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REPORT OF
THE
STATE AUDITOR

**Evaluation of Actions Taken on the
1999 Division of Wildlife
Performance Audit**

As of May 2000

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May 23, 2000

Members of the Legislative Audit Committee:

This report contains the results of our evaluation of the actions taken by the Division of Wildlife in response to our October 1999 performance audit. The performance audit contained 24 recommendations, which are summarized in the Recommendation Locator. The report contains the original audit recommendations and agency responses, identifies actions taken to date by the Division of Wildlife, and communicates our evaluation of the Division's progress.

J. David Barba

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RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary (From October 1999 Audit)	Division of Wildlife Response & Implementation Date (From October 1999 Audit)	
1	5	Reduce the size of the fleet; improve management controls over vehicle acquisitions and inventories.	Agree	12/00
2	7	Improve oversight of vehicle assignments by conducting annual review procedures, developing methods to eliminate unauthorized transfers of vehicles among staff, periodically reviewing commuting exemptions, and evaluating seasonal lease possibilities.	Agree	6/00
3	9	Reduce the current inventory of firearms and other seized property, and revise procedures to ensure problems do not reoccur.	Agree	6/00
4	12	Work with the Division of Parks and Outdoor Recreation, GOCO, the U.S. Fish and Wildlife Service, and other agencies to implement recommendations made in the 1998 federal audit.	Agree	12/02
5	13	Improve accountability for the use of capital construction funds by modifying existing monitoring and reporting processes.	Agree	7/00
6	15	Modify the process for designing capital construction projects to ensure projects have accurate budgets and are completed in a timely manner.	Agree	7/02
7	16	Improve monitoring of design consultants.	Agree	Implemented
8	18	Work with the Capital Development Committee to develop an approach for funding design consultants' fees.	Agree	7/00
9	19	Require contractors to present original invoices when requesting payment for services, and assign responsibility for invoice review and approval to regional engineers.	Agree	1/00

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary (From October 1999 Audit)	Division of Wildlife Response & Implementation Date (From October 1999 Audit)	
10	20	Consider the cost-benefit of continuing to operate the "Fishing Is Fun" Program.	Partially Agree	Implemented
11	22	Improve procedures aimed at preventing individuals with suspended wildlife privileges from obtaining hunting or fishing licenses.	Partially Agree	1/00
12	24	Improve enforcement of hunting laws and regulations that prohibit individuals from obtaining multiple licenses for the same species hunt in a given calendar year.	Agree	7/02
13	26	Evaluate procedures for processing hunting license applications to determine if a better method for handling preference point-only requests exists.	Agree	8/01
14	27	Ensure procedures for administering the landowner preference program do not result in excessive advantages being granted to landowners.	Agree	Testing 5/01 Logic 5/02
15	28	Require landowners to submit proof of ownership as a prerequisite to participating in the landowner preference program.	Agree	12/03
16	30	Improve management of GOCO-funded projects by modifying various planning, monitoring, billing, and accountability processes.	Agree	Implemented
17	31	Work with the Habitat Partnership Council to develop processes to monitor the effectiveness of the Habitat Partnership Program.	Agree	9/00
18	33	Formalize policies and procedures for administering the Habitat Partnership Program.	Agree	9/00

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary (From October 1999 Audit)	Division of Wildlife Response & Implementation Date (From October 1999 Audit)	
19	33	Develop more effective methods to ensure that all employees submit time sheets in a timely manner.	Partially Agree	Implemented
20	35	Review all recommendations that have not been completely implemented from the 1995 State Auditor's performance audit report, and develop an action plan to ensure their timely implementation.	Agree	7/00
21	36	Continue efforts to improve customer service by working with the appropriate federal agencies to secure partial funding for a point of sale system.	Agree	7/02
22	37	Periodically communicate the average wait associated with obtaining various hunting licenses to interested members of the public.	Agree	5/00
23	39	Improve communication with the public regarding the methods used to estimate game populations and determine harvest objectives for various species.	Agree	Implemented
24	40	Improve methods for communicating with the public regarding the Habitat Partnership Program including establishing and adhering to a regular publication schedule for the Program's newsletter.	Partially Agree	7/01

Division of Wildlife

Performance Audit, October 1999

Evaluation of Actions Taken by the Division As of May 2000

In 1999 the Office of the State Auditor conducted a performance audit of the Division of Wildlife at the Department of Natural Resources. The purpose of the audit was to review the efficiency and effectiveness of the Division's operations in the following areas: property management, capital construction, program management, and customer service. The October 1999 audit report contained 24 recommendations.

During the last months of the 2000 Legislative Session the Division requested that the State Auditor review the status of their implementation of recommendations contained in the October 1999 audit report. The following report includes a summary of the October 1999 report narrative, the audit recommendations, the Division's original responses, the Division's discussion of actions it has taken in the last seven months, our evaluation of those actions, and (as appropriate) a discussion of the tasks that are still outstanding.

Reduce Vehicle Fleet

In the 1999 audit we found that the Division had an excessive number of vehicles given its staffing levels, which was resulting in higher than necessary fleet expenses. Specifically, in 1999 the Division had 660 vehicles for its 732 FTE (i.e., nine vehicles for every ten Division employees). We estimated that if the Division reduced its fleet by a minimum of 50 vehicles, it could realize substantial savings by not replacing vehicles as existing leases expire. The absence of any significant controls over vehicle acquisitions or inventories prior to December 1998 was largely responsible for the problems we observed.

Recommendation No. 1 (October 1999):

The Division of Wildlife should review the need for every vehicle now in use and determine whether reductions in the size of the fleet can be made. Further, to ensure problems do not reoccur, the Division should institute improved management controls over agency vehicles, including:

- Developing, communicating, and enforcing formal, written guidelines for staff and managers to follow when making vehicle acquisition decisions.

- Formalizing and enforcing a vehicle acquisition review and approval process that includes upper-level management.
- Performing an annual physical inventory of all vehicles.

