



COLORADO PARKS & WILDLIFE

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August 13, 2013

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, we have prepared an updated status report regarding the implementation of audit recommendations contained in the May 2012 *Wildlife Cash Fund Performance Audit*. The attached report provides a brief explanation of the actions taken by the Colorado Division of Parks and Wildlife to implement each recommendation.

If you have any questions, please do not hesitate to contact me at (303) 870-1616 or by email at steve.cassin@state.co.us.

Sincerely,

Steven G. Cassin
Chief Financial Officer
Colorado Division of Parks and Wildlife

STATE OF COLORADO

John W. Hickenlooper, Governor • Mike King, Executive Director, Department of Natural Resources
Steven M. Yamashita, Acting Director, Colorado Parks and Wildlife
Parks and Wildlife Commission: Robert W. Bray • Chris Castilian • Jeanne Home
Bill Kane, Vice-Chair • Gaspar Perricone • James Pribyl • John Singletary, Chair
Mark Smith, Secretary • James Vigil • Dean Wingfield • Michelle Zimmerman
Ex Officio Members: Mike King and John Salazar

AUDIT RECOMMENDATION STATUS REPORT

AUDIT NAME: Wildlife Cash Fund Performance Audit

AUDIT NUMBER: 2187

DEPARTMENT/AGENCY/ENTITY: Department of Natural Resources, Division of Parks and Wildlife

DATE: August 13, 2013

SUMMARY INFORMATION

Please complete the table below with summary information for all audit recommendations. For multi-part recommendations, list each part of the recommendation SEPARATELY.

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(Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable)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>	Revised Implementation Date <i>(Complete only if agency is revising the original implementation date.)</i>
1	Division - Agree	Implemented and Ongoing	Implemented and Ongoing	n/a
2a	Division - Agree	Implemented	Implemented and Ongoing	n/a
2b	Division - Agree	Implemented and further refined by September 2013	Implemented and Ongoing	n/a
2c	Division - Agree	Implemented and ongoing	Implemented and Ongoing	n/a
2d	Division - Agree	September 2012	Implemented and Ongoing	n/a

DETAIL OF IMPLEMENTATION STATUS

Recommendation #: 1

Agency Addressed: Division of Parks and Wildlife

Recommendation Text in Audit Report:

The Division of Parks and Wildlife (the Division) should work with the Parks and Wildlife Board (the Board)—the successor to the Wildlife Commission—to train key Division of Parks and Wildlife staff on requirements of the Board’s policy. (The Board has retained the former Commission’s policy.)

Agency’s Response: Agree

Agency’s Written Response in Audit Report:

A sub-committee of the Board, a four-member Finance Committee, was established in the Fall of 2011 to work with the Division of Parks and Wildlife to ensure that the Board receives adequate financial information. The Finance Committee has met six times since then. Based on the discussions at these meetings, in May 2012 the Board provided interim guidance to the Division of Parks and Wildlife for monitoring and reporting on the level of reserves. As of May 2012, key financial staff have been trained on the required calculations. Per the responses to Recommendation No. 2 below, back-up staff will be trained and a succession plan developed to ensure that at all times in the future trained staff are available to prepare and review all reports required to comply with the Board’s policy.

Current Implementation Status of Recommendation:

Implemented and Ongoing

Agency’s Current Comments on Implementation Status of Recommendation:

Training is ongoing in the sense that as the need arises, additional staff will be trained on the reserve, and specifically on reporting to the commission. As things are currently structured in Colorado Parks and Wildlife (“CPW”), responsibility for financial reports to the commission rests with the Budget unit (as has been the case for years). Currently, five staff have been trained and are intimately familiar with the reporting requirements and procedures. Those five are the CFO, the Budget Manager, the Deputy Budget manager, and two Budget Analysts. Responsibility for preparing the reports rests with the two Budget Analysts, one of whom has been designated primary

responsibility and the other secondary or back-up responsibility. The back-responsibility also includes a review of the reports prepared by the primary prior to the reports being forwarded up the chain for further review before presentation to the commission. We believe that provides sufficient depth; if there are staff departures new staff will be designated to fill those roles and will be trained but in the interim there should be more than adequate trained staff to ensure continuity of reporting. The Parks and Wildlife Commission (formerly the Parks and Wildlife Board) has adopted a revised policy regarding the wildlife cash fund reserve. The revised policy includes a more straightforward set of requirements and provides a clearer picture of the financial status of the fund. Several key staff (described above) have been trained on the requirements of the revised policy and are involved in the preparation of regular reports to the commission regarding compliance with the policy.

Recommendation #: 2a

Agency Addressed: Division of Parks and Wildlife

Original Recommendation in Audit Report:

Recommendation 2(a) – The Division of Parks and Wildlife (the Division) should ensure the accuracy of its annual unobligated reserve balance calculation as well as other accounting information it provides to the Parks and Wildlife Board (Board) by: a. Including all appropriate categories of expenses as consistent with the Board’s policy (formerly the Commission’s policy).

Agency’s Response: Agree

Agency’s Written Response in Audit Report:

All appropriate categories of expenses, consistent with the Board policy, are now included in reports provided to the Board.

Current Implementation Status of Recommendation:

Implemented and Ongoing

Agency’s Current Comments on Implementation Status of Recommendation:

A team was established to review the requirements of the commission policy and to identify and define exactly how all categories of expenses are to be reported to the commission under the revised wildlife cash fund reserve policy. This has been documented a written procedures manual. The division is including all appropriate categories of expenses in its reports. It is important to note that the commission policy on the reserve is tied to a balance sheet calculation - the policy calls for the year-end reserve, defined as current assets minus current liabilities, to be maintained at a level greater than 5% of license revenues for that year. As such, strictly speaking revenue categories and expense categories are not involved in reporting compliance with the reserve policy. Separate from reporting on the reserve, but very much related to commission oversight of division finances, CPW regularly provides updates to the commission regarding revenues and expenses for the year. These help the commission understand the division's finances in greater depth - and whether the reserve is increasing or decreasing and what exactly is driving these increases or decreases. Currently, these reports are provided following each quarter in the fiscal year. All revenue and expense categories are included in the reports. CPW staff presents this information to the commission in a public forum, where it is discussed by the Commission, questions are asked of staff, etc. Attached is a copy of the information provided for the second quarter of FY 12-13. These reports have been continually refined, expanded, and modified over the past year and a half based on input and direction from the commission.

Recommendation #: 2b

Agency Addressed: Division of Parks and Wildlife

Original Recommendation in Audit Report:

Recommendation 2(b) – The Division of Parks and Wildlife (the Division) should ensure the accuracy of its annual unobligated reserve balance calculation as well as other accounting information it provides to the Parks and Wildlife Board (Board) by: b. Working with the Board to clarify the Wildlife Cash Fund unobligated reserve policy so that all components of the unobligated reserve formula are clear and understandable to Division of Parks and Wildlife staff and Board members. This collaboration should include defining “unspent appropriated capital construction spending” and other accounting terms that may be open to interpretation.

Agency’s Response: Agree

Agency’s Written Response in Audit Report:

Interim guidance that clarifies the components of the reserve policy was provided by the Board in May 2012. That guidance requires that the Division of Parks and Wildlife calculate and report a more simplified and widely accepted measurement of financial status (working capital) and that the minimum level of reserves to be maintained is based on that simplified measure. The meaning of the accounting terms involved and the calculations required are clear and have been documented. The interim guidance also requires the Division of Parks and Wildlife to evaluate the many issues raised in connection with reporting and managing the fund reserves, including all the points identified in this Recommendation No. 2, and to present recommendations for a revised, comprehensive fund balance policy to the Board for its consideration and ultimate adoption. Such a policy will need to reflect the newly merged agency and apply to both the parks funds and the wildlife funds. As such, a number of additional merger implementation decisions will need to be completed before an appropriate policy can be formulated. A new reserve policy which will address the many issues that have been identified will be developed for Commission approval by September 2013.

