



OFFICE OF THE STATE AUDITOR



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GOCO CAN IMPROVE TRANSPARENCY

DENVER—The Colorado Office of the State Auditor (OSA) has released its performance audit of investments in Colorado’s Great Outdoors, which reviewed parts of Great Outdoors Colorado’s (GOCO) and Colorado Parks and Wildlife’s (CPW) operations. The audit found that GOCO needs more transparency in how it tracks and categorizes its spending among grant recipients and that CPW has opportunities to speed up the planning and completion of capital constructions projects which currently takes over 4 years.

Established in 1993, GOCO receives a portion of lottery proceeds to support four specified purposes: wildlife, outdoor recreation (i.e., the state park system that CPW manages), local government, and open space. The Colorado Constitution requires GOCO’s spending on the four purposes to be substantially equal over a period of years. From Fiscal Years 1994 through 2016, GOCO granted \$1.1 billion to various recipients.

In Fiscal Year 2016, there were 13.6 million visitors to Colorado’s 42 state parks and CPW received about \$231.7 million in revenue, 11 percent of which was GOCO funding.

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Auditors found that GOCO does not have adequate policies and procedures in place to guide its categorization of grant expenses. For example, GOCO's categorization of \$45 million in grant expenses to entities outside of those listed in the State Constitution was unclear.

Additionally, because of a lack of policies that define what it means for grant expenditures to be "substantially equal", GOCO has not balanced expenditures equally across the four purposes. GOCO's cumulative spending on outdoor recreation (parks) between Fiscal Years 1994 and 2016 is about \$24.3 million less than the next lowest category (wildlife). GOCO also lacks a plan on how to remedy this imbalance.

Auditors also found that it took CPW an average of 4.4 years to plan to complete capital projects and request expense reimbursement from GOCO. OSA analysis of the process suggests that CPW can shorten the overall timeframe by 12 to 18 months.

In addition, CPW lacked a process to accurately estimate increased operating costs associated with GOCO-funded capital projects to optimize its grant requests and better ensure that parks have adequate operating budgets.

The audit makes 4 recommendations.

The full report is available @ www.colorado.gov/auditor.

Under the direction of the state auditor, the OSA is the state's nonpartisan, independent external auditor with broad authority to audit state agencies, departments, institutions of higher education, and the Judicial and Legislative Branches. The OSA's professional staff serve the people of Colorado by addressing relevant public issues through high-quality, objective audits and reviews that promote accountability and positive change in government. Performance audits address whether programs operate in compliance with laws and regulations and in a manner that accomplishes intended program goals. Financial audits include annual audits of the state's basic financial statements and federal grants on a statewide level. IT audits review procedures and technology to ensure the confidentiality, integrity and availability of the state's critical computer systems and taxpayer data. The OSA also tracks about 4,000 Colorado local governments for compliance with the Local Government Audit Law.

