

Fiscal Year 2022 Annual Report



OFFICE OF THE STATE AUDITOR

C O L O R A D O

Contents

Message from the State Auditor	1
Legislative Audit Committee	3
About the OSA	4
Financial Benefits	5
Audit Recommendations	7
Allocation of Resources	8
Performance Audits	9
Financial Audits	10
IT Audits	13
Tax Expenditure Evaluations	14
Other Work Products	16
Local Government Audit Division	17
Fraud Hotline	18
Legislation	20
About the State Auditor	23
OSA Employees	24
Audit Industry Leadership	25
Community Service	27

A Message from the State Auditor

This annual report provides information about the Office of the State Auditor's (OSA) activities and accomplishments. During Fiscal Year 2022, we issued 44 financial, performance, and IT audits and evaluations; 39 tax expenditure evaluations; and 4 other work products.



Our work provides the General Assembly and the public with independent, objective, thorough, and credible information about the operation of state government programs and the use of taxpayer resources.

- We issued 11 performance audits that focused on a range of topics, including processing of Unemployment Insurance benefits, Medicaid non-emergent transportation, pandemic housing relief, state park campsite reservations, regulation of sports betting, foster care education outcomes, administrative expenses for pandemic relief programs, and COVID-19 infection prevention at the Veterans Community Living Centers.
- Our Fiscal Year 2021 audits of the State's financial statements and federal grant program compliance covered \$56.9 billion in total assets, \$46.3 billion in total expenditures, and \$26.2 billion in federal funds.
- Our 39 tax expenditure evaluation reports covered 43 individual tax expenditures related to excise taxes, severance taxes, insurance premium taxes, income taxes, and sales and use taxes.
- We evaluated information technology (IT) service management provided to state agencies consolidated under the Governor's Office of Information Technology.

- We reviewed 3,732 local government audit and exemption filings to ensure that local governments' financial reporting is in compliance with statutory requirements.

We continue to be recognized nationally for our high-quality work, having received a 2022 Certificate of Impact Award from the National Legislative Program Evaluation Society for our May 2019 performance audit of Operational Risk Areas at the Colorado Department of Transportation.

Finally, I would like to thank the OSA's employees for their continued hard work and dedication to improving government for the people of Colorado.



Kerri L. Hunter, CPA, CFE
State Auditor

Legislative Audit Committee

The Legislative Audit Committee (LAC) includes four senators and four representatives with equal representation from the two major political parties. The LAC holds public hearings to review and release audit reports prepared by the State Auditor, proposes special audits, sponsors legislation related to issues identified in audits, and holds agencies accountable for implementing audit recommendations. In addition, every 5 years the LAC recommends a candidate to the General Assembly for appointment as State Auditor.

LAC Members as of June 30, 2022



Senator
Jim Smallwood
Chair



Senator
Robert Rodriguez
Vice Chair



Representative
Rod Bockenfeld



Senator
Jeff Bridges



Representative
Colin Larson



Representative
Dafna Michaelson Jenet



Representative
Dylan Roberts



Senator
Rob Woodward

About the OSA

Overseen by the State Auditor, the OSA is an independent, nonpartisan staff agency within Colorado's Legislative Branch. Our mission is to improve government for the people of Colorado.

We promote accountability in government and help the General Assembly fulfill its legislative oversight responsibilities by providing independent, objective, thorough, and credible information about whether (1) government officials and agencies are using their authority and public resources properly and in compliance with laws and regulations; (2) government programs are achieving their objectives and desired outcomes; and (3) government services are being provided effectively, efficiently, economically, ethically, and equitably.

Section 2-3-103(1), C.R.S., grants the OSA broad authority and access to records to conduct performance, financial, and IT audits of all state departments and agencies, public colleges and universities, most special purpose authorities, any state entity designated as an enterprise under the Taxpayer's Bill of Rights (TABOR), and other political subdivisions and non-State entities as required by law.

Additionally, the OSA carries out the following major statutory responsibilities:

- Conducts evaluations of all state tax expenditures on a 5-year cycle [Section 39-21-305(1)(d), C.R.S.]
- Monitors local governments for compliance with the Local Government Audit Law [Section 29-1-601, et seq., C.R.S.]
- Administers a statewide fraud reporting hotline [Section 2-3-110.5, C.R.S.]

Financial Benefits

Our audits and evaluations frequently identify financial benefits, which collectively represent the dollar value the OSA provides to the people of Colorado by ensuring the responsible stewardship of public funds.

In Fiscal Year 2022, we identified financial benefits totaling \$96.4 million. For the 5-year period from Fiscal Year 2018 through Fiscal Year 2022, we identified financial benefits totaling approximately \$1,006.1 million, or an average of about \$186.1 million per year.

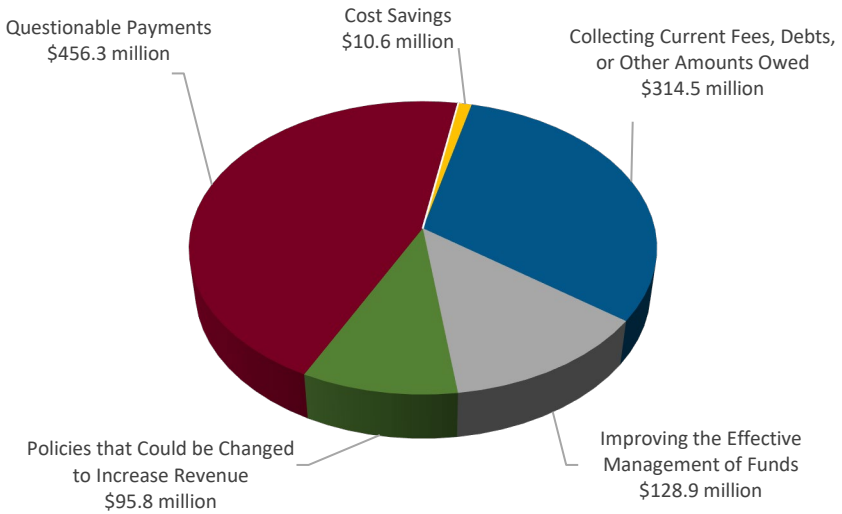
Financial Benefits Identified Fiscal Years 2018–2022 (Dollars In Millions)						
2018	2019	2020	2021	2022	Total	Average
\$46.1	\$93.4	\$622.2	\$148.0	\$96.4	\$1,006.1	\$201.2

Our goal is to achieve at least a 5:1 ratio of benefits to costs over a 5-year period. We have achieved a 24:1 ratio of benefits to costs, which means that the return on investment to the taxpayer is approximately \$24 in financial benefits for every \$1 spent on the OSA’s operations.

Benefit-to-Cost Ratio Fiscal Years 2018–2022	
Average Annual Financial Benefits Identified in Reports	\$201.2 million
Average Annual Net Operating Costs*	\$8.3 million
Ratio of Benefits to Costs	24:1
*Annual net operating costs calculated from General Fund appropriations less General Fund reversions.	

Financial benefits include the identification of potential cost savings, questionable payments, opportunities to improve the effective management of funds, collection of fees or debts owed, policies that could be changed to increase revenue, opportunities to leverage state resources with matching funds, and increases in the value of state assets.

The following chart breaks down the \$1,006.1 million in financial benefits identified by the OSA for Fiscal Years 2018 through 2022 by category:



Audit Recommendations

Audit recommendations promote positive change in government and are an important part of ensuring that agencies correct the issues identified by our financial, performance, and IT audits.

Each fall, we issue our *Annual Report on the Status of Audit Recommendations Not Fully Implemented*, which compiles and summarizes all audit recommendations made during the prior 5-year period. This report helps us fulfill our statutory reporting responsibilities to the General Assembly under the State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act, and provides information for legislative oversight committees to hold agencies accountable for their use of public resources.

Overall, agencies make the changes that they agree or partially agree to make. However, some audit recommendations remain unimplemented. As of June 30, 2021:

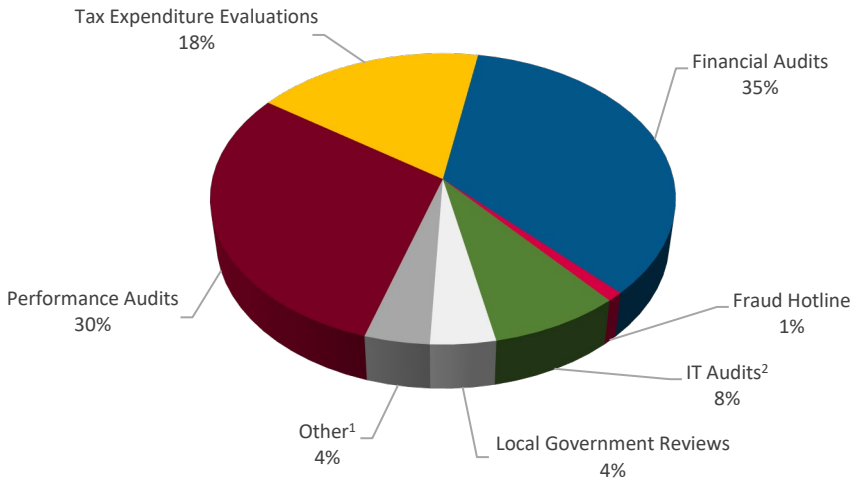
- 132 of the 1,504 audit recommendations (9 percent) that the OSA made from July 2015 through June 2021, and that agencies agreed or partially agreed to implement, remained unimplemented.
- 54 of the 132 unimplemented recommendations (41 percent) are considered high priority due to their seriousness or because they have remained unimplemented for 3 years or more.

Allocation of Resources

During Fiscal Year 2022, the OSA issued 87 financial, performance, and IT audit and evaluation reports; tax expenditure evaluations; and other work products based on the following authority:

- 77 (89 percent) were completed in response to statutory or other legal requirements.
- 9 (10 percent) were completed at the State Auditor’s discretion based on risk, audit coverage, and other considerations.
- 1 (1 percent) was completed in response to a legislative request.

The following chart breaks down where the OSA’s project hours were spent in Fiscal Year 2022:



¹ “Other” includes hours for nonaudit work products (e.g., Annual Report of Audit Recommendations Not Fully Implemented, School District Fiscal Health Report) and other activities such as status reports, audit topic planning and research, legislation, internal quality control monitoring, and external peer review activities.

² The majority of the IT audit team’s work is completed as part of the annual statewide financial and compliance audit.

Performance Audits

Performance audits and evaluations address whether programs are operated in an effective and efficient manner to accomplish their intended goals and are in compliance with laws and regulations.

During Fiscal Year 2022, we issued the following performance audits and evaluations:

Report Name	Report Release Date	Report No.
Cash Funds Uncommitted Reserves, Fiscal Year Ended June 30, 2021	December 2021	2159P
Colorado Oil and Gas Conservation Commission, Oil and Gas Production Reporting	September 2021	2151P
COVID-19 Infection Prevention at the Veterans Community Living Centers	October 2021	2150P
Foster Care Education Initiative	February 2022	2053P
Medicaid Non-Emergent Medical Transportation	September 2021	2152P
Pandemic Housing Relief Property Owner Preservation Program	October 2021	2153P
Pandemic Relief Programs Administrative Expenses	September 2021	2155P
Schedule of TABOR Revenue, Fiscal Year Ended June 30, 2021	October 2021	2161P
Sports Betting	June 2022	2166P
State Park Campsite Reservations	June 2022	2162P
Unemployment Insurance Benefits (Public Report) ¹	December 2021	2056P
¹ A separate confidential report was also prepared and presented to the Legislative Audit Committee; however, in accordance with Section 2-3-103(2), C.R.S., it was not publicly released due to the IT security-sensitive nature of its contents.		

Financial Audits

Financial audits determine whether financial information is fairly presented, in all material respects, and whether agencies receiving federal grants are complying with applicable grant requirements. Each year, we conduct an audit of the State’s financial statements and federal grant compliance (also known as the Single Audit) on a statewide level, as well as other required standalone financial audits.

During Fiscal Year 2022, we issued the following financial audits and related work products:

Report Name	Report Release Date	Report No.
Adams State University, Fiscal Years Ended June 30, 2021 and 2020	January 2022	2102F
Auraria Higher Education Center, Fiscal Years Ended June 30, 2021 and 2020	January 2022	2107F
Census Data Attestation for Colorado Public Employees’ Retirement Association (PERA) 2021 Financial Audit	June 2022	2214F-AT
CollegelInvest, College Savings Program Funds, Fiscal Years Ended June 30, 2021 and 2020	December 2021	2109F
Colorado Community College System, Fiscal Years Ended June 30, 2021 and 2020	January 2022	2111F
Colorado High Performance Transportation Enterprise, Fiscal Years Ended June 30, 2021 and 2020	January 2022	2132F
Colorado Mesa University, Fiscal Years Ended June 30, 2021 and 2020	February 2022	2112F
Colorado Public Employees’ Retirement Association, Fiscal Year Ended December 31, 2020	August 2021	2013F
Colorado School of Mines, Fiscal Years Ended June 30, 2021 and 2020	February 2022	2103F
Colorado State Fair Authority, Fiscal Years Ended June 30, 2021 and 2020	January 2022	2115F
Colorado State University, NCAA Agreed-Upon Procedures, Fiscal Year Ended June 30, 2021	January 2022	2116F-C

Report Name	Report Release Date	Report No.
Colorado State University-Global Campus, Fiscal Years Ended June 30, 2021 and 2020	February 2022	2116F-B
Colorado State University System, Fiscal Years Ended June 30, 2021 and 2020	February 2022	2116F-A
Colorado Student Loan Program, dba College Assist, Fiscal Years Ended June 30, 2021 and 2020	December 2021	2108F
Colorado Veterans Community Living Center at Homelake, Fiscal Year Ended June 30, 2021	January 2022	2106F
Department of Revenue, Colorado Lottery, Fiscal Years Ended June 30, 2021 and 2020	October 2021	2021F
Department of Revenue, Division of Gaming, Fiscal Years Ended June 30, 2021 and 2020	December 2021	2119F
Environmental Mitigation Trust Agreement for State Beneficiaries, Agreed-Upon Procedures Report for the Period October 2, 2017 through June 30, 2021	June 2022	2130F-AT
Fort Lewis College, Fiscal Years Ended June 30, 2021 and 2020	December 2021	2104F
Legislative Department, Fiscal Years Ended June 30, 2021 and 2020	February 2022	2135F
Metropolitan State University of Denver, Fiscal Years Ended June 30, 2021 and 2020	February 2022	2123F
Pinnacol Assurance, Fiscal Years Ended December 31, 2020 and 2019	August 2021	2010F
State Board of the Great Outdoors Colorado Trust Fund, Fiscal Years Ended June 30, 2021 and 2020	October 2021	2122F
State of Colorado, Statewide Financial Audit, Fiscal Year Ended June 30, 2021	March 2022	2101F-A
State of Colorado, Statewide Single Audit, Fiscal Year Ended June 30, 2021	June 2022	2101F-B
Statement of Federal Land Payments, Federal Fiscal Year Ended September 30, 2021	March 2022	2251F
Statewide Bridge and Tunnel Enterprise, Fiscal Years Ended June 30, 2021 and 2020	January 2022	2133F
University of Colorado, Fiscal Years Ended June 30, 2021 and 2020	December 2021	2105F
University of Colorado at Boulder, NCAA Agreed-Upon Procedures, Fiscal Year Ended June 30, 2021	January 2022	2105F-A

Report Name	Report Release Date	Report No.
University of Northern Colorado, Fiscal Years Ended June 30, 2021 and 2020	February 2022	2037F
University of Northern Colorado, NCAA Agreed-Upon Procedures, Fiscal Year Ended June 30, 2021	January 2022	2037F-B
Western Colorado University, Fiscal Years Ended June 30, 2021 and 2020	January 2022	2138F

IT Audits

Our IT audit team evaluates processes related to information security and other IT controls over critical and essential state information systems and applications. The majority of the IT audit team’s work is completed as part of our annual statewide financial and compliance audit by testing controls for information systems that are significant to the State’s financial activities and federal compliance requirements.

The IT team also conducts or oversees standalone IT performance audits and evaluations. During Fiscal Year 2022, we issued the following standalone IT evaluation:

Report Name	Report Release Date	Report No.
Evaluation of Information Technology Service Management at the Governor’s Office of Information Technology	March 2022	2150P-IT

Tax Expenditure Evaluations

Section 39-21-305(1)(d), C.R.S., requires the State Auditor to evaluate all of the State’s tax expenditures at least once every 5 years. Statute defines a tax expenditure as “a tax provision that provides a gross or taxable income definition, deduction, exemption, credit, or rate for certain persons, types of income, transactions, or property that results in reduced tax revenue.” Tax expenditures reduce the amount of revenue the State collects from sales and use, income, insurance premium, excise, and severance taxes.

