual audits performed in accordance with Circular A-133 requirements.	62	Significant Deficiency	Not Implemented	July 2011	62c	Deficiency in Internal Control	Not Implemented	No new implementation date provided	62c	Material Weakness	N/A	Agree - original implementation date is June 2009				
Department of Health Care Policy and Financing	Improve its oversight of certifications required for nursing facilities and intermediate care facilities for the mentally retarded (ICF/MR) by: (a) maintaining written notification of the Department of Public Health and Environment recommendations to certify or terminate certifications, to document compliance with the interagency agreement.	65a	Deficiency in Internal Control	Partially Implemented	June 2011	65a	Deficiency in Internal Control	Partially Implemented	No new implementation date provided	65a	Significant Deficiency	N/A	Agree - Implemented				
Department of Health Care Policy and Financing	Improve its oversight of certifications required for nursing facilities and intermediate care facilities for the mentally retarded (ICF/MR) by: (b) developing and implementing a certification tracking mechanism to monitor and document recommendations for certifications and terminations of certifications.	65b	Deficiency in Internal Control	Partially Implemented	June 2011	65b	Deficiency in Internal Control	Partially Implemented	No new implementation date provided	65b	Significant Deficiency	N/A	Agree - Implemented				
Department of Health Care Policy and Financing	Reduce eligibility-determination errors for the Children's Basic Health Plan (CBHP) by improving oversight and training of eligibility sites. Specifically, the Department should: (b) expand CBHP training and technical assistance provided to eligibility sites to target the key issues identified through the Department's monitoring program.	68b	Deficiency in Internal Control	Partially Implemented	March 2011	68b	Deficiency in Internal Control	Partially Implemented	September 2010	68b	Deficiency in Internal Control	N/A	Agree - implementation date is ongoing				

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Health Care Policy and Financing	Reduce eligibility-determination errors for the Children's Basic Health Plan (CBHP) by improving oversight and training of eligibility sites. Specifically, the Department should: (c) require eligibility sites to improve their quality/supervisory review processes to ensure that workers correctly enter data into CBMS and review and approve CBHP eligibility determinations.	68c	Deficiency in Internal Control	Partially Implemented	March 2011	68c	Deficiency in Internal Control	Partially Implemented	September 2010	68c	Deficiency in Internal Control	N/A	Agree - original implementation date is June 2009				
Department of Health Care Policy and Financing	Improve its monitoring of application processing for the Children's Basic Health Plan (CBHP) by eligibility sites to ensure eligibility decisions are made timely, in accordance with federal and state rules and guidelines. Specifically, the Department should: (b) work with the eligibility sites to investigate the underlying factors contributing to processing delays, including the reasons CBHP applications, supporting documentation, or enrollment fees have not been entered or processed in CBMS.	69b	Deficiency in Internal Control	Partially Implemented	September 2010	69b	Deficiency in Internal Control	Partially Implemented	September 2010	69b	Deficiency in Internal Control	N/A	Agree - original implementation date is January 2009				
Department of Health Care Policy and Financing	Improve its monitoring of application processing for the Children's Basic Health Plan (CBHP) by eligibility sites to ensure eligibility decisions are made timely, in accordance with federal and state rules and guidelines. Specifically, the Department should: (c) further target training and technical assistance to address the underlying problems of late processing.	69c	Deficiency in Internal Control	Partially Implemented	September 2010	69c	Deficiency in Internal Control	Partially Implemented	September 2010	69c	Deficiency in Internal Control	N/A	Agree - original implementation date is January 2009				
Department of Health Care Policy and Financing	Improve its monitoring of application processing for the Children's Basic Health Plan (CBHP) by eligibility sites to ensure eligibility decisions are made timely, in accordance with federal and state rules and guidelines. Specifically, the Department should: (d) consider the costs and benefits of expanding the eligibility and enrollment contract on either a permanent or temporary basis to reduce backlogs at the eligibility sites.	69c	Deficiency in Internal Control	Not Implemented	July 2010	69d	Deficiency in Internal Control	Deferred	July 2009	69d	Deficiency in Internal Control	N/A	Agree - original implementation date is July 2009				
Department of Health Care Policy and Financing	Improve the redetermination process and improve retention for the Children's Basic Health Plan program by: (a) routinely calculating program retention rates and analyzing data on program retention.	70a	Deficiency in Internal Control	Partially Implemented	June 2011	70a	Deficiency in Internal Control	Partially Implemented	December 2009	70a	Deficiency in Internal Control	N/A	Agree - original implementation date is July 2008				