Current Implementation Status of Recommendation:

Implemented and Ongoing

Agency's Current Comments on Implementation Status of Recommendation:

The wildlife cash fund reserve policy has been clarified and put into clear and understandable terms through the adoption of a revised reserve policy. After extensive discussion over the course of several commission meetings last year, the commission revised the reserve policy. Among other things, the reserve policy no longer includes the calculation of an "unobligated reserve" or "unspent appropriated capital construction spending." There were many reasons for this, which were discussed in the CPW's audit status report of a year ago. The commission believed a simpler calculation would be more understandable and more useful and would provide adequate assurance that the reserve was not being depleted to unacceptably low levels. The revised reserve policy will continue to be the operative reserve policy indefinitely. The commission and the division are in the process of developing a long term financial sustainability plan. This plan goes far beyond a reserve policy and will identify the various measures the division will put in place to ensure financial sustainability over the long term (~ next 5 years and beyond). Under the current timetable, subject to revision, a draft of the first component of this plan, a list of potential expenditure reductions (programmatic cuts) will be presented to the commission in September, 2013. A final version will be presented in November. Subsequently a proposal for revenue enhancements will be presented to and discussed by the commission. Ultimately this process will result in a comprehensive financial strategy that addresses both revenues and expenses. In the meantime, for the foreseeable future, the existing reserve policy, which sets a minimum level equal to 5% of license revenues, will be in force and is deemed sufficient to ensure that adequate minimum reserves are maintained.

Recommendation #: 2c

Agency Addressed: Division of Parks and Wildlife

Recommendation Text in Audit Report:

Recommendation 2(c) – The Division of Parks and Wildlife (the Division) should ensure the accuracy of its annual unobligated reserve balance calculation as well as other accounting information it provides to the Parks and Wildlife Board (Board) by: c. Documenting and implementing standard processes within the Division of Parks and Wildlife to ensure that the Wildlife Cash Fund unobligated reserve balance and other financial data are calculated accurately and on a timely basis in accordance with Board policy. These processes should also address required supervisory review(s) of all calculations of the unobligated reserve amounts and communication between the Division of Parks and Wildlife and the Board to ensure that the Board members understand the unobligated reserve calculations and other financial information they receive.

Agency's Response: Agree

Agency's Written Response in Audit Report:

See parts a and b above. All calculations and reports required under the interim guidance adopted by the Board in May 2012 are currently reviewed by at least two staff in addition to the preparer. The new comprehensive reserve policy will provide for adequate and appropriate reviews of all calculations and reports to the Board.

Current Implementation Status of Recommendation:

Implemented and Ongoing

Agency's Current Comments on Implementation Status of Recommendation:

The process for preparing financial reports for the commission has been reviewed, improved, standardized and documented, and formal internal review of reports by separate individuals has been instituted. The reports are drafted by the budget analyst with primary responsibility and are reviewed by the analyst with secondary responsibility. The draft report is forwarded to the Budget Manager for review. Once accepted by the Budget Manager it is forwarded to the CFO for final review. Currently, the financial update reports (revenues, expenses, and net difference) are presented to the commission quarterly. The final quarterly report, which contains information through period 13 for the entire fiscal year, also includes a reporting on compliance with the commission reserve policy.

Recommendation #: 2d

Agency Addressed: Division of Parks and Wildlife

Recommendation Text in Audit Report:

Recommendation 2(d) – The Division of Parks and Wildlife (the Division) should ensure the accuracy of its annual unobligated reserve balance calculation as well as other accounting information it provides to the Parks and Wildlife Board (Board) by: d. Developing a plan to ensure the continuity of job duties that must be performed by financial staff. At a minimum, the plan should address cross-training and succession of senior-level positions.

Agency's Response: Agree

Agency's Written Response in Audit Report:

The Division of Parks and Wildlife is in the process of implementing the merger of the former Division of Parks and Outdoor Recreation and the former Division of Wildlife. The structure, staffing, and reporting relationships within the finance unit will likely change as a result. Following the anticipated reorganization, a cross-training and succession plan for all financial staff will be developed.

Current Implementation Status of Recommendation:

Implemented and Ongoing

Agency's Current Comments on Implementation Status of Recommendation:

Continuity of job duties related to preparing commission financial reports has been addressed through (1) formal assignment of both lead and back-up responsibility for financial reports as well as other duties, and (2) cross-training additional staff on the procedures for preparing the reports (discussed in more detail above). A succession plan has been developed, in the form of a responsibility matrix that identifies which position(s) will take responsibilities for duties performed by any position that becomes vacant.



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Parks and Wildlife Commissioners

Attached is the financial report through the second quarter of FY 12-13, covering the months of July through December, 2012. The report consists of the following numbered pages:

- Page 1 Revenue and expenditure statement for all *parks and wildlife* funds combined
- Page 2 Revenue and expenditure statement for all *parks* funds combined
- Pages 3-5 Detailed breakdown of selected revenue and expenditure line items for all *parks* funds combined
- Page 6 Revenue and expenditure statement for all *wildlife* funds combined
- Pages 7-11 Detailed breakdown of selected revenue and expenditure line items for all *wildlife* funds combined

As stated in earlier reports, the drought, heat and fires seem to have had a definite impact during the summer. This is reflected in declines in park entrance pass sales, camping permits, and fishing license sales during the first half of FY 12-13 compared to the first half of FY 11-12.

Big game license revenues are up about 3% from last year's levels.

Permanent employee salary and benefit costs are up about 4% from a year ago. This is largely due to the reversal in FY 12-13 of statewide compensation reductions enacted by the General Assembly in previous years.

During the first half of FY 12-13 a number of large habitat acquisitions were completed using wildlife funds. This is reflected in the large jumps from a year ago in the "Grants to Others" expenditure line (reflecting the funding of conservation easements held by others such as land trusts) and the "Capital Acquisitions" expenditure line (reflecting habitat acquisitions by the CPW). This also accounts for the large jump in the Lottery / GOCO revenue line (reflecting GOCO wildlife purpose funds which are earned at the time the acquisitions are closed).

Most other revenue and expenditure lines are at levels very similar to the previous year.

