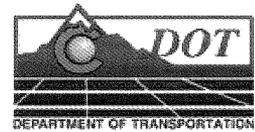

DEPARTMENT OF TRANSPORTATION

ATTN: Darrell Lingk, Director
HQ Office of Transportation Safety
4201 E. Arkansas Avenue, 3rd Floor
Denver, Colorado 80222
303.757.9465 (Voice)
303.757.9078 (Fax)



May 2, 2012

Dianne E. Ray, CPA
State Auditor
Colorado Office of the State Auditor
200 East 14th Avenue, 2nd Floor
Denver, CO 80203

Dear Ms. Ray:

In response to your request, the Office of Transportation Safety has prepared an updated status report regarding the implementation of audit recommendations contained in the Motorcycle Operator Safety Training Program Performance Audit September 2011. The attached report provides a brief explanation of the actions taken by the Colorado Department of Transportation to implement each recommendation.

If you have any questions, please do not hesitate to contact me at 303.757.9465 or by email at Darrell.Lingk@dot.state.co.us.

Sincerely,

A handwritten signature in cursive script that reads "Darrell S. Lingk". The signature is written in dark ink and is positioned below the word "Sincerely,".

Darrell Lingk
Director
Office of Transportation Safety
Colorado Department of Transportation

AUDIT RECOMMENDATION STATUS REPORT

AUDIT NAME: Motorcycle Operator Safety Training Program

AUDIT NUMBER: #2142

DEPARTMENT/AGENCY/ENTITY: Department of Transportation

DATE: September 2011

SUMMARY INFORMATION

Recommendation Number <i>(e.g., 1a, 1b, 2, etc.)</i>	Agency's Response <i>(i.e., agree, partially agree, disagree)</i>	Original Implementation Date <i>(as listed in the audit report)</i>	Implementation Status <i>(Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable)</i> Please refer to the attached sheet for definitions of each implementation status option.	Revised Implementation Date <i>(Complete only if agency is revising the original implementation date.)</i>
1a	Agree	February 2012	Partially Implemented	May 2012
1b	Agree	July 2012	Implemented	
2a	Agree	July 2012	Implemented	
2b	Agree	July 2012	Implemented	
3a	Agree	July 2012	Partially Implemented	
3b	Agree	July 2012	Implemented	
4a	Agree	July 2012	Implemented	April 2012
4b	Agree	January 2012	Implemented	
4c	Agree	July 2012	Partially Implemented	
5	Agree	January 2012	Implemented	
6a	Agree	March 2011	Implemented	
6b	Agree	January 2012	Implemented	December 2011
6c	Agree	January 2012	Implemented	
7a	Agree	March 2012	Implemented	

Recommendation Number <i>(e.g., 1a, 1b, 2, etc.)</i>	Agency's Response <i>(i.e., agree, partially agree, disagree)</i>	Original Implementation Date <i>(as listed in the audit report)</i>	Implementation Status <i>(Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable)</i> Please refer to the attached sheet for definitions of each implementation status option.	Revised Implementation Date <i>(Complete only if agency is revising the original implementation date.)</i>
7b	Agree	March 2012	Partially Implemented	July 2012
7c	Agree	January 2012	Implemented	
8	Agree	July 2012	Implemented	

DETAIL OF IMPLEMENTATION STATUS

Recommendation #: 1a

Agency Addressed: Department of Transportation

Recommendation Text in Audit Report:

The Department of Transportation should improve the contracting process for the Motorcycle Operator Safety Training (MOST) program by:

- a. Developing objective criteria for evaluating applications for MOST contracts based on identified training needs in the state and basing award amounts to MOST contractors on how well the contractors meet those criteria.

Agency's Response (i.e., Agree, Partially Agree, or Disagree): Agree

Agency's Written Response in Audit Report:

Agree. Implementation date: February 2012.