During Fiscal Year 2022, we issued the following tax expenditure evaluation reports:

Report Name	Report Release Date	Report No.
2021 Tax Expenditures Compilation Report ¹	September 2021	2021-TE
Advanced Industry Investment Credit	July 2021	2021-TE15
Affordable Housing Tax Credit	April 2022	2022-TE25
Aircraft Manufacturer New Employee Credit	July 2021	2021-TE21
Aircraft Used in Interstate Commerce Exemption	July 2021	2021-TE23
Alcoholic Beverages Research Exemptions	January 2022	2022-TE1
Aviation Fuel Exemptions	April 2022	2022-TE14
Bingo-Raffle Equipment Exemption	January 2022	2022-TE3
Biotechnology Sales and Use Tax Refund	January 2022	2022-TE9
Capital Gain Deductions	July 2021	2021-TE18
Catastrophic Health Insurance Deduction	April 2022	2022-TE15
Charitable Contribution Deduction	April 2022	2022-TE18
Child Care Contribution Credit	September 2021	2021-TE26
Child Care Facility Investment Credits	January 2022	2022-TE8
Colorado Alternative Minimum Tax Credit	July 2021	2021-TE19
Colorado Earned Income Tax Credit	April 2022	2022-TE19
Colorado Tuition Program Deduction	January 2022	2022-TE6
Colorado Works Program Employer Credit	January 2022	2022-TE4

Report Name	Report Release Date	Report No.
Components Used to Produce Renewable Energy Exemption	January 2022	2022-TE13
Conservation Easement Credit	April 2022	2022-TE24
Contaminated Land Redevelopment Credit	January 2022	2022-TE11
Credit for Purchase of Uniquely Valuable Motor Vehicle Registration Numbers	January 2022	2022-TE10
Downloaded Software Exemption	April 2022	2022-TE20
Enterprise Zone Contribution Credit	July 2021	2021-TE16
Exemption for Donations by Manufacturers to Government and Charitable Organizations	September 2021	2021-TE24
Farm Equipment and Parts Exemption	January 2022	2022-TE5
Long-Term Care Insurance Credit	April 2022	2022-TE17
Materials Used in Iron, Steel, and Vanadium-Uranium Ore Manufacturing and Processing Exemption	July 2021	2021-TE17
Medical Savings Account Deductions	April 2022	2022-TE16
Military Service Persons Reacquiring Colorado Residency Deduction	April 2022	2022-TE22
Non-Resident Aircraft Sales & Aircraft Parts Exemptions	January 2022	2022-TE12
Olympic Medalist Income Tax Deduction	January 2022	2022-TE2
Pension or Annuity Deduction	July 2021	2021-TE20
Pre-Press Printing Exemption	July 2021	2021-TE14
Precious Metal Bullion and Coin Exemption	July 2021	2021-TE22
Property for Use in Space Flight Exemption	April 2022	2022-TE23
Sales and Use Tax Exemption for Loans of Historic Aircraft to Museums	April 2022	2022-TE21
Sales by Charitable Organizations Exemption	September 2021	2021-TE25
School-to-Career Expenses Credit	January 2022	2022-TE7
¹ The 2021 Tax Expenditure Compilation Report includes all of the individual tax expenditure evaluation reports issued from October 2020 through September 2021.		

Other Work Products

In addition to our audits and evaluations, we issue other work products that provide important information and analysis for the General Assembly, state and local government agencies, and the public.

During Fiscal Year 2022, we issued the following other work products:

Report Name	Report Release Date	Report No.
Annual Report: Status of Audit Recommendations Not Fully Implemented as of June 30, 2021	December 2021	2154S
Colorado Education and Cultural Facilities Authority Memo, Calendar Year 2021	February 2022	2251S
Fiscal Health Analysis of Colorado School Districts, Fiscal Years 2018-2020	September 2021	2153S
Higher Education TABOR Enterprise Status Memo, Fiscal Year 2021	October 2021	2157S

Local Government Audit Division

The OSA's Local Government Audit Division (Division) tracks Colorado's local governments for compliance with the Local Government Audit Law [Section 29-1-601, et seq., C.R.S.], which requires every local government in the state to undergo an annual financial audit conducted by an independent certified public accountant and submit it to the State Auditor for review. Local governments with revenues or expenditures that are not more than \$750,000 for the fiscal year may apply to the State Auditor for an exemption from audit.

The Division examines annual financial audits submitted by local governments to determine compliance with governmental accounting standards and other statutory requirements. The Division also reviews and approves Exemption from Audit applications and provides technical assistance to local governments and their independent auditors. In Fiscal Year 2022, we completed reviews of 3,732 local government audit and exemption filings.

One of the Division's award-winning work products is the annual *Fiscal Health Analysis of Colorado School Districts*. This report provides a set of financial indicators for each school district that can warn district officials and the Colorado Department of Education about financial stress that may require further examination and remedial action.

The OSA provides a similar fiscal health analysis tool on its website for use by Colorado counties and municipalities. We use this fiscal analysis tool internally when reviewing the independent financial audit reports that Colorado counties and municipalities submit to the OSA.

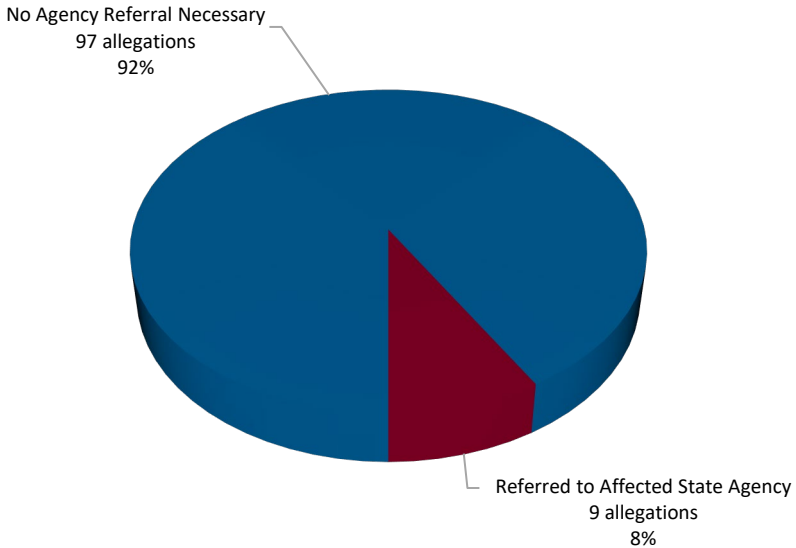
Fraud Hotline

The purpose of the OSA’s Fraud Hotline is to receive reports about occupational fraud, which is a situation in which a state employee or contracted individual may be using their position or access as an employee or contractor to commit fraud against the State or others.

Statute requires the OSA to determine whether allegations reported to the Hotline constitute possible occupational fraud against the State. When applicable, we refer occupational fraud allegations to the affected state agencies for further investigation [see Section 2-3-110.5, C.R.S.]. Under certain circumstances, the State Auditor has statutory authority to investigate allegations reported to the Hotline.

Hotline Reports

During Fiscal Year 2022, the OSA’s Fraud Hotline received a total of 106 reported allegations, which was an 11 percent decrease over the prior year. We handled the 106 reported allegations as follows:



We did not refer the majority of reported allegations to an affected state agency because the allegations did not fall within the Hotline's jurisdiction (e.g., they did not constitute an allegation of occupational fraud or involved a local government).

Agency Referrals

Of the nine occupational fraud allegations that we referred to affected state agencies during Fiscal Year 2022, one allegation was found to be not substantiated. The remaining eight occupational fraud allegations were still undergoing agency investigation as of June 30, 2022.

Legislation

Issues raised in our audits and evaluations often prompt members of the General Assembly to seek statutory change. Legislation can originate as a bill sponsored by the Legislative Audit Committee or another committee, or as a bill sponsored by individual legislators.

During the 2022 Legislative Session, 17 bills were enacted into law related to issues raised in the OSA’s audits and evaluations or the OSA’s audit authority and statutory responsibilities. Two of these bills were sponsored by the Legislative Audit Committee.

Bill and Bill Title	Related Audit, Work Product, or Authority/Requirement
Bills Related to Issues Raised in the OSA’s Audits and Evaluations	
*Denotes bill sponsored by the Legislative Audit Committee.	
House Bill 22-1022* Modify Administration of Colorado State Fair	Colorado State Fair Authority, Performance Audit, October 2019, Department of Agriculture
Senate Bill 22-027* Prescription Drug Monitoring Program	Colorado Prescription Drug Monitoring Program, Performance Audit, March 2021, Department of Regulatory Agencies
House Bill 22-1374 Foster Care Success Act	Foster Care Education Initiative, Performance Audit, February 2022, Department of Education
House Bill 22-1337 State Personnel Director’s Compensation Report	Evaluation of the Department of Personnel & Administration’s Annual Compensation Survey, Performance Evaluation, June 2021, Department of Personnel & Administration
House Bill 22-1391 Modifications to Severance Tax	Severance Taxes, Performance Audit, January 2020, Department of Natural Resources and Department of Revenue

Bill and Bill Title	Related Audit, Work Product, or Authority/Requirement
Bills Related to the OSA's Audit Authority and Statutory Responsibilities	
House Bill 22-1361 Oil and Gas Reporting	Colorado Oil and Gas Conservation Commission, Oil and Gas Production Reporting, Performance Audit, August 2021, Department of Natural Resources Requires the State Auditor to conduct another performance audit by May 1, 2026 on oil and gas operations, reporting, and revenue.
Senate Bill 22-180 Programs to Reduce Ozone Through Increased Transit	Adds to the scope of the OSA's next required performance audit of the Regional Transportation District.
Senate Bill 22-145 Resources to Increase Community Safety	Provides the State Auditor authority to audit law enforcement agencies that receive grants to improve community safety and law enforcement.
Bills Related to the OSA's Tax Expenditure Evaluations	
House Bill 22-1017 Increase Alcohol Beverage Excise Tax Exemption	Excise Tax Exemption for Alcoholic Beverages Originating Outside the U.S. (April 2020)
House Bill 22-1024 Sales and Use Tax Exemption Municipal School Construction	Construction and Building Materials Exemption (January 2021)
House Bill 22-1026 Alternative Transportation Options Tax Credit	Mass Transit Ridesharing Expenses Deduction (January 2021)
House Bill 22-1083 Colorado Homeless Contribution Income Tax Credit	Enterprise Zone Contribution Credit (July 2021)
House Bill 22-1149 Advanced Industry Investment Tax Credit	Advanced Industry Investment Credit (July 2021)
House Bill 22-1392 Contaminated Land Income Tax & Property Tax Credit	Contaminated Land Redevelopment Credit (January 2022)
House Bill 22-1051 Mod Affordable Housing Tax Credit	Affordable Housing Tax Credit (April 2022)

Bill and Bill Title	Related Audit, Work Product, or Authority/Requirement
House Bill 22-1005 Health-care Preceptors Tax Credit	Rural & Frontier Healthcare Preceptor Credit (January 2019)
House Bill 22-1025 Repeal of Infrequently Used Tax Expenditures	<p>Repealed nine tax expenditures that the OSA's tax expenditure reviews found were infrequently used or obsolete:</p> <ul style="list-style-type: none"> • Unauthorized Insurance Premium Tax Expenditures (January 2020) • Colorado Alternative Minimum Tax Credit (July 2021) • New Plastic Recycling Technology Investment Tax Credit (April 2021) • Hunger Relief Income Tax Credit & Crop and Livestock Contribution Corporate Income Tax Credit (September 2018) • Previously Taxed Income Deduction for Individuals, Estates, and Trusts (April 2021) • Old and New Investment Tax Credits (September 2020) • Old and New Investment Tax Credits (September 2020) • Complimentary Marketing Property to Out-of-State Vendees Exemptions (July 2020) • State-Employed Chaplains Housing Allowance (July 2020)

About the State Auditor

Kerri L. Hunter was appointed unanimously by the General Assembly to the position of State Auditor in May 2021 for a 5-year term starting July 1, 2021. As Colorado's State Auditor, Kerri leads the OSA and its staff of approximately 80 professionals and \$12.6 million annual budget. With more than 25 years of governmental auditing experience at the OSA, Kerri has dedicated her career to promoting government accountability and seeking positive change in government for the people of Colorado. She possesses in-depth knowledge of Colorado's state and local governments and is highly regarded as a subject matter expert in internal control, the federal Single Audit Act, and auditing standards.

Prior to her appointment as State Auditor, Kerri served as the OSA's Deputy State Auditor for Financial Audits, responsible for overseeing various financial and performance audits, including the State's annual statewide financial and compliance audit, as well as the OSA's Local Government Audit Division, quality assurance program, and accounting, budgeting, contracting, and financial reporting functions.

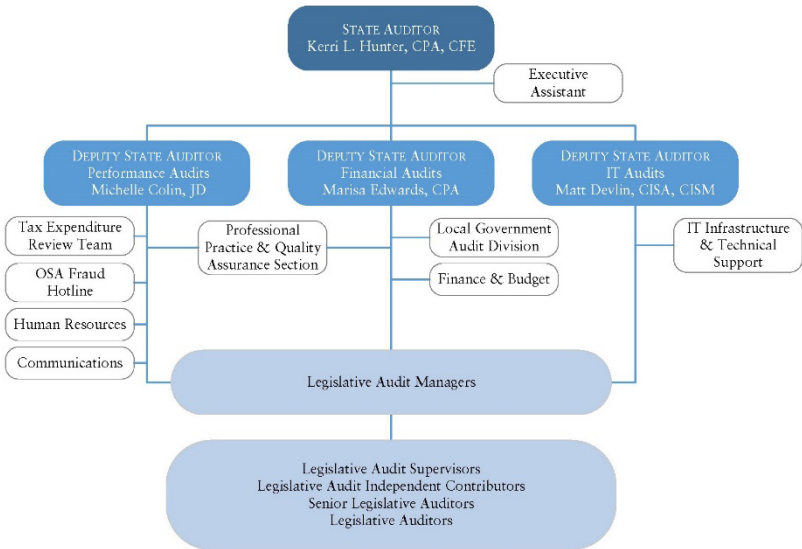
Kerri participates in professional organizations, including the American Institute of Certified Public Accountants, the Colorado Society of Certified Public Accountants, the National State Auditors Association, the Association of Certified Fraud Examiners, and State Employees Leading Colorado. Kerri serves as a Board member and Audit Committee Chair for the Colorado Housing and Finance Authority. Kerri is a 2021 recipient of the Pro15 Northeast Colorado's 2021 Alumni of the Plains Award for professional excellence. In 2016, Kerri was named by the Colorado Society of Certified Public Accountants and the American Institute of Certified Public Accountants as one of three "Women to Watch" in the Emerging Leader category. In 2008, she was awarded the Rotary Foundation Paul Harris Award for exceptional service. As one of Colorado's select Boettcher Foundation Scholars, Kerri earned a degree in Accounting with honors from the University of Denver. Kerri is a Certified Public Accountant licensed to practice in Colorado and a Certified Fraud Examiner. A fifth-generation Coloradan, Kerri grew up on Colorado's eastern plains.

OSA Employees

Our employees are dedicated public servants. Collectively, we possess 467 years of auditing experience. Forty-two percent of our auditors hold a graduate degree (e.g., Master’s degree, Juris Doctorate), and 34 percent hold a professional license or certification, including:

- Certified Public Accountant
- Certified Fraud Examiner
- Certified Government Auditing Professional
- Certified Government Finance Officer
- Certified Information Systems Auditor
- Certified Information Security Manager
- Certified Internal Auditor
- Colorado Bar Association (Licensed Attorney)

OSA Organizational Structure



Audit Industry Leadership

The OSA and its employees continue to be active participants in the government auditing and accountability community.

Peer Organizations

We participate in national and regional organizations that provide opportunities to share best practices, exchange ideas, and better understand the unique and changing demands facing state audit organizations:

- The National State Auditors Association (NSAA) is an organization specifically dedicated to state audit organizations. Members of our senior management team and audit managers serve on several NSAA standing committees and workgroups. Some of our audit managers also participate on or lead teams assigned to conduct external quality control peer reviews of other state audit organizations through the NSAA's External Peer Review Program.
- The National Legislative Program Evaluation Society (NLPES) is a professional staff association of the National Conference of State Legislatures that is dedicated to strengthening state legislatures through the performance auditing and program evaluation function and supporting the legislative staff who perform this work. We attend professional development conferences and participate on external peer review teams. One of our audit managers served on the NLPES Executive Committee for 10 years.
- The Mountain and Plains Intergovernmental Audit Forum (MPIAF) is one of 10 regional audit forums sponsored by the U.S. Government Accountability Office that connect and support government auditors at the federal, state, and local levels. The OSA's Deputy State Auditor for Performance Audits serves on the MPIAF Executive Committee.

External Presentations

We routinely speak at professional conferences, training events, and with higher education classrooms about our work and role in state government. During Fiscal Year 2022, we gave presentations for the following organizations:

- Colorado Government Finance Officers Association
- Colorado Society of Certified Public Accountants
- Eide Bailly, LLP
- National Conference of State Legislatures
- National State Auditors Association
- Pew Charitable Trusts
- University of Denver

Professional Associations

We are active members in the following professional associations:

- American Institute of Certified Public Accountants
- Association of Certified Fraud Examiners
- Colorado Government Finance Officers Association
- Colorado Society of Certified Public Accountants
- Information Systems Audit and Control Association
- Institute of Internal Auditors
- State Employees Leading Colorado

Community Service

We give back to the local community. In Fiscal Year 2022, OSA employees personally donated \$4,000 through the annual Colorado Combined Campaign, which is a charitable donation program coordinated across all departments of state government.