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Health Care Policy and Financing	Improve the redetermination process and improve retention for the Children's Basic Health Plan program by: (c) beginning to send reminders to families regarding the submission of their redetermination applications as soon as possible.	70c	Deficiency in Internal Control	Not Implemented	The Dept is no longer pursuing the recommendation; no revised implementation date given	70c	Deficiency in Internal Control	Not Implemented	March 2010	70c	Deficiency in Internal Control	N/A	Agree - original implementation date is May 2009				
Department of Health Care Policy and Financing	Ensure ineligible women and children are properly and timely disenrolled from the Children's Basic Health Plan (CBHP) program. Specifically, the Department should: (b) strengthen efforts to ensure that, until the planned changes to CBMS and the Medicaid Management Information System (MMIS) are fully implemented and working properly, participants are disenrolled from CBHP as soon as their eligibility ends.	71b	Deficiency in Internal Control	Partially Implemented	June 2012	71b	Deficiency in Internal Control	Partially Implemented	June 2012	71b	Significant Deficiency	N/A	Agree - original implementation date is September 2008				
Department of Higher Education - Colorado Historical Society	Strengthen controls over travel expenditures by: (a) ensuring that travel expenditures are appropriately reviewed prior to approval, that correct per diem rates are used, that travel expenditures are coded correctly in COFRS, and that all other State Fiscal Rules regarding travel are followed.	10a	Deficiency in Internal Control	Partially Implemented	June 2011	10a	Significant Deficiency	N/A	Agree - original implementation date is October 2009								
Department of Higher Education - Colorado Historical Society	Strengthen controls over travel expenditures by: (b) training staff and supervisors on state travel rules and policies.	10b	Deficiency in Internal Control	Partially Implemented	June 2011	10b	Significant Deficiency	N/A	Agree - original implementation date is October 2009								
Department of Higher Education - Colorado State University - Pueblo	Develop policies and procedures to help ensure that institutionally scheduled breaks are excluded from its calculation of amount earned for the return of Title IV funds for students who have withdrawn and have been recipients of Title IV grant or loan assistance.	70	Deficiency in Internal Control	Partially Implemented	August 2010	87	Deficiency in Internal Control	N/A	Agree - original implementation date is September 2009								
Department of Higher Education - Colorado Student Loan Program dba College Assist	Establish procedures to periodically test the accuracy and completeness of the default aversion rebate reports from Nelnet Guarantor Solutions (NGS) to ensure the proper functioning of the new system.	77	Significant Deficiency	Partially Implemented	January 2011	98	Significant Deficiency	N/A	Agree - original implementation date is January 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	The Division of Facilities Management should address statutory compliance issues and strengthen controls over the rental of state-owned surplus facilities by: (c) instituting periodic secondary reviews of all leases of State-owned property, to ensure that they are current, documented on the approved Office of the State Architect lease agreement, clearly describe the property to be rented, and are properly authorized.	11c	Deficiency in Internal Control	Not Implemented	March 2011	11c	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	The Division of Facilities Management should address statutory compliance issues and strengthen controls over the rental of state-owned surplus facilities by: (d) renegotiating any leases found after review to be inadequately documented, authorized, expired, or out of compliance.	11d	Deficiency in Internal Control	Partially Implemented	March 2011	11d	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Ensure that the financial data in COFRS related to counties' administration of public assistance programs are accurate and complete by: (a) developing a procedure by which to reconcile the County Financial Management System (CFMS) and COFRS data each month.	13b	Significant Deficiency	Not Implemented	June 2012	13a	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Ensure that the financial data in COFRS related to counties' administration of public assistance programs are accurate and complete by: (b) assigning responsibility to specific employees for conducting the monthly reconciliation process and the supervisory review of the process.	13c	Significant Deficiency	Not Implemented	June 2012	13b	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Ensure that the financial data in COFRS related to counties' administration of public assistance programs are accurate and complete by: (c) reconciling the CFMS and COFRS accounts of the reimbursement due the counties at the end of Fiscal Year 2009 and making the necessary adjustments.	13a	Significant Deficiency	Not Implemented	June 2012	13c	Significant Deficiency	N/A	Agree - original implementation date is June 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Improve controls over financial reporting for Medicare Part D revenue and receivables at the Fort Logan and Pueblo Mental Health Institutes by ensuring monthly and fiscal year-end reconciliations are performed on the Part D revenue and related accounts receivable balances in COFRS to billings from the pharmacy subsystem, and making adjustments as appropriate.	15	Significant Deficiency	Partially Implemented	January 2011	14	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Improve controls over financial reporting of revenue and receivables at the Fitzsimons, Florence, Rifle, and Trinidad nursing homes operated by the Department by implementing and formally documenting a reconciliation process in which monthly and fiscal year-end reconciliations are performed on revenue and related accounts receivable balances in COFRS to amounts recorded in the Achieve-Matrix system, and making adjustments as appropriate.	18	Deficiency in Internal Control	Not Implemented	November 2010	15	Deficiency in Internal Control	N/A	Agree - original implementation date is February 2010								
Department of Human Services	Improve controls over the payroll process by ensuring that time sheets are certified within the timeframes specified in Department policy and are maintained and available for review.	14d	Significant Deficiency	Not Implemented	March 2011	16	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Improve controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by: (a) continuing to ensure that the staff who prepare the exhibits receive adequate training each year on exhibit preparation.	101a	Significant Deficiency	Partially Implemented	September 2011	17a	Significant Deficiency	N/A	Agree - original implementation date is August 2010								
Department of Human Services	Improve controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by: (b) continuing to conduct secondary reviews of exhibits, including in-depth, detailed reviews of all supporting documentation used to prepare the exhibits.	101b	Significant Deficiency	Partially Implemented	September 2011	17b	Significant Deficiency	N/A	Agree - original implementation date is August 2010								
Department of Human Services	Improve controls over the processing and deposit of background check payments to ensure that the payments are deposited with the State Treasurer in accordance with State Fiscal Rules.	20	Deficiency in Internal Control	Not Implemented	February 2011	18	Deficiency in Internal Control	N/A	Agree - original implementation date is March 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Establish adequate controls over benefit authorization and issuance data for the cash programs by: (a) performing routine and comprehensive reconciliations among the Colorado Benefits Management System (CBMS), CFMS, the State's Electronic Benefits Transfer service provider, and COFRS to ensure that financial information is accurately and completely recorded.	21	Deficiency in Internal Control	Partially Implemented	September 2012	19a	Significant Deficiency	Deferred	June 2010	8a	Significant Deficiency	N/A	Agree - original implementation date is June 2010				
Department of Human Services	Establish adequate controls over benefit authorization and issuance data for the cash programs by: (b) ensuring that all reconciliations are reviewed by knowledgeable personnel not involved in preparing the reconciliations.	21	Deficiency in Internal Control	Partially Implemented	September 2012	19b	Significant Deficiency	Deferred	June 2010	8b	Significant Deficiency	N/A	Agree - original implementation date is June 2010				
Department of Human Services	Establish adequate controls over benefit authorization and issuance data for the cash programs by: (c) making any necessary adjustments in a timely manner to the appropriate systems.	21	Deficiency in Internal Control	Partially Implemented	September 2012	19c	Significant Deficiency	Deferred	June 2010	8c	Significant Deficiency	N/A	Agree - original implementation date is June 2010				
Department of Human Services	Continue to work with the county departments of human/social services to ensure the accuracy of SNAP/Food Assistance program eligibility determinations and benefits by: (a) monitoring the counties' maintenance of case file documentation, data entry, and follow up on Income, Eligibility, and Verification System (IEVS) discrepancies.	78	Material Weakness	Partially Implemented	Ongoing	100a	Material Weakness	N/A	Implemented and ongoing								
Department of Human Services	Continue to work with the county departments of human/social services to ensure the accuracy of SNAP/Food Assistance program eligibility determinations and benefits by: (b) ensuring that county review reports are provided to the counties within 60 days of completing the review and that corrective action plans are obtained from the counties within 30 days of the report.	78	Material Weakness	Partially Implemented	Ongoing	100b	Material Weakness	N/A	Implemented and ongoing								
Department of Human Services	Continue to work with the counties to ensure that applications for SNAP/Food Assistance benefits are processed within federal and state requirements.	101	Deficiency in Internal Control	Partially Implemented	September 2012	101	Significant Deficiency	N/A	Implemented and ongoing								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Continue to work with the county departments of human/social services to ensure the accuracy of eligibility determinations and benefit payments for the Temporary Aid for Needy Families/Colorado Works (TANF) program by monitoring and reviewing counties' case file documentation and data entry.	98	Deficiency in Internal Control	Partially Implemented	Ongoing	102	Deficiency in Internal Control	N/A	Implemented and ongoing								
Department of Human Services	Improve controls over the Child Support Enforcement program by: (c) ensuring that counties enforce medical support obligations by using the National Medical Support Notice, where appropriate.	97	Significant Deficiency	Partially Implemented	June 2011	103c	Significant Deficiency	N/A	Agree - implemented								
Department of Human Services	Strengthen controls over the reporting process for the federal Social Services Block Grant by: (a) ensuring staff preparing reports are adequately trained on the reporting requirements.	102	Deficiency in Internal Control	Partially Implemented	No implementation date provided	104a	Significant Deficiency	N/A	Agree - original implementation date is June 2009								
Department of Human Services	Strengthen controls over the reporting process for the federal Social Services Block Grant by: (b) ensuring that reports are reviewed by a supervisor prior to being submitted.	102	Deficiency in Internal Control	Partially Implemented	No implementation date provided	104b	Significant Deficiency	N/A	Agree - original implementation date is June 2009								
Department of Human Services	Strengthen controls over the reporting process for the federal Social Services Block Grant by: (c) correcting and resubmitting the 2008 "Post-Expenditure Report" to the federal awarding agency.	102	Deficiency in Internal Control	Partially Implemented	No implementation date provided	104c	Significant Deficiency	N/A	Agree - original implementation date is June 2009								
Department of Human Services	Strengthen controls over case file documentation for the Title IV-E Adoption Assistance program by using training and monitoring programs to ensure that county case workers are aware of all eligibility requirements of the Adoption Assistance program and maintain all required documentation in the case files.	95	Significant Deficiency	Not Implemented	January 2011	106	Deficiency in Internal Control	N/A	Partially agree - original implementation date is January 2010								
Department of Human Services	Ensure through continued monitoring and training that the counties are obtaining and maintaining in the case files all the documents required to demonstrate families' eligibility for Child Care and Development Program Cluster subsidies under the Colorado Child Care Assistance Program.	81	Significant Deficiency	Not Implemented	January 2011	107	Deficiency in Internal Control	N/A	Agree - original implementation date is October 2009 with full implementation by November 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Improve controls related to manual overrides of Colorado Child Care Assistance Program (CCCAP) eligibility determinations within the Child Care Automated Tracking System (CHATS) by: (a) completing the drafting and implementation of rules governing the acceptable reasons for overrides and documentation required at the counties to support them.	82	Significant Deficiency	Partially Implemented	March 2011	109a	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Ensure that county departments of human/social services properly authorize child care for the Colorado Child Care Assistance Program (CCCAP) participants by: (a) promulgating rules to clarify that counties shall authorize only the amount of child care needed by CCCAP families based on their schedule of eligible activities.	83	Significant Deficiency	Partially Implemented	March 2011	110a	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Ensure that county departments of human/social services properly authorize child care for the Colorado Child Care Assistance Program (CCCAP) participants by: (b) working with the counties to improve their internal control systems, such as requiring counties to conduct monthly CCCAP case file reviews to identify errors in their case management and their causes and require corrective actions to prevent future errors.	83	Significant Deficiency	Not Implemented	March 2011	110b	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Improve the review of the Colorado Child Care Assistance Program provider attendance records by county departments of human/social services by: (a) providing guidance to the counties on how to select samples of providers' attendance sheets for review.	84	Significant Deficiency	Partially Implemented	March 2011	111a	Significant Deficiency	N/A	Agree - original implementation date is May 2010								
Department of Human Services	Improve the review of the Colorado Child Care Assistance Program provider attendance records by county departments of human/social services by: (b) revising Department regulations to require that counties implement a risk-based approach for conducting the reviews.	84	Significant Deficiency	Not Implemented	March 2011	111b	Significant Deficiency	N/A	Agree - original implementation date is April 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Improve oversight of quality initiative spending for the Colorado Child Care Assistance Program by county departments of human/social services by: (a) auditing the \$2.8 million transaction we identified as a potential questioned cost to ensure that the expenditure was made in accordance with all applicable requirements.	86	Significant Deficiency	Not Implemented	November 2010	112a	Significant Deficiency	N/A	Agree - original implementation date is December 2009								
Department of Human Services	Improve oversight of quality initiative spending for Colorado Child Care Assistance Program by county departments of human/social services by: (b) requiring counties to institute formal grant processes for distributing quality initiative funds to child care providers and reviewing the counties' grant processes to ensure that counties distribute and monitor funds appropriately.	86	Significant Deficiency	Not Implemented	November 2010	112b	Significant Deficiency	N/A	Agree - original implementation date is January 2010								
Department of Human Services	Improve oversight of quality initiative spending for Colorado Child Care Assistance Program by county departments of human/social services by: (c) ensuring that its guidance to counties on the allowability of types of quality initiative expenditures reflects current Department policy and federal requirements.	86	Significant Deficiency	Not Implemented	November 2010	112c	Significant Deficiency	N/A	Agree - original implementation date is December 2009								
Department of Human Services	Improve oversight of quality initiative spending for Colorado Child Care Assistance Program by county departments of human/social services by: (d) clarifying whether administrative expenses and paying for the expenses of other programs such as Head Start are appropriate uses of county quality initiative funds and, if so, establishing limits for such expenses.	86	Significant Deficiency	Not Implemented	November 2010	112d	Significant Deficiency	N/A	Agree - original implementation date is January 2010								
Department of Human Services	Improve controls over the preparation of the Exhibit K and supporting documentation by: (b) ensuring adequate supervisory review of the Exhibit K and supporting documentation.	101	Significant Deficiency	Partially Implemented	September 2011	113b	Significant Deficiency	N/A	Agree - original implementation date is September 2010								
Department of Human Services	Improve controls over the preparation of the Exhibit K and supporting documentation by: (c) continuing to provide training to staff who prepare the Exhibit K and the supporting documentation.	101	Significant Deficiency	Partially Implemented	September 2011	113c	Significant Deficiency	N/A	Agree - original implementation date is September 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Improve controls over administrative foster care funds expended by child placement agencies (CPAs) by: (a) evaluating the substance of the relationship between counties and CPAs based on OMB Circular A-133 criteria and concluding on whether CPAs should be considered vendors or subrecipients.	89	Significant Deficiency	Not Implemented	The agency disagrees with the recommendation	117a	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Improve controls over administrative foster care funds expended by child placement agencies (CPAs) by: (b) implementing requirements for audits of CPAs in accordance with the determination suggested in part "a" of the recommendation.	89	Significant Deficiency	Not Implemented	The agency disagrees with the recommendation	117b	Significant Deficiency	N/A	Agree - original implementation date is September 2010								
Department of Human Services	Improve controls over administrative foster care funds expended by child placement agencies (CPAs) by: (c) establishing procedures to review the CPA audits and follow up on any findings identified.	89	Significant Deficiency	Not Implemented	The agency disagrees with the recommendation	117c	Significant Deficiency	N/A	Agree - original implementation date is May 2010								
Department of Human Services	Improve controls over administrative foster care funds expended by child placement agencies (CPAs) by: (d) evaluating options for reviewing the allowability and appropriateness of CPA expenditures made with child welfare funds.	89	Significant Deficiency	Not Implemented	The agency disagrees with the recommendation	117d	Significant Deficiency	N/A	Agree - original implementation date is May 2010								
Department of Human Services	Ensure that county departments of human/social services pay foster care rates that reflect the foster child's level of care and service needs by: (a) continuing working with counties to develop and implement a validated, statewide level-of-care assessment tool.	87	Significant Deficiency	Partially Implemented	The agency disagrees with the recommendation	118a	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Ensure that county departments of human/social services pay foster care rates that reflect the foster child's level of care and service needs by: (b) updating the Trails system to include fields for recording the child's level of care and requiring counties to include this information in Trails whenever they enter new provider rates.	87	Significant Deficiency	Not Implemented	The agency disagrees with the recommendation	118b	Significant Deficiency	N/A	Agree - original implementation date is June 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Ensure that county departments of human/social services pay foster care rates that reflect the foster child's level of care and service needs by: (c) conducting periodic file reviews at counties and analysis of actual rates paid by counties to ensure they are using level-of-care tools to assist with setting and negotiating appropriate foster care rates.	87	Significant Deficiency	Not Implemented	The agency disagrees with the recommendation	118c	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Improve internal controls over purchasing cards by: (a) continuing to train approving officials and cardholders on their responsibilities to ensure compliance with Department policy and imposing consequences for policy violations.	16	Significant Deficiency	Partially Implemented	December 2011	120a	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Improve internal controls over purchasing cards by: (b) updating all written purchasing card policies to indicate that recurring, automatic charges and payments are prohibited purchases, clearly communicating this requirement to all card holders, and ensuring that all established automatic payments currently being processed are identified and deactivated by the cardholders.	16	Significant Deficiency	Partially Implemented	June 2011	120b	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Improve internal controls over purchasing cards by: (c) utilizing the automated violation tracking system's reporting function to monitor the results of the Department's internal purchasing card audits and ensuring the actions taken by approving authorities in response to cardholder violations are adequate.	16	Significant Deficiency	Partially Implemented	June 2011	120c	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Improve internal controls over purchasing cards by: (d) ensuring purchasing card accounts are closed in a timely manner upon employee termination.	16	Significant Deficiency	Partially Implemented	June 2011	120d	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Improve internal controls over purchasing cards by: (e) coding all procurement card purchases accurately in COFRS.	16	Significant Deficiency	Partially Implemented	June 2011	120e	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Strengthen controls over travel expenditures by: (a) ensuring that employees and supervisors are consistent in their compliance with existing State and Department travel policies, through continuing periodic training and enforcement.	121a	Deficiency in Internal Control	Partially Implemented	May 2011	121a	Significant Deficiency	N/A	Agree - original implementation date is February 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Strengthen controls over travel expenditures by: (b) recovering identified overpayments from employees.	121b	Deficiency in Internal Control	Partially Implemented	May 2011	121b	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Strengthen controls over travel expenditures by: (c) considering using its internal audit function to conduct periodic reviews to ensure compliance with State Fiscal Rules and Department policies over travel.	121c	Deficiency in Internal Control	Partially Implemented	May 2011	121c	Significant Deficiency	N/A	Agree - original implementation date is February 2010								
Department of Human Services	Strengthen its controls over the telecommunications payment process by ensuring that all divisions and programs perform monthly reviews of their telecommunications bills in the Telecommunications Financial Management System and submit signed certifications and any identified errors to Central Accounting.	19	Deficiency in Internal Control	Not Implemented	January 2011	122	Deficiency in Internal Control	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Improve general computer controls over Trails and the Child Care Automated Tracking System (CHATS) by: (a) hardening system configuration settings for Trails as recommended under separate cover.	125a	Deficiency in Internal Control	Not Implemented	December 2010	125a	Deficiency in Internal Control	N/A	Agree - original implementation date is May 2010								
Department of Human Services	Improve general computer controls over Trails and the Child Care Automated Tracking System (CHATS) by: (b) promptly removing user access for terminated employees and strengthening procedures to ensure that employee termination notifications are initiated and acted upon in a timely manner.	125b	Deficiency in Internal Control	Not Implemented	December 2010	125b	Deficiency in Internal Control	N/A	Agree - original implementation date is May 2010								
Department of Human Services	Improve general computer controls over Trails and the Child Care Automated Tracking System (CHATS) by: (c) requiring supervisors to annually verify the accuracy and relevance of user access for the employees they supervise.	125c	Deficiency in Internal Control	Not Implemented	December 2010	125c	Deficiency in Internal Control	N/A	Agree - original implementation date is May 2010								
Department of Human Services	Improve general computer controls over Trails and the Child Care Automated Tracking System (CHATS) by: (e) implementing password parameters that comply with State Cyber Security Policies.	125e	Deficiency in Internal Control	Partially Implemented	December 2010	125e	Deficiency in Internal Control	N/A	Agree - original implementation date is November 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	The Division for Developmental Disabilities should improve controls to ensure service plan documentation is sufficient to support the service request and subsequent payments. Specifically, the Department should work with the Department of Health Care Policy and Financing to: (b) implement additional edits in the BUS system requiring that CCBs enter service frequency information before exiting the service plan document, and automating the calculation of total service units approved.	126b	Deficiency in Internal Control	Partially Implemented	2012	126b	Deficiency in Internal Control	N/A	Agree - original implementation date is November 2009								
Department of Human Services	The Division for Developmental Disabilities should improve controls to ensure service plan documentation is sufficient to support the service request and subsequent payments. Specifically, the Department should work with the Department of Health Care Policy and Financing to: (c) eliminate duplicate data entry of service requests in the CCMS and BUS systems by automatically populating the service request in CCMS from the service plan information contained in the BUS system.	126c	Deficiency in Internal Control	Not Implemented	2012	126c	Deficiency in Internal Control	N/A	Agree - original implementation date is October 2009								
Department of Human Services	The Division for Developmental Disabilities should improve its processes for selecting HCBS-DD service plans for review to ensure clients receive only the services necessary, in amounts sufficient to address their needs. Specifically, the Department should: (a) ensure that criteria used for selecting service plans for review are documented, based on best practices in service provision, and are set at levels that will effectively identify high-risk or high-cost services for review.	127a	Deficiency in Internal Control	Not Implemented	July 2010	127a	Deficiency in Internal Control	N/A	Agree - original implementation date is October 2009								
Department of Human Services	The Division for Developmental Disabilities should improve its processes for selecting HCBS-DD service plans for review to ensure clients receive only the services necessary, in amounts sufficient to address their needs. Specifically, the Department should: (b) develop risk- and sample-based review processes that will provide better coverage of the universe of requests and reduce the predictability of the service request review and approval process.	127b	Deficiency in Internal Control	Not Implemented	July 2010	127b	Deficiency in Internal Control	N/A	Agree - original implementation date is October 2009								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	The Division for Developmental Disabilities should improve its processes for selecting HCBS-DD service plans for review to ensure clients receive only the services necessary, in amounts sufficient to address their needs. Specifically, the Department should: (b) develop risk- and sample-based review processes that will provide better coverage of the universe of requests and reduce the predictability of the service request review and approval process.	127c	Deficiency in Internal Control	Not Implemented	August 2010	127c	Deficiency in Internal Control	N/A	Agree - original implementation date is October 2009								
Department of Human Services	The Division for Developmental Disabilities should improve its processes for reviewing service requests to ensure that an adequate basis exists for its approval and denial decisions and that clients are treated equitably. Specifically, the Department should: (a) establish a standardized process, including a checklist or other review protocol for reviewers to follow, for conducting and documenting reviews and for clearly communicating reasons for service denials to CCBs.	128a	Deficiency in Internal Control	Not Implemented	July 2010	128a	Deficiency in Internal Control	N/A	Agree - original implementation date is December 2009								
Department of Human Services	The Division for Developmental Disabilities should improve its processes for reviewing service requests to ensure that an adequate basis exists for its approval and denial decisions and that clients are treated equitably. Specifically, the Department should: (b) implement an automated mechanism to track data on the number of reviews conducted, the number of and reasons for denials and reductions in service, and the number of service requests that are re-submitted and re-reviewed.	128b	Deficiency in Internal Control	Not Implemented	No implementation date provided	128b	Deficiency in Internal Control	N/A	Agency to re- evaluate resources annually; no implementation date provided								
Department of Human Services	The Division for Developmental Disabilities should improve its processes for reviewing service requests to ensure that an adequate basis exists for its approval and denial decisions and that clients are treated equitably. Specifically, the Department should: (d) develop a process for supervisory review of service request reviews.	128d	Deficiency in Internal Control	Not Implemented	August 2010	128d	Deficiency in Internal Control	N/A	Agree - original implementation date is December 2009								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	The Division for Developmental Disabilities should develop and implement policies and procedures for a post-payment review system to ensure that payments for HCBS-DD waiver services are appropriate, allowable, and provided by qualified providers. Specifically, the Department should: (a) develop a risk-based post-payment review process that incorporates a sampling approach to review claims paid.	129a	Deficiency in Internal Control	Not Implemented	July 2010	129a	Deficiency in Internal Control	N/A	Agree - original implementation date is October 2009								
Department of Human Services	The Division for Developmental Disabilities should develop and implement policies and procedures for a post-payment review system to ensure that payments for HCBS-DD waiver services are appropriate, allowable, and provided by qualified providers. Specifically, the Department should: (c) revise billing policies and procedures as necessary based on patterns of errors identified during post-payment review.	129c	Deficiency in Internal Control	Not Implemented	July 2010	129c	Deficiency in Internal Control	N/A	Agree - original implementation date is October 2009								
Department of Human Services	The Division for Developmental Disabilities should establish mechanisms for monitoring the implementation and operation of appropriate fiscal controls to ensure accountability for services and payments. Specifically, the Department should: (a) develop and issue a comprehensive, written policy and procedures manual for CCBs and update the manual on a routine basis.	132a	Deficiency in Internal Control	Not Implemented	June 2011	132a	Deficiency in Internal Control	N/A	Agree - original implementation date is December 2009								
Department of Human Services	The Division for Developmental Disabilities should establish mechanisms for monitoring the implementation and operation of appropriate fiscal controls to ensure accountability for services and payments. Specifically, the Department should: (b) provide training on the policy and procedures manual to the CCBs.	132b	Deficiency in Internal Control	Not Implemented	June 2011	132b	Deficiency in Internal Control	N/A	Agree - original implementation date is December 2009								
Department of Human Services	The Division for Developmental Disabilities should establish mechanisms for monitoring the implementation and operation of appropriate fiscal controls to ensure accountability for services and payments. Specifically, the Department should: (c) establish a comprehensive system of ongoing monitoring and evaluation of payment controls as discussed above.	132c	Deficiency in Internal Control	Not Implemented	June 2011	132c	Deficiency in Internal Control	N/A	Agree - original implementation date is December 2009								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Take immediate steps to correct the system problems related to inappropriate restoration payments and enforcement of sanctions in the Colorado Benefits Management System to lessen the risk of errors in benefit payments.	79	Significant Deficiency	Partially Implemented	June 2011	133	Material Weakness	Deferred	December 2009	86	Material Weakness	N/A	Agree - original implementation date is December 2009				
Department of Human Services	Ensure that SNAP/Food Stamps redeterminations and Change Report Forms are processed within federal and state guidelines, as applicable.	78	Material Weakness	Not Implemented	Ongoing	134	Material Weakness	Deferred	December 2009	87	Material Weakness	N/A	Agree - original implementation date is December 2009				
Department of Human Services	Strengthen controls over the Low Income Energy Assistance Program (LEAP) program by: (a) ensuring that eligibility is determined in a timely manner and vendors are contacted when required.	92	Significant Deficiency	Partially Implemented	September 2010	135a	Significant Deficiency	Deferred	September 2009	89a	Significant Deficiency	N/A	Agree - original implementation date is September 2009				
Department of Human Services	Strengthen controls over the Low Income Energy Assistance Program (LEAP) program by: (b) ensuring that required documentation is obtained to support LEAP eligibility, benefit determination, and Estimated Home Heating Cost changes by performing a periodic review of case files.	92	Significant Deficiency	Partially Implemented	September 2010	135b	Significant Deficiency	Deferred	September 2009	89b	Significant Deficiency	N/A	Agree - original implementation date is September 2009				
Department of Human Services	Strengthen controls over the Low Income Energy Assistance Program (LEAP) program by: (c) strengthening supervisory review process over data entry by instituting an effective supervisory review process.	92	Significant Deficiency	Partially Implemented	September 2010	135c	Significant Deficiency	Deferred	September 2009	89c	Significant Deficiency	N/A	Agree - original implementation date is September 2009				
Department of Human Services	Improve controls related to manual overrides of Colorado Child Care Assistance Program eligibility determinations within the Child Care Automated Tracking System (CHATS) by: (b) requiring that the counties establish supervisory review and approval for all overrides.	82	Significant Deficiency	Not Implemented	March 2011	136b	Significant Deficiency	Deferred	July 2009	95b	Significant Deficiency	N/A	Agree - original implementation date is July 2009				
Department of Human Services	Improve controls related to manual overrides of Colorado Child Care Assistance Program eligibility determinations within the Child Care Automated Tracking System (CHATS) by: (c) ensuring county case managers and supervisors are adequately trained in proper procedures for overrides.	82	Significant Deficiency	Not Implemented	March 2011	136c	Significant Deficiency	Deferred	July 2009	95c	Significant Deficiency	N/A	Agree - original implementation date is July 2009				