CDOT will review its current application criteria as well as available data, the MOST Rules and Statute to determine where enhancements could be made. CDOT will develop and implement objective criteria where needed for evaluating applications based on training needs within the state. Awards will be considered based on this and other applicable criteria. CDOT will evaluate the MOST rules to determine the extent of its authority to limit or expand the number of sponsors eligible for funding or to specify the location of training and seek to change the rules if needed.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):

Partially implemented, this recommendation will be fully implemented for FY 2013

Agency's Current Comments on Implementation Status of Recommendation:

The MOST program has created the MOST funding applications for FY 2013. The FY 2013 MOST funding applications will be distributed to MOST Sponsors in May 2012 after the new MOST sponsor applications are reviewed to ensure that MOST sponsors are qualified to participate in the program. The FY 2013 MOST funding applications will be evaluated on objective criteria:

- Sponsor's training capacity
- Past training history (number of students trained)
- Types of trainings offered
- Training needs identified in area served by the sponsor

Recommendation #: 1b

Agency Addressed: Department of Transportation

Original Recommendation in Audit Report:

The Department of Transportation should improve the contracting process for the Motorcycle Operator Safety Training (MOST) program by:

- b. Developing a systematic, analytical methodology for determining the amount of the MOST program's per-student tuition subsidy each fiscal year.

Agency's Response (i.e., agree, partially agree, disagree): Agree

Agency's Written Response in Audit Report:

Agree. Implementation date: July 2012.

A systematic, analytical methodology could be developed in a short period of time using such factors as amount of funds available and historical data on the number of students trained. CDOT will use available data to evaluate and implement the most effectual approach to an annual assessment of the per-student subsidy amount as well as the most effective means of extending the subsidy to eligible students.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):

Implemented

Agency's Comments on Implementation Status of Recommendation:

The MOST program developed a systematic, analytical method to determine the FY 2013 per-student tuition subsidy (tuition benefit) by evaluating surveys conducted on MOST sponsors, recent MOST students and motorcyclists that have not been trained by MOST. The MOST program used the information from the survey as well as information from the amount of funds available, historical training data on number of students trained, economic factors, discontinuation of funding to MOST sponsors for operating costs, problem identification and analysis on motorcycle fatalities and training offered to students in underserved areas of the state, and on the number of students trained to determine the FY 2013 tuition benefit. The FY 2013 tuition benefit amount for all MOST offered training will be provided to MOST sponsors for the MOST funding applications. All students that receive MOST tuition benefit(s) will be made aware of the amount of the tuition benefit.

The amounts of MOST tuition benefit for FY 2013 are:

- \$70.00 for Basic Rider Course
- \$50.00 for Experienced Rider Course(s)
- \$100.00 for Basic Rider Course to residents in underserved areas

Recommendation #: 2a

Agency Addressed: Department of Transportation

Original Recommendation in Audit Report:

The Department of Transportation should evaluate whether it is more administratively cost efficient and equitable to reimburse Motorcycle Operator Safety Training (MOST) program contractors separately for their operating expenses or to adjust the per-student subsidy rate to cover pre-approved operating costs for all contractors. If based on the results of the evaluation, the Department continues to reimburse MOST contractors separately for operating expenses then the Department should improve the MOST program's reimbursement controls by:

- a. Ensuring that its contracts and purchase order agreements with MOST contractors contain a detailed list of specific operating expenses that have been preapproved for each contractor and only approving contractor reimbursements for preapproved items.

Agency's Response (i.e., agree, partially agree, disagree): Agree

Agency's Written Response in Audit Report:

Agree. Implementation date: July 2012.

CDOT will evaluate whether it is more cost efficient and equitable to reimburse contractors separately for operating expenses or if an adjustment to the per-student subsidy would be most efficient. CDOT will also evaluate if a change to MOST Rules to only allow reimbursement for training and have contractors be responsible for their operating costs would be more beneficial to the students.

