COLORADO OFFICE OF THE STATE AUDITOR

Colorado Office of the State Auditor

OSA

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OCTOBER 2014   INFORMATIONAL REPORT

THE MISSION OF THE OFFICE OF THE STATE AUDITOR
IS TO IMPROVE GOVERNMENT
FOR THE PEOPLE OF COLORADO

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REPORT
HIGHLIGHTS

ANNUAL REPORT OF AUDIT RECOMMENDATIONS
NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014

OCTOBER 2014
STATE OF COLORADO

OF THE 140 OUTSTANDING AUDIT RECOMMENDATIONS THAT STATE AGENCIES AGREED TO IMPLEMENT BETWEEN JULY 2008 AND JUNE 2013, 64 (46 PERCENT) ARE CONSIDERED HIGH PRIORITY DUE TO THEIR SERIOUSNESS OR BECAUSE THEY HAVE BEEN OUTSTANDING FOR 3 YEARS OR MORE.

KEY FACTS

- For Fiscal Years 2009 through 2013 (July 2008 through June 2013), the Office of the State Auditor (OSA) made a total of 3,321 financial, performance, and information technology (IT) audit recommendations to state agencies.
- State agencies agreed to implement 99 percent of all audit recommendations in this 5-year period.
- Overall, as of June 30, 2014, state agencies have implemented 95 percent of the recommendations that they agreed or partially agreed to implement.

FINANCIAL AUDIT RECOMMENDATIONS

- Financial audit reports contained 1,479 of the 3,321 recommendations (45 percent) made for the periods covering Fiscal Years 2009 through 2013, and state agencies agreed to implement 1,449 (98 percent) of them.
- As of June 30, 2014, state agencies had not fully implemented 73 of the 1,449 financial audit recommendations (5 percent) that they had agreed to implement.
- Of the 73 outstanding financial audit recommendations, 26 (36 percent) are considered high priority due to their seriousness or because they have been outstanding for 3 years or more.
- The number of outstanding financial audit recommendations has decreased since June 30, 2013.

PERFORMANCE AND IT AUDIT RECOMMENDATIONS

- Performance and IT audit reports contained 1,842 of the 3,321 recommendations (55 percent) made in Fiscal Years 2009 through 2013, and state agencies agreed to 1,828 (99 percent) of them.
- As of June 30, 2014, state agencies had not fully implemented 67 of the 1,828 performance and IT audit recommendations (4 percent) that they had agreed to implement.
- Of the 67 outstanding performance and IT audit recommendations, 38 (57 percent) are considered high priority because they have been outstanding for 3 years or more.
- The number of outstanding performance and IT audit recommendations has decreased since June 30, 2013.

BACKGROUND

- The OSA tracks the implementation status of all recommendations contained in audit reports released by the Legislative Audit Committee.

- The purpose of this initiative is to hold state agencies accountable for audit recommendations that they have agreed to implement and to provide better information to policy makers and the public.

- Implementation status for financial audit recommendations is determined by the OSA through follow-up audits.

- Implementation status for performance and IT audit recommendations is based on self-reported data from the respective state agencies, with the exception of the status of recommendations related to cash funds, which is determined by OSA audits.

OUR CONCLUSION

When considering the number of recommendations that the OSA made to state agencies for the period July 2008 through June 2013, agencies generally agree with our recommendations and usually implement them in a timely manner. However, 5 percent of the recommendations made over the 5-year period have not been fully implemented and are still outstanding.

ANNUAL

REPORT OF AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED

As part of an initiative to hold state agencies and other audited organizations accountable for implementing the audit recommendations they have agreed to implement and to provide better information to policy makers and the general public, 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 implementation status of all recommendations made by the OSA for Fiscal Years 2009 through 2013.

This report focuses on audit recommendations covering the period July 1, 2008 through June 30, 2013 that have not been fully implemented by state agencies as of June 30, 2014. This report provides the following information:

- **FINANCIAL AUDIT RECOMMENDATIONS.** This report includes information on the financial audit recommendations that appeared in at least one annual audit report covering the periods Fiscal Years 2009 through 2013 (between July 2008 and June 2013), and that state agencies agreed to implement but had not fully implemented as of June 30, 2014. The implementation status for financial audit recommendations is determined by the OSA through follow-up audits conducted by either OSA staff or contract auditors.

- **PERFORMANCE AND INFORMATION TECHNOLOGY (IT) AUDIT RECOMMENDATIONS.** This report includes information on the performance and IT audit recommendations made during Fiscal Years 2009 through 2013 (between July 2008 and June 2013), as well as the cash funds related recommendations covering the periods Fiscal Years 2009 through 2013, that state agencies agreed to implement but had not fully implemented as of June 30, 2014. The implementation status for performance and IT audit recommendations, except for those related to cash funds, is based on self-reported data from the respective state agencies; the OSA has not audited the implementation status for these recommendations. The implementation status for cash funds audit recommendations is audited by the OSA.

This report differs from our previous annual reports because it does not include recommendations from recent performance audits. The purpose of this change is to make this report more useful by highlighting the older recommendations that remain unimplemented. The OSA applied this new methodology to all prior year figures shown in this report to compare the implementation status of recommendations over multiple years. Therefore, the prior-year figures in this report differ from the figures in previous annual reports.

SUMMARY INFORMATION

Between July 2008 and June 2013, the OSA made a total of 3,321 audit recommendations to state agencies. The OSA tracks a recommendation with multiple subparts as multiple recommendations. For example, a recommendation with three subparts is tracked as three recommendations. Additionally, if a recommendation is made to two agencies, the recommendation is tracked as two separate recommendations. The following chart shows the breakdown of recommendations made to each state agency over the 5-year period.

OSA AUDIT RECOMMENDATIONS BY AGENCY/DEPARTMENT JULY 2008 THROUGH JUNE 2013
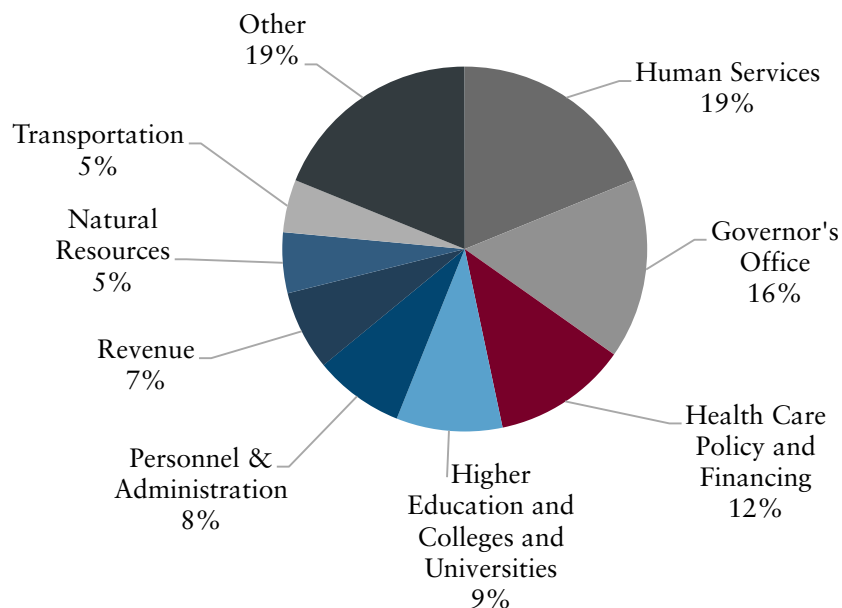
SOURCE: Office of the State Auditor's recommendation database.
NOTE: "Other" includes the Departments of Agriculture, Corrections, Education, Labor and Employment, Law, Local Affairs, Military and Veterans Affairs, Public Health and Environment, Public Safety, Regulatory Agencies, State, Treasury, and Judicial, as well as Great Outdoors Colorado, Pinnacol Assurance, Public Employees' Retirement Association, Regional Transportation District, and Statewide Internet Portal Authority.

OVERVIEW OF AUDIT RESPONSES

At the completion of each audit, the OSA asks state agencies to provide written responses to each audit recommendation that specify whether they agree, partially agree, or disagree to implement the recommendation. Additionally, state agencies are given the opportunity to provide a narrative response describing how and when they intend to implement each recommendation. Agency responses are included in the audit report. If an agency disagrees or partially agrees with a recommendation, the agency must provide an explanation of its disagreement.

This report includes the implementation status of all audit recommendations that agencies have agreed or partially agreed to implement, which was 99 percent of all recommendations made during the 5-year period, July 2008 through June 2013. Overall, as of June 30, 2014, state agencies have implemented approximately 95 percent of the recommendations with which they originally agreed.

The following sections provide specific information on financial audit recommendations and performance and IT audit recommendations.

FINANCIAL AUDIT RECOMMENDATIONS

Of the 3,321 recommendations made between July 2008 and June 2013, there were 1,479 (45 percent) from financial audit reports, including the Statewide Single Audit Report and separate standalone audit reports. Of these 1,479 financial audit recommendations, state agencies agreed to implement 1,449 (98 percent), which are broken down by agency in the following table.

TOTAL NUMBER OF FINANCIAL AUDIT RECOMMENDATIONS THAT AGENCIES/DEPARTMENTS AGREED TO IMPLEMENT JULY 2008 THROUGH JUNE 2013

Agency/Department	Number
AGRICULTURE	14
State Fair	9
All Other	5
CORRECTIONS	2
EDUCATION	16
GOVERNOR'S OFFICE	160
Colorado Energy Office	3
Colorado Tourism Office	4
Governor's Office of Information Technology	120
All Other	33
HEALTH CARE POLICY AND FINANCING	276
HIGHER EDUCATION	220
Adams State University	12
Auraria Higher Education Center	3
College Assist (Colorado Student Loan Program)	4
CollegeInvest	12
Colorado Community College System	56
Colorado School of Mines	16
Colorado State University System	34
Department of Higher Education	21
Fort Lewis College	3
History Colorado	6
Metropolitan State University of Denver	24
University of Colorado System	14
University of Northern Colorado	9
Western State College	6
HUMAN SERVICES	437
JUDICIAL	3
LABOR AND EMPLOYMENT	65
LAW	1
LOCAL AFFAIRS	7
MILITARY AND VETERANS AFFAIRS	0
NATURAL RESOURCES	18
PERSONNEL & ADMINISTRATION	63
PUBLIC HEALTH AND ENVIRONMENT	20
PUBLIC SAFETY	5
REGULATORY AGENCIES	1
REVENUE	71
Colorado Lottery	10
Department of Revenue	61
SECRETARY OF STATE	15
TRANSPORTATION	12
TREASURY	19
GREAT OUTDOORS COLORADO	4
PINNACOL ASSURANCE	16
PUBLIC EMPLOYEES' RETIREMENT ASSOC.	4
TOTAL	1,449

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

The number of outstanding financial audit recommendations has decreased since June 30, 2013, as reported in our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*). Based on the OSA's annual follow-up audit process, 73 of the 1,449 financial audit recommendations that agencies agreed to implement (5 percent) were still outstanding as of June 30, 2014. By comparison, in our 2013 *Annual Report* there were 78 outstanding financial audit recommendations.