Steve Cassin
Chief Financial Officer
February 22, 2013

STATE OF COLORADO
John W. Hickenlooper, Governor • Mike King, Executive Director, Department of Natural Resources
Rick D. Cables, Director, Colorado Parks and Wildlife
Parks and Wildlife Commission: Robert W. Bray • Chris Castilian • Jeanne Home
Bill Kane, Vice-Chair • Gaspar Perricone • James Pribyl • John Singletary, Chair
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COLORADO DEPARTMENT OF NATURAL RESOURCES, DIVISION OF PARKS AND WILDLIFE
Statement of Revenues and Expenditures
Through December, 2012 (Period 6)
All Parks Funds Combined

	Detail	Notes	Current Period			Year-to-Date			Total Previous Yr FY 11-12
			FY 12-13	FY 11-12	Difference	FY 12-13	FY 11-12	Difference	
			Dec-12	Dec-11		Dec-12	Dec-11		
Revenues									
Licenses, Passes, Fees and Permits	[1]		706,508	459,072	247,436	9,510,795	10,070,126	(559,332)	20,026,117
Registrations	[2]		844,380	885,605	(41,225)	3,062,828	3,210,118	(147,290)	8,557,113
Federal and State Grants	[3]		131,680	198,545	(66,865)	2,089,463	1,712,967	376,496	3,814,383
Lottery and Great Outdoors Colorado	[4]		2,663,819	1,665,601	998,218	12,630,926	9,856,352	2,774,574	22,354,087
Sale of Goods, Services, and Assets			48,702	61,773	(13,072)	906,963	1,157,725	(250,762)	1,965,734
Donations			3,430	1,167	2,263	16,818	17,528	(710)	39,497
Interest Income			41,046	54,938	(13,891)	229,501	334,211	(104,710)	613,893
Other Revenues			(165,884)	5,944	(171,828)	468,068	144,154	323,914	302,339
General Fund and Severance Tax	[5]		253,216	21,340	231,877	1,728,814	2,951,985	(1,223,171)	5,386,180
Revenues Before Transfers			4,526,898	3,353,985	1,172,912	30,644,175	29,455,166	1,189,009	63,059,343
Intra-Agency, Inter-Fund Transfers			918,084	1,109,617	(191,534)	5,468,030	4,751,163	716,867	10,458,243
Total Revenues			5,444,981	4,463,603	981,379	36,112,205	34,206,329	1,905,876	73,517,586
Expenditures									
Operating									
Personal Services	[6]		1,683,582	1,718,927	(35,346)	13,561,175	13,295,225	265,950	25,876,588
Operating	[7]		807,387	1,168,263	(360,876)	5,877,454	6,915,931	(1,038,477)	14,892,413
Grants to Others	[8]		291,171	154,452	136,719	1,033,593	1,009,763	23,830	4,603,592
Payments to Other Agencies	[9]		198,117	176,564	21,553	1,824,026	1,959,150	(135,124)	3,862,800
Subtotal, Operating			2,980,256	3,218,206	(237,950)	22,296,248	23,180,069	(883,821)	49,235,393
Capital									
Capital Equipment	[10]		70,213	94,501	(24,288)	777,656	437,123	340,534	807,389
Capital Improvements			287,058	864,749	(577,691)	4,324,715	3,113,288	1,211,426	8,544,039
Capital Acquisitions			0	0	0	0	0	0	154,840
Subtotal, Capital			357,272	959,251	(601,979)	5,102,371	3,550,411	1,551,960	9,506,268
Expenditures Before Transfers			3,337,528	4,177,457	(839,929)	27,398,619	26,730,480	668,139	58,741,661
Intra-Agency, Inter-Fund Transfers			918,084	1,109,617	(191,534)	5,468,030	4,751,163	716,867	10,458,243
Total Expenditures			4,255,611	5,287,074	(1,031,463)	32,866,649	31,481,643	1,385,006	69,199,904
Revenues Minus Expenditures			1,189,370	(823,471)	2,012,841	3,245,556	2,724,686	520,870	4,317,683

COLORADO DEPARTMENT OF NATURAL RESOURCES, DIVISION OF PARKS AND WILDLIFE
Revenue and Expenditure Detail
Through December, 2012 (Period 6)
Licenses, Passes, Permits, and Registrations

	Year-to-Date				Total	
	FY 12-13		FY 11-12		FY 11-12	
	Dollars	Volume	Dollars	Volume	Dollars	Volume
[1] Licenses, Passes, Fees and Permits						
Parks Passes and Entry Fees						
Attended Daily Pass	2,278,599	325,514	2,482,321	354,617	4,291,526	613,075
Regular Annual Pass	1,387,614	19,823	1,383,889	19,770	4,057,942	57,971
Self Service Daily Pass	633,008	90,430	717,394	102,485	1,348,099	192,586
Aspen Annual Pass	198,005	5,657	186,445	5,327	659,365	14,832
Annual Passes Sold through Agents	29,470	443	25,830	388	341,180	5,131
Multiple Annual Pass	129,570	3,702	135,220	3,863	370,765	10,593
Lifetime Aspen Pass	46,150	210	56,140	255	151,580	580
Other Parks Passes and Entry Fees	48,563		34,756		177,189	-
Total, Parks Passes and Entry Fees	4,750,979	445,779	5,021,995	486,706	11,397,645	894,767
Permits and User Fees						
Electric Camping (attended)	896,176	44,809	1,024,037	51,202	2,790,147	139,507
Deluxe Camping (attended)	589,306	24,554	584,338	24,347	1,613,932	67,247
Basic Camping (attended)	374,291	23,393	434,720	27,170	1,101,476	68,842
Camping Reservation Fee	281,816	28,182	307,420	30,742	887,782	88,778
Electric Camping (dispenser)	129,860	6,493	159,080	7,954	296,100	14,805
Cabins Standard 1-6	77,164	1,102	82,494	1,178	251,836	3,598
Basic Camping (dispenser)	101,745	6,359	119,416	7,464	192,248	12,016
Special Use Permits	32,994	1,650	73,670	3,683	141,834	7,092
Group Camping Electric	20,956	1,048	29,304	1,325	120,762	6,038
Unearned Revenue Accounting Accrual	1,785,858		1,679,952		(105,906)	-
Other Permits and User Fees	469,650		553,701		1,338,260	-
Total, Permits and User Fees	4,759,816	137,590	5,048,132	155,066	8,628,471	407,923
Total, Licenses, Passes, Fees and Permits	9,510,795	583,369	10,070,126	641,772	20,026,117	1,302,690
[2] Registrations						
Boat Registrations	\$1,157,410	30,865	\$1,223,645	32,757	\$3,441,330	91,849
OHV Registrations	\$1,228,893	49,260	\$1,228,633	49,264	\$4,082,968	163,444
Snowmobile Registrations	\$658,025	21,590	\$729,540	23,797	\$946,215	31,543
River Outfitters Licenses	\$18,500		\$28,300		\$86,600	-
Total Registrations	\$3,062,828	101,715	\$3,210,118	105,819	\$8,557,113	286,836

COLORADO DEPARTMENT OF NATURAL RESOURCES, DIVISION OF PARKS AND WILDLIFE
Revenue and Expenditure Detail
Through December, 2012 (Period 6)
All Parks Funds Combined