We also participated in volunteer events through the OSA's Community Service Program to benefit the following organizations:

- University of Colorado, President's Leadership Class
- Vitalant Blood Donation Center



OFFICE OF THE STATE AUDITOR

C O L O R A D O

Working to improve government for the people of Colorado.

State Services Building
1525 Sherman Street, 7th Floor
Denver, CO 80203



303.869.2800



osa.ga@state.co.us



www.colorado.gov/auditor



@CoStateAuditor



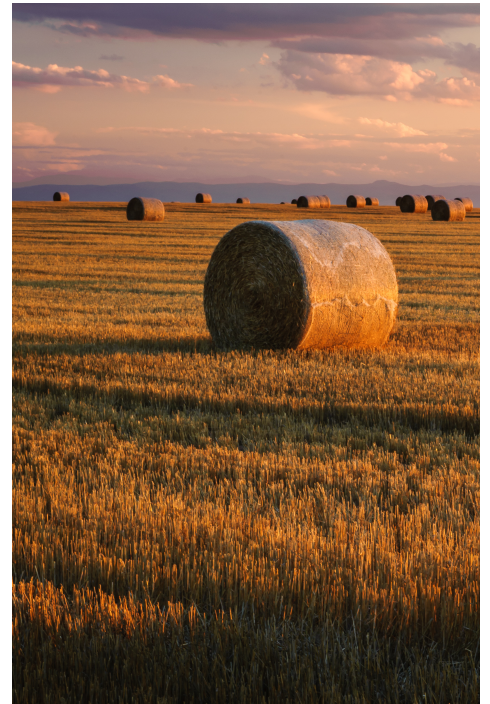
www.linkedin.com/company/colorado-state-auditor



State of Colorado

Annual Report: Status of Audit Recommendations Not Fully Implemented as of June 30, 2022

Informational Report
November 2022
2252S



LEGISLATIVE AUDIT COMMITTEE

Senator Jim Smallwood Chair	Senator Robert Rodriguez Vice Chair
Representative Rod Bockenfeld Senator Jeff Bridges Representative Colin Larson	Representative Dafna Michaelson Jenet Representative Dylan Roberts Senator Rob Woodward

OFFICE OF THE STATE AUDITOR

State Auditor	Kerri L. Hunter
Deputy State Auditors	Michelle Colin Marisa Edwards
Audit Manager	Jenny Page
Auditors	Zachary Robertson Kate Shiroff Emma Webster
Other Contributor	Alexis Ortega



OFFICE OF THE STATE AUDITOR

C O L O R A D O

Working to improve government for the people of Colorado.

Report Highlights

Annual Report: Status of Audit Recommendations Not Fully Implemented as of June 30, 2022

State of Colorado • Informational Report • November 2022 • 2252S



OFFICE OF THE STATE AUDITOR

C O L O R A D O

Conclusion

Over the 5-year period, July 2016 through June 2021, the Office of the State Auditor (OSA) made 1,523 audit recommendations to state agencies and other audited organizations (auditees). Auditees generally agreed with our recommendations and usually implemented them by the original implementation date set by auditees. However, as of June 30, 2022, auditees had not fully implemented 102 of the recommendations that they agreed to (7 percent), and about one-half of those recommendations are considered high priority due to their seriousness, or because they have been unimplemented for 3 years or more.

Key Facts

- For Fiscal Years 2017 through 2021 (July 2016 to June 2021), the OSA made a total of 1,523 recommendations to auditees through financial audits, performance audits, and information technology (IT) audits.
- Auditees agreed to implement 98 percent of all audit recommendations made by the OSA.
- Overall, as of June 30, 2022, auditees had implemented 93 percent of the audit recommendations that they agreed to implement.
- The percentage of unimplemented audit recommendations has decreased by 2 percent since June 30, 2021.
- Of the 102 unimplemented audit recommendations, the OSA has classified 46 of them (45 percent) as high priority due to the seriousness of the problems identified, and/or because they have been unimplemented for 3 years or more.

Background

- The OSA is an independent, nonpartisan Legislative Branch agency, with the mission to improve government for the people of Colorado.
- The OSA tracks the implementation status of all recommendations that it makes through its audits of state agencies, public universities and colleges, and other political subdivisions and organizations, as required by statute.
- The purpose of this report is to provide transparency to policy makers, the public, and others responsible for holding state agencies and other audited organizations accountable for the audit recommendations that they have agreed to implement.
- The OSA determines the implementation status of financial and IT-related financial audit recommendations based on follow-up audits, and determines the implementation status of recommendations from performance or IT performance audits based on self-reported data from auditees, and on OSA follow-up audit work for select audits.



Annual Report

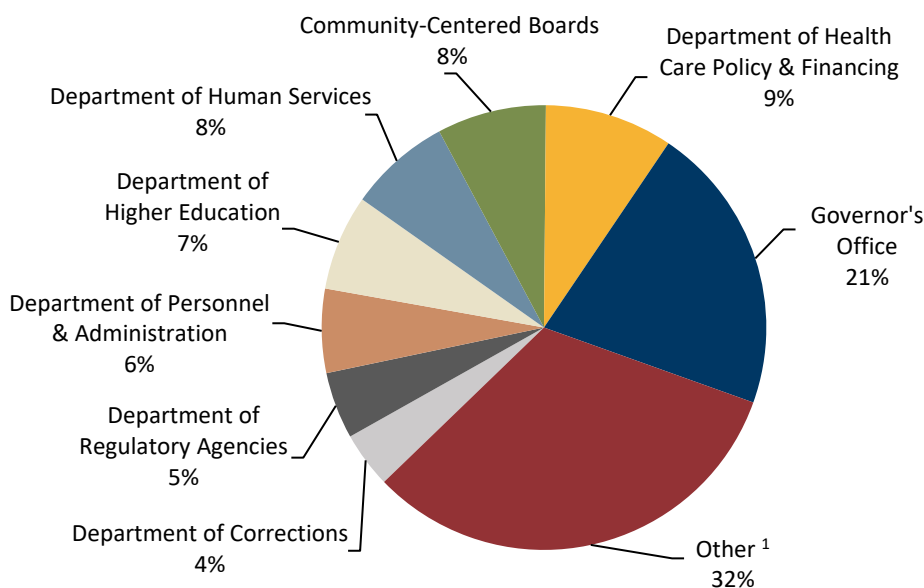
Status of Audit Recommendations Not Fully Implemented

The Office of the State Auditor (OSA) annually reports on the implementation status of recommendations from audit reports released by the Legislative Audit Committee over the past 5 fiscal years. Enclosed is a summary of the status of all recommendations made by the OSA for Fiscal Years 2017 through 2021, that were not fully implemented by state agencies and other audited organizations (auditees) as of June 30, 2022. This report is part of an initiative to hold state agencies and other audited organizations accountable for implementing the audit recommendations that they have agreed to implement, and to provide better, more transparent information to the public and policy makers [Section 2-3-103(9.5), C.R.S.].

Summary Information

From July 2016 through June 2021, the OSA made 1,523 audit recommendations to auditees. The OSA tracks a recommendation with multiple subparts as multiple recommendations. For example, a recommendation with subparts “A” through “C” is tracked as three recommendations. Additionally, if a recommendation is made to two auditees, it is tracked as two separate recommendations. Exhibit 1 shows the percentage of total recommendations made to auditees, broken out by auditee, during the 5-year period.

Exhibit 1 OSA Audit Recommendations by Auditee July 2016–June 2021



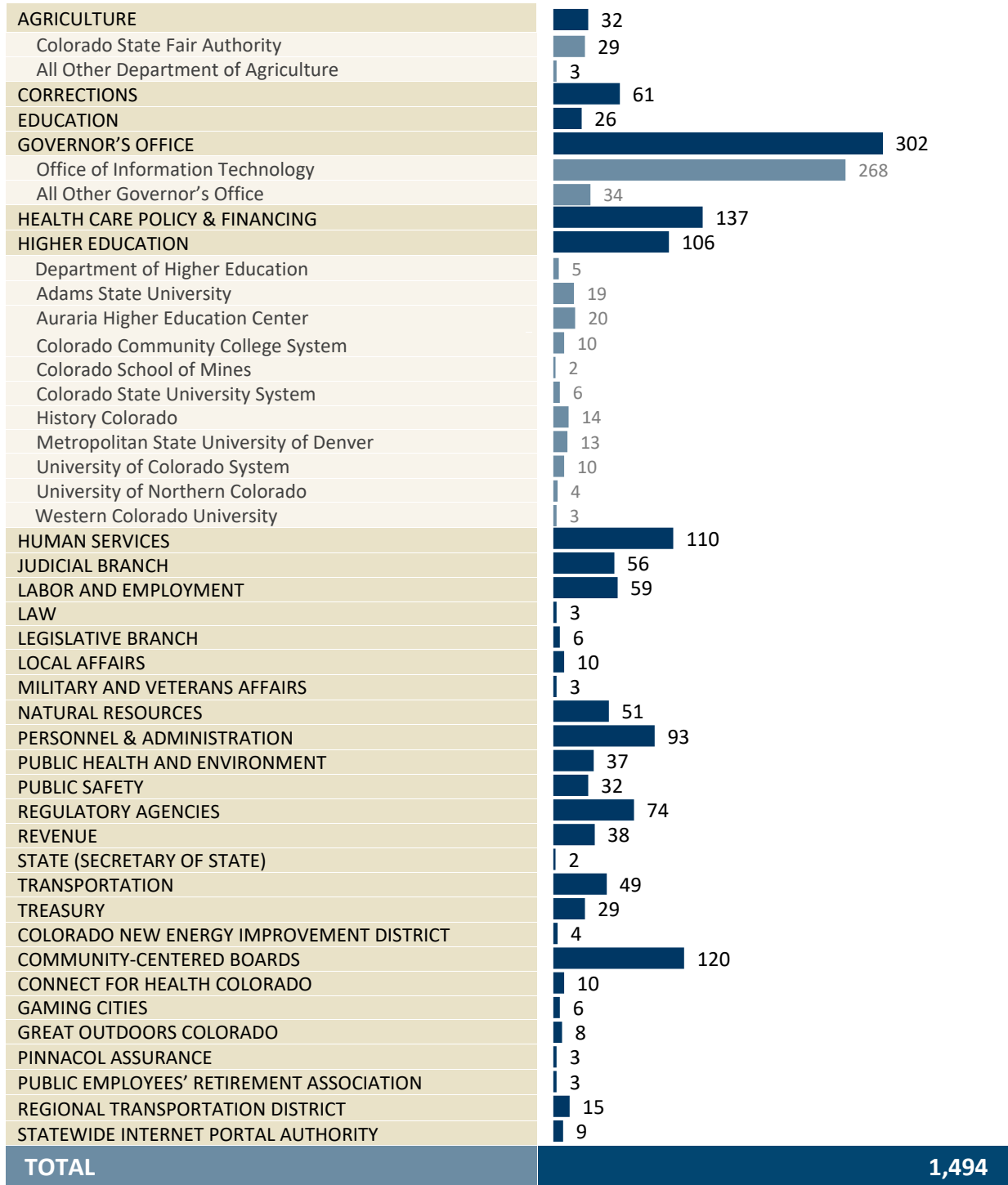
Source: Office of the State Auditor's audit recommendation database.
¹ "Other" includes auditees that received less than 4 percent of the total audit recommendations in the 5 years. These are the Departments of Agriculture, Education, Labor and Employment, Law, Local Affairs, Military and Veterans Affairs, Natural Resources, Public Health and Environment, Public Safety, Revenue, State, Transportation, and Treasury, as well as the Judicial Branch, Legislative Branch, Colorado New Energy Improvement District, Connect for Health Colorado, Gaming Cities, Great Outdoors Colorado, Public Employees' Retirement Association, Pinnacle Assurance, Regional Transportation District, and Statewide Internet Portal Authority.

Overview of Audit Responses

At the completion of each audit, the OSA asks the auditee to provide a written response to each audit recommendation. The auditee's response specifies whether it agrees, partially agrees, or disagrees with the recommendation, and describes how and when it intends to implement the recommendation. If an auditee disagrees or partially agrees with a recommendation, it must provide an explanation of its disagreement. Full auditee responses are included in the original audit reports.

During the 5-year period, July 2016 through June 2021, auditees agreed or partially agreed to implement 1,494 of the audit recommendations (98 percent), which are summarized in Exhibit 2.

Exhibit 2
Number of Audit Recommendations that Auditees¹ Agreed to Implement
July 2016–June 2021



Source: Office of the State Auditor's audit recommendation database.

¹ Auditees that are not listed in the exhibit did not have any audit recommendations during the 5-year period.

Types of Audit Recommendations

This report includes the implementation status of all unimplemented audit recommendations that auditees have agreed or partially agreed to implement. Specifically, this report provides information on the following types of audit recommendations:

- **Financial and Financial-Related Information Technology (IT) Recommendations** that appeared in at least one financial audit report covering Fiscal Years 2017 through 2021 (July 2016 through June 2021), and that auditees agreed to, but had not fully implemented as of June 30, 2022. The OSA determines the implementation status for financial and financial-related IT audit recommendations by conducting follow-up audit work.

In accordance with auditing standards, the OSA classifies recommendations from financial audits based on the severity of the internal control deficiency identified by the audit. In financial audits, the deficiency levels are defined as follows:

- **Material Weakness** is the most serious level of internal control weakness, such that there is a reasonable possibility of a material misstatement to the entity's financial statements or of material noncompliance with a federal program requirement that will not be prevented, or detected and corrected, in a timely manner.
 - **Significant Deficiency** is less severe than a "material weakness," but is still a high-level internal control weakness and warrants attention by those charged with governance.
 - **Deficiency in Internal Controls** is the least serious level of internal control weakness and exists when the design or operation of a control does not allow management or employees to prevent, or detect and correct, misstatements or federal program noncompliance, in a timely manner.
 - **Not Classified/Not an Internal Control Issue** is the classification for financial and financial-related IT audit recommendations that are not classified in one of the above three categories because they do not relate to a deficiency in internal controls.
- **Performance and IT Performance Recommendations** made during Fiscal Years 2017 through 2021 (July 2016 through June 2021), which includes cash funds-related recommendations, and that auditees agreed to, but had not fully implemented as of June 30, 2022. The OSA determines the implementation status for performance and IT performance audit recommendations by reviewing self-reported information from the respective auditees and conducting follow-up audit work as needed.

Summary of Audit Recommendations Not Fully Implemented

Overall, as of June 30, 2022, auditees had implemented 93 percent of the recommendations with which they originally agreed or partially agreed, which means they had not fully implemented 7 percent of the recommendations from July 2016 through June 2021. Recommendations reported as unimplemented include those for which auditees have not yet reached their original implementation date, as well as those for which auditees did not meet their original implementation date and have provided a new date.

Exhibit 3 compares the number of audit recommendations that were not fully implemented for each auditee as of June 30, 2021, as reported in our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, to those recommendations that were not fully implemented for each auditee as of June 30, 2022.

Exhibit 3
Number of Audit Recommendations that Auditees¹ Agreed to Implement, and Were Not Fully Implemented, as of June 30, 2021 and June 30, 2022

	2021			2022		
	Financial/IT Recs	Performance/IT Recs	Total	Financial/IT Recs	Performance/IT Recs	Total
AGRICULTURE		3	3		0	0
Colorado State Fair Authority		3	3		0	0
CORRECTIONS		4	4		4	4
EDUCATION		6	6		0	0
GOVERNOR'S OFFICE	14	55	69	12	23	35
Office of Information Technology	14	54	68	12	23	35
HEALTH CARE POLICY & FINANCING	15	0	15	9	1	10
HIGHER EDUCATION	1		1	2	0	2
Department of Higher Education	0		0	1		1
Adams State University	0		0	1		1
University of Colorado	1		1	0		0
HUMAN SERVICES	4		4	2		2
JUDICIAL		0	0		2	2
LABOR AND EMPLOYMENT	8	0	8	17	1	18
LOCAL AFFAIRS	0		0	1		1
PERSONNEL & ADMINISTRATION	6	1	7	4	5	9
PUBLIC HEALTH AND ENVIRONMENT		5	5		3	3
PUBLIC SAFETY		1	1		0	0
REGULATORY AGENCIES		5	5		3	3
REVENUE		0	0		1	1
TRANSPORTATION	0	1	1	2	0	2
TREASURY	2		2	1		1
COLORADO NEW ENERGY IMPROVEMENT DISTRICT		1	1		1	1
REGIONAL TRANSPORTATION DISTRICT		0	0		8	8
TOTAL	50	82	132	50	52	102

Source: Office of the State Auditor's audit recommendation database.

¹ Auditees that are not listed in the exhibit have no unimplemented audit recommendations in 2022, and had none in 2021.

High Priority Recommendations Not Fully Implemented

Of the 102 recommendations that were not fully implemented as of June 30, 2022, 46 (45 percent) are considered high priority due to the seriousness of the problems identified and/or the length of time that they have not been fully implemented since the date of the respective audit report. The high priority audit recommendations are defined in this report as follows:

High Priority Financial and Financial-Related IT Audit Recommendations Not Fully Implemented	High Priority Performance and IT Performance Audit Recommendations Not Fully Implemented
The OSA considers a financial or financial-related IT audit recommendation to be high priority if it has not been fully implemented, it is past its original implementation date, and it is (1) a “material weakness” or (2) a “significant deficiency” that has not been fully implemented for 3 years or more.	The OSA considers a performance or IT performance audit recommendation high priority if it has not been fully implemented, and is from a report that was released 3 years ago or more.