Of the 73 financial audit recommendations that were outstanding as of June 30, 2014, there were three classified as a "material weakness" in the agencies' internal controls, 51 were a "significant deficiency," 16 were a "deficiency in internal control," and the remaining three were not classified or not an internal control issue. In financial audits, these terms are defined as follows:

MATERIAL WEAKNESS
This is the most serious level of internal control weakness and a deficiency that could result in a material misstatement of the financial statements or material noncompliance with a federal program requirement if not corrected.

SIGNIFICANT DEFICIENCY
This is less severe than a "material weakness," but is still a high level internal control weakness and warrants attention by management.

DEFICIENCY IN INTERNAL CONTROL
This 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, detect, or correct misstatements or federal program noncompliance.

NOT CLASSIFIED/NOT AN INTERNAL CONTROL ISSUE
These are recommendations not classified in one of the above three categories.

The following table compares the total number of financial audit recommendations that were outstanding for each state agency, by severity level classification, as of June 30, 2013, and June 30, 2014, respectively.

COMPARISON OF SEVERITY LEVELS OF OUTSTANDING FINANCIAL AUDIT RECOMMENDATIONS AS OF JUNE 30, 2013, AND JUNE 30, 2014										
	MATERIAL WEAKNESS		SIGNIFICANT DEFICIENCY		DEFICIENCY IN INTERNAL CONTROL		NOT CLASSIFIED		TOTAL	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
AGRICULTURE							1	1	1	1
State Fair							1	1	1	1
EDUCATION			0	2					0	2
GOVERNOR'S OFFICE			10	21	10	7			20	28
Governor's Office of Information Technology			10	21	10	7			20	28
GREAT OUTDOORS COLORADO							0	1	0	1
HEALTH CARE POLICY AND FINANCING	2	1	6	10	7	3			15	14▼
HIGHER EDUCATION	0	1	2	2	1	2			3	5
Colorado Community College System			1	1					1	1
Colorado State University System	0	1			1	1			1	2
Metropolitan State University of Denver			0	1					0	1
University of Colorado System			1	0					1	0▼
University of Northern Colorado					0	1			0	1
HUMAN SERVICES	2	1	1	1	15	1			18	3▼
LABOR AND EMPLOYMENT			2	2	1	0			3	2▼
NATURAL RESOURCES			2	3	0	1			2	4
PERSONNEL & ADMINISTRATION			4	7	1	0			5	7
PUBLIC HEALTH AND ENVIRONMENT					2	1			2	1▼
REVENUE			5	3	3	1	1	1	9	5▼
Department of Revenue			5	3	3	1			8	4▼
Colorado Lottery							1	1	1	1
TOTAL	4	3	32	51	40	16	2	3	78	73▼

SOURCE: Office of the State Auditor's recommendation database.

Of the 73 outstanding recommendations, there are 26 (36 percent) considered the highest priority due to the seriousness of the internal control weaknesses and the length of time they have been outstanding. This includes three material weaknesses as well as 23 significant deficiencies that have been outstanding for 3 years or more. Throughout this report the outstanding recommendations that are considered high priority are highlighted in orange.

HIGH-PRIORITY OUTSTANDING FINANCIAL AUDIT RECOMMENDATIONS

The OSA considers the financial recommendations that are past their original implementation dates and "material weakness" or "significant deficiencies" that have been outstanding for 3 years or more to be high priority.

The following table summarizes the outstanding financial audit recommendations that are considered high priority by state agency.

HIGH PRIORITY FINANCIAL AUDIT RECOMMENDATIONS OUTSTANDING AS OF JUNE 30, 2014		
	MATERIAL WEAKNESS	SIGNIFICANT DEFICIENCY
GOVERNOR'S OFFICE		
Governor's Office of Information Technology	0	11
HIGHER EDUCATION		
Colorado State University System	1	0
HEALTH CARE POLICY AND FINANCING	1	6
HUMAN SERVICES	1	1
LABOR AND EMPLOYMENT	0	2
REVENUE	0	3
TOTAL	3	23
SOURCE: Office of the State Auditor's recommendation database.		

The following table shows the outstanding financial audit recommendations that are considered high priority by state agency, including the first year the recommendation was made, the level of deficiency, and the original and current implementation dates.

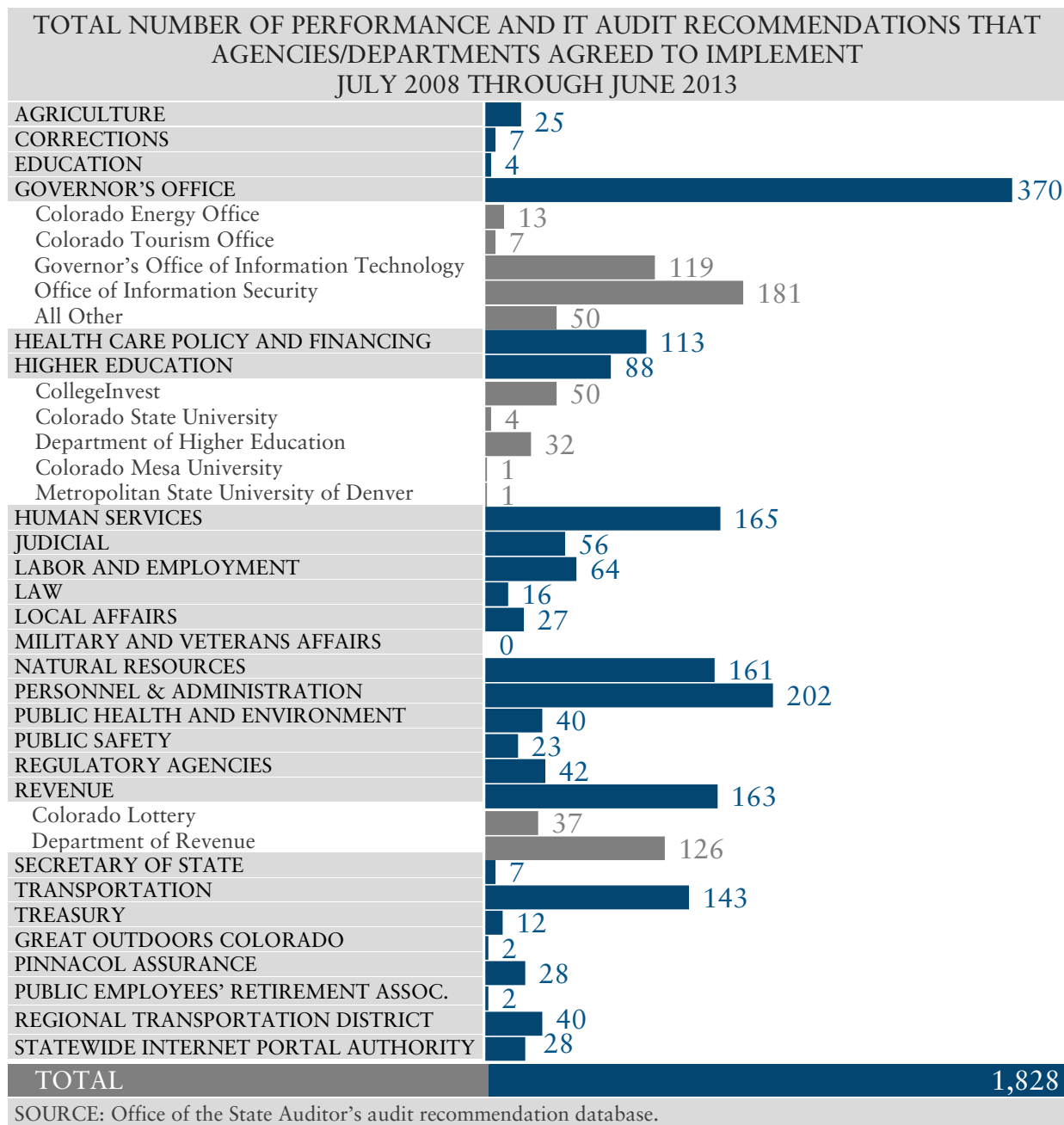| HIGH PRIORITY FINANCIAL AUDIT RECOMMENDATIONS OUTSTANDING AS OF JUNE 30, 2014				
AGENCY AND TOPIC AREA	FIRST FISCAL YEAR REPORTED	DEFICIENCY LEVEL	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION DATE
GOVERNOR'S OFFICE				
CSTARS IT Controls	2010	SD	7/31/2011	3/31/2015
CSTARS IT Controls	2010	SD	6/30/2011	3/31/2015
CSTARS IT Controls	2010	SD	1/31/2012	3/31/2015
KRONOS IT Controls	2011	SD	6/30/2012	9/30/2015
KRONOS IT Controls	2011	SD	6/30/2012	9/30/2014
KRONOS IT Controls	2011	SD	6/30/2012	9/30/2014
KRONOS IT Controls	2011	SD	12/31/2012	3/31/2014
KRONOS IT Controls	2011	SD	10/31/2012	9/30/2015
KRONOS IT Controls	2011	SD	7/31/2012	9/30/2014
CUBS & CATS IT Controls	2011	SD	12/31/2011	12/31/2016
CUBS & CATS IT Controls	2011	SD	12/31/2011	12/31/2016
DEPARTMENT OF HEALTH CARE POLICY AND FINANCING				
MMIS IT Controls	2009	SD	3/31/2010	12/31/2014
MMIS IT Controls	2009	SD	5/31/2010	12/31/2014
MMIS IT Controls	2009	SD	5/31/2010	12/31/2014
Medicaid Claims Processing	2009	SD	1/31/2011	12/31/2014
Medicaid Claims Processing	2009	SD	1/31/2011	12/31/2014
Medicaid Provider Eligibility	2010	MW	6/30/2011	3/31/2016
Medicaid Nursing Facility Oversight	2011	SD	7/31/2012	10/31/2014
HIGHER EDUCATION – COLORADO STATE UNIVERSITY SYSTEM				
Account Reconciliation	2013	MW	4/30/2014	4/30/2014
DEPARTMENT OF HUMAN SERVICES				
TANF	2009	MW	6/30/2010	12/31/2014
CFMS	2009	SD	6/30/2010	5/31/2015
DEPARTMENT OF LABOR AND EMPLOYMENT				
CUBS & CATS IT Controls	2011	SD	12/31/2011	12/31/2016
CUBS & CATS IT Controls	2011	SD	12/31/2011	12/31/2016
DEPARTMENT OF REVENUE				
CSTARS IT Controls	2010	SD	7/31/2011	3/31/2015
CSTARS IT Controls	2010	SD	6/30/2011	3/31/2015
CSTARS IT Controls	2010	SD	1/31/2012	3/31/2015
TOTAL		26		

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

The appendices of this report provide additional information on the outstanding financial audit recommendations that are considered high priority.