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Improve controls related to manual overrides of Colorado Child Care Assistance Program eligibility determinations within the Child Care Automated Tracking System (CHATS) by: (d) building automatic supervisory review, approval, and reporting capabilities into the CHATS replacement system.	82	Significant Deficiency	Not Implemented	March 2011	136d	Significant Deficiency	Deferred	August 2010	95d	Significant Deficiency	N/A	Agree - original implementation date is August 2010				
Department of Human Services	Ensure that county departments of human/social services properly authorize child care for Colorado Child Care Assistance Program (CCCAP) participants by: (c) improving its monitoring of the counties' CCCAP operations by revising its county case file review process to include developing a risk-based approach that reviews those counties that manage larger CCCAP caseloads and determines why counties make errors.	83	Significant Deficiency	Not Implemented	March 2011	137c	Significant Deficiency	Deferred	July 2009	96	Significant Deficiency	N/A	Agree - original implementation date is July 2009				
Department of Human Services	Ensure that county departments of human/social services properly authorize child care for Colorado Child Care Assistance Program (CCCAP) participants by: (d) requiring that counties submit corrective action plans to address problems identified in part "c" and following up on these plans as appropriate.	83	Significant Deficiency	Not Implemented	March 2011	137d	Significant Deficiency	Deferred	July 2009	96	Significant Deficiency	N/A	Agree - original implementation date is July 2009				
Department of Human Services	Improve the review of Colorado Child Care Assistance Program provider attendance records by county departments of human/social services by: (a) verifying that counties are conducting the reviews in accordance with Department regulations during the Department's monitoring reviews.	84	Significant Deficiency	Partially Implemented	March 2011	138a	Significant Deficiency	Deferred	July 2009	98a	Significant Deficiency	N/A	Agree - original implementation date is July 2009				
Department of Human Services	Improve its oversight of county-owned child care providers to ensure an arm's-length bargaining relationship between counties and their county-owned providers and to provide assurance that Colorado Child Care Assistance Program payments are reasonable and necessary by: (a) reviewing and approving all rates negotiated between the county department of human/social services and the county-owned provider.	85	Significant Deficiency	Not Implemented	November 2010	139a	Significant Deficiency	Deferred	July 2009	99a	Significant Deficiency	N/A	Agree - original implementation date is July 2009				

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Improve information for evaluating county administrative and case management costs in the child welfare allocation model by: (a) working with counties to identify and evaluate options for using or modifying existing systems to improve cost information.	88	Significant Deficiency	Partially Implemented	July 2012	140a	Significant Deficiency	Deferred	October 2009	103a	Significant Deficiency	Deferred	October 2009	103a	Significant Deficiency	N/A	Agree - original implementation date is October 2009
Department of Human Services	Improve information for evaluating county administrative and case management costs in the child welfare allocation model by: (b) using the improved cost information to analyze administrative and case management costs in the program services cost driver and considering allocating funds for administrative and case management costs in the child welfare allocation model separately.													103b	Significant Deficiency	N/A	The agency disagreed with this part of the recommendation
Department of Human Services	Strengthen controls over the Colorado Electronic Benefits Transfer (EBT) system by: (e) performing periodic reviews of EBT users, in conjunction with the counties, to ensure terminated users are identified and access levels for current employees remain appropriate.	16e	Deficiency in Internal Control	Not Implemented	August 2010	16e	Deficiency in Internal Control	Not Implemented	April 2010	16e	Deficiency in Internal Control	N/A	Agree - original implementation date is October 2010				
Department of Human Services	The Department of Health Care Policy and Financing and Department of Human Services should improve controls over CBMS user access by: (c) reviewing existing CBMS users and removing all unnecessary incompatible profiles.	91c	Deficiency in Internal Control	Not Implemented	December 2010	91c	Deficiency in Internal Control	Deferred	December 2009	91c	Deficiency in Internal Control	N/A	Agree - original implementation date is December 2009				
Department of Human Services	The Department of Health Care Policy and Financing and Department of Human Services should improve controls over CBMS user access by: (d) implementing a process to periodically review and certify the appropriateness of CBMS user access levels.	91d	Deficiency in Internal Control	Not Implemented	December 2010	91d	Deficiency in Internal Control	Deferred	August 2009	91d	Deficiency in Internal Control	N/A	Agree - original implementation date is August 2009				
Department of Human Services	Improve the accuracy and completeness of eligibility determinations for the Colorado Child Care Assistance Program (CCCAP) made by county departments of human/social services by: (a) clarifying to the counties that three months of income documentation are necessary to verify irregular income for CCCAP applicants.	94a	Deficiency in Internal Control	Not Implemented	December 2010	94a	Deficiency in Internal Control	Deferred	July 2009	94a	Deficiency in Internal Control	N/A	Agree - original implementation date is July 2009				

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Improve the accuracy and completeness of eligibility determinations for the Colorado Child Care Assistance Program (CCCAP) made by county departments of human/social services by: (b) ensuring that counties maintain complete documentation to support income and parental fee calculations.	94b	Deficiency in Internal Control	Not Implemented	December 2010	94b	Deficiency in Internal Control	Deferred	July 2009	94b	Deficiency in Internal Control	N/A	Agree - original implementation date is July 2009				
Department of Human Services	Improve the accuracy and completeness of eligibility determinations for the Colorado Child Care Assistance Program (CCCAP) made by county departments of human/social services by: (c) developing a standard income and parent fee calculation form to be used by counties and providing training to implement the tool.	94c	Deficiency in Internal Control	Not Implemented	December 2010	94c	Deficiency in Internal Control	Deferred	July 2009	94c	Deficiency in Internal Control	N/A	Agree - original implementation date is July 2009				
Department of Human Services	Improve the accuracy and completeness of eligibility determinations for the Colorado Child Care Assistance Program (CCCAP) made by county departments of human/social services by: (d) strengthening the Department's and counties' monitoring and supervisory review systems as outlined in Recommendation No. 97 in the 2008 report.	94d	Deficiency in Internal Control	Not Implemented	December 2010	94d	Deficiency in Internal Control	Deferred	July 2009	94d	Deficiency in Internal Control	N/A	Agree - original implementation date is July 2009				
Department of Human Services	Ensure that county departments of human/social services do not pay the Colorado Child Care Assistance Program (CCCAP) providers higher rates than those charged to private-pay customers by: (a) working with the counties to develop policies and procedures for periodically checking whether providers are charging counties higher rates than the providers charge private-pay customers and monitoring implementation of these procedures.	97a	Deficiency in Internal Control	Partially Implemented	March 2011	97a	Deficiency in Internal Control	Partially Implemented	April 2010	97a	Deficiency in Internal Control	N/A	Agree - original implementation date is April 2009				
Department of Human Services	Ensure that county departments of human/social services do not pay the Colorado Child Care Assistance Program (CCCAP) providers higher rates than those charged to private-pay customers by: (b) requiring those counties identified to follow up with the providers at risk of receiving overpayments to determine if recoveries should be made from the providers.	97b	Deficiency in Internal Control	Not Implemented	March 2011	97b	Deficiency in Internal Control	Partially Implemented	April 2010	97b	Deficiency in Internal Control	N/A	Agree - original implementation date is April 2009				

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Improve controls over county slot contracts under the Colorado Child Care Assistance Program by: (a) considering revising its method for measuring slot usage to better reflect the reasonableness of the amount of care being provided.	100a	Deficiency in Internal Control	Partially Implemented	November 2010	100a	Deficiency in Internal Control	Partially Implemented	October 2010	100a	Deficiency in Internal Control	N/A	Agree - original implementation date is July 2009				
Department of Human Services	Improve controls over county slot contracts under the Colorado Child Care Assistance Program by: (b) establishing methods to ensure that county departments of human/social services can pay providers multiple slot rates until and after the Child Care Automated Tracking System (CHATS) is replaced.	100b	Deficiency in Internal Control	Partially Implemented	November 2010	100b	Deficiency in Internal Control	Partially Implemented	October 2010	100b	Deficiency in Internal Control	N/A	Agree - original implementation date is August 2010				
Department of Human Services	Improve its oversight of the foster parent certification process by: (a) requiring county departments of human/social services and child placement agencies to conduct periodic (e.g., annual) desk audits of their certified foster parents to ensure that the parents meet all applicable requirements and that their qualifications are documented in their files.	95a	Deficiency in Internal Control	Partially Implemented	September 2010	95a	Deficiency in Internal Control	Partially Implemented	The agency did not provided a revised implementation date	95a	Deficiency in Internal Control	Partially Implemented	June 2009	95a	Deficiency in Internal Control	N/A	Agree - original implementation date is July 2008
Department of Human Services	Improve its oversight of the foster parent certification process by: (b) developing and applying sanctions when the Department finds discrepancies between county and child placement agency (CPA) attestations and actual foster parent qualifications.	95b	Deficiency in Internal Control	Partially Implemented	September 2010	95b	Deficiency in Internal Control	Not Implemented	June 2010	95b	Deficiency in Internal Control	Deferred	July 2008	95b	Deficiency in Internal Control	N/A	Agree - original implementation date is July 2008
Department of Human Services	Improve its oversight of the foster parent certification process by: (d) working with county departments of human/social services to develop a solution for providing relevant child information to foster parents without violating confidentiality requirements.	95d	Deficiency in Internal Control	Partially Implemented	October 2010	95d	Deficiency in Internal Control	Partially Implemented	The agency did not provided a revised implementation date	95d	Deficiency in Internal Control	Deferred	October 2008	95d	Deficiency in Internal Control	N/A	Agree - original implementation date is October 2008
Department of Human Services	Increase monitoring and oversight of Core Services programs provided by county departments of human/social services to ensure counties provide these services only to families with children at risk of out-of-home placement. Specifically, the Department should: (b) develop written policies to impose fiscal sanctions and/or require repayment of funds from county departments of human/social services for cases in which Core Services eligibility has not been adequately documented.	100b	Finding not classified; not an internal control related issue	Partially Implemented	September 2010	100b	Finding not classified; not an internal control related issue	Not Implemented	May 2010	100b	Finding not classified; not an internal control related issue	Not Implemented	July 2009	100b	Finding not classified; not an internal control related issue	N/A	Agree - original implementation date is July 2008

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Increase monitoring and oversight of Core Services programs provided by county departments of human/social services to ensure counties provide these services only to families with children at risk of out-of-home placement. Specifically, the Department should: (c) provide training and technical assistance to the counties to ensure that counties understand how to document eligibility for Core Services and that counties are aware of available Department sanctions if documentation is not sufficient.	100c	Finding not classified; not an internal control related issue	Partially Implemented	September 2010	100c	Finding not classified; not an internal control related issue	Partially Implemented	May 2010	100c	Finding not classified; not an internal control related issue	Partially Implemented	July 2009	100c	Finding not classified; not an internal control related issue	N/A	Agree - original implementation date is July 2008
Department of Human Services	Improve accountability for child welfare expenditures and foster care rates to ensure funds are used cost-effectively by: (a) analyzing the foster care rates being paid to providers, including county-certified providers, against provider costs and benchmark information on a periodic (e.g., annual) basis to determine if the rates being paid by county departments of human/social services are reasonable.	101a	Deficiency in Internal Control	Partially Implemented	September 2010	101a	Deficiency in Internal Control	Partially Implemented	March 2010	101a	Significant Deficiency	Deferred	July 2008	101a	Significant Deficiency	N/A	Partially agree - original implementation date is July 2008
Department of Human Services	Improve accountability for child welfare expenditures and foster care rates to ensure funds are used cost-effectively by: (d) identifying and considering implementing alternative rate-setting methodologies that rely on objective cost data, such as benchmarks on child care and administrative costs, to pay for foster care services.	101d	Deficiency in Internal Control	Partially Implemented	The agency did not provide a revised implementation date	101d	Deficiency in Internal Control	Partially Implemented	The agency did not provide a revised implementation date	101d	Significant Deficiency	Deferred	December 2008	101d	Significant Deficiency	N/A	Partially agree - original implementation date is December 2008
Department of Human Services	Ensure it is claiming Title IV-E–eligible reimbursements for foster care appropriately by: (b) ensuring Department staff and county departments of human/social services record and classify case management services in accordance with the direction provided by DHHS in Part (a).	104b	Deficiency in Internal Control	Partially Implemented	January 2011	104b	Deficiency in Internal Control	Partially Implemented	Summer 2010	104b	Significant Deficiency	Deferred	December 2008	104b	Significant Deficiency	N/A	Partially agree - original implementation date is December 2008