Exhibit 4 compares the total number of audit recommendations that were not fully implemented and are considered high priority, by auditee, as of June 30, 2021, and June 30, 2022, respectively.

Exhibit 4 Comparison of High Priority Audit Recommendations Not Fully Implemented as of June 30, 2021, and June 30, 2022

Auditee	Total Recs July 2016–June 2021	High Priority Recs as of June 30, 2021	High Priority Recs as of June 30, 2022
Corrections	61	4	4
Governor’s Office	302	23	17
Health Care Policy & Financing	137	10	5
Higher Education - Adams State University	19	0	1
Labor and Employment	59	8	13
Personnel & Administration	93	6	4
Treasury	29	2	1
Colorado New Energy Improvement District	4	0	1
TOTAL		53	46

Source: Office of the State Auditor’s audit recommendation database.

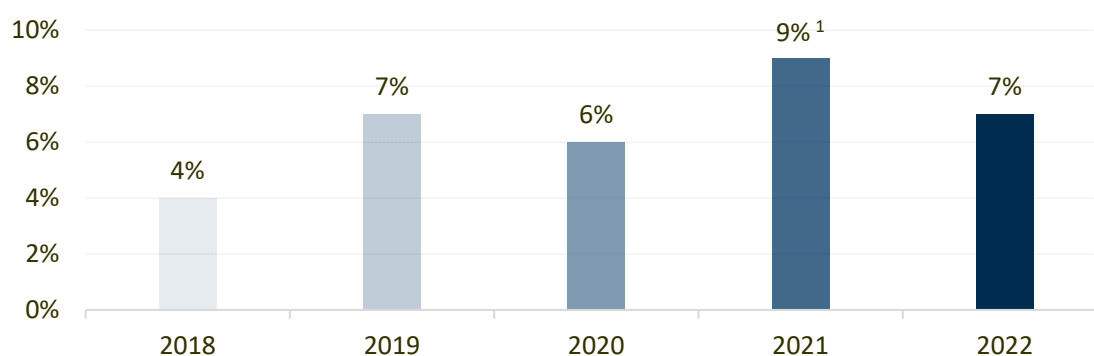
The appendices of this report provide additional information on the recommendations that are not fully implemented and are considered high priority as of June 30, 2022. Throughout this report, the recommendations that are considered high priority are highlighted in orange.

Overall Conclusions

When considering the number of recommendations that the OSA made to auditees over the 5-year period, the summary information in this report shows that auditees generally agree with the OSA’s recommendations and usually implement them by the original implementation date. Additionally, the percentage of recommendations that has not been fully implemented by auditees has decreased in 2022 compared to 2021, as shown in Exhibit 5.

Exhibit 5

Percentage of Audit Recommendations Not Fully Implemented by Auditees Fiscal Years 2018 through 2022



Source: Office of the State Auditor’s audit recommendation database.

¹ In 2021, the percentage of recommendations not fully implemented by auditees increased compared to prior years primarily because the Governor’s Office of Information Technology had more unimplemented recommendations in 2021.

Possible Next Steps for Legislators

This report provides the General Assembly with information on the recommendations that have not been fully implemented, including those that are considered high priority, so that policy makers have additional oversight information available to hold state agencies and other audited organizations accountable. In prior years, legislators have used this report to inquire of audited agencies/ organizations regarding their unimplemented audit recommendations, during Committee of Reference hearings and otherwise. For example, legislators have inquired about the following:

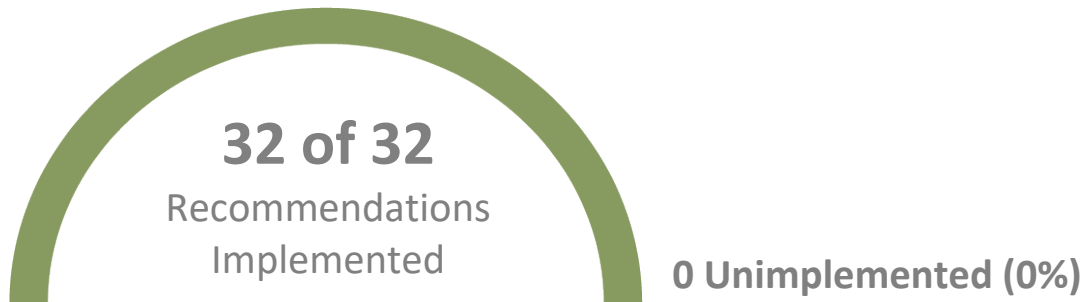
- Agencies’/organizations’ specific plans for implementing the high priority recommendations.
- The reasons implementation of recommendations has been delayed by agencies/organizations (i.e., in the appendices, the recommendations with months in the “Delay” column of tables).
- Agency’s/organization’s plans for implementing the unimplemented recommendations for which the agency/organization provided new implementation dates.



Appendices



Department of Agriculture

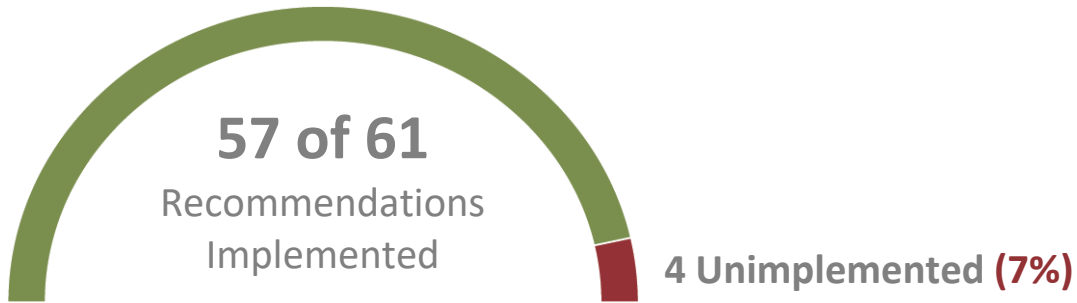


From July 1, 2016 through June 30, 2021, the Department of Agriculture (Department) agreed to implement 32 audit recommendations—1 was from a financial audit and 31 were from performance audits. As of June 30, 2022, the OSA’s follow-up audit process and review of status updates from the Department have determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had 3 out of 49 audit recommendations that were not fully implemented.



Department of Corrections



From July 1, 2016 through June 30, 2021, the Department of Corrections (Department) agreed or partially agreed to implement 61 audit recommendations—28 were from financial audits and 33 were from performance audits. As of June 30, 2022, the OSA’s follow-up audit process and review of status updates from the Department have determined that a total of 4 of the 61 recommendations are not fully implemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had 4 out of 65 audit recommendations that were not fully implemented.

Exhibit 6 summarizes the 4 audit recommendations that are not fully implemented as of June 30, 2022. These recommendations are considered high priority and highlighted in orange.

Exhibit 6
Department of Corrections
Audit Recommendations Not Fully Implemented as of June 30, 2022

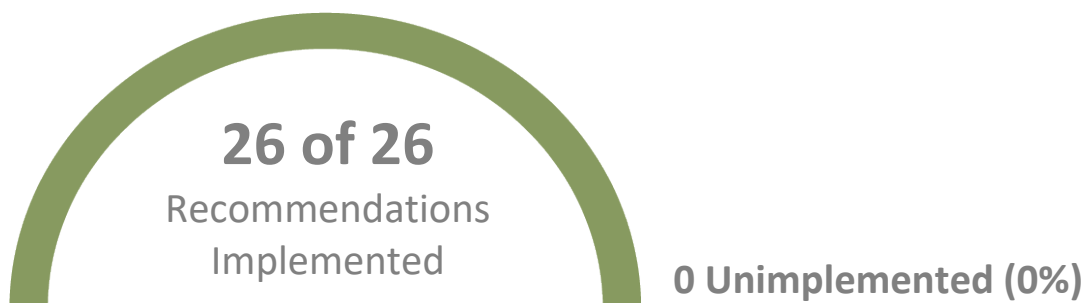
Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
Behavioral Health Programs, Performance Audit, November 2016	1A	2017	Mental Health Assessments	Partially Implemented	3/31/2017	6/30/2023	75	-
	9B	2017	Sex Offender Treatment Program	Partially Implemented	12/31/2018	6/30/2023	54	-
	11B	2017	IT Controls	Partially Implemented	12/31/2017	6/30/2023	66	-
	11C	2017	Oversight of Sex Offender & Mental Health Treatment Programs	Partially Implemented	12/31/2018	6/30/2023	54	-

Source: Office of the State Auditor’s audit recommendation database.

¹ Only financial audit recommendations related to internal controls are classified by deficiency level.



Department of Education

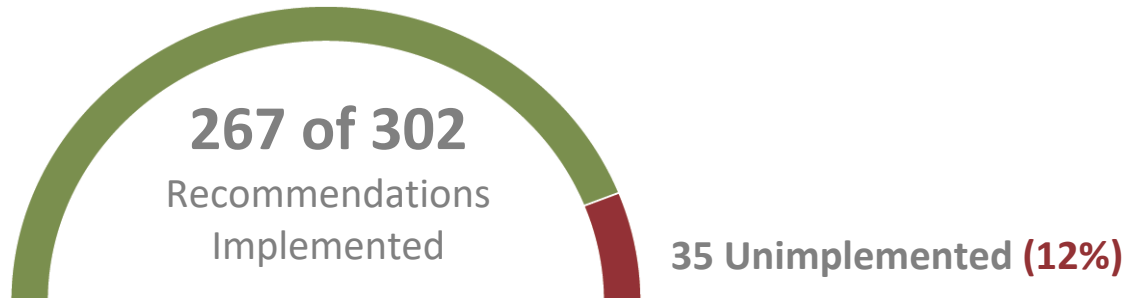


From July 1, 2016 through June 30, 2021, the Department of Education (Department) agreed to implement 26 audit recommendations—6 were from financial audits and 20 were from performance or information technology performance audits. As of June 30, 2022, the OSA’s follow-up audit process and review of status updates from the Department have determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had 6 out of 26 audit recommendations that were not fully implemented.



Governor's Office



From July 1, 2016, through June 30, 2021, the Governor's Office, including the Governor's Office of Information Technology (IT), agreed or partially agreed to implement 302 audit recommendations—106 were from financial audits, which included financial-related IT audit recommendations, and 196 were from performance or IT performance audits. As of June 30, 2022, the OSA's follow-up audit process and review of status updates from the Department have determined that a total of 35 of the 302 recommendations are not fully implemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Governor's Office had 69 out of 349 audit recommendations that were not fully implemented.

Exhibit 7 summarizes the 35 audit recommendations that are not fully implemented as of June 30, 2022. Seventeen of these recommendations are considered high priority and highlighted in orange.

Exhibit 7

Governor's Office

Audit Recommendations Not Fully Implemented as of June 30, 2022

Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
Statewide Single Financial Audit, Fiscal Year Ended June 30, 2021	2021-005A	2021	IT Security	Not Implemented	6/30/2022	7/31/2023	13	Significant Deficiency
	2021-005B	2021	IT Security	Not Implemented	6/30/2022	7/31/2023	13	Significant Deficiency
	2021-007	2014	IT Security	Not Implemented	12/31/2015	7/31/2023	91	Significant Deficiency
	2021-008A	2021	IT Security	Not Implemented	3/31/2022	8/31/2022	5	Significant Deficiency
	2021-008B	2017	IT Security	Not Implemented	1/31/2020	8/31/2022	31	Significant Deficiency

Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
	2021-008C	2017	IT Security	Not Implemented	1/31/2020	2/28/2023	37	Significant Deficiency
	2021-024A	2019	CUBS ² , CATS ³ , & CLEAR ⁴ IT Controls	Not Implemented	8/31/2020	10/31/2023	38	Material Weakness
	2021-024B	2018	CUBS ² , CATS ³ , & CLEAR ⁴ IT Controls	Not Implemented	6/30/2019	10/31/2023	52	Material Weakness
	2021-024D	2017	CUBS ² , CATS ³ , & CLEAR ⁴ IT Controls	Not Implemented	6/30/2018	8/31/2022	50	Material Weakness
	2021-024E	2012	CUBS ² , CATS ³ , & CLEAR ⁴ IT Controls	Not Implemented	12/31/2016	8/31/2022	68	Material Weakness
	2021-024F	2012	CUBS ² , CATS ³ , & CLEAR ⁴ IT Controls	Not Implemented	12/31/2016	10/31/2023	82	Material Weakness
	2021-024G	2017	CUBS ² , CATS ³ , & CLEAR ⁴ IT Controls	Not Implemented	6/30/2018	7/31/2022	49	Material Weakness
Evaluation of IT Security at Department of Transportation, IT Performance Audit, Confidential Report, February 2020	3B	2020	IT Security	Not Implemented	4/30/2020	6/30/2023	38	-
	4A	2020	IT Security	Partially Implemented	9/30/2020	8/31/2023	35	-
	4Bi	2020	IT Security	Partially Implemented	5/31/2020	8/31/2023	39	-
	4Bii	2020	IT Security	Partially Implemented	5/31/2020	8/31/2023	39	-
	4C	2020	IT Security	Partially Implemented	5/31/2020	8/31/2023	39	-
	4D	2020	IT Security	Partially Implemented	5/31/2020	8/31/2023	39	-
	5C	2020	IT Change Management	Partially Implemented	2/29/2020	8/31/2023	42	-
	5D	2020	IT Change Management	Partially Implemented	12/31/2020	12/31/2022	24	-
	8B	2020	IT Security	Partially Implemented	6/30/2020	8/31/2023	38	-
	10A	2020	IT Security	Partially Implemented	None Provided ⁵	9/30/2023	43	-
	10B	2020	IT Security	Partially Implemented	None Provided ⁵	12/31/2023	46	-
	10C	2020	IT Security	Partially Implemented	10/31/2020	10/31/2023	36	-
	11D	2020	IT Security	Partially Implemented	12/31/2020	2/28/2023	26	-
	11E	2020	IT Security	Not Implemented	12/31/2020	12/31/2022	24	-
12C	2020	IT Governance	Partially Implemented	2/28/2021	6/30/2023	28	-	

Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
Audit of 3 IT Systems at Department of Public Health and Environment, IT Performance Audit, Confidential Report, August 2017	2	2018	IT Operations	Partially Implemented	7/31/2018	8/31/2023	61	-
	4D	2018	IT Security	Partially Implemented	2/29/2020	8/31/2023	42	-
	4E	2018	IT Security	Partially Implemented	2/29/2020	8/31/2023	42	-
	10G	2018	IT Security	Partially Implemented	7/31/2018	8/31/2023	61	-
	13D	2018	IT Security	Partially Implemented	3/31/2018	8/31/2023	65	-
	16A	2018	IT Operations	Partially Implemented	7/31/2018	8/31/2023	61	-
	16B	2018	IT Operations	Partially Implemented	7/31/2018	8/31/2023	61	-
IT Vulnerability Assessment, Performance Evaluation, Public Report, November 2014	1A	2015	IT Updates	Partially Implemented	12/31/2015	9/30/2022	81	-

Source: Office of the State Auditor's audit recommendation database.

¹ Only financial audit recommendations related to internal controls are classified by deficiency level.

² CUBS is the Colorado Unemployment Benefits System.

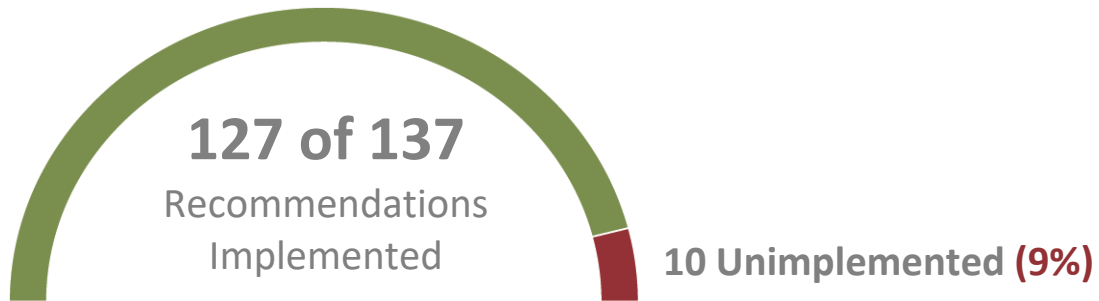
³ CATS is the Colorado Automated Tax System.

⁴ CLEAR is the Colorado Labor and Employment Applicant Resource system.

⁵ The Governor's Office did not provide an original implementation date for this recommendation when it was first made, so the February 2020 date of the audit report is used as the original implementation date to calculate the delay in months.



Department of Health Care Policy & Financing



From July 1, 2016 through June 30, 2021, the Department of Health Care Policy & Financing (Department) agreed or partially agreed to implement 137 audit recommendations—125 were from financial audits, which included financial-related information technology (IT) audit recommendations, and 12 were from performance audits. As of June 30, 2022, the OSA’s follow-up audit process and review of status updates from the Department have determined that a total of 10 of the 137 recommendations are not fully implemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had 15 out of 96 audit recommendations that were not fully implemented.