Division of Wildlife Response (October 1999):

Agree. The Division of Wildlife will reduce its fleet by 50 vehicles (or 7.5 percent) by December 31, 2000. The initial focus will be on low mileage vehicles. The Division is currently in the process of instituting management controls and writing guidelines for vehicle acquisitions and inventories and will complete this process by December 31, 1999. The Division will conduct a complete physical inventory of its current fleet by December 31, 1999.

Implementation Date: December 2000.

Division of Wildlife Update (May 2000):

In progress.

- **The Department of Natural Resources committed to the Legislative Audit Committee that the Division of Wildlife (DOW) would reduce its fleet size by a minimum of 50 vehicles. The Division has relinquished a net of 35 vehicles to date and an additional 29 will be relinquished by November 1, 2000, as part of the delayed turn-in/seasonal (i.e., short-term) use agreement with State Fleet Management. Therefore, the total number of vehicles reduced from the Division's fleet will be 64 by the end of Calendar Year 2000. DOW will continue to review the size and composition of the fleet and reduce numbers and sizes of vehicles.**
- **By July 1, 2000, DOW will implement an internal policy (Administrative Directive) to provide direction on vehicle assignments and acquisitions. The acquisition part of the directive will be tested over 18 months when DOW may be able to order vehicles again.**
- **A physical inventory of DOW-owned vehicles will be conducted each fiscal year according to established state fiscal procedures.**
- **A policy has been drafted to reevaluate the agency's personal vehicle assignment and commuting authorization protocols. This policy reduces the number of personal vehicle assignments and number of employees authorized to commute, and increases the use of shared and pooled vehicles. The policy will be implemented by July 1, 2000.**

**Office of the State Auditor's Evaluation of Actions Taken
(May 2000):**

The Division reported that it cut its fleet by 50 vehicles in late 1999 and early 2000. Because of new vehicle acquisitions in the intervening period, however, Division and State Fleet Management records show that the Division still has 625 vehicles (i.e. 471 vehicles leased through State Fleet Management and 154 agency-owned vehicles). At the time of the audit, the Division had 660 vehicles in its fleet. The net reduction of vehicles to date is 35 vehicles. Twenty-nine additional vehicles are on short-term leases or delayed turn-in status. The Division expects to relinquish these vehicles by November 1, 2000. In addition to these actions, the Division has instituted a formal vehicle acquisition procedure that includes an upper-level management review component.

Review Vehicle Assignments

During the audit we found additional fleet-related problems, including the consistent underutilization of many Division vehicles, the fact that the Division sometimes leased more expensive vehicle models when less expensive ones may have sufficed, inadequate monitoring of commuting exemptions, and a general lack of controls with regard to individual vehicle assignments. These problems were also causing higher than necessary fleet expenses at the Division.

Recommendation No. 2 (October 1999):

The Division of Wildlife should improve its oversight of vehicle assignments by annually reviewing assignments to ensure they are still necessary and cost-effective; developing procedures to ensure there are no unauthorized transfers of vehicle assignments among staff; and periodically reviewing commuting exemptions to ensure they are still valid. Further, the Division should work with State Fleet Management to assess the cost-benefit of using a seasonal leasing option for some vehicles.

Division of Wildlife Response (October 1999):

Agree. The Division of Wildlife's vehicle assignment and management guidelines will address the issue of transferring of vehicles and commuting exemptions. These guidelines will be in place by June 30, 2000. The Division will evaluate seasonal lease options by June 30, 2000.

Implementation Date: June 2000.

Division of Wildlife Update (May 2000):

In progress.

- **By June 30, 2000, the DOW will track vehicles, transfers, costs centers and drivers more accurately by installing a new and better tracking program.**
- **Effective July 2000, a policy to reevaluate the agency's personal vehicle assignments and commuting authorization protocols will be implemented.**
- **The Division has updated the commuting authorization database.**
- **The Division has researched seasonal lease options and has entered into a cooperative agreement with State Fleet Management to provide seasonal use vehicles in the form of short-term leases or delayed turn-ins.**

Office of the State Auditor's Evaluation of Actions Taken (May 2000):

In April 2000 the Division instituted a procedure that establishes a formal process for determining how vehicles will be assigned to individual staff and/or allocated among the Division's offices. The procedure also addresses the issue of vehicle sharing. The procedure further states that the Division shall "review and approve the assignment and transfer of vehicles" but does not establish how often such a review will be conducted. The procedure could be improved by establishing a requirement for an *annual* review of all vehicle assignments.

The Division also recently reviewed all commuting exemptions and updated its records to address the problems identified in the audit. We encourage the Division to continue its review of commuting exemptions on an annual basis as well. Finally, the Division has performed an initial assessment of the cost of using seasonal leases. Management staff informed us that the Division plans to take advantage of seasonal leasing and/or delayed vehicle turn-ins as these opportunities arise.

Strengthen Controls Over Seized Firearms

During the audit we found that the Division had in its possession at least 65 firearms that its officers had confiscated from individuals during the commission of a crime. Although the law allows the Division to seize property in this manner, some of the confiscated items had been on hand since the 1980's without any action being taken on them. Further, at least one firearm was improperly stored at an officer's home. Lack of controls over the handling, storage, and disposition of seized firearms were causing the problems we observed. Because of the dangerous nature of firearms and the fact

that some of these items were not legally Division property, improved monitoring, safeguarding, and disposal procedures were needed.

Recommendation No. 3 (October 1999):

The Division of Wildlife should revise its procedures for handling firearms and other property seized from individuals during the commission of a crime. Specifically, the Division should:

- Review the status of every seized firearm currently on hand, determine its disposition, and act to reduce the number of firearms on hand to the greatest extent possible.
- Institute a procedure for notifying the Law Enforcement Unit of any seizure within ten days of the action. In each case, the Law Enforcement Unit should receive the following information (at a minimum): a description of the items seized and where they are stored, the name of the officer responsible for the items, and a list of any tickets or summonses related to the case. Items should be stored in Division evidence lockers or in another secure location if an evidence locker is unavailable.
- Modify existing procedures and periodically monitor (e.g., quarterly) seized firearm cases to ensure timely return of items to their rightful owner or to commence forfeiture and/or disposal procedures.
- Conduct annual inventories of all seized items still on hand to ensure they have not been misplaced or converted to personal use and are properly recorded on state financial records.