PERFORMANCE AND IT AUDIT RECOMMENDATIONS

Of the 3,321 recommendations made between July 2008 and June 2013, there were 1,842 (55 percent) from performance or IT audit reports. Of these 1,842 performance and IT recommendations, state agencies agreed to implement 1,828 (99 percent), which are shown in the following table.

TOTAL NUMBER OF PERFORMANCE AND IT AUDIT RECOMMENDATIONS THAT AGENCIES/DEPARTMENTS AGREED TO IMPLEMENT JULY 2008 THROUGH JUNE 2013	
AGRICULTURE	25
CORRECTIONS	7
EDUCATION	4
GOVERNOR'S OFFICE	370
Colorado Energy Office	13
Colorado Tourism Office	7
Governor's Office of Information Technology	119
Office of Information Security	181
All Other	50
HEALTH CARE POLICY AND FINANCING	113
HIGHER EDUCATION	88
CollegeInvest	50
Colorado State University	4
Department of Higher Education	32
Colorado Mesa University	1
Metropolitan State University of Denver	1
HUMAN SERVICES	165
JUDICIAL	56
LABOR AND EMPLOYMENT	64
LAW	16
LOCAL AFFAIRS	27
MILITARY AND VETERANS AFFAIRS	0
NATURAL RESOURCES	161
PERSONNEL & ADMINISTRATION	202
PUBLIC HEALTH AND ENVIRONMENT	40
PUBLIC SAFETY	23
REGULATORY AGENCIES	42
REVENUE	163
Colorado Lottery	37
Department of Revenue	126
SECRETARY OF STATE	7
TRANSPORTATION	143
TREASURY	12
GREAT OUTDOORS COLORADO	2
PINNACOL ASSURANCE	28
PUBLIC EMPLOYEES' RETIREMENT ASSOC.	2
REGIONAL TRANSPORTATION DISTRICT	40
STATEWIDE INTERNET PORTAL AUTHORITY	28
TOTAL	1,828

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

The number of outstanding performance and IT audit recommendations has decreased since June 30, 2013. On the basis of self-reported data from state agencies, 67 of the 1,828 performance and IT audit recommendations that the agencies agreed to implement (4 percent) were outstanding as of June 30, 2014. By comparison, in our 2013 *Annual Report*, 74 out of 1,805 performance and IT audit recommendations at that time (4 percent) were outstanding.

Of the 67 outstanding performance and IT audit recommendations as of June 30, 2014, the highest priority are the 38 (57 percent) recommendations from reports that were released 3 years or more ago. Throughout this report the outstanding recommendations that are considered high priority are highlighted in orange.

HIGH-PRIORITY OUTSTANDING PERFORMANCE AND IT AUDIT RECOMMENDATIONS

The OSA considers the performance and IT recommendations from reports that were released 3 years or more ago to be high priority.

The following table shows the outstanding performance and IT audit recommendations that are considered high priority by state agency and the year the recommendations were first made.

HIGH PRIORITY PERFORMANCE AND IT AUDIT RECOMMENDATIONS OUTSTANDING AS OF JUNE 30, 2013, AND JUNE 30, 2014

	REPORT DATE	TOTAL NUMBER OF RECS	OUTSTANDING RECS JUNE 2013	OUTSTANDING RECS JUNE 2014
DEPARTMENT OF AGRICULTURE				
Anhydrous Ammonia Program, Inspection and Consumer Services Division, Performance Audit	July 2010	18	2	2
GOVERNOR'S OFFICE				
Governor's Office of Information Technology and the SAP Information System at the Department of Transportation, Information Technology Audit	June 2010	15	1	1
Office of Cyber Security, Governor's Office of Information Technology, Performance Audit, PUBLIC REPORT	November 2010	47	12	6▼
Office of Cyber Security, Governor's Office of Information Technology, Performance Audit, CONFIDENTIAL REPORT	November 2010	181	19	17▼
DEPARTMENT OF HEALTH CARE POLICY AND FINANCING				
Access to Medicaid Home and Community-Based Long-Term Care Services, Performance Audit	January 2009	33	1	0▼
DEPARTMENT OF LABOR AND EMPLOYEMENT				
Unemployment Insurance Program, Performance Audit	October 2011	17	4	3▼
DEPARTMENT OF NATURAL RESOURCES				
Cash Funds Uncommitted Reserves, Performance Audit[1]	June 2013	1	1	1
DEPARTMENT OF PERSONNEL & ADMINISTRATION				
Performance Audit of the Employee Benefits Program, Department of Personnel & Administration	October 2010	19	1	0▼
Central Services and Department of Revenue Tax Processing, Performance Audit	September 2011	4	3	2▼
Cash Funds Uncommitted Reserves, Performance Audit[1]	June 2013	1	1	1
DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT				
Cash Funds Uncommitted Reserves, Performance Audit[1]	June 2013	1	1	1
DEPARTMENT OF REGULATORY AGENCIES				
Cash Funds Uncommitted Reserves, Performance Audit[1]	June 2013	1	1	1
DEPARTMENT OF REVENUE				
Central Services and Department of Revenue Tax Processing, Performance Audit	September 2011	6	1	1
Cash Funds Uncommitted Reserves, Performance Audit[1]	June 2013	1	1	1
DEPARTMENT OF TRANSPORTATION				
Governor's Office of Information Technology and the SAP Information System at the Department of Transportation, Information Technology Audit	June 2010	15	1	1
TOTAL			50	38▼

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

[1] For high priority recommendations related to cash funds, the table shows the most recent *Cash Funds* audit report in which the recommendations were made. However, these recommendations have been outstanding for 3 years or more.

The appendices of this report provide additional information on the outstanding performance and IT recommendations that are considered high priority.

OVERALL CONCLUSIONS

When considering the number of recommendations that the OSA made to state agencies over the 5-year review period, the summary information in this report shows that state agencies generally agree with our recommendations and usually implement them in a timely manner. Further, the number of older recommendations that have been outstanding has decreased compared to our 2013 *Annual Report.* The table below shows a breakdown of the number of outstanding recommendations by fiscal year in which they were made, as reported in our 2013 *Annual Report* compared to the number of recommendations outstanding as of this 2014 report.

ALL OUTSTANDING RECOMMENDATIONS BY FISCAL YEAR AS OF JUNE 30, 2013, AND JUNE 30, 2014					
	2009	2010	2011	2012	2013
2013 ANNUAL REPORT	10	23	61	46	N/A
2014 ANNUAL REPORT	8	7	41	41	43

SOURCE: Office of the State Auditor's recommendation database.

Although agencies have made progress in implementing outstanding audit recommendations over the past year, approximately 5 percent of recommendations covering the period July 2008 through June 2013 have not been fully implemented and remain outstanding. This report provides the General Assembly information on the recommendations that have not been fully implemented, and are considered high priority, so policy makers have the oversight tools needed to hold state agencies accountable.

DEPARTMENT OF AGRICULTURE

The Department of Agriculture (Department) agreed or partially agreed to implement 39 audit recommendations between July 1, 2008 and June 30, 2013. Of these 39 recommendations, 14 (36 percent) were from financial audit reports, and 25 (64 percent) were from performance and/or information technology (IT) audit reports.

FINANCIAL AUDIT RECOMMENDATIONS

As of June 30, 2014, the OSA's follow-up audit process determined that one of the 14 financial audit recommendations (7 percent) that the Department agreed to implement is still outstanding. In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*), the Department also had one outstanding financial audit recommendation.

The following table summarizes the outstanding financial recommendation by the level of deficiency, topic area, and number of years outstanding.

DEPARTMENT OF AGRICULTURE FINANCIAL AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014							
RECOMMENDATION DEFICIENCY CLASSIFICATION	TOPIC AREA	NUMBER OF YEARS OUTSTANDING					TOTAL
		1	2	3	4	5	
Not Classified/Not an Internal Control Issue	State Fair	0	0	1	0	0	1
SOURCE: Office of the State Auditor's recommendation database.							

PERFORMANCE AND/OR IT AUDIT RECOMMENDATIONS

As of June 30, 2014, the Department reported that 22 (88 percent) of the 25 performance and/or IT audit recommendations that it agreed to implement have been fully implemented, and three (12 percent) are still outstanding. In our 2013 *Annual Report* the Department also had three outstanding performance and/or IT audit recommendations.

The following table provides information on the Department's outstanding performance and/or IT recommendations as of June 30, 2014, including the number of months since the Department's original implementation dates. Recommendation 3D from the *Anhydrous Ammonia Program* performance audit report was to improve tank-level inspection data management systems and practices. Recommendation 7A was to identify data, system, and reporting capabilities needed to manage tank registration, inspection, and enforcement effectively. These two recommendations are considered high priority and highlighted in orange.

DEPARTMENT OF AGRICULTURE PERFORMANCE AND IT AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014						
	REC. NO.	TOPIC AREA	IMPLEMENTATION STATUS	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION DATE	DELAY (MONTHS)
Anhydrous Ammonia Program, Inspection and Consumer Services Division, Performance Audit #2058, July 2010	3D	Program Administration	Partially Implemented	7/31/2012	1/31/2015	30
	7A	IT - Information System Analysis, Conversion, Migration, and Implementation	Partially Implemented	7/31/2012	1/31/2015	30
Cash Funds, Uncommitted Reserves, Performance Audit #1344P, June 2013	2A	Inspection and Consumer Service Cash Fund	Not Implemented	6/30/2014	6/30/2014	0

SOURCE: Office of the State Auditor's recommendation database.
NOTE: Implementation status is self-reported by the agency and not audited by the OSA, except for the status of Cash Funds Uncommitted Reserves recommendations, which is audited annually by the OSA.

DEPARTMENT OF CORRECTIONS

The Department of Corrections (Department) agreed or partially agreed to implement nine audit recommendations between July 1, 2008 and June 30, 2013. Of these nine recommendations, two (22 percent) were from financial audit reports, and seven (78 percent) were from performance and/or information technology (IT) audit reports. All of these recommendations have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented*, the Department had no outstanding audit recommendations.

DEPARTMENT OF EDUCATION

The Department of Education (Department) agreed or partially agreed to implement 20 audit recommendations between July 1, 2008 and June 30, 2013. Of these 20 recommendations, 16 (80 percent) were from financial audit reports, and 4 (20 percent) were from performance and/or information technology (IT) reports.

FINANCIAL AUDIT RECOMMENDATIONS

As of June 30, 2014, the OSA's follow-up audit process determined that two of the financial audit recommendations that the Department agreed to implement are still outstanding. In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented*, the Department had no outstanding financial audit recommendations.

The following table summarizes the outstanding financial recommendations by the level of deficiency, topic area, and number of years outstanding.