Exhibit 8 summarizes the 10 audit recommendations that are not fully implemented as of June 30, 2022. Five of these recommendations are considered high priority and highlighted in orange.

Exhibit 8
Department of Health Care Policy & Financing
Audit Recommendations Not Fully Implemented as of June 30, 2022

Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
Statewide Single Financial Audit, Fiscal Year Ended June 30, 2021	2021-046B	2021	Medicaid NEMT ² Payment Controls	Partially Implemented	4/30/2022	12/31/2022	8	Deficiency in Internal Control
	2021-047A	2017	Medicaid Eligibility Controls	Not Implemented	12/31/2018	7/31/2022	43	Material Weakness

Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
	2021-047C	2017	Medicaid Eligibility Controls	Partially Implemented	12/31/2018	12/31/2022	48	Material Weakness
	2021-049B	2019	CHIP ³ Eligibility Controls	Not Implemented	7/31/2022	7/31/2022	0	Material Weakness
	2021-049D	2017	CHIP ³ Eligibility Controls	Partially Implemented	12/31/2018	12/31/2022	48	Material Weakness
	2021-051A	2020	Medicaid Eligibility Controls	Not Implemented	7/31/2022	7/31/2022	0	Material Weakness
	2021-051B	2020	Medicaid Eligibility Controls	Not Implemented	7/31/2022	7/31/2022	0	Material Weakness
	2021-055A	2018	Medicaid Payment Controls	Partially Implemented	6/30/2018	7/31/2023	61	Material Weakness
	2021-055B	2019	Medicaid Payment Controls	Partially Implemented	7/31/2021	7/31/2023	24	Material Weakness
Medicaid Client Correspondence, Performance Audit, September 2020	2A	2021	Program Administration	Not Implemented	7/31/2021	12/31/2022	17	-

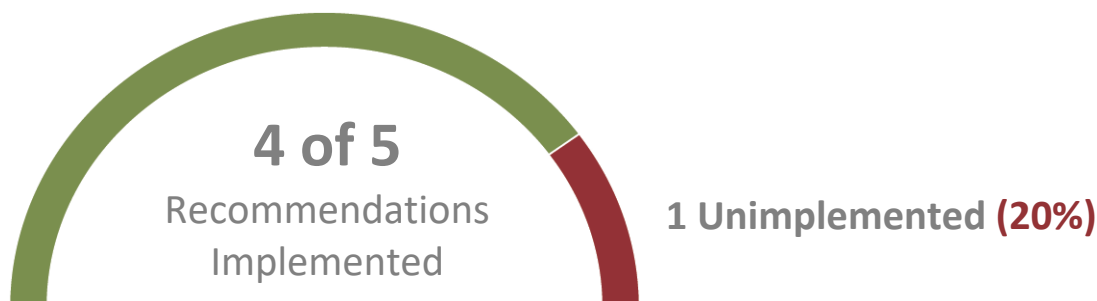
Source: Office of the State Auditor's audit recommendation database.

¹ Only financial audit recommendations related to internal controls are classified by deficiency level.

² Medicaid Non-Emergent Medical Transportation benefit.

³ Children's Health Insurance Program.

Department of Higher Education



From July 1, 2016 through June 30, 2021, the Department of Higher Education (Department) agreed to implement 5 audit recommendations— 4 were from financial audits and 1 was from a performance audit. As of June 30, 2022, the OSA’s follow-up audit process and review of status updates from the Department have determined that 1 of the 5 recommendations is not fully implemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had no unimplemented audit recommendations.

Exhibit 9 summarizes the 1 audit recommendation that is not fully implemented as of June 30, 2022. This recommendation is not considered high priority.

Exhibit 9
Department of Higher Education
Audit Recommendation Not Fully Implemented as of June 30, 2022

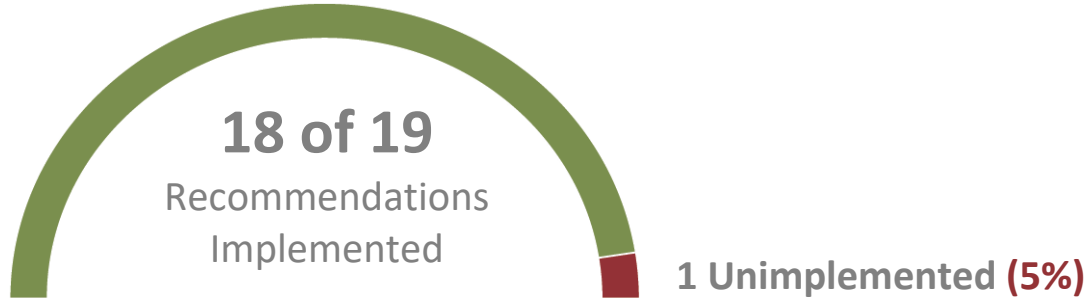
Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
Statewide Single Financial Audit, Fiscal Year Ended June 30, 2021	2021-011	2020	Subrecipient Monitoring	Not Implemented	9/30/2021	9/30/2022	12	Significant Deficiency

Source: Office of the State Auditor’s audit recommendation database.

¹ Only financial audit recommendations related to internal controls are classified by deficiency level.



Adams State University



From July 1, 2016 through June 30, 2021, Adams State University (University) agreed to implement 19 financial audit recommendations. As of June 30, 2022, the OSA’s follow-up audit process has determined that 1 of the 19 recommendations is not fully implemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the University had no unimplemented audit recommendations.

Exhibit 10 summarizes the audit recommendation that is not fully implemented as of June 30, 2022. This recommendation is considered high priority and is highlighted in orange.

Exhibit 10
Adams State University
Audit Recommendation Not Fully Implemented as of June 30, 2022

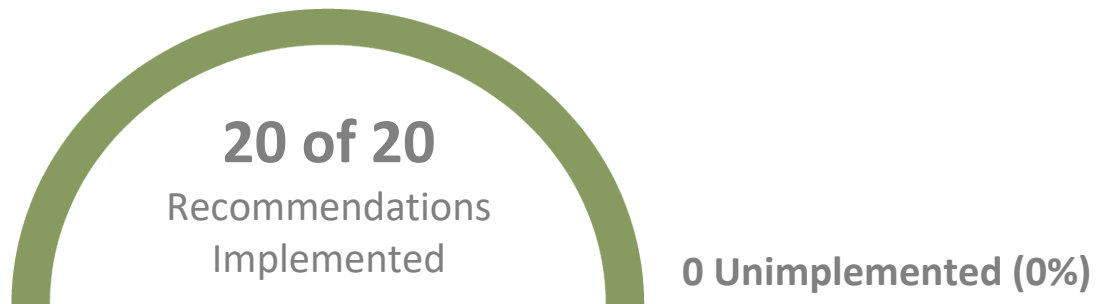
Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
Statewide Single Financial Audit, Fiscal Year Ended June 30, 2021	2021-012	2017	Financial Reporting	Partially Implemented	2/28/2018	6/30/2023	64	Material Weakness

Source: Office of the State Auditor’s audit recommendation database.

¹ Only financial audit recommendations related to internal controls are classified by deficiency level.



Auraria Higher Education Center

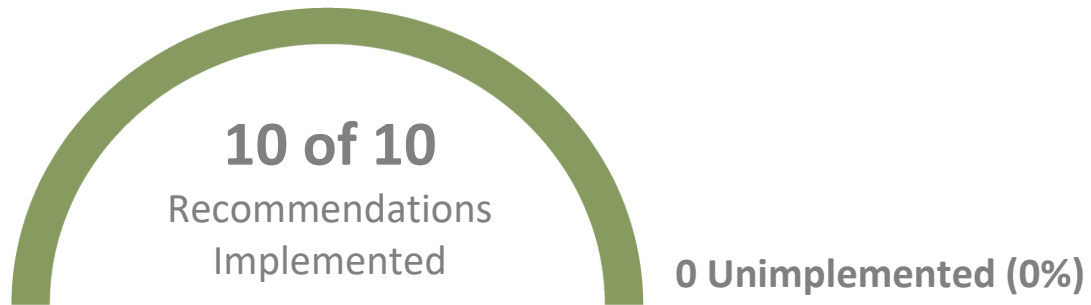


From July 1, 2016, through June 30, 2021, Auraria Higher Education Center agreed to implement 20 financial audit recommendations. As of June 30, 2022, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, Auraria Higher Education Center also had no unimplemented audit recommendations.



Colorado Community College System

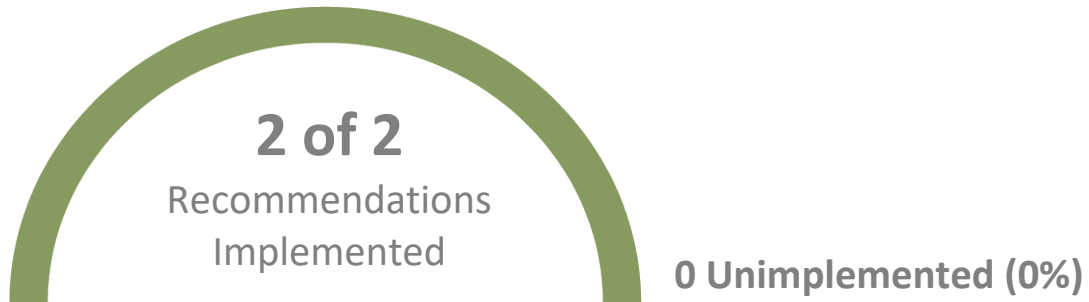


From July 1, 2016 through June 30, 2021, the Colorado Community College System (System) agreed to implement 10 financial audit recommendations. As of June 30, 2022, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the System also had no unimplemented audit recommendations.



Colorado School of Mines

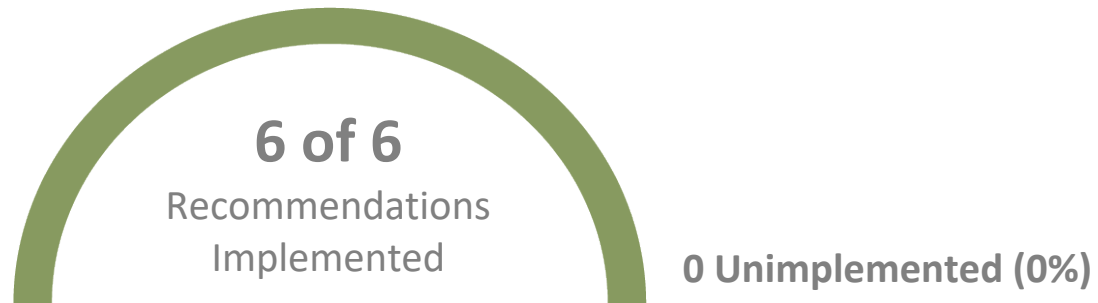


From July 1, 2016, through June 30, 2021, Colorado School of Mines agreed to implement 2 financial audit recommendations. As of June 30, 2022, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, Colorado School of Mines also had no unimplemented audit recommendations.



Colorado State University System

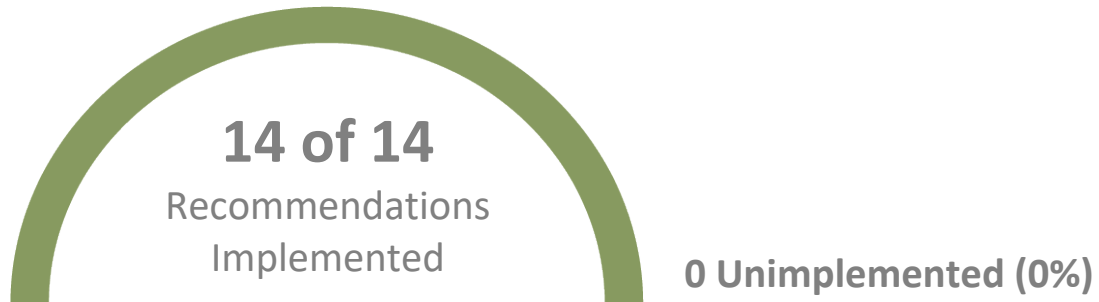


From July 1, 2016 through June 30, 2021, the Colorado State University System (System) agreed to implement 6 financial audit recommendations. As of June 30, 2022, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the System also had no unimplemented audit recommendations.



History Colorado

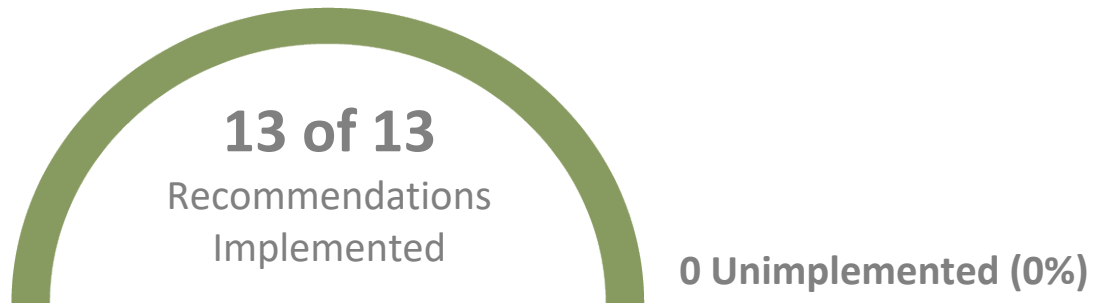


From July 1, 2016 through June 30, 2021, History Colorado agreed to implement 14 financial audit recommendations. As of June 30, 2022, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, History Colorado also had no unimplemented audit recommendations.



Metropolitan State University of Denver



From July 1, 2016 through June 30, 2021, Metropolitan State University of Denver (University) agreed to implement 13 financial audit recommendations. As of June 30, 2022, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the University also had no unimplemented audit recommendations.



University of Colorado System

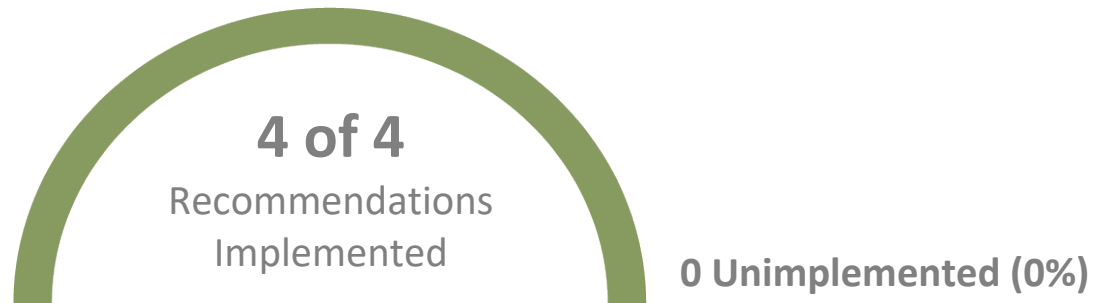


From July 1, 2016 through June 30, 2021, the University of Colorado System (System) agreed to implement 10 financial audit recommendations. As of June 30, 2022, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the System had 1 out of 12 recommendations that was not fully implemented.



University of Northern Colorado

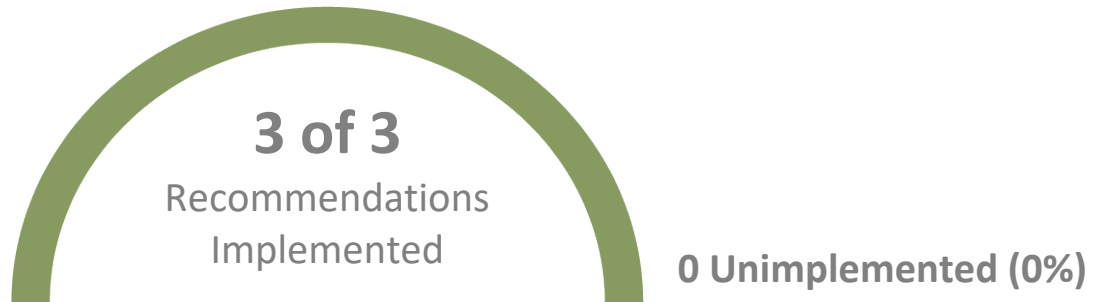


From July 1, 2016 through June 30, 2021, the University of Northern Colorado (University) agreed to implement 4 financial audit recommendations. As of June 30, 2022, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the University also had no unimplemented audit recommendations.



Western Colorado University

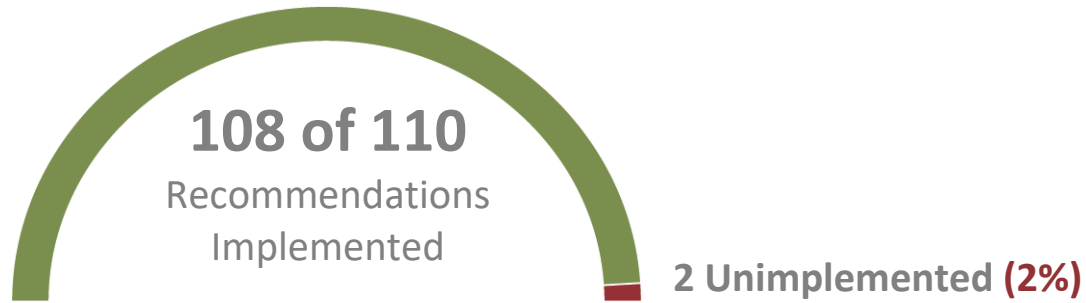


From July 1, 2016 through June 30, 2021, Western Colorado University (University) agreed to implement 3 financial audit recommendations. As of June 30, 2022, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the University also had no unimplemented audit recommendations.