Division of Wildlife Response (October 1999):

Agree. The following law enforcement procedures concern property seized as evidence as a result of law enforcement activities: #304 - Seizure Tag; #305 - Seized Firearm Data Form; #403 - Seizure of Evidence; #405 - Personal Property Seized as Evidence; and #406 - Disposition of Seized Wildlife.

Near-term action in relation to comments:

1. "Review the status of every seized weapon currently on hand, determine its disposition, and act to eliminate the weapons inventory." The Division will begin this process after November 15, 1999, with the objective of reducing the seized firearms inventory by June 30, 2000. The firearms that will continue to be in inventory will be those associated with active case files or case files that have not been adjudicated by the courts or those that are in the process of returning the firearm to the owner.

2. "Institute a procedure for notifying the Law Enforcement Unit of any seizure within ten days of the action." We will add the ten-day requirement to Law Enforcement Procedure #305 - Seized Firearm Data Form with the objective to revise and implement the procedure by June 30, 2000.
3. "Modify existing procedures and periodically monitor (e.g., quarterly) seized firearm cases to ensure timely return of items to their rightful owner or to commence forfeiture and/or disposal procedures." The Law Enforcement Unit will use the form as provided in Law Enforcement Procedure #305 - Seized Firearm Data Form. A database to monitor and track firearms seized as evidence will be developed by January 1, 2001. Existing procedures will be modified to ensure proper return or disposition within 90 days of final action.
4. Annual inventories will be conducted beginning January 1, 2001.

Implementation Date: June 2000.

Division of Wildlife Update (May 2000):

In progress. As of May 10, 2000, 132 seized firearms have been recorded. This figure includes the 65 firearms identified at the time of the original audit, as well as additional items that were either confiscated during the 1999-2000 hunting season or identified through a more thorough inventory process. Of the 132 total firearms, 101 have been transferred to Denver and placed in a secure vault. The remaining firearms are securely held in area wildlife offices statewide. The process of eliminating this inventory has begun with the hunter safety coordinator being provided access to the list of available firearms for possible use in the Hunter Safety Program.

The ten-day notification requirement has been addressed by rewriting Law Enforcement Procedure #305 to require submission of a seized firearm data form any time a seizure occurs. This procedure requires that the data form accompany the case report with any penalty assessment (which is due within five days of issuance) and also for a summons (which is due immediately). This particular procedure also addresses the recommendation by requiring officers to provide the information the auditors suggested (e.g., description of the items seized, their location, etc.). All firearms will be properly documented and securely stored as described above by June 30, 2000.

With regard to the remaining parts of the recommendation which call for annual inventories of all seized items and periodic monitoring of cases involving seized firearms, the Division will begin conducting annual inventories and

preparing quarterly monitoring reports by January 2001. The inventory information will be provided to supervisors of law enforcement personnel to confirm the status of seized property, including firearms. Each supervisor will then be asked to verify the status of the inventory and report any updated information to the Law Enforcement Unit. It is further noted that Law Enforcement Procedure #405 specifically prohibits conversion of any seized property to personal use. This procedure also establishes a process for the return of personal property once a case is dismissed. The procedure has been modified to include a 120-day requirement. The property is considered abandoned if the defendant does not claim the property within the 120-day period.

**Office of the State Auditor's Evaluation of Actions Taken
(May 2000):**

At the time of our follow-up review, the Division was just completing its first thorough inventory of seized firearms. To date, the Division has identified 132 firearms that are still in its possession – more than double the items identified at the time of the audit. The Division is currently in the process of collecting all adjudicated and abandoned firearms at its Denver Headquarters for eventual disposal or refurbishing for use in its hunter safety programs. Firearms that are being held as evidence are still being stored in the field offices, but the Division is instituting tighter controls over their storage. We encourage the Division to begin disposal procedures for all adjudicated or abandoned items as soon as possible so that it can meet its target date for reducing the seized firearms inventory (i.e., June 30, 2000).

In addition, the Division has modified its procedures to address the other issues (e.g., improved monitoring of seized firearm cases) that were noted in the recommendation. New procedures were effective in April 2000.

Continue Review of Property Leases

In a 1998 audit the U.S. Fish and Wildlife Service found that the Division's decision to lease 16 properties it had acquired with license revenues to the Division of Parks and Outdoor Recreation was in possible violation of certain federal laws. Specifically, use of hunting and fishing license revenues for purposes other than administering a state's wildlife agency is prohibited by federal law and can endanger the State's eligibility for federal funding. As a result of the audit, the federal government directed the Division to seek reimbursement for the value of 16 properties, along with the revenue that the Division of Parks and Outdoor Recreation earned from charging entrance and use fees on

them. Resolving the audit issues was expected to take several years and many actions on the part of the Division and other state and federal agencies.

Recommendation No. 4 (October 1999):

The Division of Wildlife should continue its efforts to work with the Division of Parks and Outdoor Recreation, Great Outdoors Colorado (GOCO), the U.S. Fish and Wildlife Service, and other state and federal agencies as needed to implement the recommendations contained in the 1998 federal audit.

Division of Wildlife Response (October 1999):

Agree. The Division of Wildlife agrees with this recommendation and continues to work to resolve the federal aid audit issues related to the leases and entrance fee collections by the April 1, 2002, deadline. Currently, under direction from the Department of Natural Resources, a team of representatives from the Divisions of Parks and Wildlife and the Executive Director's Office meet regularly to address the property management issues.

Implementation Date: December 2002.

Division of Wildlife Update (May 2000):

In progress. The Department of Natural Resources (DNR), the Division of Wildlife (DOW), and the Division of State Parks and Outdoor Recreation (DPOR) have worked on identifying strategies to resolve the property management issues identified in the federal aid audit. These strategies include: exchange of properties between DOW and DPOR, the return of properties to DOW management, partition of properties, consolidation of parcels, and use of "credit" for properties acquired with GOCO funds for wildlife purposes.

DOW will seek the approval of the Wildlife Commission and the Board of Parks and Outdoor Recreation for the first round of transactions at their July 2000 meetings. Because state statute requires the agencies' consultation with the Capital Development Committee prior to acquisition or disposal of specified real estate interests, representatives of the divisions and DNR will be appearing before the Capital Development Committee on June 13, 2000, to obtain the committee's support for the resolution plan package.