In reference to part a., beginning with the next MOST funding cycle, contractors will be provided a detailed list of specific operating expenses that can be requested in the MOST funding application. This notification to contractors of a detailed list of specific operating expenses will be completed by March 2012. Approval of requested items will be dependent on relevant criteria and evaluation conducted by MOST staff. Contracts and purchase order agreements to grantees indicating the specific operating expenses that have been approved for each contractor will be in place by July 2012. CDOT is evaluating and will

implement the most effective way to monitor and track purchases to ensure all operating expenses correspond with what was approved and do not exceed the approved amount.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):

Implemented

Agency's Comments on Implementation Status of Recommendation:

After two stakeholder meetings and internal CDOT discussions, the position of CDOT is that it is in the best interests of MOST students, the MOST program and CDOT that reimbursement of operating expenses for MOST sponsors be discontinued; except for sponsors who provide mobile training to underserved areas. This decision is based on but not limited to the following factors: MOST funds are collected from motorcyclists to make training more affordable, MOST sponsors should be held responsible to have an infrastructure in place to provide training and therefore, they would not incur operating expenses over and above what they allocate from their fees. The OTS is revising the MOST manual to reflect this position. A change to MOST rules will also address this change in policy.

MOST sponsors will be informed of the MOST program's decision to discontinue reimbursement of operating expenses excluding operating costs for mobile training to underserved areas when FY 2013 funding applications are made available. The MOST program will do an analysis on the amount of funding expended for operating expenses in FY 2012. Funds that would have been used for operating expenses in past years will be used for student tuition benefit in FY 2013.

Recommendation #: 2b

Agency Addressed: Department of Transportation

Recommendation Text in Audit Report:

The Department of Transportation should evaluate whether it is more administratively cost efficient and equitable to reimburse Motorcycle Operator Safety Training (MOST) program contractors separately for their operating expenses or to adjust the per-student subsidy rate to cover pre-approved operating costs for all contractors. If based on the results of the evaluation, the Department continues to reimburse MOST contractors separately for operating expenses then the Department should improve the MOST program's reimbursement controls by:

- b. Determining at the beginning of each fiscal year the types of operating expenses it will reimburse through its MOST program contracts and purchase orders, publicizing the list to all MOST contractors, and approving all expenses that fall within the list.

Agency's Response (i.e., Agree, Partially Agree, or Disagree): Agree

Agency's Written Response in Audit Report:

Agree. Implementation date: July 2012.

CDOT will evaluate whether it is more cost efficient and equitable to reimburse contractors separately for operating expenses or if an adjustment to the per-student subsidy would be most efficient. CDOT will also evaluate if a change to MOST Rules to only allow reimbursement for training and have contractors be responsible for their operating costs would be more beneficial to the students.

In reference to part b., CDOT will determine at the beginning of each fiscal year the types of operating expenses and maximum reimbursable amount for each item the CDOT will reimburse through its MOST program contracts and purchase orders. The list will be publicized to all MOST contractors. The list will be available for contractor use to determine their requests in their applications. CDOT will evaluate the operating expense requests through the application process. The list of specific operating expenses will be completed by March 2012. Contracts and purchase order agreements to grantees indicating the specific operating expenses that have been approved for each contractor will be in place by July 2012.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):

Implemented

Agency's Current Comments on Implementation Status of Recommendation:

After two stakeholder meetings and internal CDOT discussions, the position of the Office of Transportation Safety (OTS) is that it is in the best interests of MOST students, the MOST program and CDOT to discontinue reimbursement of operating expenses to MOST sponsors except for operating expenses incurred for mobile training to underserved areas. This decision is based on but not limited to the following factors: MOST funds are collected from motorcyclists to make training more affordable, MOST sponsors should be held responsible to have an infrastructure in place to provide training. The OTS is revising the MOST contract management manual to reflect this position. A change to MOST rules could also address this change in policy. MOST sponsors will be informed of the MOST program's decision to discontinue reimbursement of operating expenses; excluding operating expenses for mobile training to underserved areas when FY 2013 funding applications are made available. The MOST program will do an analysis on the amount of funding expended for operating expenses in FY 2012. Funds that would have been used for operating expenses in past years will be used for student tuition benefit in FY 2013

Recommendation #: 3a

Agency Addressed: Department of Transportation

Original Recommendation in Audit Report:

The Department of Transportation should ensure that Motorcycle Operator Safety Training (MOST) program tuition subsidies are received by Colorado residents and active duty military personnel stationed in Colorado who complete motorcycle safety training classes by:

- a. Developing and implementing a process for verifying that MOST contractors are passing along the entire subsidy to the students completing these courses.