	Notes	Current Period			Year-to-Date			Total Previous Yr FY 11-12
		FY 12-13 Dec-12	FY 11-12 Dec-11	Difference	FY 12-13 Dec-12	FY 11-12 Dec-11	Difference	
[3] Federal and State Grants								
Army Corps Cost Share		-	26,355	(26,355)	51,635	41,854	9,781	106,400
BOR Cost Share		3,665	-	3,665	21,584	3,423	18,161	142,087
Coast Guard - Boat Safety		17,907	41,562	(23,655)	672,868	758,067	(85,199)	908,844
RTP - Recreational Trails Program		38,660	85,323	(46,662)	406,581	255,556	151,025	674,859
LWCF - Land and Water Cons Fund		-	-	-	117,448	1,775	115,673	133,206
Wallop Breaux		-	-	-	-	114,528	(114,528)	119,445
Other Federal and State Grants		71,448	45,306	26,142	819,346	537,763	281,583	1,729,543
Total State and Federal Grants		131,680	198,545	(66,865)	2,089,463	1,712,967	376,496	3,814,383
[4] Lottery and Great Outdoors Colorado								
Lottery 10% Direct Distribution		1,698,704	806,530	892,174	5,734,869	4,538,861	1,196,008	12,324,948
GOCO - Parks Purpose		965,115	859,071	106,044	6,896,057	5,317,491	1,578,566	10,029,139
GOCO - Open Space Purpose		-	-	-	-	-	-	-
Total, Lottery and GOCO		2,663,819	1,665,601	998,218	12,630,926	9,856,352	2,774,574	22,354,087
[5] General Fund and Severance Tax								
General Fund		-	-	-	-	-	-	-
Severance Tax S.B. 08-013		237,311	10,204	227,107	1,251,509	1,811,460	(559,951)	2,498,440
Severance Tax ANS (S.B. 08-226)		-	-	-	388,869	1,063,796	(674,927)	2,687,817
Species Conservation Trust Fund		15,905	11,136	4,769	88,436	76,729	11,707	199,923
Total General Fund and Severance Tax		253,216	21,340	231,877	1,728,814	2,951,985	(1,223,171)	5,386,180
[6] Personal Services								
Permanent Salaries and all Benefits		1,528,373	1,475,655	52,718	9,619,187	9,343,608	275,579	18,360,351
Temporary Labor		98,366	152,008	(53,642)	3,071,841	3,263,310	(191,470)	5,771,515
Contract Personal Services		57,088	84,434	(27,346)	399,957	380,592	19,365	1,291,191
Other Personal Services		(246)	6,830	(7,076)	470,190	307,714	162,476	453,531
Total Personal Services		1,683,582	1,718,927	(35,346)	13,561,175	13,295,225	265,950	25,876,588

COLORADO DEPARTMENT OF NATURAL RESOURCES, DIVISION OF PARKS AND WILDLIFE
Revenue and Expenditure Detail
Through December, 2012 (Period 6)
All Parks Funds Combined

	Notes	Current Period			Year-to-Date			Total Previous Yr FY 11-12
		FY 12-13 Dec-12	FY 11-12 Dec-11	Difference	FY 12-13 Dec-12	FY 11-12 Dec-11	Difference	
[7] Operating								
Fixed Vehicle Expense		55,890	54,174	1,716	337,084	324,360	12,723	649,297
Variable Vehicle Expense		48,403	50,062	(1,659)	537,147	555,796	(18,648)	1,037,162
Supplies and Materials		86,637	80,648	5,989	840,568	866,409	(25,841)	1,787,759
Utilities (Electricity, Water, Sewer, etc)		104,880	112,597	(7,716)	819,217	824,694	(5,477)	1,747,348
Maintenance, Cleaning, and Repair		202,773	264,806	(62,032)	1,220,651	1,296,199	(75,548)	3,213,189
Other		308,803	605,977	(297,173)	2,122,787	3,048,473	(925,685)	6,457,658
Total Operating		807,387	1,168,263	(360,876)	5,877,454	6,915,931	(1,038,477)	14,892,413
[8] Grants to Others								
Off-Highway Vehicle Grants		268,834	21,575	247,258	629,458	1,117,132	(487,673)	3,076,453
Recreation Trail Grants		-	-	-	97,308	32,647	64,661	146,871
Land Acquisition Grants		-	3,360	(3,360)	40,170	20,164	20,006	96,691
Other		22,337	129,516	(107,179)	266,657	(160,181)	426,837	1,283,577
Total Grants to Others		291,171	154,452	136,719	1,033,593	1,009,763	23,830	4,603,592
[9] Payments to Other Agencies								
Office of Information Technology (OIT)		160,372	135,135	25,237	777,916	737,086	40,831	1,508,035
Capital Set Aside		-	-	-	-	-	-	-
DNR Indirect Costs		22,538	17,117	5,421	614,920	822,393	(207,473)	1,719,288
Risk Management		-	-	-	245,655	193,386	52,269	198,348
Legal Services		13,206	24,312	(11,106)	112,988	164,822	(51,834)	395,668
COFRS Modernization		-	-	-	22,762	-	22,762	-
Dispatch Service Payment		-	-	-	47,784	39,463	8,321	39,463
Geological Survey - Avalanche program		2,000	-	2,000	2,000	2,000	-	2,000
Miscellaneous Payments		-	-	-	-	-	-	-
Total, Payments to Other Agencies		198,117	176,564	21,553	1,824,026	1,959,150	(135,124)	3,862,800
[10] Capital								
Capital Equipment		70,213	94,501	(24,288)	777,656	437,123	340,534	807,389
Capital Improvements		287,058	864,749	(577,691)	4,324,715	3,113,288	1,211,426	8,544,039
Capital Acquisitions		-	-	-	-	-	-	154,840
Total Capital Expenditures		357,272	959,251	(601,979)	5,102,371	3,550,411	1,551,960	9,506,268

COLORADO DEPARTMENT OF NATURAL RESOURCES, DIVISION OF PARKS AND WILDLIFE
Statement of Revenues and Expenditures
Through December, 2012 (Period 6)
All Wildlife Funds Combined

	Detail	Notes	Current Period			Year-to-Date			Total Previous Yr FY 11-12
			FY 12-13 Dec-12	FY 11-12 Dec-11	Difference	FY 12-13 Dec-12	FY 11-12 Dec-11	Difference	
Revenues									
Licenses, Passes, Fees and Permits	[1]		25,549,034	24,077,264	1,471,770	60,793,188	58,673,363	2,119,825	76,862,552
Registrations			-	-	-	-	-	-	-
Federal and State Grants	[2]		2,320,286	1,833,740	486,546	13,330,629	10,706,611	2,624,019	25,237,148
Lottery and Great Outdoors Colorado			1,141,283	5,065,942	(3,924,658)	14,700,184	9,674,489	5,025,695	13,651,460
Sale of Goods, Services, and Assets			61,743	27,067	34,676	324,745	277,458	47,286	795,850
Donations	[3]		3,340	13,610	(10,269)	183,640	420,409	(236,769)	1,432,276
Interest Income			43,113	102,990	(59,877)	(160,421)	(4,733)	(155,689)	452,420
Other Revenues			40,440	123,793	(83,352)	255,629	424,037	(168,408)	1,027,937
General Fund and Severance Tax	[4]		37,295	70,752	(33,457)	940,129	1,036,649	(96,520)	2,907,020
Revenues Before Transfers			29,196,536	31,315,157	(2,118,621)	90,367,723	81,208,283	9,159,440	122,366,661
Intra-Agency, Inter-Fund Transfers	[5]	[A]	615,653	628,917	(13,264)	3,744,584	3,342,541	402,043	4,888,582
Total Revenues			29,812,189	31,944,074	(2,131,885)	94,112,307	84,550,824	9,561,483	127,255,243
Expenditures									
Operating									
Personal Services	[6]		4,390,275	4,368,682	21,593	30,109,526	29,015,348	1,094,178	57,287,587
Operating			4,562,308	2,361,642	2,200,666	18,781,832	16,688,333	2,093,499	38,278,970
Grants to Others	[8]		1,362,606	1,773,049	(410,443)	11,672,683	2,876,276	8,796,407	8,499,603
Payments to Other Agencies	[9]		537,391	730,370	(192,978)	4,296,887	4,004,081	292,806	8,199,004
Subtotal, Operating			10,852,581	9,233,743	1,618,838	64,860,928	52,584,038	12,276,890	112,265,164
Capital									
Capital Equipment	[10]		40,726	166,912	(126,185)	160,785	382,396	(221,611)	1,292,644
Capital Improvements			171,181	319,716	(148,534)	2,239,106	2,553,770	(314,664)	3,606,594
Capital Acquisitions			900,862	4,743,336	(3,842,474)	6,257,662	7,007,115	(749,453)	7,781,562
Subtotal, Capital			1,112,769	5,229,963	(4,117,194)	8,657,553	9,943,281	(1,285,728)	12,680,799
Expenditures Before Transfers			11,965,350	14,463,706	(2,498,356)	73,518,481	62,527,319	10,991,162	124,945,964
Intra-Agency, Inter-Fund Transfers	[11]	[A]	615,653	628,917	(13,264)	3,744,584	3,342,541	402,043	4,888,582
Total Expenditures			12,581,003	15,092,623	(2,511,620)	77,263,066	65,869,860	11,393,205	129,834,546
Revenues Minus Expenditures			17,231,186	16,851,451	379,735	16,849,241	18,680,964	(1,831,722)	(2,579,303)