Office of the State Auditor's Evaluation of Actions Taken (May 2000):

The Division continues to work with the Department of Natural Resources, the U.S. Fish and Wildlife Service, and other agencies as needed to implement the recommendations contained in the 1998 federal audit. In addition to other actions, the agencies involved have obtained appraisals on 10 of the 16 properties in question, scheduled relinquishment of certain properties back to the Division of Wildlife, and identified additional properties that may play a role in resolving the audit issues. The Executive Director of the Department of Natural Resources also reported to us that he believes the deadline for resolving all issues will be met (April 2002).

Improve Accountability for the Use of Capital Construction Funds

In the 1999 audit we found problems with the Division's planning and budgeting for capital construction projects. Specifically, we noted excessive movement of funds among projects, frequent cancellation of approved projects, and regular use of funds for projects not specifically approved by the Capital Development Committee. For example, during the period July 1997 to March 1999 the Division transferred \$3.4 million of its Fiscal Year 1998 construction budget among projects (59 percent of total funding). We also found that about 18 percent of the Division's Fiscal Year 1998 projects (25 of 136 projects, totaling \$1.4 million) were canceled by the agency. We concluded that such practices negatively impact accountability and make it difficult to assess whether the Division's long-term objectives for capital construction are being met.

Recommendation No. 5 (October 1999):

The Division of Wildlife's Engineering Section should improve accountability for the use of capital construction funds by implementing a reporting process with the following components:

- A budget-to-actual comparison that shows each project's original, authorized budget by funding source, any budget modifications (including projects that were added because of emergencies or other reasons), and actual expenditures to date.
- A comparison showing each project's estimated completion date vs. actual completion date. Completion dates should be established and monitored for each major phase of a project.

The Division should share this information with various oversight bodies (e.g., Division management, Wildlife Commission, Capital Development Committee) on at least an annual basis.

Division of Wildlife Response (October 1999):

Agree. Per the audit, the Division has modified the project accounting report for all active and future fiscal years to include a column that lists any adjustments to the original budget amount. The report has columns identifying the funding source and fiscal year, project name, project number, original amount, increases or decreases to the original amount, encumbrances, expenditures, balance, the fiscal year(s) payments made, comments (particularly for transfers), program codes, federal aid eligibility, and Division project priority number. Actual completion versus estimated completion will also be tracked.

In the past, a report containing some of this information has been submitted to the Capital Development Committee. The Division will work with the Capital Development Committee staff on how they would like this additional information reported on an annual basis. Division management will receive at least two updates per year.

Implementation Date: July 2000.

Division of Wildlife Update (May 2000):

In progress. Implementation of modified tracking forms and scheduling of projects is fully implemented. The budget tracking form was modified last year and project scheduling is now complete for all active projects. New projects being considered for Fiscal Year 2002 and beyond have design and construction schedules established as part of the planning process to ensure budgets are submitted to the Office of State Planning and Budgeting with more accurate design and construction cost estimates.

With regard to obtaining approval from the Capital Development Committee (CDC) staff, a meeting was held with CDC staff in January 2000 to discuss the reporting format. Based on that discussion, draft forms of the report were created in March. At the present time, DOW is working with CDC staff to review and comment on the reporting form before final reports are submitted. Once this review is completed, direction will be provided by CDC staff on implementing the new reporting process.

**Office of the State Auditor's Evaluation of Actions Taken
(May 2000):**

The Division has developed an internal project tracking and reporting system that addresses all of the items noted in the audit recommendation. In addition, Division management told us that they are working with the Capital Development Committee to develop a periodic reporting process that utilizes the

data coming from the new system. To date, no specific reporting process has been proposed by Capital Development Committee staff.

Reduce Design Delays and Improve Cost Estimating for Capital Construction Projects

The audit also showed that the Division is not prepared to start many construction projects when funds become available. Specifically, we found that construction did not begin until an average of 14 months after funds had been appropriated on the 162 projects totaling almost \$20 million that were in progress during the audit. We concluded that delays in various stages of the design process hampered the Division's ability to begin spending construction funds in a timely manner.

Recommendation No. 6 (October 1999):

The Division of Wildlife should modify its process for designing capital construction projects to ensure designs have accurate budgets and are completed in a timely manner. Modifications should include:

- Assessing each Request for Engineering/Request for Cooperative Agreement immediately upon receipt to determine whether it can be designed within a year and incorporating this information into the budget process accordingly. The Division should ensure that design staff are involved in the budget estimation process to improve the accuracy of individual project budgets.
- Starting the design phase for those projects with complicated permitting, right-of-way, or design issues two years before funds are estimated to be available.

Division of Wildlife Response (October 1999):

Agree. The project request and design process will be modified to overlap and "dove tail" into the budget request, preliminary engineering, and scheduling functions. Division staff are presently working on a 12-month design cycle (July 1 to June 30). This cycle must be moved to April 1 to March 31 in order to overlap the design and request process. Implementation will begin this fiscal year by adjusting the design cycle to 11 months, creating a one-month overlap for some planning this fiscal year, and full implementation will be complete by July 31, 2002, when there will be a three-month overlap for planning on all projects. Complex projects will require a two-year processing time as recommended.

Implementation Date: July 2002.

Division of Wildlife Update (May 2000):

In progress. The planning piece of the audit recommendation is being phased in over three years, this year being the first. Presently, design planning is being performed on projects the Division is considering to submit to the 2001 Legislative Session for funding. Thus, the budget requests will be based on the design planning estimates being performed now. Next year, one month will be added to the planning phase. The following year, the planning phase will be moved up one month bringing the deadline for design planning to the end of May. This will allow a total time for design planning of three months (March through May) for subsequent years. Per the audit, design planning and estimating will be performed before the budget request is submitted.

Office of the State Auditor's Evaluation of Actions Taken (May 2000):

The Division began phasing in the planning model suggested in the audit recommendation this year (i.e., for Fiscal Year 2001 budget requests). It is expected that full implementation of the new planning model, with accompanying modifications to the budget estimation process, will take approximately three budget cycles.