Agency's Response (i.e., agree, partially agree, disagree): Agree

Agency's Written Response in Audit Report:

Agree. Implementation date: July 2012.

CDOT agrees there needs to be clear criteria for verifying the subsidy is passed along to students. CDOT will be looking at a range of options, including direct student reimbursement and verification through contractor fees and documentation, to determine the best approach to ensure the subsidy is extended to the student.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):

Partially Implemented

Agency's Comments on Implementation Status of Recommendation:

The Office of Transportation Safety (OTS) is currently creating a receipt verification for FY 2013 that the MOST sponsor would provide to OTS with student rosters to verify, the amount the course cost, the amount the student paid, the amount of tuition benefit from MOST to offset the cost of the training and the state license status of the student. When a student registers for a course on-line the student, MOST sponsor and MOST program receive a copy of the receipt.

The receipt indicates the:

- Type of training (Basic Rider, Experienced Rider, etc.)
- Total cost of the training
- Amount paid by the student
- Amount of tuition benefit provided by the MOST program for eligible students

The MOST program is working on finalizing this receipt process and will have it in place for all training in FY 2013.

Recommendation #: 3b

Agency Addressed: Department of Transportation

Original Recommendation in Audit Report:

The Department of Transportation should ensure that Motorcycle Operator Safety Training (MOST) program tuition subsidies are received by Colorado residents and active duty military personnel stationed in Colorado who complete motorcycle safety training classes by:

- b. Evaluating the feasibility and cost-effectiveness of providing MOST tuition subsidy payments directly to students and seeking regulatory and statutory change as needed to make this change.

Agency's Response (i.e., agree, partially agree, disagree): Agree

Agency's Written Response in Audit Report:

Agree. Implementation date: July 2012.

CDOT is investigating whether implementation of this recommendation would require a change to MOST statute CRS 43-5-502 requiring that CDOT contract with vendors for the purpose of providing the program. CDOT will also analyze its resources to determine the feasibility of delivering approximately 10,000 individual payments to students each year.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):

Implemented

Agency's Comments on Implementation Status of Recommendation:

The MOST program investigated whether the implementation of a tuition benefit paid directly to the student was feasible and cost effective. Investigatory meetings were held with staff from the following CDOT Office's; Policy, Business, Controller, Audit, and Budget. After thorough investigation into the feasibility of implementing a direct tuition subsidy, it was determined that there would be a very high cost (possibly up to \$70 per tuition benefit) to provide direct reimbursements to students. The additional \$70 cost does not include additional cost that would be incurred by MOST staff for the coordination of such an effort, including mailing costs.

The issuance of direct tuition benefit out of SAP (CDOT's financial control system) would require approximately 10,000 new vendors (MOST students) to be added each MOST training year. There are currently approximately 17,500 vendors in SAP with an average of 1,270 new vendors added each year. Since vendors cannot be deleted only blocked from vendor master tables, adding 10,000 vendors in SAP each year (over 33 percent increase) would create significant impact and costs to SAP that have not been considered.

The issuance of a direct tuition benefit by state warrant using the traditional procure-to-pay process it would cost in the range of \$50 to \$200 per purchase. Issuing 10,000 warrants would increase total warrants issued by 38 percent from FY11 (FY10 = 25,288 warrants; FY 11 = 26,206 warrants). This evaluation of direct tuition benefit costs does not include any staff time to process the vendor information, PO's, payments, courier to pick up warrants, lost warrants, etc.

The cost of the MOST program staff to facilitate who should receive the subsidy, postage, mailing, etc. would also need to be considered.

Given the high cost associated with direct payment to the student, the MOST program will not be taking any further action on this recommendation at this time. However, we believe we did fulfill the intent of the recommendation by completing a thorough review of this option. A determination was made that it would not be cost effective to establish a process to reimburse students directly. Given the high costs and impracticality of direct tuition benefit reimbursement, no further action is anticipated to seek regulatory and statutory action that would be needed to make this change unless cost effective options present themselves

Recommendation #: 4a

Agency Addressed: Department of Transportation

Recommendation Text in Audit Report:

The Department of Transportation should improve oversight of Motorcycle Operator Safety Training (MOST) program motorcycle safety training schools and instructors by:

- a. Ensuring that its quality assurance visits cover all required elements and focus on measuring contractors' performance on objective criteria.