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Ensure it is claiming Title IV-E–eligible reimbursements for foster care appropriately by: (c) implementing procedures for verifying that counties are entering rate information into Trails accurately, including bed reservation rates, and for ensuring that payments to counties reflect adjustments for any federal funds claimed incorrectly for reimbursement under Title IV-E.	104c	Deficiency in Internal Control	Partially Implemented	October 2010	104c	Deficiency in Internal Control	Not Implemented	March 2010	104c	Significant Deficiency	Deferred	December 2008	104c	Significant Deficiency	N/A	Partially agree - original implementation date is December 2008
Department of Human Services	Ensure that CPAs pass along the correct child maintenance payments received from county departments of human/social services to foster parents by: (a) implementing routine, periodic reviews of the payments made from CPAs to foster parents to ensure that they match the payments received from counties.	90a	Deficiency in Internal Control	Partially Implemented	January 2011	106a	Deficiency in Internal Control	Partially Implemented	May 2010	106a	Significant Deficiency	Deferred	October 2008	106a	Significant Deficiency	N/A	Partially agree - original implementation date is October 2008
Department of Human Services	Ensure that CPAs pass along the correct child maintenance payments received from county departments of human/social services to foster parents by: (b) following up on identified over- or underpayments to foster parents to determine why the incorrect payments were made and to require that counties and CPAs rectify all incorrect payments.	90b	Deficiency in Internal Control	Not Implemented	The agency disagrees with this part of the recommendation	106b	Deficiency in Internal Control	Not Implemented	The agency did not provide a revised implementation date	106b	Significant Deficiency	Deferred	July 2008	106b	Significant Deficiency	N/A	Partially agree - original implementation date is July 2008
Department of Labor and Employment	Continue the process started in Fiscal Year 2009 to evaluate the accuracy of the liability to employers for overpayment of Unemployment Insurance taxes.	25	Significant Deficiency	Partially Implemented	July 2010	23	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Labor and Employment	Improve information technology controls over the Colorado Unemployment Benefits System (CUBS) and the Colorado Automated Tax System (CATS) by: (b) developing and implementing a written procedure for granting user access to CUBS and CATS.	25b	Significant Deficiency	Partially Implemented	December 2010	25b	Significant Deficiency	N/A	Agree - original implementation date is March 2010								
Department of Labor and Employment	Improve controls over reporting federal expenditures and the preparation of the Exhibit K by: (a) developing formal, written procedures for preparing the Exhibit K and supporting documentation.	105	Significant Deficiency	Not Implemented	January 2011	141a	Significant Deficiency	N/A	Agree - original implementation date is September 2010								
Department of Labor and Employment	Improve controls over reporting federal expenditures and the preparation of the Exhibit K by: (b) ensuring adequate documented supervisory review of the Exhibit K and supporting documentation.	105	Significant Deficiency	Not Implemented	January 2011	141b	Significant Deficiency	N/A	Agree - original implementation date is September 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Labor and Employment	Establish policies and procedures to ensure Benefits Accuracy Measurement reviews include documentation of adequate supervisory reviews and complete the required numbers of reviews for calendar year 2008 and subsequent years.	104	Significant Deficiency	Not Implemented	January 2011	142	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Labor and Employment	Ensure customized reports accurately accumulate federal expenditures and implement procedures to ensure that reconciliations between total cash requests and total expenditures are completed timely.	105	Significant Deficiency	Partially Implemented	January 2011	143	Significant Deficiency	N/A	Agree - original implementation date is January 2010								
Department of Labor and Employment	Improve controls over federal reporting by: (a) instituting a secondary review and approval process to ensure amounts recorded on reports to the U.S. Department of Labor are accurately reported and supported by source documentation.	105	Significant Deficiency	Partially Implemented	January 2011	144a	Significant Deficiency	N/A	Agree - original implementation date is March 2010								
Department of Labor and Employment	Improve controls over federal reporting by: (b) correcting the carry forward balances in the Employment and Training Administration 227 report.	105	Significant Deficiency	Partially Implemented	January 2011	144b	Significant Deficiency	N/A	Implemented and ongoing								
Department of Labor and Employment	Improve controls over federal reporting by: (c) maintaining supporting documentation of the edit checks and verification process used in preparing the Employment and Training Administration 9001 and 9091 reports as required by federal requirements.	105	Significant Deficiency	Partially Implemented	January 2011	144c	Significant Deficiency	N/A	Implemented and ongoing								
Department of Military and Veterans Affairs	Continue to improve controls over the preparation of the Exhibit K by: (a) ensuring that staff preparing exhibits are adequately trained, annually, on Exhibit K preparation requirements.	23a	Deficiency in Internal Control	Partially Implemented	August 2011	23a	Deficiency in Internal Control	Partially Implemented	September 2010	23a	Significant Deficiency	N/A	Agree - original implementation date is September 2009				
Department of Military and Veterans Affairs	Continue to improve controls over the preparation of the Exhibit K by: (b) implementing a secondary review over exhibits that includes a detailed review of all supporting documentation used to prepare the exhibits.	23b	Deficiency in Internal Control	Partially Implemented	August 2011	23b	Deficiency in Internal Control	Partially Implemented	September 2010	23b	Significant Deficiency	N/A	Agree - original implementation date is September 2009				
Department of Personnel & Administration	Improve its internal controls over capital assets by: (a) ensuring that useful lives are accurately applied when calculating the accounting gain or loss on the disposal of vehicles.	28a	Deficiency in Internal Control	Partially Implemented	Ongoing	28a	Significant Deficiency	N/A	Ongoing								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Personnel & Administration	Improve its internal controls over capital assets by: (b) investigating and resolving differences identified during the reconciliation process to ensure that Colorado Automotive Reporting System (CARS) and COFRS data are accurate and that necessary adjustments are made.	28b	Deficiency in Internal Control	Partially Implemented	Ongoing	28b	Significant Deficiency	N/A	Ongoing								
Department of Personnel & Administration	Improve its internal controls over capital assets by: (c) ensuring that vehicle sale losses and depreciation expense are accurately recorded in COFRS.	28c	Deficiency in Internal Control	Partially Implemented	Ongoing	28c	Significant Deficiency	N/A	Ongoing								
Department of Personnel & Administration	Improve its internal controls over payroll by: (a) strengthening its secondary review process over the monthly payroll reconciliations.	30a	Deficiency in Internal Control	Partially Implemented	July 2010	30a	Deficiency in Internal Control	N/A	Agree - original implementation date is July 2010								
Department of Personnel & Administration	Strengthen overall accounting controls by: (b) ensuring that adequate supervisory reviews are in place and documented for all accounting functions.	32b	Deficiency in Internal Control	Partially Implemented	June 2010	32b	Deficiency in Internal Control	N/A	Agree - original implementation date is June 2010								
Department of Personnel & Administration	Strengthen its oversight of the Colorado Personnel Payroll System (CPPS) user access controls by: (c) working with the Governor's Office of Information Technology to ensure CPPS password parameters comply with State Cyber Security Policies.	38c	Deficiency in Internal Control	Not Implemented	September 2010	38c	Deficiency in Internal Control	Not Implemented	January 2010	38c	Deficiency in Internal Control	N/A	Agree - original implementation date is March 2009				
Department of Public Health and Environment	Work to improve the prioritization and timeliness of nursing facility complaint investigations by: (b) establishing clear and consistent time frames within which each complaint investigation at a given priority level should begin.	117b	Deficiency in Internal Control	Partially Implemented	January 2011	117b	Deficiency in Internal Control	Partially Implemented	July 2010	117b	Deficiency in Internal Control	Partially Implemented	July 2010	117b	Deficiency in Internal Control	N/A	Agree - original implementation date is April 2007
Department of Revenue	Strengthen its internal controls over the processing of severance tax returns by: (b) ensuring that severance tax processes and procedures are followed.	33	Deficiency in Internal Control	Not Implemented	January 2011	37b	Significant Deficiency	N/A	Agree - original implementation date is December 2009								
Department of Revenue	Improve controls over the processing of business tax refunds by: (b) strengthening its existing supervisory review process to ensure that refund errors are identified and corrected.	38b	Deficiency in Internal Control	Partially Implemented	December 2010	38b	Deficiency in Internal Control	N/A	Agree - original implementation date is December 2009								
Department of Revenue	Improve controls over the processing of business tax refunds by: (c) ensuring that staff are adequately trained on existing business tax policies and procedures.	38c	Deficiency in Internal Control	Partially Implemented	December 2010	38c	Deficiency in Internal Control	N/A	Agree - original implementation date is December 2009								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Revenue	Strengthen controls over EFT payments by: (a) updating written procedures for the EFT undistributed cash reconciliation process.	32	Significant Deficiency	Not Implemented	June 2011	40a	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Revenue	Strengthen controls over EFT payments by: (b) ensuring that reconciliation variances, including errors and irregularities, are identified and that necessary adjustments are made in a timely manner.	32	Significant Deficiency	Not Implemented	June 2011	40b	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Revenue	Strengthen controls over EFT payments by: (c) incorporating a secondary review over the EFT undistributed cash reconciliation process.	32	Significant Deficiency	Not Implemented	June 2011	40c	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Revenue	Improve internal controls over cash receipts, Motor Vehicle payments, and confidential data by: (a) establishing a tracking process for the transfer of Motor Vehicle payments and other confidential documents between the Sherman Street Annex and the Pierce Street office that includes requiring multiple employee signoffs at each location and requiring that all bags transferred between locations be locked until they reach their destination.									43a	Significant Deficiency	N/A	The agency disagrees with this part of the recommendation				
Department of Revenue	Strengthen its information systems controls over the Income Tax, Revenue Accounting, and Severance Tax Systems related to network configuration and management, application development and change management, and user access management by: (d) identifying the production libraries containing the source code for the mainframe-based applications and ensuring access to those libraries is limited.	44d	Deficiency in Internal Control	Partially Implemented	June 2011	44d	Deficiency in Internal Control	Partially Implemented	June 2011	44d	Significant Deficiency	N/A	Agree - original implementation date is June 2009				
Department of Revenue	Strengthen its information systems controls over the Income Tax, Revenue Accounting, and Severance Tax Systems related to network configuration and management, application development and change management, and user access management by: (e) requiring management to perform a periodic review of source code changes to ensure that only authorized and appropriate changes are implemented into production.	44e	Deficiency in Internal Control	Partially Implemented	June 2011	44e	Deficiency in Internal Control	Partially Implemented	June 2012	44e	Significant Deficiency	N/A	Agree - original implementation date is June 2009				

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Revenue	Strengthen its information systems controls over the Income Tax, Revenue Accounting, and Severance Tax Systems related to network configuration and management, application development and change management, and user access management by: (f) developing and implementing a formalized user access management program, including periodically producing and reviewing a list of current system users and linking the human resources and user access management functions.	44f	Deficiency in Internal Control	Partially Implemented	August 2012	44f	Deficiency in Internal Control	Deferred	December 2009	44f	Significant Deficiency	N/A	Agree - original implementation date is December 2009				
Department of Revenue	Improve controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by strengthening its review process over exhibits to include an in-depth, detailed review of all supporting documentation used to prepare the exhibits.	48	Deficiency in Internal Control	Partially Implemented	September 2011	48	Deficiency in Internal Control	Partially Implemented	September 2010	48	Deficiency in Internal Control	N/A	Agree - original implementation date is June 2009				
Department of Revenue	Improve controls over taxpayer payments by: (a) implementing proper segregation of duties over the creation of new business accounts and the processing of loose checks from business taxpayers.													34a	Significant Deficiency	N/A	The agency disagrees with this part of the recommendation
Department of State	Strengthen its controls over travel and bingo hall investigation expenditures by: (a) verifying that travel expenditures are allowable, properly supported, submitted timely, and coded correctly in COFRS.	45	Deficiency in Internal Control	Not Implemented	April 2011	46a	Deficiency in Internal Control	N/A	Agree - original implementation date is July 2009								
Department of State	Strengthen its controls over travel and bingo hall investigation expenditures by: (b) ensuring that supervisors thoroughly review travel expenditure requests and resolve any problems before approving reimbursements.	45	Deficiency in Internal Control	Not Implemented	April 2011	46b	Deficiency in Internal Control	N/A	Agree - implemented								
Department of State	Strengthen its controls over travel and bingo hall investigation expenditures by: (c) obtaining repayment from employees for excess and other improper reimbursements.					46c	Deficiency in Internal Control	N/A	The agency disagrees with this part of the recommendation								
Department of State	Improve its general computer controls related to the Sizler application and the protection of credit card data by: (c) developing and implementing formal configuration management and control policies and procedures, including procedures for handling emergency changes.	47c	Deficiency in Internal Control	Partially Implemented	August 2010	47c	Deficiency in Internal Control	N/A	Agree - original implementation date is April 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Office of the State Treasurer	The Unclaimed Property Division should improve controls over claims processing by: (a) ensuring that staff obtain adequate documentation to support identity and rights to claims prior to claims processing and maintain the documentation in processing files.	49a	Deficiency in Internal Control	Partially Implemented	July 2010	49a	Deficiency in Internal Control	N/A	Ongoing								
Office of the State Treasurer	The Unclaimed Property Division should improve controls over claims processing by: (b) strengthening its existing supervisory review process to ensure that instances in which supporting documentation is lacking are identified and corrected prior to payment and that all claims are appropriately reviewed in accordance with Division procedures.	49b	Deficiency in Internal Control	Partially Implemented	July 2010	49b	Deficiency in Internal Control	N/A	Ongoing								
Office of the State Treasurer	Implement procedures for monitoring counties' compliance with the earmarking requirements of the federal Secure Payments for States and Counties Containing Federal Lands program.	107	Material Weakness	Not Implemented	January 2011	149	Material Weakness	N/A	Partially agree - original implementation date is June 2010								
Department of Transportation	Strengthen its controls over local agency receivables, revenue, and deferred revenue by: (a) ensuring that supervisory reviews of accounts receivable are adequate to identify and correct errors in a timely manner.	51a	Deficiency in Internal Control	Partially Implemented	September 2011	51a	Significant Deficiency	N/A	Partially agree - original implementation date is June 2010								
Department of Transportation	Strengthen its controls over local agency receivables, revenue, and deferred revenue by: (b) completing the research on the seven confirmations from local agencies who disputed their account balances and making adjustments as appropriate.	51b	Deficiency in Internal Control	Partially Implemented	September 2011	51b	Significant Deficiency	N/A	Partially agree - original implementation date is June 2010								
Department of Transportation	Strengthen its controls over local agency receivables, revenue, and deferred revenue by: (c) following up with local agencies on a regular and timely basis regarding outstanding balances owed to the State and providing sufficient detail to the local agencies that supports the outstanding balance.	51c	Deficiency in Internal Control	Partially Implemented	September 2011	51c	Significant Deficiency	N/A	Partially agree - original implementation date is June 2010								
Department of Transportation	Strengthen its controls over local agency receivables, revenue, and deferred revenue by: (d) considering the need for an allowance for outstanding balances that are 60 days or more in arrears.	51d	Deficiency in Internal Control	Partially Implemented	September 2011	51d	Significant Deficiency	N/A	Partially agree - original implementation date is June 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Transportation	Strengthen its controls over local agency receivables, revenue, and deferred revenue by: (e) ensuring that SAP operates as intended when processing transactions related to accounts receivable and that all system errors are addressed.	51e	Deficiency in Internal Control	Partially Implemented	September 2011	51e	Significant Deficiency	N/A	Partially agree - original implementation date is June 2010								
Department of Transportation	Track subrecipient activity based on payments made to subrecipients in each current year and obtain audits from subrecipients that have \$500,000 or more in federal funds as required by OMB Circular A-133.	108	Significant Deficiency	Partially Implemented	September 2011	150	Significant Deficiency	Deferred	December 2009	109	Significant Deficiency	N/A	Agree - original implementation date is December 2009				



Office of the State Auditor Audit Recommendations

All Performance and IT Recommendations That Agencies Agreed to Implement But Are Past Due

Agency	Date Audit Released by LAC		Name of Audit	Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2		Main Recommendation Text	Recommendation Sub-part Text	Implementation Status	Source of Implementation Status	Date of Implementation Status Report		Agency Comments from Status Report
Department of Health Care Policy & Financing	2008	June	Children's Basic Health Plan	1844-14b	Agree	2009	June			The Department of Health Care Policy and Financing should ensure it has adequate and accurate information to effectively manage CBHP by:	b. Establishing data collection and analysis processes to meet the identified needs.	Not Implemented	Self-Reported by Agency	2011	March	<p>The implementation of this recommendation is in progress.</p> <p>Children's Basic Health Plan (CBHP) staff has defined reporting requirements for new reports to be generated out of Colorado Benefits Management System (CBMS). At this point, CBHP is waiting for those reports to be implemented. A timeline for implementation has not been provided by the CBMS contractor (Deloitte).</p>
Department of Health Care Policy & Financing	2009	February	Access to Medicaid Home and Community-Based Long-Term Care Services	1914-4c	Agree	2009	October	2011	December	The Department should take a more direct and active role in overseeing and coordinating Single Entry Point agencies' resource development efforts.		Not Implemented	Self-Reported by Agency	2009	October	The Department applied for the federal Money Follows the Person (MFP) grant and was notified that it received the award on February 22, 2011. Through MFP, the Department will be able to take a more active role in oversight and coordination of resource development across the state. MFP begins April 1, 2011 in Colorado. MFP will give the Department the capacity to begin this coordination with single entry point agencies and their communities during 2011. This process will likely take at least three years, since it requires redesign of resource delivery and systemic change. This process will be underway by December 31, 2011.