Improve Oversight of Design Contractors

Upon reviewing information associated with 34 contracts that were active at the time of the audit, we found that the Division extended its design contracts an average of 73 days, which was almost double the average extension granted on construction contracts. Design delays could result in project funds sitting idle for extended periods of time and, in some cases, the potential for lost spending authority. Differences in the general nature of the work performed by design consultants and construction contractors may be responsible for the longer extensions we noted on design contracts. However, we observed that the longer extensions for design work might also be the result of inadequate contract monitoring processes.

Recommendation No. 7 (October 1999):

The Division of Wildlife should improve its methods for monitoring work performed by design consultants. This should include modifying existing invoice formats so that contractors regularly report the percentage of work they have completed for each major task and expanding monitoring systems to include more detailed information about the reasons for design delays.

Division of Wildlife Response (October 1999):

Agree. The Division recognizes that improvements need to be made in the management of consulting engineers and architects contracts. State Buildings contract practices for design contracts, which should eliminate this issue, have been adopted. Rather than specifying contract time, the consultant will be required to submit a schedule for completing the work, including a description of all major tasks and sub-tasks. These descriptions will then be incorporated into the contract and the request for payment form. The consultant will indicate the percent of work complete for each task and sub-task on each pay request. The consultant will not be authorized to work on the next task until previous tasks are complete. The schedule for completing the work will then be compared to the pay requests as they are received to hold the consultants accountable to the schedule. Changes to the schedule will be granted only for changes in scope, additional work, or other unforeseen and justifiable reasons (e.g., unusual weather). All changes will be documented as a contract modification and approved by the State Controller.

This change will be used on all new consultant contracts effective immediately.

Implementation Date: Implemented.

Division of Wildlife Update (May 2000):

Implemented. The DOW has advertised the first Request for Qualifications for an engineering firm to comply with the audit report. This is the first opportunity to apply an internal mechanism to better monitor work performed by design consultants. The recommendations will be fully implemented on this contract.

**Office of the State Auditor's Evaluation of Actions Taken
(May 2000):**

Since the audit report was issued, the Division has not initiated any new contracts with consulting engineers or architects. However, the Division is anticipating that a new design contract will be in place soon for replacement wells at both the Native Aquatic Species Restoration Facility and the Pueblo Hatchery. When these contracts are in place, the Division plans to institute enhanced monitoring procedures that are aimed at addressing the concerns noted in the audit report.

Revise the Budgeting Process for Design Consultant Fees

Although the Division performs most of the design work for its capital construction projects in-house (about 75 percent), occasionally it will hire an outside design consultant. During the audit we found that the Division was not specifically budgeting for the fees associated with many of the smaller projects being done by outside design consultants. Rather, the Division was using unexpended capital construction funds from various sources (e.g., leftover contingency funds from other projects, funds from canceled projects) to pay its design consultants. This practice virtually ensured that some of the funds earmarked for specific capital construction projects would be diverted for uses other than the purposes for which they were originally intended.

Recommendation No. 8 (October 1999):

The Division of Wildlife should work with the Capital Development Committee to develop an approach for funding design consultants' fees.

Division of Wildlife Response (October 1999):

Agree. The Division will work with the Capital Development Committee and its staff to implement new approaches to solve this issue during this fiscal year.

Implementation Date: July 2000.

Division of Wildlife Update (May 2000):

In progress. The Division is in the process of consulting with the CDC staff. This recommendation is related to Recommendation No. 6 that is also in progress.

Office of the State Auditor's Evaluation of Actions Taken (May 2000):

Division staff met with representatives of the Capital Development Committee in January 2000 to discuss the issue of budgeting for design consultant fees. These discussions are ongoing. A decision about how design consultant fees will be handled in the future is expected sometime before the end of the fiscal year.

Improve Internal Controls Over Payments to Contractors

The audit also identified problems related to the Division's review of payment invoices for outside contractors. Specifically, the Division's regional engineers prepared and approved payment invoices for the contractors rather than reviewing and approving invoices prepared by contractors. This practice violates the principles of a good internal control system and also results in less time being available for the regional engineers to perform their other duties.

Recommendation No. 9 (October 1999):

The Division of Wildlife should require contractors to present original invoices when requesting payment for services. Regional engineers should be assigned responsibility for reviewing the invoices for accuracy and approving them prior to disbursing funds.

Division of Wildlife Response (October 1999):

Agree. The Division will solicit contractors for invoices, utilize these invoices to fill out the pay sheet request, attach them to the pay sheets reviewed and approved by the contractors, and keep copies in the project files in the Denver Engineering Office.

Implementation Date: January 2000.

Division of Wildlife Update (May 2000):

Implemented to the extent feasible. On the basis of experiences with a Montrose contractor last summer, the DOW has made several changes in payment procedures over the last several months. The Division has solicited original invoices from contractors and, when submitted, has utilized these invoices to fill out and calculate the pay sheet request. Copies are kept in the project files in the Denver Engineering Office. The Division has also paid contractors based on our pay sheet system. This has occurred as a preferred option by the contractors with which we work. To date, disagreements between our calculations and their invoices have been worked out and agreed to before all parties sign the pay sheet. The DOW will work with smaller contractors to fill out the requisite paperwork since many do not have sophisticated office staffs. Therefore, through direct contract submittals or agency staff working with contractors, this new procedure will be followed. The intent is to make this mandatory within the limits of the contractors' ability to comply. Legislators' support in urging local contractors to comply with the new system will aid in the implementation of this recommendation.

**Office of the State Auditor's Evaluation of Actions Taken
(May 2000):**

In December 1999 the Division instituted a new contractor-initiated payment process statewide. Use of this new process, however, is not mandatory. As such, Division staff estimate that only about 10 percent of the pay requests processed since the new policy took effect have followed the new procedures. The Division needs to ensure that all of its active contractors are aware of the new payment procedures and then urge use of them in all cases.