DEPARTMENT OF EDUCATION FINANCIAL AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014								
RECOMMENDATION DEFICIENCY CLASSIFICATION	TOPIC AREA	NUMBER OF YEARS OUTSTANDING					TOTAL
		1	2	3	4	5	
Significant Deficiency	External Financial Reporting and Office of Management and Budget Circular A-133 Reporting	2	0	0	0	0	2

SOURCE: Office of the State Auditor's recommendation database.

PERFORMANCE AND/OR IT AUDIT RECOMMENDATIONS

As of June 30, 2014, the Department reports that 3 of the 4 performance and/or IT audit recommendations (75 percent) that it agreed to implement have been fully implemented, and one (25 percent) is still outstanding. In our 2013 *Annual Report*, the Department had no outstanding performance and/or IT audit recommendations.

The following table provides information on the Department's outstanding performance audit recommendation as of June 30, 2014, including the number of months outstanding since the Department's original implementation date.

	REC. NO.	TOPIC AREA	IMPLEMENTATION STATUS	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION DATE	DELAY (MONTHS)
DEPARTMENT OF EDUCATION PERFORMANCE AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014						
Cash Funds Uncommitted Reserves, Performance Audit #1344P, June 2013	3	Educator Licensure Cash Fund	Not Implemented	6/30/2014	6/30/2014	0

SOURCE: Office of the State Auditor's recommendation database.
NOTE: Implementation status for Cash Funds Uncommitted Reserves recommendations is audited annually by the OSA.

GOVERNOR'S OFFICE

The Governor's Office, including the Governor's Office of Information Technology, agreed or partially agreed to implement 530 audit recommendations between July 1, 2008 and June 30, 2013. Of these 530 recommendations, 160 (30 percent) were from financial audit reports, and 370 (70 percent) were from performance and/or information technology (IT) audit reports.

FINANCIAL AUDIT RECOMMENDATIONS

As of June 30, 2014, the OSA's follow-up audit process determined that 28 of the 160 financial audit recommendations (18 percent) that the Governor's Office agreed to implement are still outstanding. In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*), the Governor's Office had 20 outstanding financial audit recommendations.

The following table summarizes the outstanding financial recommendations by the level of deficiency, topic area, and number of years outstanding. Of these outstanding recommendations, 11 recommendations made to the Governor's Office of Information Technology are significant deficiencies and considered high priority and highlighted in orange. Of these 11 high priority recommendations, six relate to IT controls for the KRONOS payroll system, three relate to IT controls for the Colorado State Titling and Registration System (CSTARS), and two relate to IT controls for the Colorado Unemployment Benefits System (CUBS) and Colorado Automated Tax System (CATS).

GOVERNOR'S OFFICE FINANCIAL AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014							
RECOMMENDATION DEFICIENCY CLASSIFICATION	TOPIC AREA	NUMBER OF YEARS OUTSTANDING					TOTAL[1]
		1	2	3	4	5	
Significant Deficiency	Contract Management	0	1	0	0	0	1
	Firewall Management	0	3	0	0	0	3
	CPPS IT Controls	0	6	0	0	0	6
	CSTARS IT Controls	0	0	0	3	0	3
	CUBS & CATS	0	0	2	0	0	2
	KRONOS IT Controls	0	0	6	0	0	6
SUBTOTAL		0	10	8	3	0	21
Deficiency in Internal Control	Contract Management	0	1	0	0	0	1
	Information Security Policies	0	3	0	0	0	3
	Compass IT Controls	0	1	0	0	0	1
	GenTax IT Controls	2	0	0	0	0	2
SUBTOTAL		2	5	0	0	0	7
TOTAL		2	15	8	3	0	28

SOURCE: Office of the State Auditor's recommendation database.

[1] The 2013 Annual Report did not include eight of these recommendations because they appeared implemented at the time that report was released. Upon completing follow-up audit work, the OSA determined that these recommendations were not fully implemented as of June 30, 2014 and are reflected in the columns for 2 years and 3 years outstanding.

PERFORMANCE AND/OR IT AUDIT RECOMMENDATIONS

As of June 30, 2014, the Governor's Office reports that 342 (92 percent) of the 370 performance and/or IT audit recommendations that it agreed to implement have been fully implemented, and 28 (8 percent) are still outstanding. In our 2013 *Annual Report*, the Governor's Office had 34 outstanding performance and/or IT recommendations.

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REPORT OF THE COLORADO STATE AUDITOR

The following table provides information on the outstanding performance and/or IT recommendations for the Governor's Office as of June 30, 2014, including the number of months since the original implementation dates. One recommendation from the *SAP Information System* audit and the 23 recommendations from the *Office of Cyber Security* audit are considered high priority and highlighted in orange.

The *SAP Information System* report Recommendation 3B was to ensure the disaster recovery plan for the System followed State Cyber Security Policies. The 23 outstanding recommendations from the *Office of Cyber Security* audit included 17 recommendations from the confidential portion of the report, and addressed various IT security issues, such as improving cyber security plan processes, the State's incident identification and response processes, and the security of agencies' internal networks.

GOVERNOR'S OFFICE PERFORMANCE AND IT AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014						
	REC. NO.	TOPIC AREA	IMPLEMENTATION STATUS	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION DATE	DELAY (MONTHS)
Governor's Office of Information Technology and Department of Transportation's SAP Information System, IT Audit #2012, June 2010	3B	IT - Information System Security	Partially Implemented	3/31/2011	9/30/2014	42
Office of Cyber Security, Governor's Office of Information Technology, Performance Audit #2068A, November 2010, PUBLIC REPORT	8G	IT - Information System Security	Partially Implemented	7/31/2011	7/31/2016	60
	7E	IT - Information System Security	Partially Implemented	7/31/2011	6/30/2016	59
	8F	IT - Information System Security	Partially Implemented	7/31/2011	7/31/2015	48
	7D	IT - Information System Security	Partially Implemented	7/31/2011	6/30/2015	47
	2B	IT - Information System Security	Partially Implemented	7/31/2011	3/31/2015	44
	2D	IT - Information System Security	Partially Implemented	7/31/2011	3/31/2015	44

	REC. NO.	TOPIC AREA	IMPLEMENTATION STATUS	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION DATE	DELAY (MONTHS)
	GOVERNOR'S OFFICE PERFORMANCE AND IT AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014					
Office of Cyber Security Governor's Office of Information Technology, Performance Audit #2068B, November 2010, CONFIDENTIAL REPORT	CDLE-EAF-H3	IT - Information System Security	Not Implemented	2/28/2011	12/31/2014	46
	CDLE-EAF-H7	IT - Information System Security	Partially Implemented	2/28/2011	12/31/2014	46
	CDLE-ENF-H2	IT - Information System Security	Partially Implemented	2/28/2011	12/31/2014	46
	DNR-EAF-H1	IT - Information System Security	Partially Implemented	2/28/2011	12/31/2014	46
	DNR-EAF-H3	IT - Information System Security	Not Implemented	2/28/2011	12/31/2014	46
	DNR-INF-H1	IT - Information System Security	Not Implemented	2/28/2011	12/31/2014	46
	DNR-INF-H2	IT - Information System Security	Not Implemented	2/28/2011	12/31/2014	46
	DPS-EAF-H1	IT - Information System Security	Not Implemented	2/28/2011	12/31/2014	46
	DPS-EAF-H2	IT - Information System Security	Partially Implemented	2/28/2011	12/31/2014	46
	DPS-EAF-H3	IT - Information System Security	Not Implemented	2/28/2011	12/31/2014	46
	CDLE-EAF-M4	IT - Information System Security	Partially Implemented	5/31/2011	12/31/2014	43
	CDLE-EAF-M5	IT - Information System Security	Not Implemented	5/31/2011	12/31/2014	43
	DOR-EAF-M1	IT - Information System Security	Not Implemented	5/31/2011	12/31/2014	43
	DPS-EAF-M1	IT - Information System Security	Not Implemented	5/31/2011	12/31/2014	43
	DPS-EAF-M2	IT - Information System Security	Not Implemented	5/31/2011	12/31/2014	43
	DPS-EAF-M3	IT - Information System Security	Not Implemented	5/31/2011	12/31/2014	43
	DPS-EAF-M4	IT - Information System Security	Not Implemented	5/31/2011	12/31/2014	43
Consolidation of Executive Branch Information Technology, Performance Audit #2151, March 2012	3	Program Administration	Partially Implemented	7/31/2012	9/30/2016	50
	5	Program Administration	Partially Implemented	12/31/2012	8/31/2014	20
Performance Evaluation of State Capital Asset Management and Lease Administration Practices, #2175, November 2012	4A	Program Administration	Partially Implemented	5/31/2013	11/30/2015	30
	4B	Program Administration	Partially Implemented	5/31/2013	11/30/2015	30

SOURCE: Office of the State Auditor's recommendation database.
NOTE: Implementation status is self-reported by the agency and not audited by the OSA.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

The Department of Health Care Policy and Financing (Department) agreed or partially agreed to implement 389 audit recommendations between July 1, 2008 and June 30, 2013. Of these 389 recommendations, 276 (71 percent) were from financial audit reports, and 113 (29 percent) were from performance and/or information technology (IT) audit reports.

FINANCIAL AUDIT RECOMMENDATIONS

As of June 30, 2014, the OSA's follow-up audit process determined that 14 of the 276 financial audit recommendations (5 percent) that the Department agreed to implement are still outstanding. In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*), the Department had 15 outstanding financial audit recommendations.

The following table summarizes the outstanding financial recommendations by level of deficiency, topic area, and number of years outstanding. Of these outstanding recommendations, the one material weakness as well as the six significant deficiencies that have been outstanding for 3 years or more are considered high priority and highlighted in orange. The high priority material weakness relates to the eligibility of Medicaid providers, and the six significant deficiencies relate to Medicaid claims processing, the Medicaid Management Information System (MMIS), and Medicaid nursing facility oversight.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING FINANCIAL AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014							
RECOMMENDATION DEFICIENCY CLASSIFICATION	TOPIC AREA	NUMBER OF YEARS OUTSTANDING					TOTAL
		1	2	3	4	5	
Material Weakness	Medicaid Provider Eligibility	0	0	1	0	0	1
SUBTOTAL		0	0	1	0	0	1
Significant Deficiency	Medicaid Claims Processing	0	0	0	0	2	2
	IT - MMIS	0	0	0	0	3	3
	Medicaid Nursing Facility Oversight	0	0	1	0	0	1
	Federal Reporting - Medicaid and CBHP	1	0	0	0	0	1
	Medicaid Provider Eligibility - Federal Health Care Reform Requirements	0	2	0	0	0	2
	Personnel Cost Documentation - Medicaid and CBHP	0	1	0	0	0	1
SUBTOTAL		1	3	1	0	5	10
Deficiency in Internal Control	Payments Reclassification - Medicaid and CBHP	0	1	0	0	0	1
	Medicaid Rate Setting and Claims Processing	2	0	0	0	0	2
SUBTOTAL		2	1	0	0	0	3
TOTAL		3	4	2	0	5	14

SOURCE: Office of the State Auditor's recommendation database.