[A] Transfers to HPP fund, Federal Indirect, Non-Game Check-Off, and Interfund Inventory Adjustment

COLORADO DEPARTMENT OF NATURAL RESOURCES, DIVISION OF PARKS AND WILDLIFE
 Revenues and Expenditure Detail
 Through December, 2012 (Period 6)
 All Wildlife License Sales

	Notes	Year to Date				Total	
		FY12-13		FY11-12		FY11-12	
		Dollars	Volume	Dollars	Volume	Dollars	Volume
[1] Licenses, Passes, Fees, and Permits							
Hunting and Fishing Licenses							
Big Game							
	[a]						
Elk Resident		5,860,591	147,027	5,819,395	145,865	5,835,463	146,315
Elk Non-Resident		34,139,264	68,797	32,760,648	68,562	32,852,343	68,768
Elk Exchange/Replacement		51,485	0	42,509	0	42,698	0
Deer Resident		1,659,826	61,375	1,738,910	64,250	1,742,690	64,420
Deer Non-Resident		4,936,253	14,800	5,194,635	16,272	5,199,839	16,294
Deer Exchange/Replacement		7,635	0	8,017	0	8,099	0
Pronghorn Resident		552,514	20,752	563,564	21,160	949,542	35,348
Pronghorn Non-Resident		354,166	1,101	354,362	1,139	446,508	1,431
Pronghorn Exchange/Replacement		1,497	0	1,205	0	1,163	0
Lion		95,442	1,419	92,856	1,333	153,064	1,830
Bighorn Sheep		107,680	261	104,901	251	198,131	484
Desert Sheep		3,525	10	3,504	10	6,984	20
Goat		88,602	223	85,744	224	169,454	438
Moose		81,461	202	71,577	186	138,677	359
		1,137,065	13,849	942,837	11,239	1,194,407	15,521
Fishing							
		1,887,725	169,476	2,494,880	209,827	8,246,586	689,464
Fishing Non-Resident		2,138,427	223,071	2,367,341	245,715	3,933,670	361,257
Fishing Exchange/Replacement		9,269	0	9,451	0	16,708	0
Other							
Combination		382,123	11,250	462,844	12,794	2,709,961	74,049
Small Game		1,092,300	104,579	1,027,141	98,538	1,389,963	131,361
Turkey		93,280	6,097	69,530	4,518	348,550	19,182
Prairie Chicken		0	0	0	0	0	0
Total Hunting and Fishing Licenses		54,680,130	844,289	54,215,850	901,883	65,584,499	1,626,541

COLORADO DEPARTMENT OF NATURAL RESOURCES, DIVISION OF PARKS AND WILDLIFE
 Revenues and Expenditure Detail
 Through December, 2012 (Period 6)
 All Wildlife License Sales

	Notes	Year to Date				Total	
		FY12-13		FY11-12		FY11-12	
		Dollars	Volume	Dollars	Volume	Dollars	Volume
Non-Refundable Fees	[b]	2,018,291		1,867,889		3,301,159	
Habitat Stamp (all)		1,949,161	195,050	2,280,427	228,567	6,563,936	657,199
Public Education Surcharge		492,560		524,601		905,935	
Miscellaneous**	[c]	356,028	31,940	366,799	30,124	470,815	42,939
		4,816,040	226,990	5,039,716	258,691	11,241,845	700,138
Reconcile to General Ledger		1,297,018		(582,202)		\$36,207	
Total, Licenses, Passes, Fees, and Permits		60,793,188	1,071,279	58,673,363	1,160,574	76,862,552	2,326,679

[a] Revenue from auction/raffle licenses appears under the "Donation" line in the Statement of Revenues and Expenditures

[b] Includes Limited License application fee, Landowner and Preference Point fees

[c] Includes SWA Use Permits, Access Permits, Hunter Education Cards, and Special Permissions

COLORADO DEPARTMENT OF NATURAL RESOURCES, DIVISION OF PARKS AND WILDLIFE
Revenue and Expenditure Detail
Through December, 2012 (Period 6)
All Wildlife Funds Combined

Notes	Current Period			Year-to-Date			Total
	FY 12-13	FY 11-12	Difference	FY 12-13	FY 11-12	Difference	Previous Yr
	Dec-12	Dec-11		Dec-12	Dec-11		FY2011-12
[2] Federal and State Grants							
US Dept of Interior							
USFWS - PR - Wildlife Restoration	1,254,991	715,551	539,440	6,221,503	4,680,405	1,541,098	11,580,948
USFWS - DJ - Sportfish Restoration	827,541	698,792	128,749	4,892,213	4,360,366	531,847	8,934,176
USFWS - SWG - State Wildlife Grants	74,511	102,616	(28,105)	453,431	303,789	149,643	1,004,824
USFWS - Section 6 T & E Species	414	366	48	574,493	75,003	499,490	131,259
USFWS - Other	-	14,351	(14,351)	16,576	67,847	(51,271)	98,901
Bureau of Land Mgmt	22,420	43,448	(21,028)	243,758	173,975	69,783	448,624
Bureau of Reclamation	3,718	1,189	2,529	63,501	113,108	(49,607)	415,489
US Dept of Agriculture	16,667	76,793	(60,126)	228,873	353,190	(124,317)	923,659
Environmental Protection Agency	-	-	-	-	108,650	(108,650)	123,502
Other Federal	8,458	-	8,458	86,654	31,134	55,520	421,772
State Grants	111,566	180,634	(69,068)	549,626	439,143	110,483	1,153,994
Total Federal and State Grants	2,320,286	1,833,740	486,546	13,330,629	10,706,611	2,624,019	25,237,148
[3] Donations							
Income Tax Non-Game Check-off Donations	-	-	-	-	-	-	172,658
Sheep & Goat Donations	-	-	-	156,116	95,580	60,536	506,545
Other Donations	3,340	13,610	(10,269)	27,524	324,829	(297,305)	753,073
Total Donations	3,340	13,610	(10,269)	183,640	420,409	(236,769)	1,432,276
[4] General Fund and Severance Tax							
Severance Tax							
SCTF	37,295	70,752	(33,457)	752,343	514,832	237,512	1,602,476
ANS (S.B. 08-226)	-	-	-	187,786	521,818	(334,032)	1,304,544
Total General Fund and Severance Tax	37,295	70,752	(33,457)	940,129	1,036,649	(96,520)	2,907,020
[5] Intra-Agency, Inter-Fund Transfers							
Habitat Partnership Transfer	-	-	-	2,105,347	2,188,543	(83,196)	2,188,543
Colorado Outdoors	-	-	-	142,750	-	142,750	93,004
Nongame Checkoff Transfer	-	-	-	400,000	-	400,000	-
Federal Indirect Cost Recoveries	615,653	628,917	(13,264)	1,096,487	1,153,998	(57,511)	2,607,035
Total Intra-Agency, Inter-Fund Transfers	615,653	628,917	(13,264)	3,744,584	3,342,541	402,043	4,888,582