Improve Management of the "Fishing Is Fun" Program

In a 1995 performance audit of the Division, we identified several problems associated with the Division's management of its "Fishing Is Fun" Program. This program provides federally-funded grants to local entities for projects like boat docks and aquatic habitat enhancements. Our 1999 audit revealed that many of the problems we identified in 1995 still existed. Specifically, we found that the number of projects funded through the program was at an all-time low and the length and complexity of the process for approving project funding had not improved since the prior audit. We concluded that if major operational improvements were not forthcoming, the Division should consider discontinuing the program, thereby freeing up the federal funding associated with the program for other uses.

Recommendation No. 10 (October 1999):

The Division of Wildlife should consider the cost-benefit of continuing to operate the "Fishing Is Fun" Program. If major program improvements cannot be achieved in the next year, the Division should discontinue the Program and use available federal funds for other worthy purposes.

Division of Wildlife Response (October 1999):

Partially Agree. The Division agrees with the recommendation; it disagrees with the overall characterization of the "Fishing is Fun" (FIF) Program as "problematic." The agency believes it has fully complied with the 1995 audit recommendations and has made significant improvements. The entire FIF process from submittal of the application through construction is lengthy. As with the Division's internal capital construction process, the entire process from planning through approvals and construction can take two to three years. With 75 percent federal funds, the FIF process is complex and somewhat out of the Division's control. During budget discussions this summer, the cost-benefit of this program was reviewed and the conclusion was that it needs to be maintained at some level. This popular program will

continue to be monitored and improvements made where possible. As evidenced by the number of rural Colorado newspaper articles written in May and June when it appeared that program funds may be reduced, the concern of program participants was that this program continue—their concern was not over the bureaucracy of the program. Most delays occur in the federal review or while the local community is developing the local match requirement.

Implementation Date: Implemented.

Division of Wildlife Update (May 2000):

Implemented. The Division believes it has complied with the spirit of the 1995 audit recommendations and has made significant improvements. The entire "Fishing is Fun" (FIF) process from submittal of the application through construction is lengthy. As with the Division's internal capital construction process, the entire process from planning through approvals and construction can take two to three years. With 75 percent federal funds, the FIF process is complex and somewhat out of the Division's control. During budget discussions last summer, the cost-benefit of this program was discussed, and the conclusion was that it needs to be maintained at some level. In May 2000 the Executive Director of the Department of Natural Resources committed to seek the restoration of full funding for this popular program. This program will continue to be monitored and improvements made where possible.

As evidenced by the number of rural Colorado newspaper articles written in May and June 1999, when it appeared that program funds might be reduced, the concern of program participants was that this program continue—their concern was not over the bureaucracy of the program. Most delays occur in the federal review or while the local community is developing the local match requirement.

**Office of the State Auditor's Evaluation of Actions Taken
(May 2000):**

To date, the Division has not conducted a cost-benefit analysis of the "Fishing Is Fun" Program.

Prevent Individuals With Suspended Wildlife Privileges From Obtaining Licenses

During the audit, we determined that it was possible for individuals with suspended wildlife privileges to obtain a hunting or fishing license. Statutes prohibit any person whose license privileges have been suspended from purchasing or using any license issued by the Division until his or her suspension has expired. We found that suspended individuals could obtain licenses because the Division's systems for preventing this from occurring were inadequate. For example, when we reviewed CORIS records (i.e., the Colorado Outdoor Recreation Information System – the Division's licensing database) for 25 individuals whose wildlife privileges were suspended in either Calendar Year 1998 or 1999, we found 11 instances where the system did not contain the information needed to prevent a license sale. We further observed that the Division did not apply sanctions to license agents or Division employees who willingly sold licenses to individuals with suspended wildlife privileges.

Recommendation No. 11 (October 1999):

The Division of Wildlife should improve its procedures for preventing individuals whose wildlife privileges have been suspended from obtaining a hunting or fishing license. Methods to prevent this type of activity should be a component of any point of sale system the Division adopts for its over-the-counter licensing operations. Possible interim solutions include:

- Requiring that staff create an accurate, properly flagged customer record in CORIS for all persons under suspension.
- Developing a method to periodically (e.g., monthly) search all CORIS customer records against current suspension lists to ensure that electronic records are complete and up to date, and to identify persons who may have violated their suspension. All possible violation cases should be researched and a record of the disposition of each case should be maintained. Whenever appropriate, the Division should impose sanctions against any individual who tries to obtain a license while his or her wildlife privileges are suspended.
- Sanctioning or disciplining license agents or Division employees who willingly sell licenses to individuals with suspended wildlife privileges.

Division of Wildlife Response (October 1999):

1. Agree. The Division will develop a process to be implemented by December 31, 1999, to ensure accurate entries regarding license suspensions.

2. Agree. Effective January 2000, the Division will identify those individuals who purchased licenses while under suspension and establish a process to track the disposition of each case.
3. Partially agree. As noted in the audit, over-the-counter licenses make up about 90 percent of the 1.6 million licenses sold. License agents sell the bulk of these licenses. Without a point of sale system, this recommendation is asking license agents and Division staff to look at a paper printout every time a license is sold. This will create yet another step to what agents already feel is a time-consuming process and will potentially diminish customer service to the license buyer. There are existing statutes to address Division employees intentionally selling a license to someone under suspension. Implementation of part two of this recommendation will also help address some concerns.

Implementation Date: January 2000.

Division of Wildlife Update (May 2000):

In progress. During the progress review of this recommendation, two errors were identified by the Office of the State Auditor. The first error involved the conversion from the old licensing system to the new Colorado Outdoor Recreation Information System (CORIS). Crosschecks were not made to ensure that the suspension person file matched the customer file. This error has been corrected. A query was done to ensure that others did not exist. The second error involved misspelling of a name—one file had a Jr. or Sr., and the other did not. To correct this error, every entry in the suspension list was brought up on CORIS. The warning box that tells us a person is on suspension came up. Additional queries were done to make sure there were no more misspelled names or incorrect dates of birth. Therefore, the license suspension entries on the CORIS exclusion file have been compared to the suspension list and have been updated. While the Total Licensing Project Feasibility Study is being completed, DOW will continue to use this interim approach to address this recommendation. When decisions are made to implement licensing changes, all audit recommendations will be included.