PERFORMANCE AND/OR IT AUDIT RECOMMENDATIONS

As of June 30, 2014, the Department reports that all of the performance and/or IT audit recommendations that it agreed to implement have been fully implemented. In our 2013 *Annual Report*, the Department had eight outstanding performance and/or IT audit recommendations.

DEPARTMENT OF HIGHER EDUCATION

The Department of Higher Education (Department) agreed or partially agreed to implement 53 audit recommendations between July 1, 2008 and June 30, 2013. Of these 53 recommendations, 21 (40 percent) were from financial audit reports, and 32 (60 percent) were from performance and/or information technology (IT) audit reports. All of the financial audit recommendations have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*), the Department had no outstanding financial audit recommendations.

PERFORMANCE AND/OR IT AUDIT RECOMMENDATIONS

As of June 30, 2014, the Department reports that all of the performance and/or IT audit recommendations that it agreed to implement have been fully implemented. In our 2013 *Annual Report*, the Department had one outstanding performance and/or IT recommendation.

ADAMS STATE UNIVERSITY

Adams State University (University) agreed or partially agreed to implement 12 audit recommendations between July 1, 2008 and June 30, 2013. All of the recommendations were from financial audit reports and all have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented*, the University had no outstanding audit recommendations.

AURARIA HIGHER EDUCATION CENTER

The Auraria Higher Education Center (AHEC) agreed or partially agreed to implement three audit recommendations between July 1, 2008 and June 30, 2013. All three of these recommendations were from financial audit reports and all have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented*, AHEC had no outstanding audit recommendations.

COLLEGE ASSIST (COLORADO STUDENT LOAN PROGRAM)

College Assist agreed or partially agreed to implement four audit recommendations between July 1, 2008 and June 30, 2013. All of the recommendations were from financial audit reports and all have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented*, College Assist had no outstanding audit recommendations.

COLLEGEINVEST

CollegeInvest agreed or partially agreed to implement 62 audit recommendations between July 1, 2008 and June 30, 2013. Of these 62 recommendations, 12 (19 percent) were from financial audit reports, and 50 (81 percent) were from performance and/or information technology (IT) audit reports. All of the audit recommendations have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented*, CollegeInvest had no outstanding audit recommendations.

COLORADO COMMUNITY COLLEGE SYSTEM

The Colorado Community College System (System) agreed or partially agreed to implement 56 audit recommendations between July 1, 2008, and June 30, 2013. All of the recommendations were from financial audit reports.

FINANCIAL AUDIT RECOMMENDATIONS

As of June 30, 2014, the OSA's follow-up audit process determined that one of the 56 financial audit recommendations (2 percent) that the System agreed to implement is still outstanding. In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented*, the System also had one outstanding financial audit recommendation.

The following table summarizes the outstanding financial recommendation by the level of deficiency, topic area, and number of years outstanding.

COLORADO COMMUNITY COLLEGE SYSTEM FINANCIAL AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014							
RECOMMENDATION DEFICIENCY CLASSIFICATION	TOPIC AREA	NUMBER OF YEARS OUTSTANDING					TOTAL
		1	2	3	4	5	
Significant Deficiency	Title IV Funds	0	1	0	0	0	1

SOURCE: Office of the State Auditor's recommendation database.

COLORADO MESA UNIVERSITY

Colorado Mesa University (University) agreed or partially agreed to implement one audit recommendation between July 1, 2008 and June 30, 2013. This recommendation was from a performance audit report and has been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented*, the University had no outstanding audit recommendations.

COLORADO SCHOOL OF MINES

The Colorado School of Mines (School) agreed or partially agreed to implement 16 audit recommendations between July 1, 2008 and June 30, 2013. All of these recommendations were from financial audit reports and all have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented*, the School had no outstanding audit recommendations.

COLORADO STATE UNIVERSITY SYSTEM

The Colorado State University System (System) agreed or partially agreed to implement 38 audit recommendations between July 1, 2008 and June 30, 2013. Of these 38 recommendations, 34 (89 percent) were from financial audit reports, and 4 (11 percent) were from performance and/or information technology (IT) audit reports. All performance and/or IT audit recommendations have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*) the System had no outstanding performance audit recommendations.

FINANCIAL AUDIT RECOMMENDATIONS

As of June 30, 2014, the OSA's follow-up audit process determined that two of the 34 financial audit recommendations (6 percent) that the System agreed to implement are still outstanding. In our 2013 *Annual Report*, the System had one outstanding financial audit recommendation.

The following table summarizes the outstanding financial recommendations by the level of deficiency, topic area, and number of years outstanding. The one recommendation that is a material weakness related to account reconciliation for the Pueblo campus is considered high priority and highlighted in orange.

COLORADO STATE UNIVERSITY SYSTEM FINANCIAL AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014							
RECOMMENDATION DEFICIENCY CLASSIFICATION	TOPIC AREA	NUMBER OF YEARS OUTSTANDING					TOTAL
		1	2	3	4	5	
Material Weakness	Account Reconciliation – Pueblo Campus	1	0	0	0	0	1
Deficiency in Internal Control	IT – Information System Security	0	0	0	0	1	1
TOTAL		1	0	0	0	1	2

SOURCE: Office of the State Auditor's recommendation database.

FORT LEWIS COLLEGE

Fort Lewis College (College) agreed or partially agreed to implement three audit recommendations between July 1, 2008 and June 30, 2013. All three recommendations were from financial audit reports and all have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented*, the College had no outstanding audit recommendations.

HISTORY COLORADO

History Colorado agreed or partially agreed to implement six audit recommendations between July 1, 2008 and June 30, 2013. All of the recommendations were from financial audit reports and all have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented*, History Colorado had no outstanding audit recommendations.

METROPOLITAN STATE UNIVERSITY OF DENVER

Metropolitan State University of Denver (University) agreed or partially agreed to implement 25 audit recommendations between July 1, 2008 and June 30, 2013. Of these 25 recommendations, 24 (96 percent) were from financial audit reports, and one (4 percent) was from a performance and/or information technology (IT) audit report. All performance and/or IT audit recommendations have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*), the University also had no outstanding performance or IT audit recommendations.

FINANCIAL AUDIT RECOMMENDATIONS

As of June 30, 2014, the OSA's follow-up audit process determined that one of the 24 financial audit recommendations (4 percent) that the University agreed to implement is still outstanding. In our 2013 *Annual Report*, the University had no outstanding financial audit recommendations.

The following table summarizes the outstanding recommendation by the level of deficiency, topic area, and number of years outstanding.

METROPOLITAN STATE UNIVERSITY OF DENVER FINANCIAL AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014							
RECOMMENDATION DEFICIENCY CLASSIFICATION	TOPIC AREA	NUMBER OF YEARS OUTSTANDING					TOTAL
		1	2	3	4	5	
Significant Deficiency	Title IV Funds	1	0	0	0	0	1
SOURCE: Office of the State Auditor's recommendation database.							

UNIVERSITY OF COLORADO SYSTEM

The University of Colorado System (System) agreed or partially agreed to implement 14 audit recommendations between July 1, 2008 and June 30, 2013. All of these recommendations were from financial audit reports.

FINANCIAL AUDIT RECOMMENDATIONS

As of June 30, 2014, the OSA's follow-up audit process determined that all of the financial audit recommendations that the System agreed to implement have been fully implemented. In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented*, the System had one outstanding financial audit recommendation.

UNIVERSITY OF NORTHERN COLORADO

The University of Northern Colorado (University) agreed or partially agreed to implement nine audit recommendations between July 1, 2008 and June 30, 2013. All of these recommendations were from financial audit reports.

FINANCIAL AUDIT RECOMMENDATIONS

As of June 30, 2014, the OSA's follow-up audit process determined that one of the nine financial audit recommendations (11 percent) that the University agreed to implement is still outstanding. In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented*, the University had no outstanding financial audit recommendations.

The following table summarizes the outstanding recommendation by the level of deficiency, topic area, and number of years outstanding.

UNIVERSITY OF NORTHERN COLORADO FINANCIAL AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014							
RECOMMENDATION DEFICIENCY CLASSIFICATION	TOPIC AREA	NUMBER OF YEARS OUTSTANDING					TOTAL
		1	2	3	4	5	
Deficiency in Internal Control	Procedures for Federal Perkins Loans	1	0	0	0	0	1
SOURCE: Office of the State Auditor's recommendation database.							

WESTERN STATE COLLEGE

Western State College (College) agreed or partially agreed to implement six audit recommendations between July 1, 2008 and June 30, 2013. All of these recommendations were from financial audit reports and all have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented*, the College had no outstanding audit recommendations.

DEPARTMENT OF HUMAN SERVICES

The Department of Human Services (Department) agreed or partially agreed to implement 602 audit recommendations between July 1, 2008 and June 30, 2013. Of these 602 recommendations, 437 (73 percent) were from financial audit reports, and 165 (27 percent) were from performance and/or information technology (IT) audit reports.

FINANCIAL AUDIT RECOMMENDATIONS

As of June 30, 2014, the OSA's follow-up audit process determined that three of the 437 financial audit recommendations (1 percent) that the Department agreed to implement are still outstanding. In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*), the Department had 18 outstanding financial audit recommendations.

The following table summarizes the outstanding financial recommendations by the level of deficiency, topic area, and number of years outstanding. Of the three outstanding financial recommendations, the one material weakness related to improving the county monitoring process for the Temporary Assistance for Needy Families (TANF) program and the one significant deficiency related to resolving the unreconciled balance between the County Financial Management System (CFMS) and the Colorado Financial Reporting System (COFRS) are considered high priority and highlighted in orange.

DEPARTMENT OF HUMAN SERVICES FINANCIAL AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014								
RECOMMENDATION DEFICIENCY CLASSIFICATION	TOPIC AREA	NUMBER OF YEARS OUTSTANDING					TOTAL	
		1	2	3	4	5		
Material Weakness	TANF	0	0	0	0	1	1	
Significant Deficiency	CFMS	0	0	0	0	1	1	
Deficiency in Internal Control	Vocational Rehabilitation	1	0	0	0	0	1	
TOTAL		1	0	0	0	2	3	

SOURCE: Office of the State Auditor's recommendation database.

PERFORMANCE AND/OR IT AUDIT RECOMMENDATIONS

As of June 30, 2014, the Department reported that 164 of the 165 performance and/or IT audit recommendations (99 percent) that it agreed to implement have been fully implemented and one (1 percent) is still outstanding. In our 2013 *Annual Report,* the Department had one outstanding performance audit recommendation.

The following table provides information on the Department's outstanding performance recommendation as of June 30, 2014, including the number of months since the Department's original implementation date.