Agency's Response (i.e., Agree, Partially Agree, or Disagree): Agree

Agency's Written Response in Audit Report:

Agree. Implementation date: July 2012.

Remedial training will be conducted internally to ensure required elements are covered on these visits. CDOT will review the criteria on its quality assurance form to determine if it adequately addresses an objective assessment of contractor performance and will make adjustments as necessary.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):

Implemented

Agency's Current Comments on Implementation Status of Recommendation:

The MOST Project and Program Manager hosted training with representatives from the Motorcycle Safety Foundation (MSF) in November 2011. The training was attended by Rider Coach Trainers (RCT) representing various MOST Sponsors. The MSF representatives adjusted the MSF Quality and Assurances (Q and A) forms used by MOST staff to reflect training requirements in MOST rules and required elements to measure MOST sponsor's performance on objective criteria.

Quality assurance visits since completion of the MSF training now include evaluation of the required elements and an objective assessment of contractor performance.

Recommendation #: 4b

Agency Addressed: Department of Transportation

Original Recommendation in Audit Report:

The Department of Transportation should improve oversight of Motorcycle Operator Safety Training (MOST) program motorcycle safety training schools and instructors by:

- b. Providing training to staff on the proper way to conduct quality assurance visits at MOST contractors.

Agency's Response (i.e., agree, partially agree, disagree): **Agree**

Agency's Written Response in Audit Report:

Agree. Implementation date: January 2012.

CDOT agrees that there is a need for MOST staff who conduct monitoring visits to have more training. CDOT is considering whether or not this monitoring (audit) function would be more effectively and efficiently performed by an independent party who would be contracted to CDOT. CDOT will continue to explore this option. In the meantime, CDOT staff will receive remedial training on conducting quality assurance visits.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):

Implemented

Agency's Comments on Implementation Status of Recommendation:

MSF Training Representatives provided training for the MOST Program and Project Manager in November 2011 on how to conduct proper on-site quality assurance visits as well as training for RCTs to assist MOST staff as subject matter experts in the Q and A of rider coaches. The MOST program is considering using recently trained RCTs as subject matter experts in the field of rider coach performance and evaluation to accompany MOST staff in future quality and assurance training in FY 2013.

Quality assurance visits conducted since the training are done in accordance with the training received by MOST staff. The MOST program manager is attending additional advanced training from MSF in May on conducting quality and assurance visits. After review and analysis of the possibility of using independent parties to perform quality and assurance visits, CDOT determined that this responsibility will remain with the MOST staff and third party contractor's will not be used.

Recommendation #: 4c

Agency Addressed: Department of Transportation

Original Recommendation in Audit Report:

The Department of Transportation should improve oversight of Motorcycle Operator Safety Training (MOST) program motorcycle safety training schools and instructors by:

- c. Seeking regulatory changes to clarify and modify the Department's role and responsibilities for ensuring that MOST instructors maintain current certifications.

Agency's Response (i.e., agree, partially agree, disagree): Agree

Agency's Written Response in Audit Report:

Agree. Implementation date: July 2012.

CDOT is reviewing current Statute and Rules to determine how to best clarify and implement controls or if appropriate, request adjustment to its role in this process. If needed, CDOT will seek assistance with regulatory changes to clarify and modify the Department's role. CDOT would pursue modifications to the MOST Rules consistent with any statutory change.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):

Partially Implemented

Agency's Comments on Implementation Status of Recommendation:

The MOST program reviewed statutes and rules and gathered information from contractors and instructors to evaluate whether changes or clarifications to MOST rules and/or statutes are needed to further define CDOT's role in ensuring instructor compliance. The position of the MOST program is that there does not need to be any changes to statutes in regard to instructor qualification or certification. Clarification and controls that would add safeguards to ensure instructors are in compliance with MOST standards could be addressed with review and changes to MOST rules. The MOST Program manager is working on changing the rules to address this issue. The MOST Program Manager was selected by National Highway Safety Administration (NHTSA) to participate in the development of model administrative standards (rules) for state motorcycle safety standards. The MOST Program Manager will bring back to the MOST program best practices from their participation in the standards development process.