COLORADO DEPARTMENT OF NATURAL RESOURCES, DIVISION OF PARKS AND WILDLIFE
Revenue and Expenditure Detail
Through December, 2012 (Period 6)
All Wildlife Funds Combined

Notes	Current Period			Year-to-Date			Total Previous Yr FY2011-12
	FY 12-13	FY 11-12	Difference	FY 12-13	FY 11-12	Difference	
	Dec-12	Dec-11		Dec-12	Dec-11		
[6] Personal Services							
Permanent Salaries and all Benefits	4,081,465	3,941,255	140,210	24,953,184	23,910,006	1,043,179	48,001,745
Temporary Labor	214,146	330,196	(116,050)	2,946,974	3,450,527	(503,553)	5,785,895
Contract Personal Services	94,438	97,135	(2,696)	1,213,563	850,076	363,487	2,660,252
Other Personal Services	226	96	130	995,805	804,739	191,066	839,694
Total Personal Services	4,390,275	4,368,682	21,593	30,109,526	29,015,348	1,094,178	57,287,587
[7] Operating							
Game Damage Claims	168,137	88,780	79,357	456,573	464,023	(7,450)	1,282,136
Fixed Vehicle Expense	136,446	134,978	1,468	818,003	816,184	1,819	1,566,907
Variable Vehicle Expense	188,987	198,492	(9,504)	1,767,891	1,775,887	(7,996)	3,412,710
PEAC	43,719	22,334	21,385	307,898	76,927	230,971	662,765
State Land Board	-	-	-	771,926	751,222	20,703	751,222
Instream Flow Program	74,007	74,007	-	148,014	148,014	-	296,027
Operating	3,900,579	1,843,052	2,057,527	14,511,528	12,656,077	1,855,451	30,307,203
Total Operating Expenses	4,511,875	2,361,642	2,150,233	18,781,832	16,688,333	2,093,499	38,278,970
[8] Grants to Others							
Colorado Wildlife Habitat Protection Program (850,554	1,500,000	(649,447)	9,581,619	1,570,821	8,010,798	3,516,621
Fishing is Fun Grant Program	35,700	174,650	(138,950)	220,061	374,078	(154,017)	1,092,952
DJ-Motorboat Access - Parks	-	-	-	-	56,900	(56,900)	109,488
Motorboat Colorado Grant Program	170,050	-	170,050	170,050	48,178	121,872	51,000
Pheasants Habitat Impr. Program	30,479	20,135	10,344	99,553	148,713	(49,159)	231,425
Large Shooting Range Grant Program	200,000	-	200,000	200,000	22,898	177,102	146,898
Small Shooting Range Grant Program	5,515	-	5,515	14,527	9,176	5,351	16,957
Species Conservation Trust Fund	11,812	6,250	5,562	382,072	232,523	149,549	1,015,641
Wetlands Conservation	5,163	32,465	(27,302)	80,706	71,765	8,941	285,426
Other	53,334	39,550	13,784	924,094	341,225	582,869	2,033,195
Total Grants to Others	1,362,606	1,773,049	(410,443)	11,672,683	2,876,276	8,796,407	8,499,603

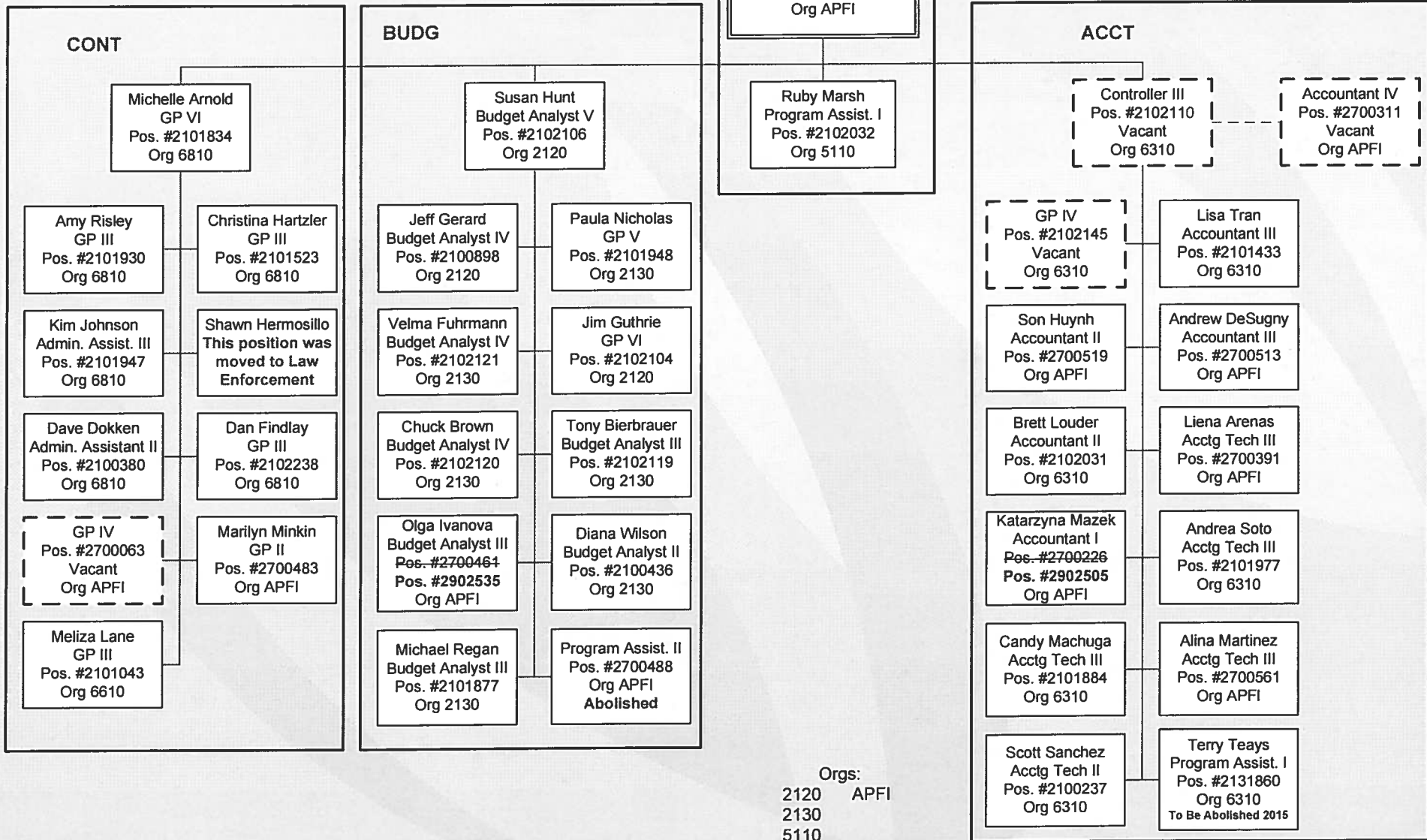
COLORADO DEPARTMENT OF NATURAL RESOURCES, DIVISION OF PARKS AND WILDLIFE
 Revenue and Expenditure Detail
 Through December, 2012 (Period 6)
 All Wildlife Funds Combined