DEPARTMENT OF HUMAN SERVICES PERFORMANCE AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014						
	REC. NO.	TOPIC AREA	IMPLEMENTATION STATUS	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION DATE	DELAY (MONTHS)
Cash Funds Uncommitted Reserves, Performance Audit #1344P, June 2013	5	Records and Reports Cash Fund	Not Implemented	6/30/2014	6/30/2014	0
		Work Therapy Cash Fund	Not Implemented	6/30/2014	6/30/2014	0

SOURCE: Office of the State Auditor's recommendation database.
NOTE: Implementation status for Cash Funds Uncommitted Reserves recommendations is audited annually by the OSA.

JUDICIAL DEPARTMENT

The Judicial Department (Department) agreed or partially agreed to implement 59 audit recommendations between July 1, 2008 and June 30, 2013. Of these 59 recommendations, three (5 percent) were from financial audit reports, and 56 (95 percent) were from performance and/or information technology (IT) audit reports. All of the financial audit recommendations have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*), the Department had no outstanding financial audit recommendations.

PERFORMANCE AND/OR IT AUDIT RECOMMENDATIONS

As of June 30, 2014, the Department reports that 55 of the 56 performance audit and/or IT recommendations (98 percent) that it agreed to implement are fully implemented, and one (2 percent) is still outstanding. In our 2013 *Annual Report*, the Department had two outstanding performance and/or IT audit recommendations.

The following table provides information on the Department's outstanding IT recommendation as of June 30, 2014, including the number of months since the Department's original implementation date.

		JUDICIAL DEPARTMENT IT AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014				
	REC. NO.	TOPIC AREA	IMPLEMENTATION STATUS	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION DATE	DELAY (MONTHS)
Judicial Integrated Colorado Courts E-Filing and Judicial Paper on Demand Systems, Independent Verification and Validation Review #2172, July 2012	3C	IT - Information System Controls	Partially Implemented	9/30/2014	7/31/2015	10
SOURCE: Office of the State Auditor's recommendation database. NOTE: Implementation status is self-reported by the agency and not audited by the OSA.						

DEPARTMENT OF LABOR AND EMPLOYMENT

The Department of Labor and Employment (Department) agreed or partially agreed to implement 129 audit recommendations between July 1, 2008 and June 30, 2013. Of these 129 recommendations, 65 (50 percent) were from financial audit reports, and 64 (50 percent) were from performance and/or information technology (IT) reports.

FINANCIAL AUDIT RECOMMENDATIONS

As of June 30, 2014, the OSA's follow-up audit process determined that two of the 65 financial audit recommendations (3 percent) that the Department agreed to implement are still outstanding. In our *2013 Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*), the Department had three outstanding financial audit recommendations.

The following table summarizes the outstanding financial recommendations by the level of deficiency, topic area, and number of years outstanding. These two recommendations, which are significant deficiencies, relate to information system controls for the Colorado Unemployment Benefits System (CUBS) and the Colorado Automated Tax System (CATS). These recommendations are considered high priority and highlighted in orange.

DEPARTMENT OF LABOR AND EMPLOYMENT FINANCIAL AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014							
RECOMMENDATION DEFICIENCY CLASSIFICATION	TOPIC AREA	NUMBER OF YEARS OUTSTANDING					TOTAL
		1	2	3	4	5	
Significant Deficiency	IT Controls for CUBS and CATS	0	0	2	0	0	2

SOURCE: Office of the State Auditor's recommendation database.

PERFORMANCE AND/OR IT AUDIT RECOMMENDATIONS

As of June 30, 2014, the Department reports that 61 (95 percent) of the 64 performance and/or IT audit recommendations that it agreed to implement are fully implemented, and three (5 percent) are still outstanding. In our 2013 *Annual Report*, the Department had five outstanding performance and/or IT audit recommendations.

The following table provides information on the outstanding performance recommendations as of June 30, 2014, including the number of months since the Department's original implementation date. The three outstanding recommendations are from the *Unemployment Insurance Program* performance audit. Recommendation 1C was to ensure claimants meet state and federal statutory requirements by eliminating the paper affidavit form for affirming legal presence. Recommendation 3D was to add language to the claims filing system requiring claimants to conduct a work search and provide job contact information weekly. Recommendation 4A was to improve the efficiency of claims reviews by reprogramming the Colorado Unemployment Benefits system to increase automation. These recommendations are considered high priority and highlighted in orange.

DEPARTMENT OF LABOR AND EMPLOYMENT PERFORMANCE AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014						
	REC. NO.	TOPIC AREA	IMPLEMENTATION STATUS	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION DATE	DELAY (MONTHS)
Unemployment Insurance Program, Performance Audit #2140, October 2011	1C	Program Administration	Not Implemented	12/31/2011	1/31/2017	61
	3D	Program Administration	Partially Implemented	12/31/2012	1/31/2017	49
	4A	Program Administration	Partially Implemented	9/30/2012	1/31/2017	52

SOURCE: Office of the State Auditor's recommendation database.
NOTE: Implementation status is self-reported by the agency and not audited by the OSA.

DEPARTMENT OF LAW

The Department of Law (Department) agreed or partially agreed to implement 17 audit recommendations between July 1, 2008 and June 30, 2013. Of these 17 recommendations, one (6 percent) was from a financial audit report, and 16 (94 percent) were from performance and/or information technology (IT) audit reports. All of the financial audit recommendations have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*), the Department had no outstanding financial audit recommendations.

PERFORMANCE AND/OR IT AUDIT RECOMMENDATIONS

As of June 30, 2014, the Department reported that all of the performance and/or IT audit recommendations that it agreed to implement have been fully implemented. In our 2013 *Annual Report,* the Department had one outstanding performance audit recommendation.

DEPARTMENT OF LOCAL AFFAIRS

The Department of Local Affairs (Department) agreed or partially agreed to implement 34 audit recommendations between July 1, 2008 and June 30, 2013. Of these 34 recommendations, seven (21 percent) were from financial audit reports, and 27 (79 percent) were from performance and/or information technology (IT) audit reports. All of the financial audit recommendations have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*), the Department had no outstanding financial audit recommendations.

PERFORMANCE AND/OR IT AUDIT RECOMMENDATIONS

As of June 30, 2014, the Department reports that 26 of the 27 performance and/or IT audit recommendations (96 percent) that it agreed to implement have been fully implemented, and one (4 percent) is still outstanding. In our 2013 *Annual Report*, the Department had one outstanding performance audit recommendation.

The following table provides information on the Department's outstanding performance audit recommendation as of June 30, 2014, including the number of months since the Department's original implementation date.

DEPARTMENT OF LOCAL AFFAIRS
PERFORMANCE AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED
AS OF JUNE 30, 2014

	REC. NO.	TOPIC AREA	IMPLEMENTATION STATUS	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION DATE	DELAY (MONTHS)
Board of Assessment Appeals, Performance Audit #2141, December 2011	1D	Program Administration	Partially Implemented	6/30/2013	6/30/2015	24

SOURCE: Office of the State Auditor's recommendation database.
NOTE: Implementation status is self-reported by the agency and not audited by the OSA.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The Department of Military and Veterans Affairs received no audit recommendations between July 1, 2008 and June 30, 2013.

DEPARTMENT OF NATURAL RESOURCES

The Department of Natural Resources (Department) agreed or partially agreed to implement 179 audit recommendations between July 1, 2008 and June 30, 2013. Of these 179 recommendations, 18 (10 percent) were from financial audit reports, and 161 (90 percent) were from performance and/or information technology (IT) audit reports.

FINANCIAL AUDIT RECOMMENDATIONS

As of June 30, 2014, the OSA's follow-up audit process determined that four of the 18 financial audit recommendations (22 percent) that the Department agreed to implement are still outstanding. In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*), the Department had two outstanding financial audit recommendations.

The following table summarizes the outstanding financial recommendations by the level of deficiency, topic area, and number of years outstanding.

DEPARTMENT OF NATURAL RESOURCES FINANCIAL AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014							
RECOMMENDATION DEFICIENCY CLASSIFICATION	TOPIC AREA	NUMBER OF YEARS OUTSTANDING					TOTAL[1]
		1	2	3	4	5	
Significant Deficiency	Financial Statements	0	3	0	0	0	3
Deficiency in Internal Controls	Financial Statements	0	1	0	0	0	1
TOTAL		0	4	0	0	0	4

SOURCE: Office of the State Auditor's recommendation database.

[1] The 2013 Annual Report did not include two of these recommendations because they appeared implemented at the time that report was released. Upon completing follow-up audit work, the OSA determined that these recommendations were not fully implemented as of June 30, 2014 and are reflected in the column for 2 years outstanding.

PERFORMANCE AND/OR IT AUDIT RECOMMENDATIONS

As of June 30, 2014, the Department reported that 160 of the 161 performance and/or IT audit recommendations (99 percent) that it agreed to implement are fully implemented, and one (1 percent) is still outstanding. In our 2013 *Annual Report,* the Department also had one outstanding performance and/or IT audit recommendation.

The following table provides information on the Department's outstanding performance audit recommendation as of June 30, 2014, including the number of months since the Department's original implementation date. Recommendation 7A from the *Cash Funds* report was made to the Department because it was not in compliance with state regulations regarding its cash funds balance. While the table shows the recommendation made in the most recent *Cash Funds* audit report, the OSA has made this recommendation to the Department annually for 3 consecutive years and the Department has delayed implementation each year. This recommendation is considered high priority and highlighted in orange.

DEPARTMENT OF NATURAL RESOURCES PERFORMANCE AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014						
	REC. NO.	TOPIC AREA	IMPLEMENTATION STATUS	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION DATE	DELAY (MONTHS)
Cash Funds, Uncommitted Reserves, Performance Audit #1344P, June 2013	7A	Oil and Gas Conservation Cash Fund	Not Implemented	6/30/2012	8/31/2014	26

SOURCE: Office of the State Auditor's recommendation database.
NOTE: Implementation status for Cash Funds Uncommitted Reserves recommendations is audited annually by the OSA.

DEPARTMENT OF PERSONNEL & ADMINISTRATION

The Department of Personnel & Administration (Department) agreed or partially agreed to implement 265 recommendations between July 1, 2008 and June 30, 2013. Of these 265 recommendations, 63 (24 percent) were from financial audit reports, and 202 (76 percent) were from performance and/or information technology (IT) audit reports.

FINANCIAL AUDIT RECOMMENDATIONS

As of June 30, 2014, the OSA's follow-up audit process determined that seven of the 63 financial audit recommendations (11 percent) that the Department agreed to implement are still outstanding. In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*), the Department had five outstanding financial audit recommendations.

The following table summarizes the outstanding recommendations by the level of deficiency, topic area, and number of years outstanding.

DEPARTMENT OF PERSONNEL & ADMINISTRATION FINANCIAL AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014							
RECOMMENDATION DEFICIENCY CLASSIFICATION	TOPIC AREA	NUMBER OF YEARS OUTSTANDING					TOTAL[1]
		1	2	3	4	5	
Significant Deficiency	CPPS	0	6	0	0	0	6
	CAFR Reporting	0	1	0	0	0	1
TOTAL		0	7	0	0	0	7

SOURCE: Office of the State Auditor's recommendation database.
[1] The 2013 Annual Report did not include two of these recommendations because they appeared implemented at the time that report was released. Upon completing follow-up audit work, the OSA determined that these recommendations were not fully implemented as of June 30, 2014 and are reflected in the column for 2 years outstanding.