The MOST Program manager has reviewed the MOST rules and made changes that will be discussed with CDOT Office of Policy Staff in April 2012.

Recommendation #: 5

Agency Addressed: Department of Transportation

Recommendation Text in Audit Report:

The Department of Transportation should develop and apply a consistent cost allocation methodology for charging salary expenses and other administrative expenses to the Motorcycle Operator Safety Training program.

Agency's Response (i.e., Agree, Partially Agree, or Disagree): Agree

Agency's Written Response in Audit Report:

Agree. Implementation date: January 2012.

Effective October 1, 2011 and in compliance with Federal guidelines, the Office of Transportation Safety will be implementing the practice of requiring Personal Activity Reports from all employees expensing time among more than one funding source. Employees will enter their time into the time sheets in the SAP (accounting) system in accordance with the Personal Activity Report. The MOST project manager will bill all time to the MOST program and the project manager's work assignment will be solely focused on the MOST program and projects.

In reference to non-salary administrative expenses, the cost allocation method should be accurate and relatively consistent and predictable; however, CDOT believes some flexibility is required to meet the changing needs of the program and avoid ineffective and inefficient administrative controls. The OTS will conduct a review of MOST administrative costs from the past year to determine the most consistent and efficient method of time allocation going forward. A method of allocation for non-salary administrative expenses will be in place by January 2012.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):

Implemented

Agency's Current Comments on Implementation Status of Recommendation:

Salary Expenses:

Effective October 1, 2011, the OTS implemented the practice of requiring Personal Activity Reports (PAR) from all staff. Employees enter their time into SAP (the accounting system) in accordance with the information noted on the PAR. The MOST project manager completes a PAR but bills all time solely to MOST and the project manager's work assignment is solely focused on the MOST program and projects. If there is a situation where the MOST project manager works in a federal grant or other activities, his time will be reflected and billed accordingly (per the PAR).

Non-Salary:

In reference to non-salary administrative expenses, the cost allocation method should be accurate and relatively consistent and predictable; however, the Department believes some flexibility is required to meet the changing needs of the program and avoid ineffective and inefficient administrative controls. The OTS will conduct a review of MOST administrative expenses from the past year to determine the most consistent and efficient method of allocation going forward.

After review and analysis of MOST non-salary administrative expenses in 2011 the OTS has developed cost allocation methodologies to address:

- Motor pool
- Parking
- Travel
- Commercial Services
- Supplies
- REPRO expenses
- Tuition/Registration:
- Furniture and large purchases

This cost methodology has been reviewed frequently since it has been in place.

Recommendation #: 6a

Agency Addressed: Department of Transportation

Original Recommendation in Audit Report:

The Department of Transportation should strengthen controls related to administrative expenses in the Motorcycle Operator Safety Training (MOST) program by:

- a. Reviewing the appropriateness of assigning cell phones and other mobile devices to individual staff members.

Agency's Response (*i.e., agree, partially agree, disagree*): **Agree**

Agency's Written Response in Audit Report:

Agree. Implementation date: March 2011.

OTS staff has completed the review in the above recommendation and had taken action earlier in the calendar year. The phone was assigned to the MOST project manager prior to the current management and unknowingly, the CDOT IT Department had been paying the bill for both devices. Strengthening of program controls in the OTS in 2010 resulted in the OTS receiving the billing statements for all devices utilized by OTS staff. Statements and device usage were then monitored and tracked, resulting in the reassignment of the above-mentioned cell phone and air card that are available for all OTS staff travel and which are no longer billed to the MOST program effective March 12, 2011. For all future phone requests, the OTS will follow the State Controller Policy on cell phones dated June 3, 2011 and distributed in Alert #194 dated July 1, 2011.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):

This recommendation was fully implemented in March 2011.

Agency's Comments on Implementation Status of Recommendation:

(This recommendation was implemented as of the release of the audit report. If there is any change or any information the Department would like to provide, please add it here.)