Agency	Date Audit Released by LAC		Name of Audit	Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2	Main Recommendation Text	Recommendation Sub-part Text	Implementation Status	Source of Implementation Status	Date of Implementation Status Report		Agency Comments from Status Report
Department of Personnel & Administration	2009	July	Department of Personnel & Administration and State Personnel Board	1983-1	Agree	2010	July		Assist state agencies and higher education institutions in implementing effective workforce planning tools by providing training and online technical assistance on implementing metrics related to hiring and succession planning.		Not Implemented	Self-Reported by Agency	2011	January	New implementation date not provided by Agency. Although the Department recognizes that workforce and succession planning are an important part of effective workforce management, no further work is being done in these areas. As part of the Department's budget balancing efforts, programs and functions not specifically addressed in the State Personnel System Act were eliminated, including the three positions and associated employees assigned to workforce and successsion planning. The tools and training developed prior to the program being eliminated are available through self-service on the DPA website but no staff resources are available to provide further support.

Agency	Date Audit Released by LAC		Name of Audit	Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2	Main Recommendation Text	Recommendation Sub-part Text	Implementation Status	Source of Implementation Status	Date of Implementation Status Report		Agency Comments from Status Report
Department of Personnel & Administration	2009	July	Department of Personnel & Administration and State Personnel Board	1983-2a	Agree	2010	January		The Division of Human Resources should improve the effectiveness of its human resources auditing function as an oversight mechanism by:	a. Conducting a strategic assessment to determine the overall purpose and statutory intent of the function and how best to accomplish this purpose, implementing any necessary changes.	Not Implemented	Self-Reported by Agency	2011	January	<p>New implementation date not provided by Agency.</p> <p>After years of limited success in establishing a formal audit program, the Department has determined that the formal auditing function should remain under the authority of the State Auditor. The Department is proposing legislation for the 2010 session to modify C.R.S. 24-50-101(3)(d) and remove the "post audit" language from the statute. The Department plans to continue its role as a provider of consultant services under C.R.S. 24-50-101(3)(c). The current less formal approach of identifying issues through a variety of transactional sources (data systems, appeals, grievances, consulting encounters), determining the cause, collaborating with agencies for solutions, and creating training and reference resources to address similar issues across the system has been timely and effective in finding and addressing many issues before they've become a liability risk to the State. The limited success of the formal audit program is due to a number of factors including ongoing staffing issues, competing internal priorities, urgency of consulting interactions and access and availability of audited agencies.</p>

Agency	Date Audit Released by LAC		Name of Audit	Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2	Main Recommendation Text	Recommendation Sub-part Text	Implementation Status	Source of Implementation Status	Date of Implementation Status Report		Agency Comments from Status Report
Department of Personnel & Administration	2009	July	Department of Personnel & Administration and State Personnel Board	1983-2b	Agree	2010	January		The Division of Human Resources should improve the effectiveness of its human resources auditing function as an oversight mechanism by:	b. Developing and implementing procedures for conducting human resources audits that define standards for completing and documenting audit work.	Not Implemented	Self-Reported by Agency	2011	January	<p>New implementation date not provided by Agency.</p> <p>After years of limited success in establishing a formal audit program, the Department has determined that the formal auditing function should remain under the authority of the State Auditor. The Department is proposing legislation for the 2010 session to modify C.R.S. 24-50-101(3)(d) and remove the "post audit" language from the statute. The Department plans to continue its role as a provider of consultant services under C.R.S. 24-50-101(3)(c). The current less formal approach of identifying issues through a variety of transactional sources (data systems, appeals, grievances, consulting encounters), determining the cause, collaborating with agencies for solutions, and creating training and reference resources to address similar issues across the system has been timely and effective in finding and addressing many issues before they've become a liability risk to the State. The limited success of the formal audit program is due to a number of factors including ongoing staffing issues, competing internal priorities, urgency of consulting interactions and access and availability of audited agencies.</p>

Agency	Date Audit Released by LAC		Name of Audit	Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2	Main Recommendation Text	Recommendation Sub-part Text	Implementation Status	Source of Implementation Status	Date of Implementation Status Report		Agency Comments from Status Report
Department of Personnel & Administration	2009	July	Department of Personnel & Administration and State Personnel Board	1983-2c	Agree	2010	January		The Division of Human Resources should improve the effectiveness of its human resources auditing function as an oversight mechanism by:	c. Evaluating how its existing staff resources could be reallocated to dedicate more consistent resources to the audit function, and implementing the necessary changes.	Not Implemented	Self-Reported by Agency	2011	January	<p>New implementation date not provided by Agency.</p> <p>After years of limited success in establishing a formal audit program, the Department has determined that the formal auditing function should remain under the authority of the State Auditor. The Department is proposing legislation for the 2010 session to modify C.R.S. 24-50-101(3)(d) and remove the "post audit" language from the statute. The Department plans to continue its role as a provider of consultant services under C.R.S. 24-50-101(3)(c). The current less formal approach of identifying issues through a variety of transactional sources (data systems, appeals, grievances, consulting encounters), determining the cause, collaborating with agencies for solutions, and creating training and reference resources to address similar issues across the system has been timely and effective in finding and addressing many issues before they've become a liability risk to the State. The limited success of the formal audit program is due to a number of factors including ongoing staffing issues, competing internal priorities, urgency of consulting interactions and access and availability of audited agencies.</p>

Agency	Date Audit Released by LAC		Name of Audit	Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2	Main Recommendation Text	Recommendation Sub-part Text	Implementation Status	Source of Implementation Status	Date of Implementation Status Report		Agency Comments from Status Report
Department of Personnel & Administration	2009	July	Department of Personnel & Administration and State Personnel Board	1983-2d	Agree	2010	January		The Division of Human Resources should improve the effectiveness of its human resources auditing function as an oversight mechanism by:	d. Providing training to staff who conduct human resources audits on effective auditing practices.	Not Implemented	Self-Reported by Agency	2011	January	<p>New implementation date not provided by Agency.</p> <p>After years of limited success in establishing a formal audit program, the Department has determined that the formal auditing function should remain under the authority of the State Auditor. The Department is proposing legislation for the 2010 session to modify C.R.S. 24-50-101(3)(d) and remove the "post audit" language from the statute. The Department plans to continue its role as a provider of consultant services under C.R.S. 24-50-101(3)(c). The current less formal approach of identifying issues through a variety of transactional sources (data systems, appeals, grievances, consulting encounters), determining the cause, collaborating with agencies for solutions, and creating training and reference resources to address similar issues across the system has been timely and effective in finding and addressing many issues before they've become a liability risk to the State. The limited success of the formal audit program is due to a number of factors including ongoing staffing issues, competing internal priorities, urgency of consulting interactions and access and availability of audited agencies.</p>

Agency	Date Audit Released by LAC		Name of Audit	Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2		Main Recommendation Text	Recommendation Sub-part Text	Implementation Status	Source of Implementation Status	Date of Implementation Status Report		Agency Comments from Status Report
Department of Personnel & Administration	2009	July	Department of Personnel & Administration and State Personnel Board	1983-2e	Agree	2010	January			The Division of Human Resources should improve the effectiveness of its human resources auditing function as an oversight mechanism by:	e. Considering how technology could improve the efficiency of its auditing efforts.	Not Implemented	Self-Reported by Agency	2011	January	<p>New implementation date not provided by Agency.</p> <p>After years of limited success in establishing a formal audit program, the Department has determined that the formal auditing function should remain under the authority of the State Auditor. The Department is proposing legislation for the 2010 session to modify C.R.S. 24-50-101(3)(d) and remove the "post audit" language from the statute. The Department plans to continue its role as a provider of consultant services under C.R.S. 24-50-101(3)(c). The current less formal approach of identifying issues through a variety of transactional sources (data systems, appeals, grievances, consulting encounters), determining the cause, collaborating with agencies for solutions, and creating training and reference resources to address similar issues across the system has been timely and effective in finding and addressing many issues before they've become a liability risk to the State. The limited success of the formal audit program is due to a number of factors including ongoing staffing issues, competing internal priorities, urgency of consulting interactions and access and availability of audited agencies.</p>
Department of Public Safety	2009	November	Problem Drivers and Traffic Fatalities	1992-3a	Partially Agree	2009	November	Ong oing	Ongoing	The Colorado Department of Transportation and the Colorado State Patrol should work together to see the adoption of safety legislation requiring the use of seatbelts and motorcycle helmets. Specifically, the laws should require all motor vehicle occupants to wear a seatbelt and law enforcement officers should have the ability to stop a driver and issue a citation based solely on the failure of the driver or of one or more of the passengers to comply with the requirement.	a. Specifically, the laws should require all motor vehicle occupants to wear a seatbelt and law enforcement officers should have the ability to stop a driver and issue a citation based solely on the failure of the driver or of one or more of the passengers to comply with the requirement.	Not Implemented	Self-Reported by Agency	2011	January	<p>New implementation date not provided by Agency.</p> <p>No primary seatbelt legislation has been proposed this session. On-line educational material is available and increased awareness campaigns have been implemented.</p>

Agency		Date Audit Released by LAC		Name of Audit	Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2		Main Recommendation Text	Recommendation Sub-part Text	Implementation Status	Source of Implementation Status	Date of Implementation Status Report		Agency Comments from Status Report
Department of Public Safety		2009	November	Problem Drivers and Traffic Fatalities	1992-3b	Partially Agree	2009	November			The Colorado Department of Transportation and the Colorado State Patrol should work together to see the adoption of safety legislation requiring the use of seatbelts and motorcycle helmets. Specifically, the laws should require all motor vehicle occupants to wear a seatbelt and law enforcement officers should have the ability to stop a driver and issue a citation based solely on the failure of the driver or of one or more of the passengers to comply with the requirement.	b. Specifically, the laws should require all motorcycle operators and passengers to wear motorcycle helmets when riding on a motorcycle.	Not Implemented	Self-Reported by Agency	2011	January	No mandatory helmet legislation has been proposed this session. On-line educational material is available and increased awareness campaigns have been implemented.
Department of Revenue		2008	June	Driver's License and Identification Card Security	1912-8d	Agree	2008	December	2009	December	The Department should improve the physical access and environmental controls over the data center by:	d. Augmenting the current sprinkler system with an inert gas-based fire suppression system once funding becomes available.	Not Implemented	Self-Reported by Agency	2011	January	The project to install the fire system has been cancelled because we are consolidating data centers to reduce costs. We have moved several of the main enterprise systems to the 690 Kipling location including Directory Services, Files services, Web services, and E-mail services. Expected completion to fully implement this move is June 30, 2010. The L1 systems are scheduled to be moved by December 31, 2009.
Department of Transportation		2009	November	Problem Drivers and Traffic Fatalities	1992-3a	Agree	2009	November	Ongoing	Ongoing	The Colorado Department of Transportation and the Colorado State Patrol should work together to see the adoption of safety legislation requiring the use of seatbelts and motorcycle helmets. Specifically, the laws should require all motor vehicle occupants to wear a seatbelt and law enforcement officers should have the ability to stop a driver and issue a citation based solely on the failure of the driver or of one or more of the passengers to comply with the requirement.	a. Specifically, the laws should require all motor vehicle occupants to wear a seatbelt and law enforcement officers should have the ability to stop a driver and issue a citation based solely on the failure of the driver or of one or more of the passengers to comply with the requirement.	Not Implemented	Self-Reported by Agency	2011	January	I am not aware of any plans to reintroduce a primary seatbelt law or motorcycle helmet law this legislative session. Consequently, I do not anticipate successfully addressing this recommendation.

Agency		Date Audit Released by LAC		Name of Audit	Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2		Main Recommendation Text	Recommendation Sub-part Text	Implementation Status	Source of Implementation Status	Date of Implementation Status Report		Agency Comments from Status Report
Department of Transportation		2009	November	Problem Drivers and Traffic Fatalities	1992-3b	Partially Agree	2009	November	Ong	Ongoing	The Colorado Department of Transportation and the Colorado State Patrol should work together to see the adoption of safety legislation requiring the use of seatbelts and motorcycle helmets. Specifically, the laws should require all motor vehicle occupants to wear a seatbelt and law enforcement officers should have the ability to stop a driver and issue a citation based solely on the failure of the driver or of one or more of the passengers to comply with the requirement.	b. Specifically, the laws should require all motorcycle operators and passengers to wear motorcycle helmets when riding on a motorcycle.	Not Implemented	Self-Reported by Agency	2011	January	CDOT continues to collect data related to motorcycle safety and helmet use. Currently, there are no new bills being put forth by the Colorado State Legislature related to motorcycle use.

*1 The original implementation date is the date provided by the agency in the report.
*2 The current implementation date is the date by which the agency currently projects that the recommendation will be implemented.



Office of the State Auditor Audit Recommendations

All Performance and IT Recommendations That Agencies Agreed to But Have Only Partially Implemented

Agency	Date Audit Released by LAC		Name of Audit	Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2		Main Recommendation Text	Recommendation Sub-part Text	Implementation Status	Source of Implementation Status	Date of Implementation Status Report		Agency Comments from Status Report
Department of Labor & Employment	2010	July	Evaluation of the Unemployment Insurance Trust Fund, Department of Labor and Employment, June 2010	1993-3	Agree	2011	January	2011	February	As part of a comprehensive assessment of the financing for the Unemployment Insurance (UI) Trust Fund, the Department of Labor and Employment should work with the General Assembly, the Governor's Office, and Colorado employers to evaluate the best options for redesigning the solvency surcharge so that it serves as a short-term funding source for avoiding or delaying insolvency of the UI Trust Fund. Based on the evaluation, the Department should determine what adjustments to the solvency surcharge's rate structure will minimize the financial burden on employers and recommend statutory changes to the General Assembly, as necessary.		Partially Implemented	Self-Reported by Agency	2011	February	The department has performed an analysis of the solvency surcharge as part of an analysis of the overall fund. The department will continue to work with the incoming administration, the General Assembly, and the various stakeholders to finalize potential recommendations for adjustments to the current structure. The Department did not provide a revised implementation date.
Department of Personnel & Administration	2010	November	Performance Audit of the Employee Benefits Program, Department of Personnel & Administration	2073-6a	Agree	2011	June	2011	August	The Department of Personnel and Administration should implement sufficient controls over the benefit enrollment process to ensure that only eligible individuals participate in the State's benefit plans. These controls should include:	a. Conducting an eligibility audit for all individuals currently enrolled in the State's benefit plans. Once the initial audit is completed, the Department should continue to periodically conduct eligibility audits based on a sample of files.	Partially Implemented	Self-Reported by Agency	2011	August	The Department contracted with HMS Employer Solutions to conduct the independent dependent eligibility audit. To date, approximately 90 percent of all covered dependents have been verified. The Department is finalizing the eligibility review process for the remaining dependents and unverified dependents will be removed from coverage by August 2011. In April, the Department began requiring verification of dependent status on all open enrollment and new hire transactions when a dependent is added; transactions that include a dependent must be reviewed and approved by the Employee Benefits Unit. Beginning with FY 2012, mid-year qualified events involving dependents will also be reviewed and approved by the Employee Benefits Unit. The Department also plans to conduct periodic audits of sample records moving forward.