Department of Human Services



From July 1, 2016 through June 30, 2021, the Department of Human Services (Department) agreed or partially agreed to implement 110 audit recommendations—59 were from financial audits and 51 were from performance audits. As of June 30, 2022, the OSA’s follow-up audit process and review of status updates from the Department have determined that a total of 2 of the 110 recommendations are not fully implemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had 4 out of 90 audit recommendations that were not fully implemented.

Exhibit 11 summarizes the 2 audit recommendations that are not fully implemented as of June 30, 2022. None of these recommendations are considered high priority.

Exhibit 11
Department of Human Services
Audit Recommendations Not Fully Implemented as of June 30, 2022

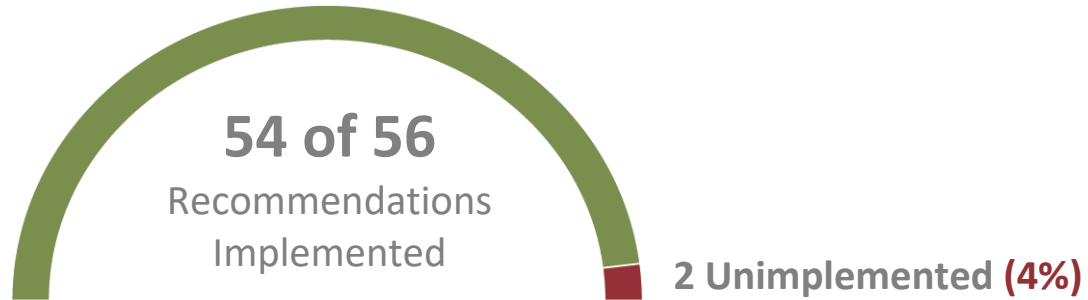
Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
Statewide Single Financial Audit, Fiscal Year Ended June 30, 2021	2021-061B	2020	Federal Award Compliance	Not Implemented	12/31/2022	12/31/2022	0	Material Weakness
	2021-061C	2020	Federal Award Compliance	Not Implemented	12/31/2022	12/31/2022	0	Material Weakness

Source: Office of the State Auditor’s audit recommendation database.

¹ Only financial audit recommendations related to internal controls are classified by deficiency level.



Judicial Branch



From July 1, 2016 through June 30, 2021, the Judicial Branch (Judicial) agreed to implement 56 audit recommendations—4 were from a financial audit and 52 were from performance audits. As of June 30, 2022, the OSA’s follow-up audit process and review of status updates from Judicial have determined that a total of 2 of the 56 recommendations are not fully implemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, Judicial had no unimplemented audit recommendations.

Exhibit 12 summarizes the 2 audit recommendations that are not fully implemented as of June 30, 2022. Neither of these recommendations is considered high priority.

Exhibit 12
Judicial Branch
Audit Recommendations Not Fully Implemented as of June 30, 2022

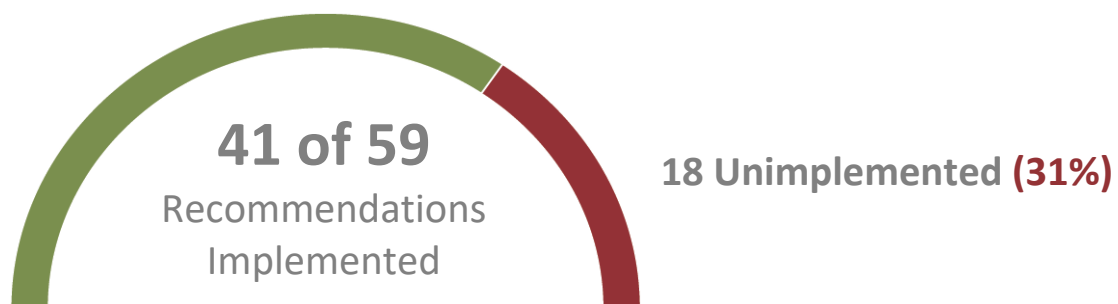
Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
State Court Administrator’s Office, Performance Audit, November 2020	3C	2021	Compliance with Personnel Laws, Regulations, & Policies	Partially Implemented	7/31/2021	12/31/2022	17	-
	6B	2021	Internal Control Monitoring & Oversight	Partially Implemented	7/31/2021	12/31/2022	17	-

Source: Office of the State Auditor’s audit recommendation database.

¹ Only financial audit recommendations related to internal controls are classified by deficiency level.



Department of Labor and Employment



From July 1, 2016 through June 30, 2021, the Department of Labor and Employment (Department) agreed or partially agreed to implement 59 audit recommendations—52 were from financial audits, which included financial-related information technology (IT) audit recommendations, and 7 were from performance audits. As of June 30, 2022, the OSA’s follow-up audit process and review of status updates from the Department have determined that a total of 18 of the 59 recommendations are not fully implemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had 8 out of 46 audit recommendations that were not fully implemented.

Exhibit 13 summarizes the 18 audit recommendations that are not fully implemented as of June 30, 2022. Thirteen of these recommendations are considered high priority and highlighted in orange.

Exhibit 13
Department of Labor and Employment
Audit Recommendations Not Fully Implemented as of June 30, 2022

Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
Statewide Single Financial Audit, Fiscal Year Ended June 30, 2021	2021-021A	2020	Financial Reporting	Partially Implemented	3/31/2022	3/31/2023	12	Material Weakness
	2021-021C	2020	Financial Reporting	Partially Implemented	3/31/2022	3/31/2023	12	Material Weakness
	2021-021D	2020	Financial Reporting	Partially Implemented	3/31/2022	3/31/2023	12	Material Weakness

Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
	2021-022A	2020	UI ² Payment Controls	Partially Implemented	9/30/2021	8/31/2022	11	Significant Deficiency
	2021-023A	2019	CUBS ³ , CATS ⁴ , & CLEAR ⁵ IT Controls	Not Implemented	8/31/2020	10/31/2023	38	Material Weakness
	2021-023B	2018	CUBS ³ , CATS ⁴ , & CLEAR ⁵ IT Controls	Not Implemented	2/28/2019	10/31/2023	56	Material Weakness
	2021-023C	2017	CUBS ³ , CATS ⁴ , & CLEAR ⁵ IT Controls	Not Implemented	6/30/2018	10/31/2023	64	Material Weakness
	2021-023D	2017	CUBS ³ , CATS ⁴ , & CLEAR ⁵ IT Controls	Not Implemented	6/30/2018	7/31/2022	49	Material Weakness
	2021-023E	2012	CUBS ³ , CATS ⁴ , & CLEAR ⁵ IT Controls	Not Implemented	12/31/2016	10/31/2023	82	Material Weakness
	2021-023F	2017	CUBS ³ , CATS ⁴ , & CLEAR ⁵ IT Controls	Not Implemented	6/30/2018	10/31/2023	64	Material Weakness
	2021-023G	2017	CUBS ³ , CATS ⁴ , & CLEAR ⁵ IT Controls	Not Implemented	12/31/2019	7/31/2022	31	Material Weakness
	2021-025A	2018	CLEAR ⁵ IT Controls	Not Implemented	1/31/2020	7/31/2022	30	Significant Deficiency
	2021-025B	2018	CLEAR ⁵ IT Controls	Not Implemented	1/31/2020	7/31/2022	30	Significant Deficiency
	2021-025C	2018	CLEAR ⁵ IT Controls	Not Implemented	1/31/2020	7/31/2022	30	Significant Deficiency
	2021-064B	2020	UI ² Federal Compliance	Partially Implemented	6/30/2023	6/30/2023	0	Significant Deficiency
	2021-064E	2020	UI ² Federal Compliance	Partially Implemented	12/31/2021	12/31/2024	36	Significant Deficiency
Statewide Single Financial Audit, Fiscal Year Ended June 30, 2020	2020-023B	2020	UI ² Payment Controls	Partially Implemented	9/30/2021	9/30/2022	12	Deficiency in Internal Control
Workforce Innovation and Opportunity Act, Performance Audit, November 2020	1D	2021	Service Delivery & Program Outcomes	Partially Implemented	7/31/2022	7/31/2023	12	-

Source: Office of the State Auditor's audit recommendation database.

¹ Only financial audit recommendations related to internal controls are classified by deficiency level.

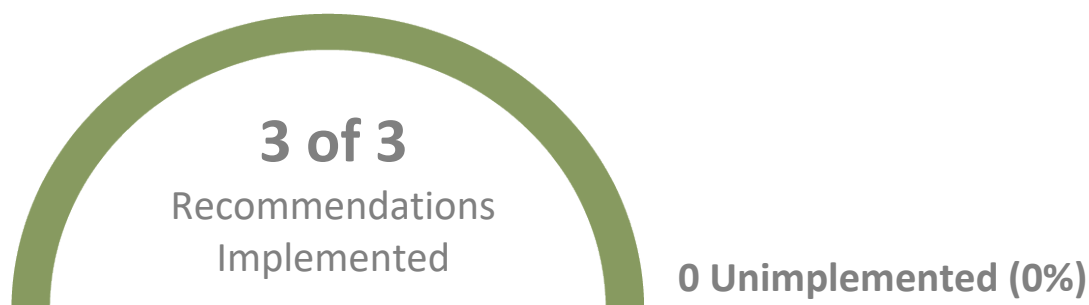
² UI is the Unemployment Insurance Benefits Program.

³ CUBS is the Colorado Unemployment Benefits System.

⁴ CATS is the Colorado Automated Tax System.

⁵ CLEAR is the Colorado Labor and Employment Applicant Resource System.

Department of Law

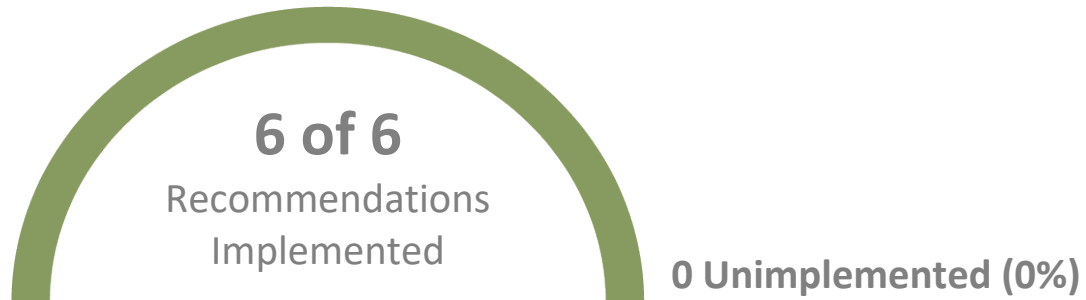


From July 1, 2016 through June 30, 2021, the Department of Law (Department) agreed to implement 3 performance audit recommendations. As of June 30, 2022, the OSA's review of status updates from the Department has determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department also had no unimplemented audit recommendations.



Legislative Department

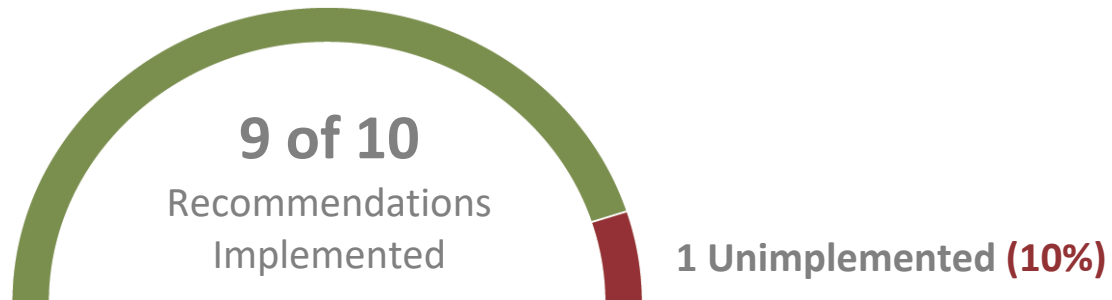


From July 1, 2016, through June 30, 2021, the Legislative Department (Department) agreed to implement 6 financial audit recommendations. As of June 30, 2022, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department also had no unimplemented audit recommendations.



Department of Local Affairs



From July 1, 2016, through June 30, 2021, the Department of Local Affairs (Department) agreed or partially agreed to implement 10 audit recommendations—9 were from financial audits and 1 was from a performance audit. As of June 30, 2022, the OSA’s follow-up audit process and review of status updates from the Department have determined that 1 of the 10 recommendations is not fully implemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had no unimplemented audit recommendations.

Exhibit 14 summarizes the 1 audit recommendation that is not fully implemented as of June 30, 2022. This recommendation is not considered high priority.

Exhibit 14

Department of Local Affairs

Audit Recommendations Not Fully Implemented as of June 30, 2022

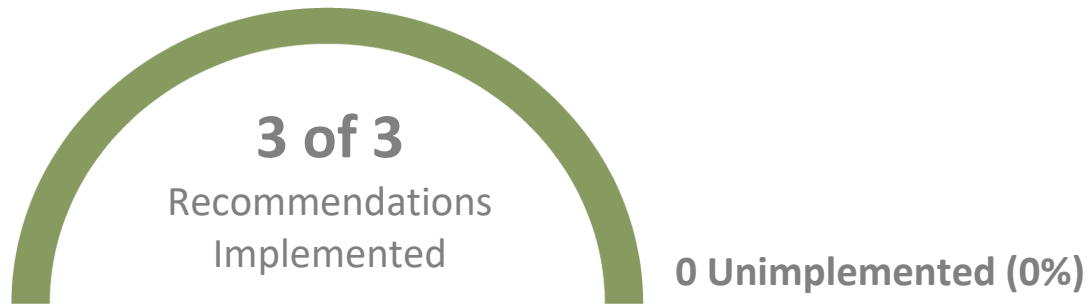
Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
Statewide Single Financial Audit, Fiscal Year Ended June 30, 2021	2021-065	2021	Federal Award Compliance	Not Implemented	6/30/2022	9/30/2022	3	Significant Deficiency

Source: Office of the State Auditor’s audit recommendation database.

¹ Only financial audit recommendations related to internal controls are classified by deficiency level.



Department of Military and Veterans Affairs

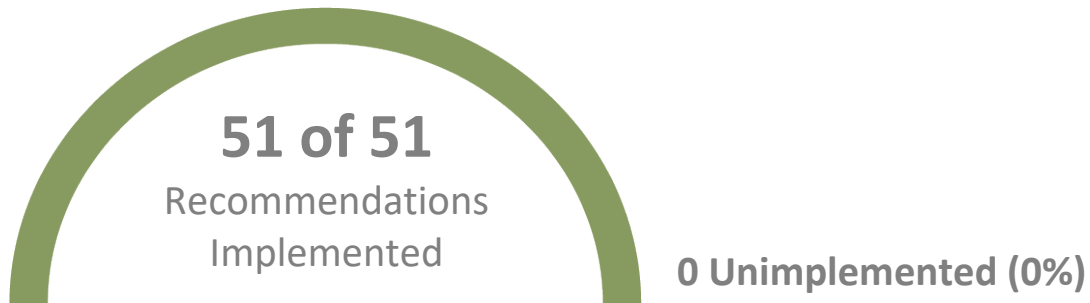


From July 1, 2016 through June 30, 2021, the Department of Military and Veterans Affairs (Department) agreed to implement 3 audit recommendations—2 were from a financial audit and 1 was from a performance audit. As of June 30, 2022, the OSA’s follow-up audit process and review of status updates from the Department have determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department also had no unimplemented audit recommendations.



Department of Natural Resources

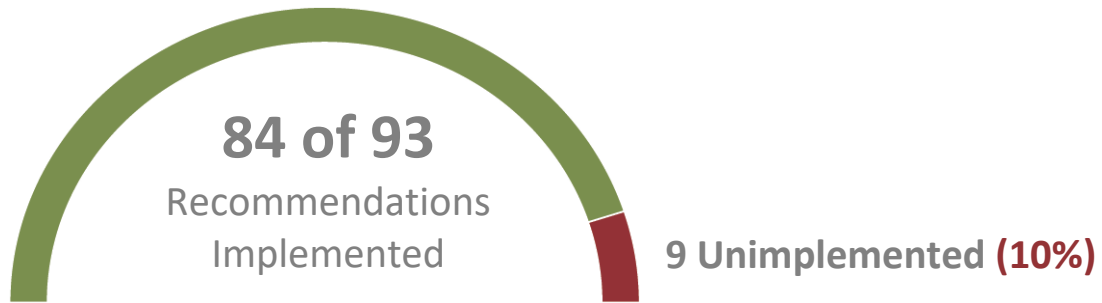


From July 1, 2016 through June 30, 2021, the Department of Natural Resources (Department) agreed to implement 51 audit recommendations—2 were from financial audits and 49 were from performance audits. As of June 30, 2022, the OSA’s follow-up audit process and review of status updates from the Department have determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department also had no unimplemented audit recommendations.