Recommendation #: 6b

Agency Addressed: Department of Transportation

Original Recommendation in Audit Report:

The Department of Transportation should strengthen controls related to administrative expenses in the Motorcycle Operator Safety Training (MOST) program by:

- b. Clearly defining in policy which expenses will be categorized as “administrative” and which will be categorized as “contract.”

Agency’s Response (i.e., agree, partially agree, disagree): Agree

Agency’s Written Response in Audit Report:

Agree. Implementation date: January 2012.

The OTS has taken significant steps to avoid misclassification of expenses. For the 2011 State fiscal year, each administrative expense was reconciled with SAP and a file is maintained in the OTS with all backup. Therefore, strong controls to avoid misclassification were taken in the period of 7/1/2010 through 6/30/2011 and will continue going forward.

All expenses, both administrative or contract, have complied with the MOST rules. The OTS will develop a list of administrative and contract expenses in our Policy and Procedures Manual and/or Contract Management Manual.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):

Implemented

Agency's Comments on Implementation Status of Recommendation:

The OTS has added language to the OTS Policy and Procedure Manual to define and clarify administrative, contractual and travel expenses.

Recommendation #: 6c

Agency Addressed: Department of Transportation

Original Recommendation in Audit Report:

The Department of Transportation should strengthen controls related to administrative expenses in the Motorcycle Operator Safety Training (MOST) program by:

- c. Calculating and recovering the mileage reimbursement costs that the MOST program employee received inappropriately as identified in our report.

Agency's Response (i.e., agree, partially agree, disagree): Agree

Agency's Written Response in Audit Report:

Partially Agree. Implementation date: January 2012.

The OTS will review the expenses with CDOT Human Resources and determine the appropriate action based on this review.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):

Implemented

Agency's Comments on Implementation Status of Recommendation:

The OTS has reviewed employee expense accounts to verify the exact amount the MOST project manager will reimburse CDOT. The MOST project manager was required to review the procedural directive that addresses this issue with the MOST program manager and OTS programs controls analyst. This issue has also been covered in OTS staff meetings with all OTS staff members. An internal investigation was done to calculate the mileage reimbursement cost that the MOST project manager received inappropriately as identified in our report. At the conclusion of the investigation the MOST project manager reimbursed the program for the amount identified.

Recommendation #: 7a

Agency Addressed: Department of Transportation

Original Recommendation in Audit Report:

The Department of Transportation should improve its analysis of the Motorcycle Operator Safety Training (MOST) program's effectiveness by:

- a. Developing meaningful program performance measures that are clearly related to the MOST program's stated performance goals.

Agency's Response (i.e., agree, partially agree, disagree): **Agree**

Agency's Written Response in Audit Report:

Agree. Implementation date: March 2012.

CDOT agrees that performance measures and data are an important part of performance goals. CDOT's position is the number of persons receiving MOST training is an important performance measure. MOST program staff will work with CDOT's Performance and Policy Analysis Unit to develop additional meaningful performance measures related to the MOST's program's goals of affordability and accessibility.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):

Implemented

Agency's Comments on Implementation Status of Recommendation:

The MOST program working initially with CDOT's Performance and Policy Analysis Unit and later with Corona Insight to develop meaningful performance measures.

The performance measures the MOST program will collect data on and evaluate have been identified as:

- Promoting Affordable Access

Output measures for promoting affordable access include:

- Number of motorcycle dealers contacted and receiving MOST brochures that promote MOST's tuition benefit
- Number of ads placed by MOST in publications read by potential MOST customers that promote MOST tuition benefit
- Any media promoting affordable access

Outcome measures for promoting affordable access include:

- Survey results from MOST students capturing information on where the student was made aware of MOST training, student's awareness of MOST tuition subsidy to lower student's cost, factor of training costs in student's MOST trainer decision.
- Number of motorcycle dealers that distributed MOST brochure(s)
- Number of media that promoted affordable access

- Promoting Access

Output measures for promoting access include:

- Encouraging MOST sponsors to seek funding sources other than MOST that would be used to enhance their organization's capability to provide access to underserved areas
- Number of ads placed by MOST in publications read by potential MOST customers that promote MOST accessibility
- Any media promoting access