PERFORMANCE AND/OR IT AUDIT RECOMMENDATIONS

As of June 30, 2014, the Department reports that 186 of the 202 performance and/or IT audit recommendations (92 percent) that it agreed to implement have been fully implemented, and 16 (8 percent) are still outstanding. In our 2013 *Annual Report*, the Department had 6 outstanding performance and/or IT audit recommendations.

The following table provides information on the Department's outstanding performance audit recommendations as of June 30, 2014, including the number of months since the Department's original implementation dates. The *Tax Processing* performance audit Recommendation 1C was to utilize the State's budgeting process to identify and reduce or reallocate positions and expenses between the Department and the Department of Revenue related to the tax processing pipeline. Recommendation 2 from the same report directs the Department to determine the Department of Revenue's service needs that Central Services can address and identify cost savings opportunities. Recommendation 8A from the *Cash Funds* report was made to the Department because it was not in compliance with state regulations regarding its cash funds balance. While the table shows the recommendation made in the most recent *Cash Funds* audit report, the OSA has made this recommendation to the Department annually for 4 consecutive years and the Department has delayed implementation each year. These three recommendations are considered high priority and highlighted in orange.

DEPARTMENT OF PERSONNEL & ADMINISTRATION
PERFORMANCE AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED
AS OF JUNE 30, 2014

	REC. NO.	TOPIC AREA	IMPLEMENTATION STATUS	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION DATE	DELAY (MONTHS)
Department of Revenue Tax Processing, Performance Audit, #2157, September 2011	1C	Program Oversight	Partially Implemented	7/31/2012	1/31/2015	30
	2	Program Administration	Partially Implemented	7/31/2012	7/31/2015	36
Cash Funds Uncommitted Reserves, Performance Audit #1344P, June 2013	8A	Supplier Database Cash Fund	Not Implemented	11/30/2010	11/30/2014	48
		State Archives and Public Records Cash Fund	Not Implemented	6/30/2014	11/30/2014	5
Evaluation of the Department's Annual Compensation Survey for Fiscal Year 2014, #2199, June 2013	10	Program Administration	Not Implemented	8/31/2014	8/31/2016	24
	9	Program Administration	Not Implemented	8/31/2014	8/31/2016	24
	2A	Service Delivery and Outcomes	Partially Implemented	8/31/2013	1/31/2015	17
	2B	Program Administration	Partially Implemented	8/31/2013	1/31/2015	17
	7	Program Administration	Partially Implemented	8/31/2014	8/31/2015	12
	2C	Service Delivery and Outcomes	Not Implemented	8/31/2014	1/31/2015	5
Division of Human Resources and State Personnel Board, Performance Audit #2192, May 2013	1C	Personnel Laws and Regulations	Partially Implemented	7/31/2013	9/30/2014	14
	2B	Personnel Laws and Regulations	Not Implemented	12/31/2013	8/31/2014	8
	4A	Personnel Laws and Regulations	Partially Implemented	12/31/2013	8/31/2014	8
	1D	Personnel Laws and Regulations	Partially Implemented	6/30/2014	9/30/2014	3
Office of Administrative Courts, Performance Audit #2176, September 2012	3A	Program Administration	Partially Implemented	6/30/2013	12/31/2014	18
Performance Evaluation of State Capital Asset Management and Lease Administration Practices, #2175, December 2012	4A	Program Administration	Partially Implemented	5/31/2013	5/31/2015	24
	4B	Program Administration	Partially Implemented	5/31/2013	5/31/2015	24

SOURCE: Office of the State Auditor's recommendation database.
NOTE: Implementation status is self-reported by the agency and not audited by the OSA, except for the status of Cash Funds Uncommitted Reserves recommendations, which is audited annually by the OSA.

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

The Department of Public Health and Environment (Department) agreed or partially agreed to implement 60 audit recommendations between July 1, 2008 and June 30, 2013. Of these 60 recommendations, 20 (33 percent) were from financial audit reports, and 40 (67 percent) were from performance and/or information technology (IT) audit reports.

FINANCIAL AUDIT RECOMMENDATIONS

As of June 30, 2014, the OSA's follow-up audit process determined that one of the 20 financial audit recommendations (5 percent) that the Department agreed to implement is still outstanding. In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*), the Department had two outstanding financial audit recommendations.

The following table summarizes the outstanding financial recommendation by the level of deficiency, topic area, and number of years outstanding.

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FINANCIAL AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014							
RECOMMENDATION DEFICIENCY CLASSIFICATION	TOPIC AREA	NUMBER OF YEARS OUTSTANDING					TOTAL
		1	2	3	4	5	
Deficiency in Internal Control	Compass IT Security	0	1	0	0	0	1
SOURCE: Office of the State Auditor's recommendation database.							

PERFORMANCE AND/OR IT AUDIT RECOMMENDATIONS

As of June 30, 2014, the Department reports that 37 of the 40 performance and/or IT audit recommendations (93 percent) that it agreed to implement have been fully implemented, and three (7 percent) are still outstanding. In our 2013 *Annual Report*, the Department had three outstanding performance and/or IT audit recommendations.

The following table provides information on the three outstanding performance recommendations for the Department as of June 30, 2014, including the number of months since the Department's original implementation dates. The *Cash Funds* report Recommendation 9A was made to the Department because it was not in compliance with state regulations regarding its cash funds balance. While the table shows the recommendation made in the most recent *Cash Funds* audit report, the OSA has made this recommendation to the Department annually for 5 consecutive years and the Department has delayed implementation each year. This recommendation is considered high priority and highlighted in orange.

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
PERFORMANCE AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED
AS OF JUNE 30, 2014

	REC. NO.	TOPIC AREA	IMPLEMENTATION STATUS	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION DATE	DELAY (MONTHS)
Automobile Inspection and Readjustment Program, Performance Audit #2169, November 2012	1	Program Administration	Partially Implemented	1/31/2015	1/31/2015	0
	2	Program Administration	Partially Implemented	1/31/2015	1/31/2015	0
Cash Funds Uncommitted Reserves, Performance Audit #1344P, June 2013	9A	Assisted Living Residence Cash Fund	Not Implemented	6/30/2010	6/30/2014	48
		New Born Genetics Cash Fund	Not Implemented	6/30/2014	6/30/2014	0
		Medical Marijuana Cash Fund [1]	Not Implemented	6/30/2015	6/30/2014	-12
		Laboratory Cash Fund	Not Implemented	6/30/2014	6/30/2014	0
		Fixed and Rotary-Wing Ambulances Cash Fund	Not Implemented	6/30/2014	6/30/2014	0
		Health Facilities General Licensure Cash Fund	Not Implemented	6/30/2014	6/30/2014	0

SOURCE: Office of the State Auditor's recommendation database.
NOTE: Implementation status is self-reported by the agency and not audited by the OSA, except for the status of Cash Funds Uncommitted Reserves recommendations, which is audited annually by the OSA.
[1] The Delay (Months) column shows a negative number because the Department revised its implementation date earlier. In the Fiscal Year 2012 *Cash Funds* report, the Department reported that the Medical Marijuana Cash Fund would be brought into compliance by June 2015. In the subsequent *Cash Funds* audit for Fiscal Year 2013, the Department revised its implementation date to June 2014.

DEPARTMENT OF PUBLIC SAFETY

The Department of Public Safety (Department) agreed or partially agreed to implement 28 audit recommendations between July 1, 2008 and June 30, 2013. Of these 28 recommendations, five (18 percent) were from financial audit reports, and 23 (82 percent) were from performance and/or information technology (IT) audit reports. All of the financial audit recommendations have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*), the Department also had no outstanding financial audit recommendations.

PERFORMANCE AND/OR IT AUDIT RECOMMENDATIONS

As of June 30, 2014, the Department reported that all of the performance and/or IT audit recommendations that it agreed to implement have been fully implemented. In our 2013 *Annual Report,* the Department had one outstanding performance audit recommendation.

DEPARTMENT OF REGULATORY AGENCIES

The Department of Regulatory Agencies (Department) agreed or partially agreed to implement 43 audit recommendations between July 1, 2008 and June 30, 2013. Of these 43 recommendations, one (2 percent) was from a financial audit report, and 42 (98 percent) were from performance and/or information technology (IT) audit reports. All of the financial audit recommendations have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*), the Department had no outstanding financial audit recommendations.

PERFORMANCE AND/OR IT AUDIT RECOMMENDATIONS

As of June 30, 2014, the Department reports that 41 of the 42 performance and/or IT audit recommendations (98 percent) that it agreed to implement have been fully implemented, and one (2 percent) is still outstanding. In our 2013 *Annual Report*, the Department had one outstanding performance and/or IT audit recommendation.

The following table provides information on the Department's outstanding performance audit recommendation as of June 30, 2014, including the number of months since the Department's original implementation date. Recommendation 11A from the *Cash Funds* report was made to the Department because it was not in compliance with state regulations regarding its cash funds balance. While the table shows the recommendation made in the most recent *Cash Funds* audit report, the OSA has made this recommendation to the Department annually for 3 consecutive years and the Department has delayed

implementation each year. This recommendation is considered a high priority and highlighted in orange.

			DEPARTMENT OF REGULATORY AGENCIES PERFORMANCE AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014				
	REC. NO.	TOPIC AREA	IMPLEMENTATION STATUS	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION DATE	DELAY (MONTHS)
Cash Funds Uncommitted Reserves, Performance Audit #1344P, June 2013	11A	Mortgage Broker Cash Fund	Not Implemented	6/30/2012	6/30/2014	24
		Home Owners Association Information and Resource Center Cash Fund	Not Implemented	6/30/2014	6/30/2014	0

SOURCE: Office of the State Auditor's recommendation database.
NOTE: Implementation status of Cash Funds Uncommitted Reserves recommendations is audited annually by the OSA.

DEPARTMENT OF REVENUE

The Department of Revenue (Department) agreed or partially agreed to implement 234 audit recommendations between July 1, 2008 and June 30, 2013. Of these 234 recommendations, 71 (30 percent) were from financial audit reports, and 163 (70 percent) were from performance and/or information technology (IT) audit reports.

FINANCIAL AUDIT RECOMMENDATIONS

As of June 30, 2014, the OSA's follow-up audit process determined that five of the 71 financial audit recommendations (7 percent) that the Department agreed to implement are still outstanding. In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*), the Department had nine outstanding financial audit recommendations.

The following table summarizes the outstanding financial recommendations by the level of deficiency, topic area, and number of years outstanding. Of these outstanding recommendations, the three significant deficiencies related to the Colorado State Titling and Registration System (CSTARS) are considered high priority and highlighted in orange.