Monthly runs of the suspension report showing a person who has purchased a license while suspended have been scheduled. The most recent report was run on May 15, 2000, and delivered to the Law Enforcement Unit.

Office of the State Auditor's Evaluation of Actions Taken (May 2000):

Since the audit, the Division has made some changes to its licensing processes including CORIS-related modifications. Even so, when we reviewed CORIS records for 25 individuals who are currently under suspension, we found 2 cases where CORIS records were insufficient to prevent someone from obtaining a license even though he or she was under suspension. The Division reports that it corrected these records subsequent to our review. Enhanced quality control mechanisms may be needed to ensure CORIS-related procedural modifications are always effective.

The Division recently drafted a procedure for researching and addressing cases where suspended individuals attempted to obtain a license. At the time of our review, this procedure had not been formalized. Further, the Division provided no documentation that the procedure had been utilized for any existing cases. Finally, the remaining part of the recommendation (i.e., disciplining license agents or Division employees who willingly sell licenses to individuals with suspended wildlife privileges) has not been addressed to date.

Improve Methods for Ensuring Compliance With Certain Wildlife Laws

Statutes and Division regulations prohibit individuals from obtaining or using more than one license for the same species hunt within a given calendar year. Even so, during the audit we found that it is possible for hunters to obtain multiple same species hunting licenses during a particular year. Controlling individual access to licenses is important to ensure hunting privileges are granted in a fair and equitable manner. Our review indicated that the Division had some safeguards in place to ensure that individuals do not obtain multiple, same-species hunting licenses but that these safeguards were not always effective.

Recommendation No. 12 (October 1999):

The Division of Wildlife should improve its enforcement of hunting laws and regulations by developing a process to routinely identify and sanction individuals who obtain multiple licenses for the same species hunt within a given calendar year. In the absence of a point of sale system or similar technology, modifications to the system for issuing CCs and/or increased monitoring of CORIS records, along with appropriate research and follow-up, should be used to comply with this recommendation.

Division of Wildlife Response (October 1999):

Agree. The agency agrees with the intent of the recommendation. The cost-benefit and reality of implementing a point of sale system versus modifications to CORIS will be analyzed along with available resources to most efficiently enforce multiple license purchases. A detailed report on the cost-benefit of a point of sale system will be received in May 2000. By July 2000, a decision will be made on whether to pursue point of sale. Final implementation will not occur until July 1, 2002.

Implementation Date: July 2002.

Division of Wildlife Update (May 2000):

In progress. As stated in the 1999 performance audit report, the Division will identify the best mechanism to improve its enforcement of identifying and sanctioning individuals who obtain multiple licenses for the same species hunt within a given calendar year. This recommendation will be addressed as part of the effort to implement changes to the licensing system. A detailed report on the cost-benefit of a modified or new system will be part of a feasibility study being conducted by PEC Solutions, Inc., which will be completed the end of June. The options that are being reviewed will include a point of sale system that will allow the Division and license agents to identify on the spot (real time) a person's license buying history.

Office of the State Auditor's Evaluation of Actions Taken (May 2000):

Information provided by the Division shows that the issue of improving compliance with laws prohibiting individuals from obtaining multiple same-species hunting licenses has been considered in the planning for a modified or new licensing system. To date, however, no system modifications that would address our recommendation have been made.

Consider Modifications to the Procedures Used for Processing Preference Point-Only Requests

The 1999 audit revealed customer dissatisfaction with the Division's method for processing requests for preference points. The Division uses a system of preference points to administer its draw procedures for certain types of hunting licenses. The system is used to give higher priority to applicants who have failed to draw a license in previous years. Specifically, the application

procedures that existed during the audit required individuals wishing to obtain a preference point to submit all fees associated with actually obtaining a particular license, even though these customers were not technically participating in the license draw. Depending upon the type of license involved, this procedure could result in a customer tying up a substantial amount of money for a period of about three months just to get a preference point. In fact, in the 1999 license draw, about \$7.4 million in customer funds were held by the Division for about three months in connection with preference point-only applications.

Recommendation No. 13 (October 1999):

The Division of Wildlife should evaluate its procedures for processing hunting license applications that contain requests for preference points only. This should include an assessment of the cost associated with issuing refunds for these applications, the cost for designing and utilizing an alternative processing system (if necessary), and the possible benefits to customer relations.

Division of Wildlife Response (October 1999):

Agree. The Division of Wildlife will evaluate its procedures for processing hunting license applications for preference points only by August 2001.

Implementation Date: August 2001.

Division of Wildlife Update (May 2000):

In progress. A preliminary analysis of the feasibility of having variable pay rates has been completed. Once all the viable pieces of information are available, a final assessment and recommendation will be made by August 2001.

Office of the State Auditor's Evaluation of Actions Taken (May 2000):

The Division has performed a preliminary analysis which shows that the CORIS-related modifications needed to implement our recommendation are both feasible and relatively inexpensive (e.g., less than \$1,400). We encourage the Division to use this information to move toward full implementation of this recommendation.

Ensure Advantages to Landowners Are Within Statutory Limits

Statutes allow landowners advantages in obtaining certain types of limited hunting licenses. During the 1999 audit we found that the Division was providing advantages to landowners that went beyond those explicitly allowed by statute. For example, the license applications that were not drawn in the landowner draw were placed into the general public draw, thereby giving landowners two chances to obtain a license. We also found that although statutes allow "up to 15 percent" of the hunting licenses for a particular area to be set aside for landowners, this percentage was exceeded in some cases. Both of these practices resulted in fewer licenses being available to the general public.

Recommendation No. 14 (October 1999):

The Division of Wildlife should ensure that its procedures for administering the landowner preference program do not result in excessive advantages being granted to landowners. This should include:

- Determining whether the existing process for redrawing unsuccessful landowner preference license applications in the general public draw meets the intent of the statutory provisions governing the program.
- Developing a method to ensure that the 15 percent set aside for landowner licenses is adhered to strictly, or seeking statutory changes that endorse the Division's current method for calculating the number of licenses that will be set aside for landowners.