Department of Personnel & Administration



From July 1, 2016 through June 30, 2021, the Department of Personnel & Administration (Department) agreed or partially agreed to implement 93 recommendations—56 were from financial audits, which included financial-related information technology (IT) audit recommendations, and 37 were from performance audits. As of June 30, 2022, the OSA’s follow-up audit process and review of status updates from the Department have determined that a total of 9 of the 93 recommendations are not fully implemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had 7 out of 109 audit recommendations that were not fully implemented.

Exhibit 15 summarizes the 9 audit recommendations that are not fully implemented as of June 30, 2022. Four of these recommendations are considered high priority and highlighted in orange.

Exhibit 15
Department of Personnel & Administration
Audit Recommendations Not Fully Implemented as of June 30, 2022

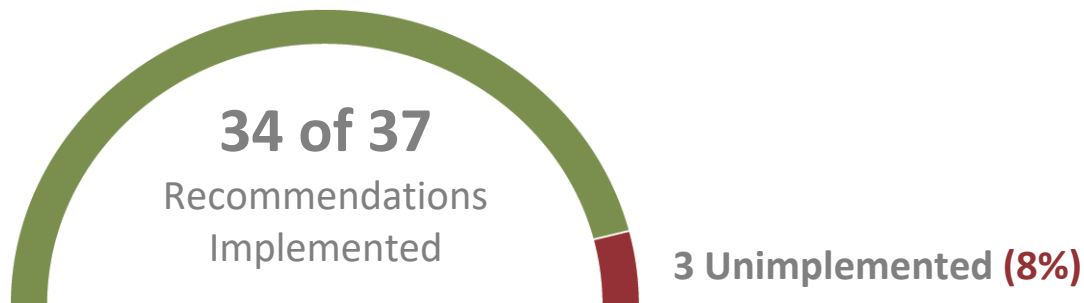
Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
Statewide Single Financial Audit, Fiscal Year Ended June 30, 2021	2021-029A	2018	Financial Reporting	Not Implemented	9/30/2019	12/31/2022	39	Material Weakness
	2021-029C	2017	Financial Reporting	Not Implemented	6/30/2019	12/31/2023	54	Material Weakness
	2021-029D	2018	Financial Reporting	Not Implemented	3/31/2019	6/30/2023	51	Material Weakness

Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
	2021-035	2015	Financial Reporting	Not Implemented	12/31/2017	12/31/2022	60	Material Weakness
Evaluation of the Annual Compensation Survey, Performance Audit, June 2021	1A	2021	Annual Compensation Study Process & Data	Partially Implemented	9/30/2023	9/30/2023	0	-
	1C	2021	Annual Compensation Study Process & Data	Not Implemented	9/30/2023	9/30/2023	0	-
	1F	2021	Annual Compensation Study Process & Data	Partially Implemented	9/30/2023	9/30/2023	0	-
Cash Funds Uncommitted Reserves, Fiscal Year Ended June 30, 2021, Performance Audit	1A	2021	Disability Support Fund	Partially Implemented	6/30/2022	8/31/2022	2	-
	1B	2020	Supplier Database Cash Fund	Partially Implemented	6/30/2021	6/30/2023	24	-

Source: Office of the State Auditor's audit recommendation database.

¹ Only financial audit recommendations related to internal controls are classified by deficiency level.

Department of Public Health and Environment



From July 1, 2016 through June 30, 2021, the Department of Public Health and Environment (Department) agreed to implement 37 audit recommendations—11 were from financial audits and 26 were from performance or information technology (IT) performance audits. As of June 30, 2022, the OSA’s follow-up audit process and review of status updates from the Department have determined that a total of 3 of the 37 recommendations are not fully implemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had 5 out of 35 audit recommendations that were not fully implemented.

Exhibit 16 summarizes the 3 audit recommendations that are not fully implemented as of June 30, 2022. None of these recommendations are considered high priority.

Exhibit 16

Department of Public Health and Environment

Audit Recommendations Not Fully Implemented as of June 30, 2022

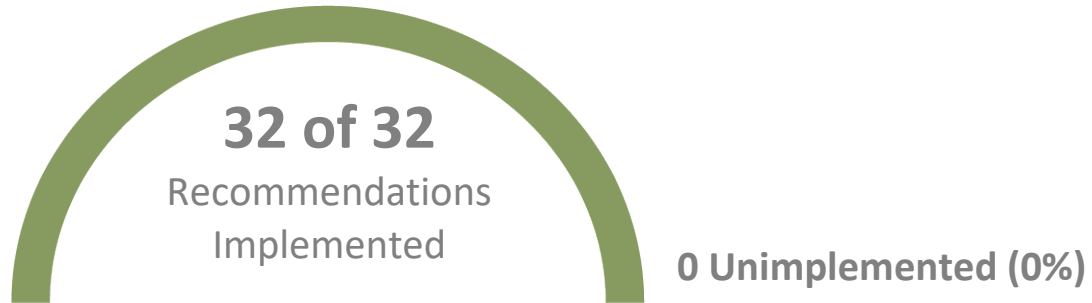
Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
Cash Funds Uncommitted Reserves, Fiscal Year Ended June 30, 2021, Performance Audit	2A	2021	Hazardous Substances Response Fund	Not Implemented	6/30/2022	7/31/2023	13	-
	2C	2021	Vital Records Fund	Not Implemented	6/30/2022	7/31/2023	13	-
	2E	2020	Medical Marijuana Cash Fund	Not Implemented	6/30/2021	7/31/2023	25	-

Source: Office of the State Auditor’s audit recommendation database.

¹ Only financial audit recommendations related to internal controls are classified by deficiency level.



Department of Public Safety

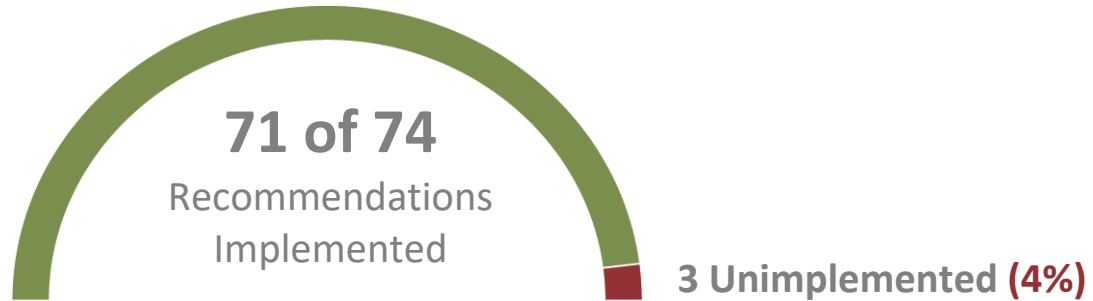


From July 1, 2016 through June 30, 2021, the Department of Public Safety (Department) agreed to implement 32 audit recommendations—2 were from financial audits and 30 were from performance audits. As of June 30, 2022, the OSA’s follow-up audit process and review of status updates from the Department have determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had 1 out of 19 audit recommendations that were not fully implemented.



Department of Regulatory Agencies



From July 1, 2016 through June 30, 2021, the Department of Regulatory Agencies (Department) agreed or partially agreed to implement 74 audit recommendations—1 was from a financial audit and 73 were from performance audits. As of June 30, 2022, the OSA’s follow-up audit process and review of status updates from the Department has determined that a total of 3 of the 74 recommendations are not fully implemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had 5 out of 58 audit recommendations that were not fully implemented

Exhibit 17 summarizes the 3 audit recommendations that are not fully implemented as of June 30, 2022. None of these recommendations are considered high priority.

Exhibit 17
Department of Regulatory Agencies
Audit Recommendations Not Fully Implemented as of June 30, 2022

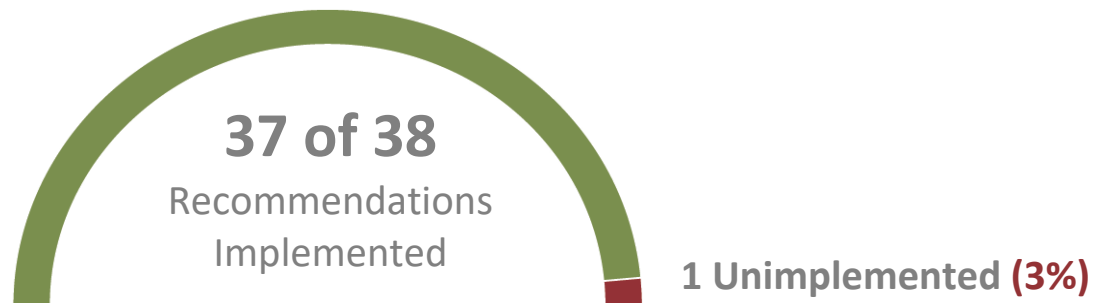
Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
Cash Funds Uncommitted Reserves, Fiscal Year Ended June 30, 2021, Performance Audit	4E	2019	Division of Securities Cash Fund	Partially Implemented	6/30/2020	6/30/2023	36	-

Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
Colorado Prescription Drug Monitoring Program, Performance Audit, March 2021	2A	2021	Prescription Drug Monitoring Program Compliance	Partially Implemented	7/31/2023	7/31/2023	0	-
	2B	2021	Prescription Drug Monitoring Program Compliance	Partially Implemented	7/31/2023	7/31/2023	0	-

Source: Office of the State Auditor's audit recommendation database.

¹ Only financial audit recommendations related to internal controls are classified by deficiency level.

Department of Revenue



From July 1, 2016 through June 30, 2021, the Department of Revenue (Department) agreed to implement 38 audit recommendations—15 were from financial audits and 23 were from performance audits. As of June 30, 2022, the OSA’s follow-up audit process and review of status updates from the Department have determined that a total of 1 of the 38 recommendations is not fully implemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had no unimplemented audit recommendations.

Exhibit 18 summarizes the 1 audit recommendation that is not fully implemented as of June 30, 2022. This recommendation is not considered high priority.

Exhibit 18
Department of Revenue
Audit Recommendation Not Fully Implemented as of June 30, 2022

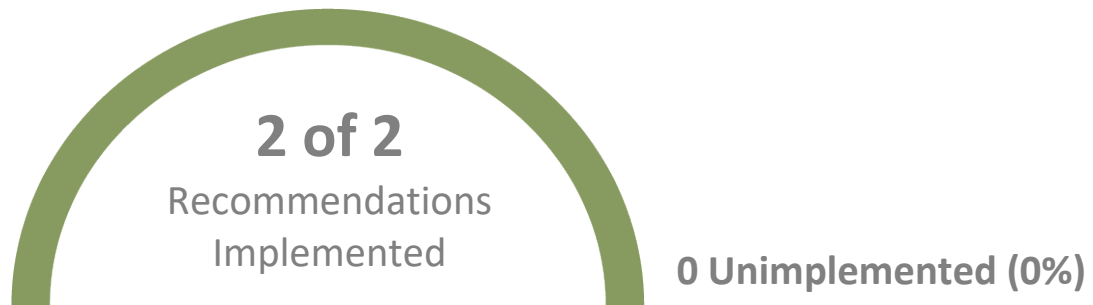
Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
Cash Funds Uncommitted Reserves, Fiscal Year Ended June 30, 2021, Performance Audit	5B	2021	Auto Dealers License Fund	Partially Implemented	6/30/2023	6/30/2023	0	-

Source: Office of the State Auditor’s audit recommendation database.

¹ Only financial audit recommendations related to internal controls are classified by deficiency level.



Department of State (Secretary of State)

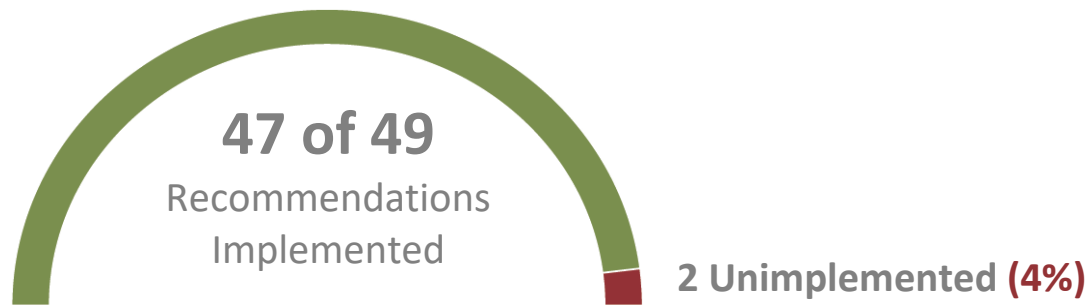


From July 1, 2016 through June 30, 2021, the Department of State (Department) agreed to implement 2 performance audit recommendations. As of June 30, 2022, the OSA's review of status updates from the Department have determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department also had no unimplemented audit recommendations.



Department of Transportation



From July 1, 2016 through June 30, 2021, the Department of Transportation (Department) agreed or partially agreed to implement 49 audit recommendations—22 were from financial audits and 27 were from performance or information technology (IT) performance audits. As of June 30, 2022, the OSA’s follow-up audit process and review of status updates from the Department have determined that 2 of the 49 recommendations are not fully implemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had 1 out of 49 audit recommendations that was not fully implemented.

Exhibit 19 summarizes the 2 audit recommendations that are not fully implemented as of June 30, 2022. These recommendations are not considered high priority.

Exhibit 19
Department of Transportation
Audit Recommendations Not Fully Implemented as of June 30, 2022

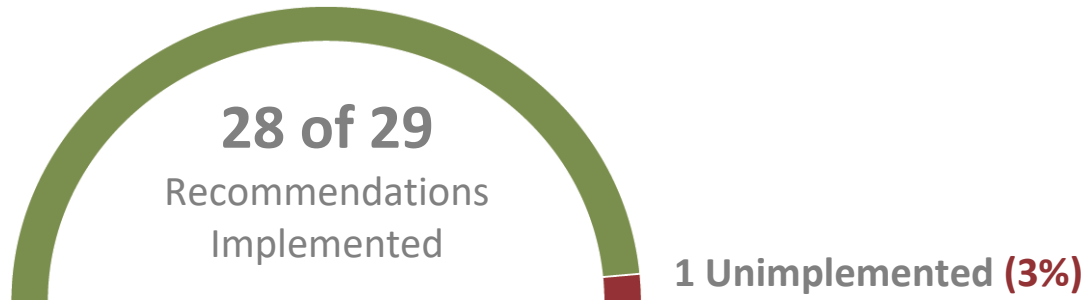
Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
Statewide Single Financial Audit, Fiscal Year Ended June 30, 2021	2021-068A	2020	Program Monitoring	Partially Implemented	7/31/2022	7/31/2022	0	Significant Deficiency
	2021-068B	2020	Program Monitoring	Partially Implemented	7/31/2022	7/31/2022	0	Significant Deficiency

Source: Office of the State Auditor’s audit recommendation database.

¹ Only financial audit recommendations related to internal controls are classified by deficiency level.



Department of Treasury



From July 1, 2016 through June 30, 2021, the Department of Treasury (Department) agreed to implement 29 audit recommendations—8 were from financial audits and 21 were from performance audits. As of June 30, 2022, the OSA’s follow-up audit process and review of status updates from the Department have determined that 1 of the 29 recommendations is not fully implemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had 2 out of 29 audit recommendations that were not fully implemented.

Exhibit 20 summarizes the 1 audit recommendation that is not fully implemented as of June 30, 2022. This recommendation is considered high priority and highlighted in orange.

Exhibit 20
Department of Treasury
Audit Recommendation Not Fully Implemented as of June 30, 2022

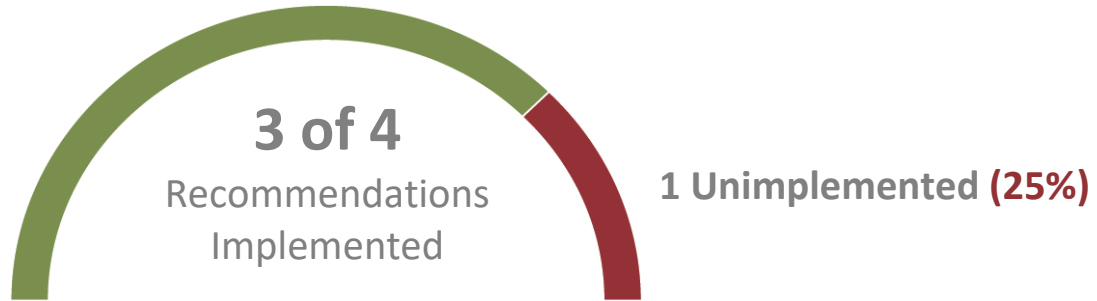
Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
Statewide Single Financial Audit, Fiscal Year Ended June 30, 2021	2021-069A	2018	Program Monitoring & Reporting	Partially Implemented	11/30/2019	6/30/2023	43	Material Weakness

Source: Office of the State Auditor’s audit recommendation database.

¹ Only financial audit recommendations related to internal controls are classified by deficiency level.



Colorado New Energy Improvement District



From July 1, 2016 through June 30, 2021, the Colorado New Energy Improvement District (CNEID) agreed to implement 4 performance audit recommendations. As of June 30, 2022, the OSA’s review of status updates from CNEID has determined that 1 of the 4 recommendations is not fully implemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, CNEID also had 1 out of 4 audit recommendations that was not fully implemented.