DEPARTMENT OF REVENUE FINANCIAL AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014								
RECOMMENDATION DEFICIENCY CLASSIFICATION	TOPIC AREA	NUMBER OF YEARS OUTSTANDING					TOTAL
		1	2	3	4	5	
Significant Deficiency	Information Technology - CSTARS	0	0	0	3	0	3
Deficiency in Internal Control	Information Technology	0	0	0	1	0	1
Not Classified as an Internal Control Issue	Colorado Lottery	0	0	1	0	0	1
TOTAL		0	0	1	4	0	5

SOURCE: Office of the State Auditor's recommendation database.

PERFORMANCE AND/OR IT AUDIT RECOMMENDATIONS

As of June 30, 2014, the Department reports that 161 of the 163 performance and/or IT audit recommendations (99 percent) that it agreed to implement have been fully implemented, and two (1 percent) are still outstanding. In our 2013 *Annual Report*, the Department had four outstanding performance and/or IT audit recommendations.

The following table provides information on the Department's two outstanding performance audit recommendations as of June 30, 2014, including the number of months since the Department's original implementation dates. Recommendation 2 from the *Tax Processing* report was for the Department to use Central Services for outgoing mail processing and warrant printing and reallocate or eliminate staff positions made unnecessary. Recommendation 12A from the *Cash Funds* report was made to the Department because it was not in compliance with state regulations regarding its cash funds balance. While the table shows the recommendation made in the most recent *Cash Funds* audit report, the OSA has made this recommendation to the Department annually for 5 consecutive years and the Department has delayed implementation each year. These two recommendations are considered high priority and highlighted in orange.

DEPARTMENT OF REVENUE PERFORMANCE AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014						
	REC. NO.	TOPIC AREA	IMPLEMENTATION STATUS	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION DATE	DELAY (MONTHS)
Tax Processing, Performance Audit #2157, September 2011	2	Program Administration	Partially Implemented	7/31/2012	7/31/2015	36
Cash Funds Uncommitted Reserves, Performance Audit #1344P, June 2013	12A	Liquor Law Enforcement Cash Fund	Not Implemented	6/30/2010	6/30/2015	60
		Auto Dealers Cash Funds	Not Implemented	6/30/2013	6/30/2015	24

SOURCE: Office of the State Auditor's recommendation database.
NOTE: Implementation status is self-reported by the agency and not audited by the OSA, except for the status of Cash Funds Uncommitted Reserves recommendations, which is audited annually by the OSA.

DEPARTMENT OF STATE (SECRETARY OF STATE)

The Department of State (Department) agreed or partially agreed to implement 22 audit recommendations between July 1, 2008 and June 30, 2013. Of these 22 recommendations, 15 (68 percent) were from financial audit reports, and seven (32 percent) were from performance and/or information technology (IT) audit reports. All of the financial audit recommendations have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*), the Department had no outstanding financial audit recommendations.

PERFORMANCE AND/OR IT AUDIT RECOMMENDATIONS

As of June 30, 2014, the Department reported that all of the performance and/or IT audit recommendations that it agreed to implement have been fully implemented. In our 2013 *Annual Report,* the Department had one outstanding performance audit recommendation.

DEPARTMENT OF TRANSPORTATION

The Department of Transportation (Department) agreed or partially agreed to implement 155 audit recommendations between July 1, 2008 and June 30, 2013. Of these 155 recommendations, 12 (8 percent) were from financial audit reports, and 143 (92 percent) were from performance and/or information technology (IT) audit reports. All of the financial audit recommendations have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*), the Department did not have any outstanding financial audit recommendations.

PERFORMANCE AND/OR IT AUDIT RECOMMENDATIONS

As of June 30, 2014, the Department reports that 137 of the 143 performance and/or IT audit recommendations (96 percent) that it agreed to implement have been fully implemented, and six (4 percent) are still outstanding. In our 2013 *Annual Report*, the Department had one outstanding performance and/or IT audit recommendations.

The following table provides information on the Department's outstanding performance and IT recommendations as of June 30, 2014, including the number of months outstanding since the Department's original implementation dates. Recommendation 3B from the *SAP Information System* IT audit was to ensure that the disaster recovery plan for the System included all components required by State Cyber Security Policies. This recommendation is considered high priority and highlighted in orange.

			DEPARTMENT OF TRANSPORTATION PERFORMANCE AND IT AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014			
	REC. NO.	TOPIC AREA	IMPLEMENTATION STATUS	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION DATE	DELAY (MONTHS)
SAP Information System, IT Audit #2012, June 2010	3B	IT - Information System Security	Partially Implemented	3/31/2011	9/30/2014	42
Outdoor Advertising Program, Performance Audit #2195, May 2013	1C	Program Administration	Partially Implemented	4/30/2014	11/30/2014	7
	1D	Program Administration	Partially Implemented	4/30/2014	11/30/2014	7
	3B	Program Oversight	Partially Implemented	4/30/2014	11/30/2014	7
	1A	Program Oversight	Partially Implemented	4/30/2014	7/31/2014	3
	1B	Program Oversight	Partially Implemented	4/30/2014	7/31/2014	3

SOURCE: Office of the State Auditor's recommendation database.
NOTE: Implementation status is self-reported by the agency and not audited by the OSA.

DEPARTMENT OF TREASURY

The Department of Treasury (Department) agreed or partially agreed to implement 31 audit recommendations between July 1, 2008 and June 30, 2013. Of these 31 recommendations, 19 (61 percent) were from financial audit reports, and 12 (39 percent) were from performance and/or information technology audit reports. All of these audit recommendations have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented*, the Department had no outstanding audit recommendations.

GREAT OUTDOORS COLORADO

Great Outdoors Colorado (GOCO) agreed or partially agreed to implement six audit recommendations between July 1, 2008 and June 30, 2013. Of these six recommendations, four (67 percent) were from financial audit reports, and two (33 percent) were from performance and/or information technology (IT) audit reports. All performance and/or IT audit recommendations have been implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented* (2013 *Annual Report*), GOCO had no outstanding performance or IT audit recommendations.

FINANCIAL AUDIT RECOMMENDATIONS

As of June 30, 2014, the OSA's follow-up audit process determined that one (25 percent) of the four financial audit recommendations that GOCO agreed to implement is still outstanding. In our 2013 *Annual Report*, GOCO had no outstanding financial audit recommendations.

The following table summarizes the outstanding financial recommendation by the level of deficiency, topic area, and number of years outstanding.

GREAT OUTDOORS COLORADO FINANCIAL AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2014							
RECOMMENDATION DEFICIENCY CLASSIFICATION	TOPIC AREA	NUMBER OF YEARS OUTSTANDING					TOTAL
		1	2	3	4	5	
Not Classified/Not an Internal Control Deficiency	Grant Fund Management	1	0	0	0	0	1
SOURCE: Office of the State Auditor's recommendation database.							

PINNACOL ASSURANCE

Pinnacol Assurance (Pinnacol) agreed or partially agreed to implement 44 audit recommendations between July 1, 2008 and June 30, 2013. Of these 44 recommendations, 16 (36 percent) were from financial audit reports, and 28 (64 percent) were from performance and/or information technology (IT) audit reports. All of the recommendations that Pinnacol agreed to implement have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented*, Pinnacol had no outstanding audit recommendations.

PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION

The Public Employees' Retirement Association (PERA) agreed or partially agreed to implement six audit recommendations between July 1, 2008 and June 30, 2013. Of these six recommendations, four (67 percent) were from financial audit reports, and two (33 percent) were from performance and/or information technology audit reports. All of these audit recommendations have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented*, PERA had no outstanding audit recommendations.

REGIONAL TRANSPORTATION DISTRICT

The Regional Transportation District (RTD) agreed or partially agreed to implement 40 audit recommendations between July 1, 2008 and June 30, 2013. Of these 40 recommendations, all were from performance and/or information technology (IT) audit reports and all have been fully implemented.

In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented*, RTD had no outstanding audit recommendations.

STATEWIDE INTERNET PORTAL AUTHORITY

The Statewide Internet Portal Authority (SIPA) agreed or partially agreed to implement 28 audit recommendations between July 1, 2008 and June 30, 2013. All of these 28 recommendations were from performance and/or information technology (IT) audit reports.

PERFORMANCE AND/OR IT AUDIT RECOMMENDATIONS

As of June 30, 2014, SIPA reports that all of the performance and/or IT audit recommendations that it agreed to implement have been fully implemented. In our 2013 *Annual Report of Audit Recommendations Not Fully Implemented*, SIPA had four outstanding performance and/or IT audit recommendations.

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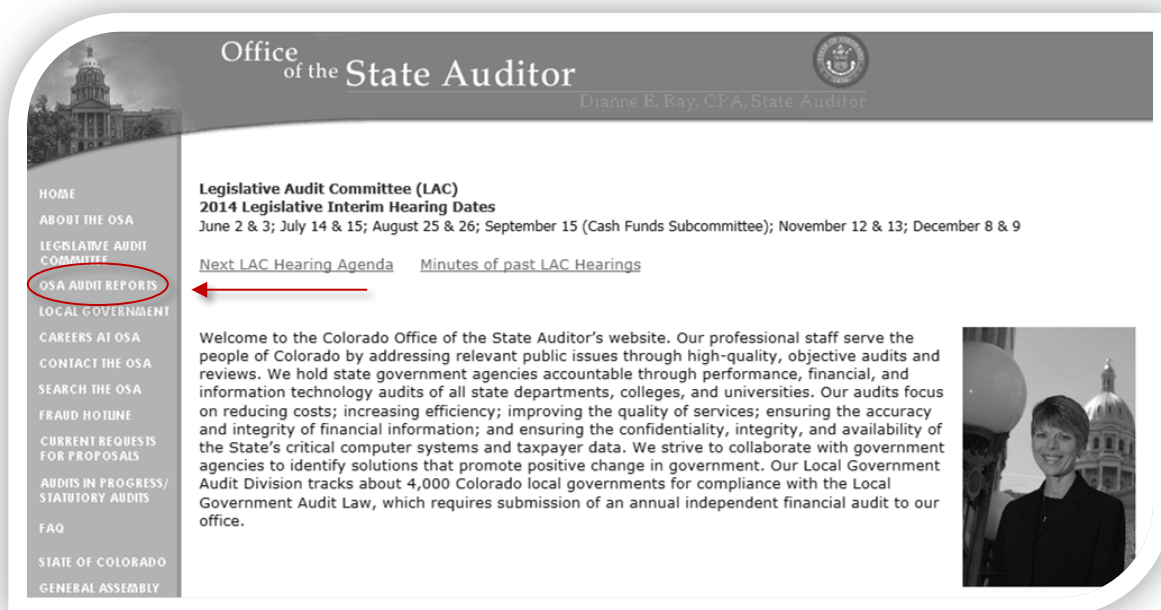
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