- Increasing MOST tuition benefit for MOST students in underserved areas

Outcome measures for promoting access include:

- Number of MOST sponsors that applied for and received funding other than MOST to enhance their organization's capability to provide access to underserved areas
 - Number of MOST sponsors that received funding
 - Items or services purchased by MOST sponsors with alternative funding to provide access
 - Number of media that promoted affordable access
 - Number of students from underserved areas that received increased MOST tuition benefit.
-
- Tracking motorcycle crashes
 - Value of training as reported from students
 - Monitoring Sponsors Compliance with Rules and Regulations
 - Customers awareness of program
 - General awareness of program

Recommendation #: 7b

Agency Addressed: Department of Transportation

Original Recommendation in Audit Report:

The Department of Transportation should improve its analysis of the Motorcycle Operator Safety Training (MOST) program's effectiveness by:

- b. Developing and implementing processes to identify, gather, and analyze the data needed to measure and assess program effectiveness.

Agency's Response (i.e., agree, partially agree, disagree): Agree

Agency's Written Response in Audit Report:

Agree. Implementation date: March 2012.

MOST program staff will work with CDOT's Performance and Policy Analysis Unit to develop and implement processes to identify, gather, and analyze the data needed to measure and assess the MOST programs' effectiveness.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):

Partially Implemented

Agency's Comments on Implementation Status of Recommendation:

The MOST program has developed processes to identify and gather the data identified to evaluate measure and assess the program. Full implementation of this recommendation will be completed when a full data set has been collected.

The MOST program will seek assistance from CDOT's Performance and Policy Analysis Unit after the data is collected to ensure the MOST program has the information needed to effectively evaluate the program.

Recommendation #: 7c

Agency Addressed: Department of Transportation

Original Recommendation in Audit Report:

The Department of Transportation should improve its analysis of the Motorcycle Operator Safety Training (MOST) program's effectiveness by:

- c. Developing and implementing a process for ensuring the integrity of the program data it collects, including data that appear in its Annual Report.

Agency's Response (i.e., agree, partially agree, disagree): Agree

Agency's Written Response in Audit Report:

Agree. Implementation date: January 2012.

CDOT will develop a process improvement plan to gather record and analyze data related to the MOST program. The plan will include staff training, contractor training, periodic data reviews and a system of verifying data accuracy.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):

Implemented

Agency's Comments on Implementation Status of Recommendation:

The MOST program has developed and put into place a process improvement plan to gather, record and analyze MOST data. The plan includes ongoing staff training, periodic contractor training, review, analysis and validation of MOST data. Analyzed data will be used to make short and long term strategic decisions regarding the MOST program.

Recommendation #: 8

Agency Addressed: Department of Transportation

Original Recommendation in Audit Report:

The Department of Transportation should work with the General Assembly to discontinue the Motorcycle Operator Safety Training (MOST) program or implement changes to the MOST program to address the other recommendations in this report.

Agency's Response (i.e., agree, partially agree, disagree): **Agree**

Agency's Written Response in Audit Report:

Agree. Implementation date: July 2012.

CDOT will work with the General Assembly to explore the options of discontinuing the Motorcycle Operator Safety Training (MOST) program or implementing changes to the MOST program to address the other recommendations in this report. CDOT will evaluate available data to determine the efficacy of the current program as well as collaborate with stakeholders and other motorcycle safety advocates to assess the program and the best use of its funding.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):

Implemented

Agency's Comments on Implementation Status of Recommendation:

The CDOT held two stakeholder meetings to gather information, gauge attitudes, identify key issues, gain consensus and create a common vision.

The CDOT also addressed recommendations identified in the audit report, implemented changes and evaluated data to determine if the MOST program was producing the desired motorcycle safety results.

After thoroughly evaluating information obtained from stakeholder meetings, data reviews, surveys of MOST sponsors, MOST students and the motorcycling public, internal CDOT consultation and assessment, and the recommendations provided in the MOST audit, CDOT has determined that in the best interest of safety for the general public (both riders and non-riders of motorcycles), the MOST program does provide value and the program should therefore continue.