Exhibit 21 summarizes the audit recommendation that is not fully implemented as of June 30, 2022. This recommendation is considered high priority and highlighted in orange.

Exhibit 21
Colorado New Energy Improvement District
Audit Recommendation Not Fully Implemented as of June 30, 2022

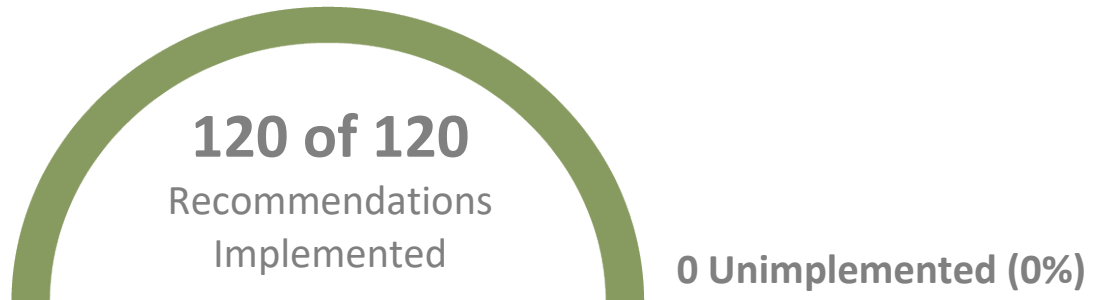
Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
Colorado New Energy Improvement District, Performance Audit, May, 2019	2	2019	Program Oversight	Partially Implemented	12/31/2021	12/31/2022	12	-

Source: Office of the State Auditor’s audit recommendation database.

¹Only financial audit recommendations related to internal controls are classified by deficiency level.



Community-Centered Boards

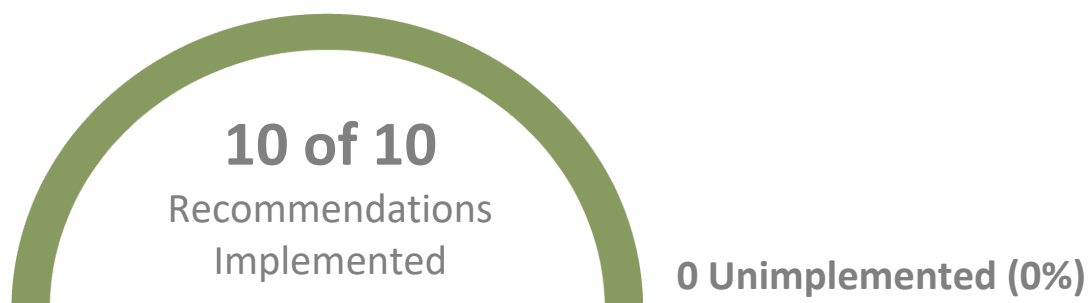


From July 1, 2016 through June 30, 2021, Colorado's 20 Community-Centered Boards (CCBs) agreed or partially agreed to implement 120 performance audit recommendations. As of June 30, 2022, the OSA's review of status updates from the CCBs has determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the CCBs also had no unimplemented audit recommendations.



Connect for Health

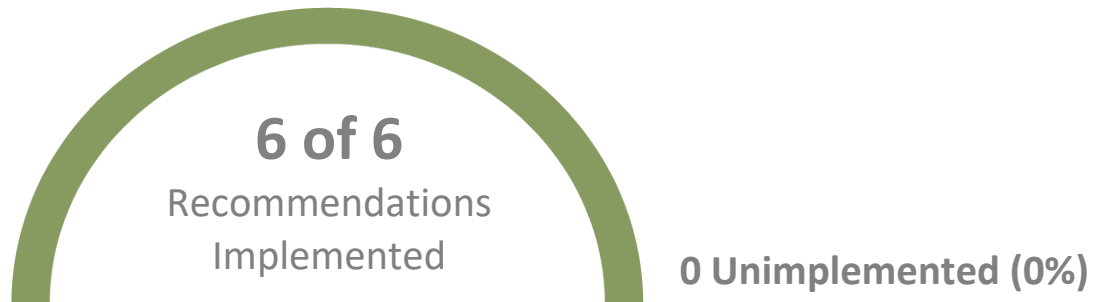


From July 1, 2016 through June 30, 2021, Connect for Health Colorado (Connect for Health) agreed to implement 10 performance audit recommendations. As of June 30, 2022, the OSA's review of status updates from Connect for Health has determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, Connect for Health also had no unimplemented audit recommendations.



Gaming Cities

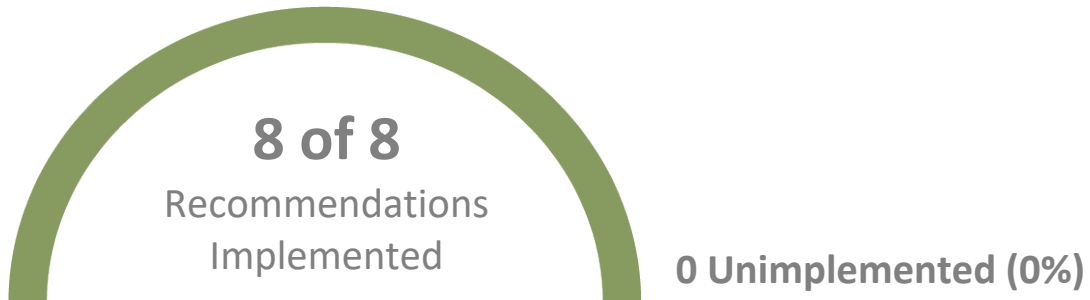


From July 1, 2016 through June 30, 2021, Colorado’s three Gaming Cities (Gaming Cities) agreed or partially agreed to implement 6 performance audit recommendations. As of June 30, 2022, the OSA’s review of status updates from the Gaming Cities has determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Gaming Cities also had no unimplemented audit recommendations.



Great Outdoors Colorado

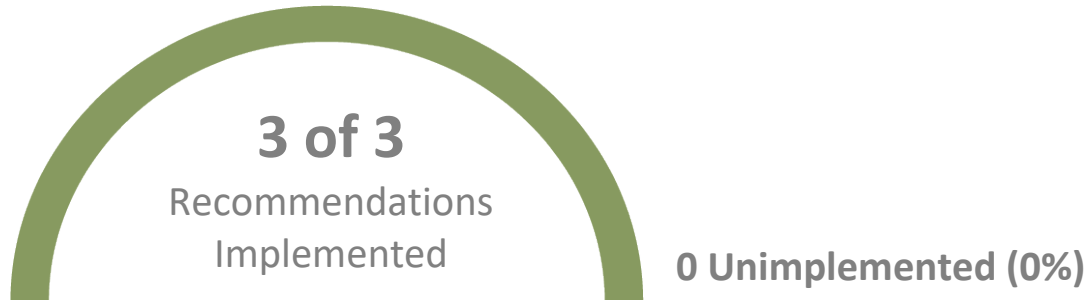


From July 1, 2016 through June 30, 2021, Great Outdoors Colorado (GOCO) agreed to implement 8 performance audit recommendations. As of June 30, 2022, the OSA's review of status updates from the GOCO has determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, GOCO also had no unimplemented audit recommendations.



Pinnacol Assurance

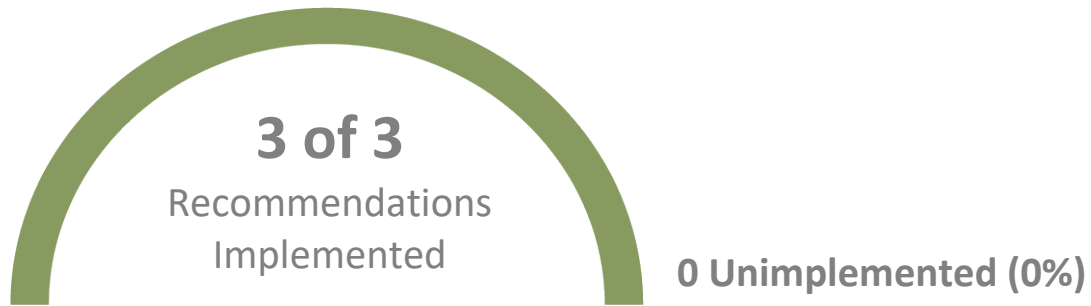


From July 1, 2016 through June 30, 2021, Pinnacol Assurance (Pinnacol) agreed to implement 3 performance audit recommendations. As of June 30, 2022, the OSA's review of status updates from Pinnacol has determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, Pinnacol also had no unimplemented audit recommendations.



Public Employees' Retirement Association

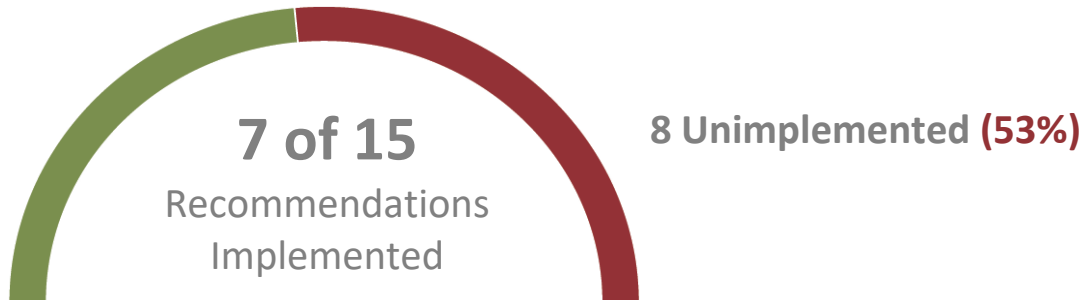


From July 1, 2016 through June 30, 2021, the Public Employees' Retirement Association (PERA) agreed to implement 3 financial audit recommendations. As of June 30, 2022, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, PERA also had no unimplemented audit recommendations.



Regional Transportation District



From July 1, 2016 through June 30, 2021, the Regional Transportation District (RTD) agreed to implement 15 performance audit recommendations. As of June 30, 2022, the OSA’s review of status updates from RTD has determined that a total of 8 of the 15 recommendations are not fully implemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, RTD had no unimplemented audit recommendations.

Exhibit 22 summarizes the 8 audit recommendations that are not fully implemented as of June 30, 2022. None of these recommendations are considered high priority.

Exhibit 22
Regional Transportation District
Audit Recommendations Not Fully Implemented as of June 30, 2022

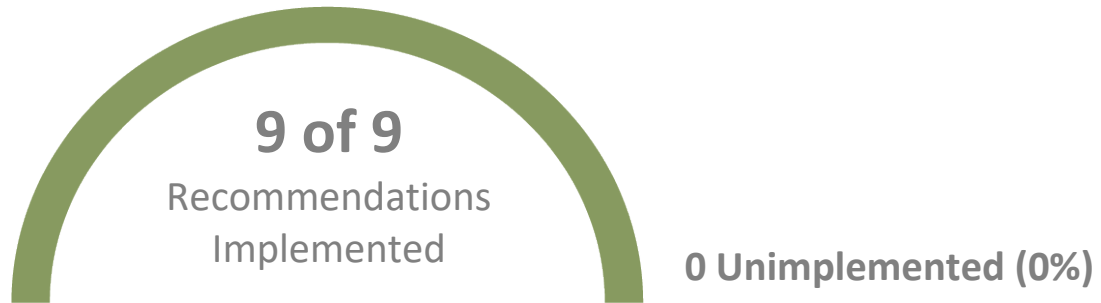
Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
Regional Transportation District, Performance Audit, December 2020	1B	2021	Supervisory Training	Partially Implemented	12/31/2021	12/31/2022	12	-
	4A	2021	Oversight & Effectiveness of Internal Audit	Partially Implemented	12/31/2021	12/31/2022	12	-
	4B	2021	Oversight & Effectiveness of Internal Audit	Partially Implemented	12/31/2021	10/31/2022	10	-
	4C	2021	Oversight & Effectiveness of Internal Audit	Partially Implemented	12/31/2021	12/31/2022	12	-
	4D	2021	Oversight & Effectiveness of Internal Audit	Partially Implemented	12/31/2021	12/31/2022	12	-

Audit	Rec. No.	First FY Rec. Made	Topic Area	Implementation Status	Original Implementation Date	Current Implementation Date	Delay in Months	Deficiency Level, if Applicable ¹
	4E	2021	Oversight & Effectiveness of Internal Audit	Partially Implemented	12/31/2021	12/31/2022	12	-
	4F	2021	Oversight & Effectiveness of Internal Audit	Partially Implemented	12/31/2021	12/31/2022	12	-
	4G	2021	Oversight & Effectiveness of Internal Audit	Partially Implemented	12/31/2021	12/31/2022	12	-

Source: Office of the State Auditor's audit recommendation database.

¹ Only financial audit recommendations related to internal controls are classified by deficiency level.

Statewide Internet Portal Authority



From July 1, 2016 through June 30, 2021, the Statewide Internet Portal Authority (SIPA) agreed or partially agreed to implement 9 information technology performance audit recommendations. As of June 30, 2022, the OSA's review of status updates from SIPA has determined that none of the recommendations are unimplemented.

In our 2021 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, SIPA also had no unimplemented audit recommendations.



Locate an OSA Report

All audit reports issued by the Office of the State Auditor (OSA) since 1999 are available on the OSA's web site at www.colorado.gov/auditor under either of the **Audits** links.

The screenshot shows the Colorado General Assembly website. At the top left is the state seal and the text "Second Regular Session | 73rd General Assembly Colorado General Assembly". To the right are links for "Visit & Learn", "Find My Legislator", and "Watch & Listen". Below this is a search bar with an "Apply" button. A horizontal navigation menu includes "INTERIM SCHEDULE", "BILLS", "LAWS", "LEGISLATORS", "COMMITTEES", "INITIATIVES", "BUDGET", "AUDITS", "PUBLICATIONS", and "AGENCIES". The "AUDITS" link is circled in red. Below the menu is a large image of a domed ceiling with the text "Office of the State Auditor". A secondary navigation bar at the bottom of the image contains "Audits", "Legislative Audit Committee", "Local Government", "Fraud Hotline", "Tax Expenditures", and "About". The "Audits" link is also circled in red. Below this is a section titled "A Message from the State Auditor" featuring a circular portrait of Kerri L. Hunter, CPA, CFE, and a paragraph of text. To the right is a "CONTACT INFORMATION" box with the address: "State Services Building, 1525 Sherman St., 7th Floor, Denver, CO 80203, United States".

Second Regular Session | 73rd General Assembly
Colorado General Assembly

Visit & Learn | Find My Legislator | Watch & Listen

INTERIM SCHEDULE | BILLS | LAWS | LEGISLATORS | COMMITTEES | INITIATIVES | BUDGET | **AUDITS** | PUBLICATIONS | AGENCIES

Office of the State Auditor

Audits | Legislative Audit Committee | Local Government | Fraud Hotline | Tax Expenditures | About

A Message from the State Auditor

Welcome to the Colorado Office of the State Auditor (OSA), where our mission is to improve government for the people of Colorado.

The OSA is an independent, nonpartisan agency in the Legislative Branch. Our performance, financial, and IT audits provide the General Assembly, agencies, and the public with thorough, credible, and impartial assessments of the operation of state programs and the use of state and federal funds.

Kerri L. Hunter, CPA, CFE

CONTACT INFORMATION

ADDRESS
State Services Building
1525 Sherman St., 7th Floor
Denver, CO 80203
United States
[Get Directions](#)

Audits can be accessed through the **Search** box or via each Department or Entity that is listed.

Second Regular Session | 73rd General Assembly
Colorado General Assembly

Visit & Learn | Find My Legislator | Watch & Listen

INTERIM SCHEDULE | BILLS | LAWS | LEGISLATORS | COMMITTEES | INITIATIVES | BUDGET | **AUDITS** | PUBLICATIONS | AGENCIES

Search by Title, Department, or Keyword

Apply

Audits

Audits in Progress

The Office of the State Auditor has broad authority to conduct performance, financial, and information technology audits of all state departments and agencies, public colleges and universities, most special purpose authorities, any state entity designated as an enterprise, and other political subdivisions as required by law.

RECENTLY RELEASED AUDITS

REGULATORY AGENCIES Consideration of Best Value Employment Metrics in Electric Utility Resource Acquisitions	PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION Colorado Public Employees' Retirement Association, Fiscal Year Ended December 31, 2021	PINNACOL ASSURANCE Pinnacol Assurance, Fiscal Years Ended December 31, 2021 and 2020
---	--	---

See All Audits

AUDITS BY DEPARTMENT

A Adams State University	Agriculture	Auraria Higher Education Center
-----------------------------	-------------	---------------------------------

Hard copy reports are also available from the OSA at 1525 Sherman St., 7th Floor, Denver, Colorado 80203, and can be requested by emailing osa.ga@state.co.us or calling 303.869.2800.



**Office of the State Auditor
State Services Building
1525 Sherman Street, 7th Floor
Denver, CO 80203**

tel.
303.869.2800

email
osa.ga@state.co.us

website
www.colorado.gov/auditor

linkedin
www.linkedin.com/company/colorado-state-auditor

twitter
[@CoStateAuditor](https://twitter.com/CoStateAuditor)