Agency	Date Audit Released by LAC		Name of Audit	Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2		Main Recommendation Text	Recommendation Sub-part Text	Implementation Status	Source of Implementation Status	Date of Implementation Status Report		Agency Comments from Status Report
Department of Public Health & Environment	2010	July	Dental Loan Repayment Program, Department of Public Health and Environment, Performance Audit, June 2010	2077-1a	Agree	2011	January	2011	January	The Colorado Department of Public Health and Environment should improve its recruiting and selection processes for the Dental Loan Program to increase the likelihood of identifying participants who will agree to provide dental care in underserved areas. Specifically, the Department should:	a. Inform potential applicants that their probability for selection for loan repayment assistance increases if they agree to serve in difficult-to-serve areas that have not had a recent Program participant.	Partially Implemented	Self-Reported by Agency	2011	January	<p>(1) To enhance applicant recruitment, the Program and the Primary Care Office (PCO) are working together to market and brand all loan repayment programs available to dental professionals under the Colorado Health Service Corps umbrella. In various conversations with the PCO, the Program determined this strategy was an efficient means to eliminate the confusion of potential applicants regarding subtle eligibility differences between different loan repayment mechanisms, while automatically maximizing the options for providers to receive loan repayment. The Program has communicated the necessary changes to the Colorado Rural Health Center (CRHC) fact sheet, and the CRHC continues promoting the loan repayment program on their website and through their outreach activities across the state. In addition to the CRHC outreach and promotion, the PCO is also actively promoting loan repayment for dental professionals. To date, three specific outreach activities have taken place through the partnership with the PCO, including presentations to the dental directors of the Federally Qualified Health Centers and rural health centers. In January, the Program will be hosting an information table at the Rocky Mountain Dental Convention, the largest regional dental meeting in the state, reaching over 2,000 dental providers (dentists and hygienists) with information regarding dental loan repayment opportunities.</p> <p>To further ease provider confusion regarding eligibility for loan repayment options, the Program has partnered with the PCO to develop a common on-line application for loan repayment across the state. The uniform application allows providers to apply at one central location, and screening questions provide Program staff information to match applicant eligibility with the most applicable funding option. The combined application went live for the first round of Colorado Health Service Corps' (CHSC) loan repayment funding on November 1, 2010. Applicants not eligible for CHSC loan repayment funds will automatically be entered into the pool of candidates for our program's funds. A total of three application cycles will occur, March, July, and November.</p> <p>2) The map illustrating the counties identified by the audit as having the greatest unmet need is complete and will be posted on the website and made available in the application package for the application round in March 2011. The Program is</p>

Agency	Date Audit Released by LAC		Name of Audit	Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2		Main Recommendation Text	Recommendation Sub-part Text	Implementation Status	Source of Implementation Status	Date of Implementation Status Report		Agency Comments from Status Report
																<p>developing a standardized methodology to update the map on an annual basis.</p> <p>3) The scoring tool has been modified to include an additional 30 points for any applicant who serves in the counties identified as unmet need and has been used on any new applications received since November 2010.</p>
Department of Revenue	2008	June	Driver's License and Identification Card Security	1912-6b	Agree	2009	June	N/A	N/A	The Department should develop a comprehensive cyber security program that protects the data contained in crucial information systems, including DLS, against unauthorized access, disclosure, use, and modification or destruction. This should include establishing a centralized information security function managed by an Information Security Officer, as required by State Cyber Security Policies. In cooperation with the Governor's Office of Information Technology, correct the specific security deficiencies we identified during our audit, including developing a mechanism to manage user access to the DLS system.	b. Performing ongoing monitoring of user activities in DLS to identify anomalous activity and taking appropriate action.	Partially Implemented	Self-Reported by Agency	2011	January	A current auditing policy was put in place whereby random audits are conducted at specific random locations on all DLS transactions conducted by DL personnel. Specific transactions such as voids, issuances etc are reviewed for inconsistencies, inaccuracies and/or violations of law, policy or procedures. This is conducted by DL administration. Additional procedures have been put in place whereby regional managers conduct random spot checks for the same issues. Partial implementation in that two additional tools are needed. Tool 1 will be implemented upon completion of L-1 refresh to show anomalies in fingerprint capture. Tool 2 is still being explored and requires significant time and financial cost for mainframe programming to allow auditing of those that view records but do not process them (thereby creating an auditable record).
Department of Revenue	2010	September	Vehicle Emissions Program, Department of Revenue, Department of Public Health and Environment, Performance Audit, September 2010	2062-4b	Agree	2011	April	2011	May	The Department of Revenue should improve the effectiveness of Vehicle Emissions Program record audits by:	b. Eliminating record audit procedures designed to monitor facility maintenance or incorporating them into other audits, if this can be accomplished without a negative impact on meeting other audit requirements.	Partially Implemented	Self-Reported by Agency	2011	May	The Department continues to perform a monthly facility maintenance audit to ensure contractual obligations are being met. Facility maintenance audits are important to ensure the contractor maintains a clean and safe environment for the vehicle owners of Colorado. The facility audit has been modified to include additional equipment items and will be performed in conjunction with equipment audits beginning May 2011. The Department has determined that combining the facility and equipment audits would be the most efficient use of meeting contractual and statutory requirements. Every 90 days, stations will receive the same number of facility and lanes audits. On May 1, 2011, the contractor is obligated, by contract, to implement new hardware and software related to the vehicle inspection database. This will allow the Emissions management to administer a training class involving the entire field staff regarding how to input and extract both the facility and 90 day audit information.

Agency	Date Audit Released by LAC		Name of Audit	Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2		Main Recommendation Text	Recommendation Sub-part Text	Implementation Status	Source of Implementation Status	Date of Implementation Status Report		Agency Comments from Status Report
Judicial	2009	November	Problem Drivers and Traffic Fatalities	1992-1	Agree	2010	January			The Judicial Branch, as a participating agency in the Colorado Integrated Criminal Justice Information System Program, should work with criminal justice agencies to integrate municipal courts and Denver County Court into a statewide criminal database in order to provide all prosecutors and courts in the state with complete records of misdemeanor and traffic charges.		Partially Implemented	Self-Reported by Agency	2011	January	New implementation date was given as TBD. The State Court Administrator presented this issue to the CIJIS Board shortly after the release of the report. The Board agreed that working toward including the municipal courts and Denver County into a database available to all state users is a priority. However, given the State's current budget situation, there are not funds available to pursue this initiative. CIJIS will consider this issue again when the State's financial situation improves.
Pinnacol Assurance	2008	June	Pinnacol Assurance, Statutory Financial Statements, December 31, 2007 and 2006	1916-1a	Agree	2008	September	2011	June	Pinnacol should enhance its information technology controls by expanding control policies and procedures related to documentation of system access reviews, segregation of duties conflicts, program change management, and training.	a. Periodic reviews of user access rights performed by system administrator should be properly documented and retained by Pinnacol.	Partially Implemented	Determined Through Subsequent Audit	2009	June	Policies have been updated in the second quarter of 2011 to include maintaining evidence of user access reviews, backups, and changes to patches. Documentation will also be maintained for at least a year.
Department of State (Secretary of State)	2008	June	Licensing and Elections Divisions, Oversight of Charity, Solicitations, Lobbyist and Notaries Public	1846-5b	Agree	2009	May	N/A	N/A	The Department of State should improve the controls over notary seals and journals by:	b. Considering seeking a statutory change to define the expiration and non-renewal of a commission as a resignation.	Partially Implemented	Self-Reported by Agency	2011	January	The Department sought this statutory change during the 2008-09 sunset review process, but the General Assembly declined to adopt this recommendation. However, the Department's implementation of Audit Recommendations 5.a. and 5.f. partially achieves the intended result.
Department of State (Secretary of State)	2008	June	Licensing and Elections Divisions, Oversight of Charity, Solicitations, Lobbyist and Notaries Public	1846-5e	Agree	2008	December	N/A	N/A	The Department of State should improve the controls over notary seals and journals by:	e. Considering seeking a statutory change that would allow notaries public or their representatives to submit an affidavit attesting to the destruction of the notary's seal upon the notary's resignation or death. If statute is not changed, then the Department should ensure that it collects all notary seals required by statute.	Partially Implemented	Self-Reported by Agency	2011	January	Through 2008-09 sunset review process, the General Assembly declined to adopt this statutory change in sunset bill SB 09-111. However, the Department has undertaken stronger efforts to communicate with notaries and obtain the return of seals and journals.
CollegelInvest	2009	September	CollegelInvest Scholarship and Loan Forgiveness Programs	2011-10d	Partially Agree	2009	June			CollegelInvest needs to revise its allocation of administrative expenses to ensure that all costs are paid only by the program or programs that directly benefit from them. Specifically, CollegelInvest should improve its direct and indirect allocation of costs by:	d. Ensuring that all costs shared with College Assist are allocated to each organization in accordance with an approved written agreement between the two organizations that accurately reflects the benefits incurred by each organization.	Partially Implemented	Self-Reported by Agency	2011	January	New implementation date not provided by Agency. Both inter-agency MOU and approved budget documents are used to determine and approve cost allocations. Actual cost allocations are monitored quarterly to ensure compliance with these allocations.

Agency	Date Audit Released by LAC		Name of Audit	Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2	Main Recommendation Text	Recommendation Sub-part Text	Implementation Status	Source of Implementation Status	Date of Implementation Status Report		Agency Comments from Status Report
CollegeInvest	2010	November	College Savings Plans CollegeInvest, Department of Higher Education, Performance Evaluation, October 2010	2056-6f	Agree	2010	November		CollegeInvest should strengthen the controls over its information technology (IT) system by:	f. Maintaining a fire suppression system in its IT data center, keeping its servers and other IT equipment in locked cabinets, testing its battery backup system, securing removable storage media, and changing the access code to its data center routinely.	Partially Implemented	Self-Reported by Agency	2011	May	New implementation date not provided. For part "f," as noted in the response, we would need to acquire new server cabinets to implement this recommendation. There are no current plans to acquire new cabinets, but if new cabinets are required in the future, they will include doors.
Office of Administrative Courts	2008	September	Office of Administrative Courts	1924-3b	Agree	2009	June		The Office of Administrative Courts should improve exisiting methods for determining and assigning workload by:	b. Determining the effects of various factors on the workload of ALJs.	Partially Implemented	Self-Reported by Agency	2011	January	New implementation date not provided by Agency. The OAC has partially implemented this recommendation. The implementation of prehearings for out of town cases has assisted in determining the time necessary to hear the dockets. In addition, the OAC has invited the DOWC prehearing ALJs to its monthly meetings in an attempt to coordinate efforts in determining the factors that do assess workload. The OAC workers' compensation staff and judges continue to meet regularly to assess the OAC workload and to look for areas in which efficiencies that affect hearing length can be implemented.

*1 The original implementation date is the date provided by the agency in the report.

*2 The current implementation date is the date by which the agency currently projects that the recommendation will be implemented.



Office of the State Auditor Audit Recommendations

All Recommendations With Which Agencies Have Disagreed

Issued Between January 2008 and July 2011

(All Financial, IT, and Performance Recommendations)

Agency	Name of Audit	Date Audit Released by LAC		Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2		Main Recommendation Text	Recommendation Sub-part Text	Comments from Agency to Recommendation As Reported in the Audit Report	Agency Comments from Status Reports
Department of Health Care Policy & Financing	Statewide Single Audit, Fiscal Year Ended June 30, 2009	2010	February	1994-71b	Disagree	N/A	N/A	N/A	N/A	The Department of Health Care Policy & Financing should ensure compliance with federal regulations governing payments to providers for the Disproportionate Share Hospitals and the Upper Payment Limits by	following up with CMS about the allowability of payments calculated under the revised methodology and paid before the Department had obtained CMS approval of the revised methodology.	The Department does not agree that the Fiscal Year 2009 DSH and UPL payments were calculated in error or used an inflation factor that was not approved under the Medicaid State Plan. Under the Department's approved State Plan, it states that hospital costs will be "...inflated forward to the request budget year using the most recently available Consumer Price Index - Urban Wage Earners, Medical Care Index - U.S. City Average for the second half of the previous calendar year." In Fiscal Year 2008, the Department inflated provider costs by using the same inflation factor twice (the Consumer Price Index for the second half of 2006) since the costs must be inflated forward for two years. In Fiscal Year 2009, the Department inflated provider costs by using two inflation factors once (Consumer Price Index for the second half of 2007 and then second half of 2008) to inflate costs forward for two years. For the Fiscal Year 2009 DSH and UPL payments, the Department decided it was more accurate to use the most recently available inflation factors. The approved language under the Medicaid State Plan, which has been approved by the Department's federal oversight body, CMS, allows the Department to use the Consumer Price Index for the second half of 2007 and second half of 2008. There is no need for the Department to modify the State Plan or follow-up with CMS regarding this finding.	

Agency	Name of Audit	Date Audit Released by LAC		Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2	Main Recommendation Text	Recommendation Sub-part Text	Comments from Agency to Recommendation As Reported in the Audit Report	Agency Comments from Status Reports
Department of Health Care Policy & Financing	State of Colorado Statewide Single Audit, Fiscal Year Ended June 30, 2010	2011	February	2071-6	Disagree	N/A	N/A		The Department of Health Care Policy and Financing should ensure that unspent hospital provider fees are refunded within five days of collection, in accordance with state statutes. In addition, the Department should refund the \$4.2 million in unspent provider fees to the hospitals from which they were collected.		<p>The Department's fee refund process does comply with statute. Section 25.5-4-402.3 (3)(e)(II) C.R.S., authorizes the Department to refund any unused provider fees but does not require the Department to do so when federal matching funds have been received. The federal Centers for Medicare and Medicaid Services (CMS) approved the Department's fee and payment methodologies and federal funds were available in the Department's Federal Payment Management System (PMS) account prior to the collection of fees and disbursement of payments; therefore, the Department was in compliance with Section 25.5-4-402.3 (3)(e)(II), C.R.S.</p> <p>In compliance with Section 25.5-4-402.3 (4)(c) C.R.S., the amount not refunded to the providers is available for allowable expenditures in FY 2010-11. The Medical Services Board (MSB) adopted rules (10 CCR 2505-10 sub-sec 8.2003.D) which describe this refund process and reserve. The Attorney General's Office reviewed the Department's rules for compliance with statute and approved them before they were presented to the MSB.</p>	

Agency	Name of Audit	Date Audit Released by LAC		Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2		Main Recommendation Text	Recommendation Sub-part Text	Comments from Agency to Recommendation As Reported in the Audit Report	Agency Comments from Status Reports
Department of Higher Education	College Savings Plans CollegeInvest, Department of Higher Education, Performance Evaluation, October 2010	2010	November	2056-3a	Disagree	N/A	N/A	N/A	N/A	The Department of Higher Education should enhance the options for individuals to invest in Section 529 programs by:	a. Analyzing the effects of allowing Colorado residents to receive a state income tax deduction for making contributions to any Section 529 program nationwide. Consideration should be given to ways to make the extension of the deduction revenue-neutral by limiting the amount of the deduction that an individual may claim.	<p>One of the main objectives of the CollegeInvest 529 program is to encourage Colorado residents to save for college. A primary incentive for Colorado residents to save for college is the unlimited Colorado tax deduction. Broadening the tax deduction to any 529 college savings plan would have a negative impact on statewide tax revenues during a time of precipitously declining state budgets and higher education funds.</p> <p>The only way to mitigate the negative impact to statewide tax revenues would be through capping or limiting the tax deductions afforded to Colorado residents. The impact of this would be to discourage residents from maximizing savings for college, which runs counter to the primary objective and goal of saving for college.</p> <p>The recommendation is based on the possibility that a Colorado resident could earn a better return or that the current tax policy leads to less competition and higher fees. We believe that the known detrimental impact of reducing statewide tax revenues or capping deductions far outweighs the unknown potential benefit of greater performance or lower fees.</p> <p>Lastly, the Department does not believe it should devote its limited resources to conduct such an analysis in the midst of the fiscal challenges facing higher education.</p>	<p>One of the main objectives of the CollegeInvest Section 529 program is to encourage Colorado residents to save for college. A primary incentive for Colorado residents to save for college is the unlimited Colorado tax deduction. Broadening the tax deduction to any 529 college savings plan would have a negative impact on statewide tax revenues during a time of precipitously declining state budgets and higher education funds.</p> <p>The only way to mitigate the negative impact to statewide tax revenues would be through capping or limiting the tax deductions afforded to Colorado residents. The impact of this would be to discourage residents from maximizing savings for college, which runs counter to the primary objective and goal of saving for college.</p> <p>The recommendation is based on the possibility that a Colorado resident could earn a better return or that the current tax policy leads to less competition and higher fees. We believe that the known detrimental impact of reducing statewide tax revenues or capping deductions far outweighs the unknown potential benefit of greater performance or lower fees. Lastly, the Department does not believe it should devote its limited resources to conduct such an analysis in the midst of the fiscal challenges facing higher education.</p>

