



ANNUAL REPORT OF AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED

As of June 30, 2013
Report Highlights



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PURPOSE

Provide information on all audit recommendations made to state agencies from Fiscal Year 2009 through Fiscal Year 2013, including the number that have been fully implemented and the number that were still outstanding as of June 30, 2013.

BACKGROUND

- The Office of the State Auditor (OSA) developed a database to capture, query, and report on all audit recommendations contained in audit reports released by the Legislative Audit Committee.
- The purpose of this initiative is 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.
- Implementation status for financial audit recommendations is determined by the OSA through its follow-up audit process.
- Implementation status for performance and information technology (IT) recommendations is based on self-reported data from the respective state agencies.

OUR CONCLUSION

When considering the number of recommendations that the OSA has made to state agencies over the last 5 years, state agencies generally agree with our recommendations and usually implement them in a timely manner. However, there are some recommendations that have not been fully implemented and are still outstanding.

CONCERN

Of the 260 outstanding audit recommendations, 53 (20 percent) are considered to be high priority due to their seriousness or the fact that they have been outstanding for 3 years or more.

KEY FACTS

- From Fiscal Years 2009 through 2013, the OSA has made a total of 3,449 financial, performance, and IT audit recommendations to state agencies.
- State agencies agreed or partially agreed to implement 99 percent of all recommendations made during this 5-year period.
- Overall, as of June 30, 2013, state agencies have implemented 85 percent of the recommendations with which they originally agreed or partially agreed.

Financial Audit Recommendations

- Of the 3,449 recommendations made from July 2008 through June 2013, 1,703 (49 percent) were made in financial audit reports.
- Of these 1,703 financial audit recommendations, state agencies agreed or partially agreed to 1,672 (98 percent).
- As of June 30, 2013, 90 (5 percent) of the 1,672 financial audit recommendations that state agencies agreed or partially agreed to implement were still outstanding.
- Of the 90 outstanding financial audit recommendations, 14 (15 percent) are considered high priority due to their seriousness or the fact that they have been outstanding for 3 years or more.
- The number of outstanding financial audit recommendations has decreased since June 30, 2012, as reported in our October 2012 *Annual Report of Audit Recommendations Not Fully Implemented (2012 Annual Report)*.

Performance and IT Audit Recommendations

- Of the 3,449 recommendations made from July 2008 through June 2013, 1,746 (51 percent) were made in performance and IT audit reports.
- Of these 1,746 performance and IT audit recommendations, state agencies agreed or partially agreed to 1,734 (99 percent).
- As of June 30, 2013, 170 (10 percent) of the 1,734 performance and IT audit recommendations that state agencies agreed or partially agreed to implement were still outstanding.
- Of the 170 outstanding performance and IT audit recommendations, 39 (23 percent) are considered high priority due to the fact that they have been outstanding for 3 years or more.
- The number of outstanding performance and IT audit recommendations has increased since June 30, 2012, as reported in our 2012 *Annual Report*.