	Notes	Current Period			Year-to-Date			Total
		FY 12-13	FY 11-12	Difference	FY 12-13	FY 11-12	Difference	Previous Yr
		Dec-12	Dec-11		Dec-12	Dec-11		FY2011-12
[9] Payments to Other Agencies								
Office of Information Technology (OIT)		315,847	314,223	1,624	1,855,358	1,895,100	(39,742)	3,735,103
Capital Set Aside		25,663	-	25,663	51,326	-	51,326	94,713
DNR Indirect Costs		195,881	371,899	(176,017)	1,532,767	1,460,717	72,051	3,295,890
Risk Management		-	-	-	335,732	387,484	(51,752)	387,484
Legal Services		50,433	44,248	6,185	318,222	260,780	57,442	550,825
COFRS Modernization		-	-	-	50,570	-	50,570	-
Dispatch Service Payment		-	-	-	152,912	-	152,912	134,989
Geological Survey - Avalanche program		-	-	-	-	-	-	-
Miscellaneous Payments		-	-	-	-	-	-	-
Total Payments to Other Agencies		587,825	730,370	(142,545)	4,296,887	4,004,081	292,806	8,199,004
[10] Capital								
Capital Equipment		40,726	166,912	(126,185)	160,785	382,396	(221,611)	1,292,644
Capital Improvements		171,181	319,716	(148,534)	2,239,106	2,553,770	(314,664)	3,606,594
Capital Acquisitions		900,862	4,743,336	(3,842,474)	6,257,662	7,007,115	(749,453)	7,781,562
Total Capital		1,112,769	5,229,963	(4,117,194)	8,657,553	9,943,281	(1,285,728)	12,680,799
[11] Intra-Agency, Inter-Fund Transfers								
Habitat Partnership Transfer		-	-	-	2,105,347	2,188,543	(83,196)	2,188,544
Colorado Outdoors		-	-	-	142,750	-	142,750	93,004
Nongame Checkoff Transfer		-	-	-	400,000	-	400,000	-
Federal Indirect Cost Recoveries		615,653	628,917	(13,264)	1,096,487	1,153,998	(57,511)	2,607,035
Total Intra-Agency, Inter-Fund Transfers		615,653	628,917	(13,264)	3,744,584	3,342,541	402,043	4,888,583

Desired Future Condition

Interim
July 1, 2013

Financial Services
August 1, 2013



Orgs:
2120 APFI
2130
5110
6310



COLORADO PARKS & WILDLIFE

1313 Sherman Street, Room 618 • Denver, Colorado 80203
Phone (303) 866-3437 • FAX (303) 866-3206
wildlife.state.co.us • parks.state.co.us

August 13, 2013

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, we have prepared an updated status report regarding the implementation of audit recommendations contained in the May 2012 *Wildlife Cash Fund Performance Audit*. The attached report provides a brief explanation of the actions taken by the Colorado Parks and Wildlife Commission and the Colorado Division of Parks and Wildlife to implement each recommendation.

The updated status report is in the form of (a) information we are providing using the template provided to us by the State Auditor's Office, and (b) a letter from Commission Chairman John Singletary to the Honorable Representative Angela Williams, Chairwoman of the Legislative Audit Committee of the Colorado General Assembly.

If you have any questions, please do not hesitate to contact me at by email at john.singletary@state.co.us.

Sincerely,

John W. Singletary, Chairman
Colorado Parks and Wildlife Commission

STATE OF COLORADO

John W. Hickenlooper, Governor • Mike King, Executive Director, Department of Natural Resources
Steven M. Yamashita, Acting Director, Colorado Parks and Wildlife
Parks and Wildlife Commission: Robert W. Bray • Chris Castilian • Jeanne Horne
Bill Kane, Vice-Chair • Gaspar Perricone • James Pribyl • John Singletary, Chair
Mark Smith, Secretary • James Vigil • Dean Wingfield • Michelle Zimmerman
Ex Officio Members: Mike King and John Salazar

AUDIT RECOMMENDATION STATUS REPORT

AUDIT NAME: Wildlife Cash Fund, Division of Wildlife

AUDIT NUMBER: 2187

DEPARTMENT/AGENCY/ENTITY: Department of Natural Resources

DATE: August 13, 2013

SUMMARY INFORMATION

Please complete the table below with summary information for all audit recommendations. For multi-part recommendations, list each part of the recommendation SEPARATELY. (For example, if Recommendation 1 has three parts, list each part separately in the table.)

Recommendation Number <i>(e.g., 1a, 1b, 2, etc.)</i>	Board'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>	Revised Implementation Date <i>(Complete only if agency is revising the original implementation date.)</i>
1	Commission - Agree	July 2013	Implemented and Ongoing	n/a
2a-2d	Commission - Agree	September 2013	Implemented and Ongoing	n/a

DETAIL OF IMPLEMENTATION STATUS

Recommendation #: 1

Agency Addressed: Division of Parks and Wildlife

Recommendation Text in Audit Report:

The Division of Parks and Wildlife (the Division) should work with the Parks and Wildlife Board (the Board)—the successor to the Wildlife Commission—to train key Division of Parks and Wildlife staff on requirements of the Board’s policy. (The Board has retained the former Commission’s policy.)

Commission’s Response: Agree

Commission’s Written Response in Audit Report:

Beginning in July 2012, and for at least the next fiscal year, the Parks and Wildlife Board will require periodic updates from the Chief Financial Officer not less than quarterly on steps taken to train key staff on the Commission policy and the reserve calculation. Currently, the Parks and Wildlife Board has as a standing agenda item, called “financial update,” which was implemented to accomplish better communication between the Board and the Division of Parks and Wildlife on financial matters. Updates on training will be included in this standing agenda item.

Current Implementation Status of Recommendation:

Implemented and Ongoing

Commission’s Current Comments on Implementation Status of Recommendation:

Last year the Commission formed a Finance Committee to provide for greater focus on division finances and to foster increased communication between the division staff and the commission on financial matters. Division staff provides regular detailed updates to the Finance Committee on both the status of division finances as well as progress in implementing the audit recommendations. The full commission has established a standing agenda item at its meetings for a financial update. Both the full commission and the Committee have

provided feedback to division staff on the financial reports, to insure the reports comply with commission reserve policy and are meeting the needs of the commission. We are pleased to see that pertinent staff understand and are trained on the requirements of the commission policy and on what information is needed by the commission for its oversight.

Recommendation #: 2a

Agency Addressed: Division of Parks and Wildlife

Original Recommendation in Audit Report:

Recommendation 2(a) – The Division of Parks and Wildlife (the Division) should ensure the accuracy of its annual unobligated reserve balance calculation as well as other accounting information it provides to the Parks and Wildlife Board (Board) by: a. Including all appropriate categories of expenses as consistent with the Board’s policy (formerly the Commission’s policy).

Commission’s Response: Agree

Commission’s Written Response in Audit Report:

The Parks and Wildlife Board created a budget and finance subcommittee in the fall of 2011. The purpose of the subcommittee is to look at all financial aspects of the Division of Parks and Wildlife in a much more detailed fashion, evaluate the information and then make recommendations to the full Board. Through the process of the subcommittee and the aforementioned standing “financial update” agenda item, the Board will ensure that Recommendation No. 2, parts a, b, c, and d are implemented and that the accuracy of the annual unobligated reserve balance calculation and the other accounting information provided by the Division of Parks and Wildlife is otherwise ensured. In addition, the Board at its May 10, 2012 meeting directed the Division of Parks and Wildlife to undertake a complete review of former Wildlife Commission Policy A-11 “Wildlife Cash Fund Balance” to address the same issues raised by this audit report and the recent merger of the former Wildlife Commission and Former Board of Parks and Outdoor Recreation into the current Board of Parks and Wildlife. This review will further ensure implementation of this recommendation.