Agency	Name of Audit	Date Audit Released by LAC		Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2		Main Recommendation Text	Recommendation Sub-part Text	Comments from Agency to Recommendation As Reported in the Audit Report	Agency Comments from Status Reports
Department of Higher Education	College Savings Plans CollegeInvest, Department of Higher Education, Performance Evaluation, October 2010	2010	November	2056-3b	Disagree	N/A	N/A	N/A	N/A	The Department of Higher Education should enhance the options for individuals to invest in Section 529 programs by:	<p>b. Determining based on the analysis in part "a," whether it will work with the General Assembly on revising statute to allow state income tax deductions for contributions made to any Section 529 program nationwide.</p> <p>The only way to mitigate the negative impact to statewide tax revenues would be through capping or limiting the tax deductions afforded to Colorado residents. The impact of this would be to discourage residents from maximizing savings for college, which runs counter to the primary objective and goal of saving for college.</p> <p>The recommendation is based on the possibility that a Colorado resident could earn a better return or that the current tax policy leads to less competition and higher fees. We believe that the known detrimental impact of reducing statewide tax revenues or capping deductions far outweighs the unknown potential benefit of greater performance or lower fees.</p> <p>Lastly, the Department does not believe it should devote its limited resources to conduct such an analysis in the midst of the fiscal challenges facing higher education.</p>	<p>One of the main objectives of the CollegeInvest 529 program is to encourage Colorado residents to save for college. A primary incentive for Colorado residents to save for college is the unlimited Colorado tax deduction. Broadening the tax deduction to any 529 college savings plan would have a negative impact on statewide tax revenues during a time of precipitously declining state budgets and higher education funds.</p> <p>The only way to mitigate the negative impact to statewide tax revenues would be through capping or limiting the tax deductions afforded to Colorado residents. The impact of this would be to discourage residents from maximizing savings for college, which runs counter to the primary objective and goal of saving for college.</p> <p>The recommendation is based on the possibility that a Colorado resident could earn a better return or that the current tax policy leads to less competition and higher fees. We believe that the known detrimental impact of reducing statewide tax revenues or capping deductions far outweighs the unknown potential benefit of greater performance or lower fees. Lastly, the Department does not believe it should devote its limited resources to conduct such an analysis in the midst of the fiscal challenges facing higher education.</p>	<p>One of the main objectives of the CollegeInvest Section 529 program is to encourage Colorado residents to save for college. A primary incentive for Colorado residents to save for college is the unlimited Colorado tax deduction. Broadening the tax deduction to any 529 college savings plan would have a negative impact on statewide tax revenues during a time of precipitously declining state budgets and higher education funds.</p> <p>The only way to mitigate the negative impact to statewide tax revenues would be through capping or limiting the tax deductions afforded to Colorado residents. The impact of this would be to discourage residents from maximizing savings for college, which runs counter to the primary objective and goal of saving for college.</p>

Agency	Name of Audit	Date Audit Released by LAC		Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2		Main Recommendation Text	Recommendation Sub-part Text	Comments from Agency to Recommendation As Reported in the Audit Report	Agency Comments from Status Reports
Department of Human Services	Statewide Single Audit, Fiscal Year Ended June 30, 2007	2008	February	1901-103b	Disagree	N/A	N/A	N/A	N/A	The Department of Human Services should improve information for evaluating county administrative and case management costs in the child welfare allocation model by:	b. Using the improved cost information to analyze administrative and case management costs in the program services cost driver and considering allocating funds for administrative and case management costs in the child welfare allocation model separately.	<p>The child welfare services appropriation provides blocked funding to county departments of social services. Counties are provided a capped allocation that can be spent without categorical restriction. Counties are allowed to spend flexibly within their block allocation. This flexibility allows counties to design services and programs to the specific needs of their community. This recommendation proposes to take away that flexibility and there is no statutory authority for imposing such restriction. The Department supports the use of flexible funding so that decisions regarding the best means of providing for child welfare service provision can be made at the local level.</p> <p>The Department supports the benefits that this flexible funding provides, allowing counties to implement innovative practice changes that are aimed at achieving better outcomes for children involved in the child welfare system.</p>	
Department of Human Services	Statewide Single Audit, Fiscal Year Ended June 30, 2007	2008	February	1901-85a	Disagree	N/A	N/A	N/A	N/A	The Department of Human Services should ensure it has adequate management tools to monitor for compliance with federal requirements for the Temporary Assistance for Needy Families program by:	a. Developing a reporting function for extracting and compiling information contained within the Colorado Benefits Management System (CBMS) for Income, Eligibility and Verification System; sanctions; and accounting-related data.	The Department contends that it has developed and utilizes reports necessary to monitor for compliance with federal requirements. Colorado is in full compliance with all of its federal data reporting requirements under TANF through its quarterly data submission. The Program does not have the need to develop additional critical reports to ensure adequate monitoring of counties. However, the Department will address the underlying issues in a similar fashion, as stated in our response to Recommendation No. 83 concerning IEVS, by utilizing existing reports within Business Objects with an inclusion of a monthly sampling and review of sanctioned cases to further enhance its county oversight in this area. The Department understands the importance of management tools and the Program will continue to develop management reports as needed.	The Department disagreed with this recommendation and did not implement it.
Department of Human Services	Statewide Single Audit, Fiscal Year Ended June 30, 2007	2008	February	1901-85b	Disagree	N/A	N/A	N/A	N/A	The Department of Human Services should ensure it has adequate management tools to monitor for compliance with federal requirements for the Temporary Assistance for Needy Families program by:	b. Reviewing reports monthly to identify discrepancies, monitor for federal compliance, and take appropriate action.	The Department contends that it has developed and utilizes reports necessary to monitor for compliance with federal requirements. Colorado is in full compliance with all of its federal data reporting requirements under TANF through its quarterly data submission. The Program does not have the need to develop additional critical reports to ensure adequate monitoring of counties. However, the Department will address the underlying issues in a similar fashion, as stated in our response to Recommendation No. 83 concerning IEVS, by utilizing existing reports within Business Objects with an inclusion of a monthly sampling and review of sanctioned cases to further enhance its county oversight in this area. The Department understands the importance of management tools and the Program will continue to develop management reports as needed.	The Department disagreed with this recommendation and did not implement it.

Agency	Name of Audit	Date Audit Released by LAC		Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2		Main Recommendation Text	Recommendation Sub-part Text	Comments from Agency to Recommendation As Reported in the Audit Report	Agency Comments from Status Reports
Department of Human Services	Colorado Child Care Assistance Program	2008	December	1909-19	Disagree	N/A	N/A	N/A	N/A	The Department of Human Services should ensure that county departments of human/social services bear an equal proportion of maintenance-of-effort (MOE) payments for the Colorado Child Care Assistance Program (CCCAP) by adjusting county MOE based on each county's proportionate share of actual CCCAP expenditures.		The Department disagrees with this recommendation. This recommendation, if implemented, will create a negative fiscal impact [on] our county partners. Counties operate on a calendar year with State closeout occurring three-fourths (3/4ths) into the county budget cycle, when budgets have already been set. This may create unintended fiscal consequences and other negative implications associated with shifting the maintenance-of-effort payment practice.	
Department of Human Services	Colorado Child Care Assistance Program	2008	December	1909-20a	Disagree	N/A	N/A	N/A	N/A	The Department of Human Services should improve the effectiveness of federal Temporary Assistance to Needy Families (TANF) funds used in the Colorado Child Care Assistance Program (CCCAP) by:	a. Working with county departments of human/social services annually to determine whether to designate at the beginning of the fiscal year that all or a portion of the TANF funds available for transfer to CCCAP will be transferred to CCCAP.	The Department has considered uses for the Colorado Long-Term Works Reserve in the development and implementation of Senate Bill 08-177, as well as to the full appropriation of the Temporary Assistance to Needy Families (TANF) grant. The Department does not agree to changing those purposes.	
Department of Human Services	Colorado Child Care Assistance Program	2008	December	1909-20b	Disagree	N/A	N/A	N/A	N/A	The Department of Human Services should improve the effectiveness of federal Temporary Assistance to Needy Families (TANF) funds used in the Colorado Child Care Assistance Program (CCCAP) by:	b. Requesting that the General Assembly appropriate to the CCCAP program any TANF funds designated for use in the CCCAP in line with part "a."	The Department has considered uses for the Colorado Long-Term Works Reserve in the development and implementation of Senate Bill 08-177, as well as to the full appropriation of the Temporary Assistance to Needy Families (TANF) grant. The Department does not agree to changing those purposes.	
Department of Human Services	Colorado Child Care Assistance Program	2008	December	1909-20c	Disagree	N/A	N/A	N/A	N/A	The Department of Human Services should improve the effectiveness of federal Temporary Assistance to Needy Families (TANF) funds used in the Colorado Child Care Assistance Program (CCCAP) by:	c. Allocating TANF funds appropriated for use in CCCAP at the beginning of the fiscal year based on the counties' proportionate CCCAP population in need and the costs needed to serve them. The Department should improve its allocation methodology as addressed in Recommendation No. 17 in this report.	The Department has considered uses for the Colorado Long-Term Works Reserve in the development and implementation of Senate Bill 08-177, as well as to the full appropriation of the Temporary Assistance to Needy Families (TANF) grant. The Department does not agree to changing those purposes.	

Agency	Name of Audit	Date Audit Released by LAC		Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2		Main Recommendation Text	Recommendation Sub-part Text	Comments from Agency to Recommendation As Reported in the Audit Report	Agency Comments from Status Reports
Department of Human Services	Statewide Single Audit, Fiscal Year Ended June 30, 2009	2010	February	1994-114c	Disagree	N/A	N/A	2010	Implemented	The Department of Human Services should improve its oversight of Title IV-E child welfare funds by:	c. Including appropriate reimbursements to the Ute Mountain Ute Tribe in the Department's federal Title IV-E reimbursement claims to the federal government.	Because of the potential negative fiscal impact to the State, the Department is not in a position to support adding the tribes to the federal Title IV-E claim. If the Department is found out of compliance during a federal Title IV-E Audit, the percentage driven by the cases found to be out of compliance is applied to the Title IV-E claim as a penalty to the State.	
Department of Human Services	Statewide Single Audit, Fiscal Year Ended June 30, 2009	2010	February	1994-117e	Disagree	N/A	N/A	N/A	N/A	The Department of Human Services should improve controls over administrative foster care funds expended by child placement agencies (CPAs) by:	e. Including examples of unallowable costs in regulations. The Department should ensure that loans and advance payments to foster parents and rebates to county departments to encourage placements are cited as examples of unallowed costs.	The Division of Child Care, with the recommendation of the Audit Division, does not agree with the listing of examples in the CPA's Rules and Regulations.	
Department of Human Services	State of Colorado Statewide Single Audit, Fiscal Year Ended June 30, 2010	2011	February	2071-87a	Disagree	N/A	N/A			¶¶The Department of Human Services should ensure that county departments of human/social services pay foster care rates that reflect the foster child's level-of-care and service needs by:	a.¶Continuing to work with counties to develop and implement a validated, statewide level-of-care assessment tool.	<p>The Department disagrees with the recommendation. The original response in September 2007 partially agreed, if the Department had resources available. The Department looked at national level-of-care tools, and it is not feasible to adapt them to Colorado's system. The Department does not have resources available to validate existing tools. There already is a process in place for counties to assess the level of care of children. Pursuant to Section 26-5-104 (2)(a) C.R.S., "a county shall be authorized to negotiate rates, services, and outcomes with providers if the county has a request for proposal process in effect for soliciting bids from providers or another mechanism for evaluating the rates, services and outcomes that it is negotiating with such providers that is acceptable to the state department."</p> <p>If a county chooses not to negotiate with providers, then the county is required to pay the base anchor rates in the State Automated Child Welfare Information System, Trails. The counties that negotiate rates, services, and outcomes with providers utilize a Needs Based Care tool to evaluate a child's needs when placed with a provider. In the event that the State validated a level-of-care assessment tool for all counties to use, that would negate the intention of the statute authorizing counties to negotiate with providers.</p>	

Agency	Name of Audit	Date Audit Released by LAC		Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2	Main Recommendation Text	Recommendation Sub-part Text	Comments from Agency to Recommendation As Reported in the Audit Report	Agency Comments from Status Reports
Department of Human Services	State of Colorado Statewide Single Audit, Fiscal Year Ended June 30, 2010	2011	February	2071-87b	Disagree	N/A	N/A		<p>¶¶¶The Department of Human Services should ensure that county departments of human/social services pay foster care rates that reflect the foster child's level-of-care and service needs by:</p>	<p>b.¶Updating the Trails system to include fields for recording the child's level of care and requiring counties to include this information in Trails whenever they enter new provider rates.</p>	<p>The Department disagrees with the recommendation. The original response in September 2007 partially agreed, if the Department had resources available. The Department looked at national level-of-care tools, and it is not feasible to adapt them to Colorado's system. The Department does not have resources available to validate existing tools. There already is a process in place for counties to assess the level of care of children. Pursuant to Section 26-5-104 (2)(a) C.R.S., "a county shall be authorized to negotiate rates, services, and outcomes with providers if the county has a request for proposal process in effect for soliciting bids from providers or another mechanism for evaluating the rates, services and outcomes that it is negotiating with such providers that is acceptable to the state department."</p> <p>If a county chooses not to negotiate with providers, then the county is required to pay the base anchor rates in the State Automated Child Welfare Information System, Trails. The counties that negotiate rates, services, and outcomes with providers utilize a Needs Based Care tool to evaluate a child's needs when placed with a provider. In the event that the State validated a level-of-care assessment tool for all counties to use, that would negate the intention of the statute authorizing counties to negotiate with providers.</p>	
Department of Human Services	State of Colorado Statewide Single Audit, Fiscal Year Ended June 30, 2010	2011	February	2071-87c	Disagree	N/A	N/A		<p>¶¶¶The Department of Human Services should ensure that county departments of human/social services pay foster care rates that reflect the foster child's level-of-care and service needs by:</p>	<p>c.¶Conducting periodic file reviews at counties and analysis of actual rates paid by counties to ensure they are using level-of-care tools to assist with setting and negotiating appropriate foster care rates.</p>	<p>The Department disagrees with the recommendation. The original response in September 2007 partially agreed, if the Department had resources available. The Department looked at national level-of-care tools, and it is not feasible to adapt them to Colorado's system. The Department does not have resources available to validate existing tools. There already is a process in place for counties to assess the level of care of children. Pursuant to Section 26-5-104 (2)(a) C.R.S., "a county shall be authorized to negotiate rates, services, and outcomes with providers if the county has a request for proposal process in effect for soliciting bids from providers or another mechanism for evaluating the rates, services and outcomes that it is negotiating with such providers that is acceptable to the state department."</p> <p>If a county chooses not to negotiate with providers, then the county is required to pay the base anchor rates in the State Automated Child Welfare Information System, Trails. The counties that negotiate rates, services, and outcomes with providers utilize a Needs Based Care tool to evaluate a child's needs when placed with a provider. In the event that the State validated a level-of-care assessment tool for all counties to use, that would negate the intention of the statute authorizing counties to negotiate with providers.</p>	