Current Implementation Status of Recommendation:

Implemented and Ongoing

Commission’s Comments on Implementation Status of Recommendation:

The Commission has received regular updates on the status of implementation of the audit recommendations, as well as on the division finances and on compliance with the commission’s wildlife cash fund reserve policy.

A Finance Committee has been established within the Parks and Wildlife Commission for the purpose of focusing on division finances and the implementation of the audit recommendations. The Committee has met regularly and receives regular detailed reports from the division

on the status of its finances and on compliance with the reserve policy. The committee has provided feedback to the division on the reports in order to ensure they meet the commission's needs.

Division staff have completed a thorough review of the process and methodology for producing the commission reports. The intent of this review was to insure that all categories of revenues and expenses are appropriately reflected in the reports to the commission. The resulting revised process and methodology has been documented to insure reports are produced accurately and consistently.

Recommendation #: 2b

Agency Addressed: Division of Parks and Wildlife

Original Recommendation in Audit Report:

Recommendation 2(b) – The Division of Parks and Wildlife (the Division) should ensure the accuracy of its annual unobligated reserve balance calculation as well as other accounting information it provides to the Parks and Wildlife Board (Board) by: b. Working with the Board to clarify the Wildlife Cash Fund unobligated reserve policy so that all components of the unobligated reserve formula are clear and understandable to Division of Parks and Wildlife staff and Board members. This collaboration should include defining “unspent appropriated capital construction spending” and other accounting terms that may be open to interpretation.

Commission’s Response: Agree

Commission’s Written Response in Audit Report:

The Parks and Wildlife Board created a budget and finance subcommittee in the fall of 2011. The purpose of the subcommittee is to look at all financial aspects of the Division of Parks and Wildlife in a much more detailed fashion, evaluate the information and then make recommendations to the full Board. Through the process of the subcommittee and the aforementioned standing “financial update” agenda item, the Board will ensure that Recommendation No. 2, parts a, b, c, and d are implemented and that the accuracy of the annual unobligated reserve balance calculation and the other accounting information provided by the Division of Parks and Wildlife is otherwise ensured. In addition, the Board at its May 10, 2012 meeting directed the Division of Parks and Wildlife to undertake a complete review of former Wildlife Commission Policy A-11 “Wildlife Cash Fund Balance” to address the same issues raised by this audit report and the recent merger of the former Wildlife Commission and Former Board of Parks and Outdoor Recreation into the current Board of Parks and Wildlife. This review will further ensure implementation of this recommendation.

Current Implementation Status of Recommendation:

Implemented and Ongoing

Commission’s Comments on Implementation Status of Recommendation:

Please see information provided under Recommendation 2(a) above.

The wildlife cash fund reserve policy has been clarified and put into clear and understandable terms through the adoption of a revised reserve policy.

After extensive discussion over the course of several commission meetings last year, the commission revised the reserve policy. Among other things, the reserve policy no longer includes the calculation of an "unobligated reserve" or "unspent appropriated capital construction spending." There were many reasons for this, which were discussed in the CPW's audit status report of a year ago. The commission believes a simpler calculation will be more understandable and more useful and will provide adequate assurance that the reserve is not being depleted to unacceptably low levels.

The commission has also directed the division to develop a Financial Sustainability plan, which is underway and which will identify steps that will be taken to close the gap between revenues and expenses and to rebuild the wildlife cash fund reserve to an acceptable level. In the meantime, the commission will continue to hold the division to its existing wildlife cash fund reserve policy.

Recommendation #: 2c

Agency Addressed: Division of Parks and Wildlife

Recommendation Text in Audit Report:

Recommendation 2(c) – The Division of Parks and Wildlife (the Division) should ensure the accuracy of its annual unobligated reserve balance calculation as well as other accounting information it provides to the Parks and Wildlife Board (Board) by: c. Documenting and implementing standard processes within the Division of Parks and Wildlife to ensure that the Wildlife Cash Fund unobligated reserve balance and other financial data are calculated accurately and on a timely basis in accordance with Board policy. These processes should also address required supervisory review(s) of all calculations of the unobligated reserve amounts and communication between the Division of Parks and Wildlife and the Board to ensure that the Board members understand the unobligated reserve calculations and other financial information they receive.

Commission's Response: Agree

Commission's Written Response in Audit Report:

The Parks and Wildlife Board created a budget and finance subcommittee in the fall of 2011. The purpose of the subcommittee is to look at all financial aspects of the Division of Parks and Wildlife in a much more detailed fashion, evaluate the information and then make recommendations to the full Board. Through the process of the subcommittee and the aforementioned standing “financial update” agenda item, the Board will ensure that Recommendation No. 2, parts a, b, c, and d are implemented and that the accuracy of the annual unobligated reserve balance calculation and the other accounting information provided by the Division of Parks and Wildlife is otherwise ensured. In addition, the Board at its May 10, 2012 meeting directed the Division of Parks and Wildlife to undertake a complete review of former Wildlife Commission Policy A-11 “Wildlife Cash Fund Balance” to address the same issues raised by this audit report and the recent merger of the former Wildlife Commission and Former Board of Parks and Outdoor Recreation into the current Board of Parks and Wildlife. This review will further ensure implementation of this recommendation.

Current Implementation Status of Recommendation:

Implemented and Ongoing

Commission's Current Comments on Implementation Status of Recommendation:

Please see information provided under Recommendation 2(a) above.

Recommendation #: 2d

Agency Addressed: Division of Parks and Wildlife

Recommendation Text in Audit Report:

Recommendation 2(d) – The Division of Parks and Wildlife (the Division) should ensure the accuracy of its annual unobligated reserve balance calculation as well as other accounting information it provides to the Parks and Wildlife Board (Board) by: d. Developing a plan to ensure the continuity of job duties that must be performed by financial staff. At a minimum, the plan should address cross-training and succession of senior-level positions.

Commission's Response: Agree

Commission's Written Response in Audit Report:

The Parks and Wildlife Board created a budget and finance subcommittee in the fall of 2011. The purpose of the subcommittee is to look at all financial aspects of the Division of Parks and Wildlife in a much more detailed fashion, evaluate the information and then make recommendations to the full Board. Through the process of the subcommittee and the aforementioned standing "financial update" agenda item, the Board will ensure that Recommendation No. 2, parts a, b, c, and d are implemented and that the accuracy of the annual unobligated reserve balance calculation and the other accounting information provided by the Division of Parks and Wildlife is otherwise ensured. In addition, the Board at its May 10, 2012 meeting directed the Division of Parks and Wildlife to undertake a complete review of former Wildlife Commission Policy A-11 "Wildlife Cash Fund Balance" to address the same issues raised by this audit report and the recent merger of the former Wildlife Commission and Former Board of Parks and Outdoor Recreation into the current Board of Parks and Wildlife. This review will further ensure implementation of this recommendation.

Current Implementation Status of Recommendation:

Implemented and Ongoing

Commission's Current Comments on Implementation Status of Recommendation:

Continuity of job duties related to preparing commission financial reports has been addressed through (1) formal assignment of both lead and back-up responsibility for financial reports as well as other duties, and (2) cross-training additional staff on the procedures for preparing the reports (discussed in more detail above). A succession plan has been developed, in the form of a responsibility matrix that identifies which position(s) will take responsibilities for duties performed by any position that becomes vacant.