Agency	Name of Audit	Date Audit Released by LAC		Audit Rec Number	Agency Response	Original Implementation Date *1	Current Implementation Date *2	Main Recommendation Text	Recommendation Sub-part Text	Comments from Agency to Recommendation As Reported in the Audit Report	Agency Comments from Status Reports
Department of Human Services	State of Colorado Statewide Single Audit, Fiscal Year Ended June 30, 2010	2011	February	2071-89a	Disagree	N/A	N/A	¶¶¶The Department of Human Services should improve controls over administrative foster care funds expended by child placement agencies (CPAs) by:	a.¶Evaluating the substance of the relationship between counties and CPAs based on the Office of Management and Budget (OMB) Circular A-133 criteria and concluding whether CPAs should be considered vendors or subrecipients. The evaluation should include a detailed analysis of how CPAs do or do not meet the criteria of being a vendor or a subrecipient.	The Department disagrees with the recommendation. The Department evaluated this relationship and determined that CPAs are to be considered vendors. Since this evaluation has already occurred, the Department stands by the original response.	
Department of Human Services	State of Colorado Statewide Single Audit, Fiscal Year Ended June 30, 2010	2011	February	2071-89b	Disagree	N/A	N/A	¶¶¶The Department of Human Services should improve controls over administrative foster care funds expended by child placement agencies (CPAs) by:	b.¶Implementing requirements for audits of CPAs in accordance with the determination suggested in part (a) of the recommendation. If the Department concludes that CPAs are subrecipients, it should develop a process to identify those CPAs with annual expenditures of federal funds of \$500,000 or more and notify those CPAs that they must submit OMB Circular A-133 audits each year.	The Department disagrees with the recommendation. Since the Department has determined that CPAs are not subrecipients, these audit requirements do not apply.	
Department of Human Services	State of Colorado Statewide Single Audit, Fiscal Year Ended June 30, 2010	2011	February	2071-89c	Disagree	N/A	N/A	¶¶¶The Department of Human Services should improve controls over administrative foster care funds expended by child placement agencies (CPAs) by:	c.¶Establishing procedures to review the CPA audits and follow up on any findings identified.	The Department disagrees with the recommendation. Since the Department has determined that CPAs are not subrecipients, these audit requirements do not apply.	
Department of Human Services	State of Colorado Statewide Single Audit, Fiscal Year Ended June 30, 2010	2011	February	2071-89d	Disagree	N/A	N/A	¶¶¶The Department of Human Services should improve controls over administrative foster care funds expended by child placement agencies (CPAs) by:	d.¶Evaluating options for reviewing the allowability and appropriateness of CPA expenditures made with child welfare funds.	The Department disagrees with the recommendation. Since the Department has determined that CPAs are not subrecipients, these audit requirements do not apply.	

Agency	Name of Audit	Date Audit Released by LAC		Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2		Main Recommendation Text	Recommendation Sub-part Text	Comments from Agency to Recommendation As Reported in the Audit Report	Agency Comments from Status Reports
Department of Local Affairs	Cash Funds Uncommitted Reserves Report, Fiscal Year Ended June 30, 2009, Statewide Single Audit	2009	November	2050-5	Disagree	N/A	N/A	2011	June	Monitor excess uncommitted reserves to ensure that cash funds are in compliance with statutory requirements.		<p>Disagree. Plan for Fiscal Year 2010: The Department of Local Affairs (DOLA) will continue to monitor revenues and expenditures for the program to maximize its use.</p> <p>The revenues in the Property Tax Exemption Fund are from two statutory fees that DOLA assesses. The first fee is an initial application fee assessed on each property owner seeking exemption from property taxation for a specific real and personal property. The second fee is an annual filing fee assessed on each exempt property seeking to maintain its tax exempt status. These fees are specified in statute at Section 39-2-117(1)(a), C.R.S. and Section 39-2-117(3)(a)(I), C.R.S. respectively. These fees can only be changed through legislation, which may not be timely to address the excess uncommitted reserve nor is such a change guaranteed.</p> <p>DOLA's understanding of the intention of Section 24-75-402, C.R.S. is to minimize "fee" revenue collected by state government to the amounts necessary to operate programs as authorized by the General Assembly. Section 24-75-402(2)(e), C.R.S. describes "fees" as "any moneys collected by an entity; except that 'fees' does not include," "Any moneys received from changes or assessments, the amount of which are not determined by the entity," (Section 24-75-402 (2)(e)(V), C.R.S.).</p> <p>An "entity" is defined in Section 24-75-402 (2)(c)(I)(A), C.R.S. as "departments of the executive branch." Under this definition, DOLA is an "entity."</p> <p>DOLA believes that the revenue in this fund meets both the definition of 'non-fee' revenue and the definition of an "entity." Therefore, we do not believe that this revenue is subject to the excess uncommitted reserve requirements.</p> <p>In calculating the excess uncommitted reserve of this fund, the Office of the State Controller and Office of the State Auditor treated the revenues earned in this fund as "fee" revenue. If the "fee" revenue is changed to "non-fee" revenue, the recalculation results in not having excess uncommitted reserves.</p> <p>The last time fees for this program were changed was in 2003, with all current fees being statutorily set in SB 03-261. At that time, a certain target dollar figure was established and the fees were set to generate the targeted amount. The target number was set to make up a certain amount of general fund shortfall not based on the full cost of operating the exemptions section in the Division of Property Taxation. During the Fiscal Year 2010 department budget figure setting process, DOLA requested a change in fee and additional spending authority to make the state Property Tax Exemptions Section function as a fully cash funded operation. The Joint Budget Committee voted unanimously against this proposal.</p>	

Agency	Name of Audit	Date Audit Released by LAC		Audit Rec Number	Agency Response	Original Implementation Date *1	Current Implementation Date *2	Main Recommendation Text	Recommendation Sub-part Text	Comments from Agency to Recommendation As Reported in the Audit Report	Agency Comments from Status Reports
Department of Natural Resources	Statewide Single Audit, Fiscal Year Ended June 30, 2007	2008	February	1901-21b	Disagree	N/A	N/A	The Department of Natural Resources should enforce its payroll policies and strengthen its controls over personnel and payroll activities by	reassigning incompatible duties within the Payroll Accountant and Payroll Technicians positions to other individuals.	<p>Currently, the Department receives approximately 19 payroll checks during the month for employees who are not on direct deposit, which is required by Executive Order. Several employees had been granted exceptions to the Executive Order before it became effective, and occasionally the first or last paycheck for an employee is an actual check, not direct deposit.</p> <p>Statewide, the general process is to deliver payroll checks to the payroll departments. Due to the small number of actual checks received, and additional controls available through review of payroll distribution reports and other accounting/budget reports, which should detect unauthorized changes, we don't anticipate changing assigned duties of the payroll technician or accountants.</p>	
Department of Public Health & Environment	Statewide Single Audit, Fiscal Year Ended June 30, 2007	2008	February	1901-118e	Disagree	N/A	N/A	The Department of Public Health and Environment should improve the oversight of nursing facility resident assessments and Minimum Data Set (MDS) data by	working with the Department of Health Care Policy and Financing to evaluate options for the development and implementation of a state validation team to perform routine on-site reviews of nursing facilities' MDS assessments for Medicaid residents.	CDPHE agrees that validation of MDS assessment is best determined by on-site record review; however, CDPHE does not believe that the development and staffing of a specialized state validation team is the most efficient or cost-effective means by which MDS data can be validated. Further, this recommendation exceeds what is required under Medicare/Medicaid certification requirements for MDS record review during survey. This recommendation cannot be prioritized or implemented with existing Medicare/Medicaid resources.	The Department disagreed with this part of the recommendation. Despite disagreeing with this recommendation, the Department met with HCPF in September 2008 to discuss how HCPF can best implement this recommendation. The Department will continue to work with HCPF to develop a program to meet this recommendation.
Department of Public Safety	Cash Funds Uncommitted Reserves Report Statewide Audit, Financial Audit, November 2010	2010	December	2050-10-15b	Disagree	N/A	N/A	b. The Department of State should also work with the Department of Public Safety to monitor the excess uncommitted reserves in the Identity Theft Financial Fraud cash fund to ensure this cash fund is in compliance with SB 98-194 requirements as soon as possible.		<p>The Colorado Department of Public Safety (CDPS) accounts for expenditures related to identity theft in the Identity Theft Financial Fraud Cash Fund (COFRS Fund 19Q). The Office of the State Auditor's recommendation is based on a broad interpretation of the term "entity" as defined in Sections 24-75-402 C.R.S., to mean the "state as a whole." The Department does not agree with this intrepretation for the following reasons:</p> <p>* Section 24-75-402(2)(c)(i) C.R.S. clearly defines an entity as an ORGAN of state government. Dictionaries describe the word "organ" as PART OF A WHOLE.</p> <p>*The General Assembly differentiated between the three branches of government because it used the word "or" in Section 24-75-402(2)(c)(i) C.R.S. and therefore segments should be recognized in determining statutory intent.</p> <p>*The statute's use of the word "entity" describes smaller subdivisions of government. See Section 24-75-402(3)(a) C.R.S., Section Section 24-75-402(3)(c) C.R.S., Section 24-75-402(4)(a) C.R.S., and 24-75-402(8)(a) C.R.S.</p> <p>*If the term "entity" included the entire state, then Section 24-75-402(2)(e)(V) C.R.S., would not be applicable unless the state's sovereignty was compromised.</p>	

Agency	Name of Audit	Date Audit Released by LAC		Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2		Main Recommendation Text	Recommendation Sub-part Text	Comments from Agency to Recommendation As Reported in the Audit Report	Agency Comments from Status Reports
Department of Revenue	Statewide Single Audit, Fiscal Year Ended June 30, 2007	2008	February	1901-34a	Disagree	N/A	N/A	N/A	N/A	The Department of Revenue should improve controls over taxpayer payments by	implementing proper segregation of duties over the creation of new business accounts and the processing of loose checks from business taxpayers.	<p>Check handling by employees with the ability to set-up accounts is not unique to just loose check processing. The Registration Control section and Taxpayer Services Centers throughout the State receive checks with the processing document(s) required to create business accounts. Based on low risk and downstream controls, segregating these duties would create an unnecessary burden for the Department.</p> <p>The mitigating downstream controls would detect misappropriation or a posting error within 30 to 45 days. The taxpayer would inquire on a bill received in the mail. The resulting research and analysis would disclose fraudulent behavior or a posting error including the person responsible for the transaction(s).</p>	
Department of Revenue	Driver's License and Identification Card Security	2008	June	1912-4	Disagree	N/A	N/A	N/A	N/A	The Department should ensure compliance with statutory mandate for establishing Colorado residency by requiring applicants to furnish evidence of residency prior to issuing a Colorado driver's license or ID.		<p>The Department disagrees with this recommendation. Over the course of time, the Department has attempted to comply with this statutory requirement with little success. Compliance with this law by means of requiring some paper proof of a residence address is infeasible. The types of documents that can and are used to prove residency are difficult, if not impossible, for some applicants to obtain. Additionally these documents do not have security features nor can they be verified. Thus, under these circumstances, there is little or no value-added to the integrity of the process using these documents. Such documents as apartment leases and utility bills are easily scanned and names changed. The Department has no means by which to assure the documents are valid. Also there are no available documents for people who live with friends, relatives with different last names, and others similarly situated, since they have no means by which to prove their residency.</p> <p>While the Department agrees that it is important to process only applicants who are Colorado residents, we believe the most effective way to assure that people live in Colorado is through the central license issuance process, whereby the document is mailed to an address provided by the applicant. This method is not fool-proof, but is as effective as requiring provision of apartment leases, or bills mailed to a person at a given address. As a result, the Department believes this approach is functionally equivalent to having the applicant provide proof of residency by providing a piece of mail to him/herself at the address provided to prove residency.</p>	

Agency	Name of Audit	Date Audit Released by LAC		Audit Rec Number	Agency Response	Original Implementation Date *1		Current Implementation Date *2		Main Recommendation Text	Recommendation Sub-part Text	Comments from Agency to Recommendation As Reported in the Audit Report	Agency Comments from Status Reports
Department of Revenue	Statewide Single Audit, Fiscal Year Ended June 30, 2008	2009	February	1970-43a	Disagree	N/A	N/A	N/A	N/A	The Department of Revenue should improve internal controls over cash receipts, Motor Vehicle payments, and confidential data by	establishing a tracking process for the transfer of Motor Vehicle payments and other confidential documents between the Sherman Street Annex and the Pierce Street office which includes requiring multiple employee signoffs at each location and requiring that all bags transferred between locations be locked until they reach their destination.	<p>The Department does not agree that adding a log and signoff to this delivery process between the two DOR facilities provides any additional control. The bags and tubs of mail are created in our incoming mailroom, given to a DOR/CDO driver, who loads them into our delivery truck, drives them directly to the Pierce Facility without stops, and delivers them into the Pierce mailroom where Pierce staff is normally waiting to receive their mail or is taken directly to several offices or sections. The CDO management team has reviewed this recommendation at length and has determined that the risk associated with this process is extremely limited with the likelihood and probability of something happening with this delivery process being small.</p> <p>As for only using locked bags, we do not see any benefit in additional locked bags. Again, it is our driver handling this work taking it from one DOR location to another without any stops in between. If he were to want to steal something from the gabs that are zippered closed and some locked, he would cut through the locked gabs since they are only of leather or vinyl, and take what he wanted. Having the bags locked will not prohibit him from getting into the bags.</p>	
Pinnacol Assurance	Pinnacol Assurance, Comments on Internal Controls and Procedures as of and for the year ended December 31, 2010	2011	June	2049-10-4	Disagree	N/A	N/A			Pinnacol should develop, document and implement a formal process through which it is able to accurately track written premiums.		While we agree that system tracking of written premium would be ideal, it is cost-prohibitive. The written premium disclosure would not impact a user's conclusion about the financial stability or performance of Pinnacol. The ability to accurately report earned premium is essential to financial reporting and Pinnacol's systems perform that task with a high level of accuracy. Therefore, Pinnacol does not plan to develop a process to systematically track written premium.	
Department of State (Secretary of State)	Statewide Single Audit, Fiscal Year Ended June 30, 2009	2010	February	1994-46c	Disagree	N/A	N/A	N/A	N/A	The Department of State should strengthen its controls over travel and bingo hall investigation expenditures by	obtaining repayment from employees for excess and other improper reimbursements.	The Department does not feel that any employee has been overpaid nor reimbursed for expenditures that were not allowed while in travel status. We believe that the amount is immaterial and will not seek reimbursement from those employees. The Department always consults with the Office of the State Controller when there is an expense question, and therefore we followed the fiscal rules and guidance we received.	
CollegelInvest	Statewide Single Audit, Fiscal Year Ended June 30, 2009	2010	February	1994-99a	Disagree	N/A	N/A	2010	Implemen ted	CollegelInvest should strengthen its processes for monitoring its third party service provider with respect to the 9.5 percent SAP-eligible loans. Specifically:	CollegelInvest should properly document its internal controls over tracking 9.5 percent SAP-eligible loan balances in order to comply with the requirements of the Department.	CollegelInvest believes it has properly documented its internal controls over the tracking and billing of 9.5 percent SAP-eligible loan balances in compliance with the Department's requirements. All loan balances, including 9.5 percent SAP-eligible loans, are reconciled monthly between CollegelInvest's records and the servicer and the procedures are documented.	

30

*1 The original implementation date is the date provided by the agency in the report.

*2 The current implementation date is the date by which the agency currently projects that the recommendation will be implemented.