Division of Wildlife Response (October 1999):

1. Agree. The Division will request an official Attorney General ruling to determine whether the existing process for redrawing unsuccessful landowner preference licenses in the general public draw meets the intent of the statutory provisions governing this program. If it is determined it does not meet statutory intent, either legislative changes will be sought or changes to the computer programs will take place for the May 2001 draws.
2. Agree. The Division will develop a method to ensure that the 15 percent set aside for landowner licenses is strictly adhered to or legislative authority is clarified. If programming changes are needed due to the complexity of this portion of the limited licensing draw process, the Division will run a complete testing process in 2001 and the logic will be implemented for the May 2002 drawing cycle.

Implementation Date: Testing-May 2001; Logic-May 2002.

Division of Wildlife Update (May 2000):

In progress. The initial request to the Attorney General's Office (AGO) was made December 21, 1999. The deadline for response is June 30, 2000. Wildlife Technologies has been briefed on the potential changes and is ready to make changes to run a test mode for 2001 and implement final in 2002. License Administration is also working with the landowner working group to identify any changes to the plan needed for the implementation of House Bill 00-1098.

Office of the State Auditor's Evaluation of Actions Taken (May 2000):

In December 1999 the Division requested an Attorney General's opinion regarding the legality of its current practices for administering the landowner preference program. The Division anticipates making programming changes to CORIS based on the Attorney General's opinion.

Verify Land Ownership for Participation in the Landowner Preference Program

Statutes specify that individuals can participate in the landowner preference program if they own, by proof of recorded deed, 160 acres of agricultural land. The 1999 audit showed that the Division receives complaints about people participating in the landowner preference program who are not really eligible or who are abusing their privileges in some way. We found that the Division does not have an effective process for ensuring that individuals are actually eligible to participate in the landowner preference program. For example, the Division has no systematic, statewide method for verifying whether participants' claims about land ownership are legitimate. The high demand for hunting licenses in Colorado makes it important for the Division to closely monitor participation in this program.

Recommendation No. 15 (October 1999):

The Division of Wildlife should require landowners to submit proof of ownership that includes information on property use, acreage, and location in order to participate in the landowner preference program. The Division should verify this information on at least a sample basis through inquiries with the appropriate authorities (e.g., county clerks and recorders).

Division of Wildlife Response (October 1999):

Agree. The Division is currently in the process of reviewing the landowner program and will be making a recommendation for legislation to change the landowner preference program. The Division will ensure that some type of ownership tracking and verification is built into the new program. An interim process will be developed by December 2003.

Implementation Date: December 2003.

Division of Wildlife Update (May 2000):

In progress. In May 2000 the Colorado Legislature passed House Bill 00-1098 regarding the creation of a new private land licensing option within the existing Landowner Preference Program. In response to House Bill 00-1098 and the issue of land ownership verification raised by the Office of the State Auditor, the Division of Wildlife established a "Private Land Licensing Work Group."

The Private Land Licensing Work Group is charged with the development of recommendations to the Colorado Wildlife Commission for changes to program directives, and regulations and/or statutes governing the allocation of these licenses. Recommendations are being sought for the resolution of issues related to equity in allocation among landowners, between landowners and sportsmen, and improved mechanisms for harvest of big game animals on private land. Included in these discussions will be a complete and thorough analysis of mechanisms to verify land ownership for persons who participate in this program.

It is likely that recommendations will come forward with implementation in 2001 and 2002. The targeted implementation date in the auditor's report is December 2003; the Division is on target to meet that implementation date at this time.

**Office of the State Auditor's Evaluation of Actions Taken
(May 2000):**

In February 2000 the Division invited representatives from various interest groups to participate in a discussion about the allocation of big game hunting licenses on private lands. Part of this discussion focused on the issue of how the Division should verify eligibility for the landowner preference program. At the time of our review, no changes had been made to the Division's procedures as a result of these discussions (which are ongoing).

Improve Management of GOCO-Funded Projects

During the audit, we found that the Division needed to better manage its Great Outdoors Colorado (GOCO)-funded projects. For example, we found that the Division was not consistently requesting reimbursement for its grant-related expenditures from GOCO and that its internal project monitoring and accounting processes needed improvement. It is important for the Division to adequately plan for the use of GOCO monies and then keep pace with spending the funding it receives because of certain constitutional requirements.

Recommendation No. 16 (October 1999):

The Division of Wildlife should improve its management of GOCO-funded projects by developing processes to ensure that projects are properly planned and completed in a timely manner. This should include ways to ensure that project expenditures are tracked in a manner useful to Division and GOCO staff, that individual managers are held accountable for timely project completion, and that reimbursement requests are submitted in a timely manner so that spending keeps pace with constitutional requirements.

Division of Wildlife Response (October 1999):

Agree. The Division of Wildlife has also recognized the need for more thorough GOCO grants management. Following an internal reallocation of resources, the Division of Wildlife hired a grants specialist in June 1998. This position has been assigned responsibility for analyzing grant spending patterns and reporting to the Division's senior management and project leaders to identify grants which are not following expected spending rates. Grants spending variance analyses were prepared monthly during Fiscal Year 1999. In addition, the agency is now submitting a monthly billing statement to GOCO for reimbursement of expenditures incurred by the Division of Wildlife for GOCO projects.

In an effort to ensure that grants are reported in the format required by the grantor, GOCO and Division staff members will agree on reporting categories prior to expending funds.

Implementation Date: Implemented.

Division of Wildlife Update (May 2000):

Implemented. The Division established internal procedures for monthly GOCO expense reimbursement billing statements and quarterly grants reporting several years ago concurrent with the execution of the GOCO Memorandum of Understanding. In response to the 1999 performance audit findings and recommendations, DOW compliance was further enhanced and assured by the

implementation of Individual Performance Objectives for the individual who is responsible for preparing these documents.

**Office of the State Auditor's Evaluation of Actions Taken
(May 2000):**

Our review of agency-prepared documentation showed that the Division has improved the timeliness of its billing and reporting on GOCO grants. Discussions with GOCO staff confirmed this information. Staff at GOCO further stated that they are currently discussing reporting and billing expectations with DOW staff. These discussions are expected to continue throughout the summer.

Systematically Monitor the Effectiveness of the Habitat Partnership Program

In the 1999 audit, we determined that the Division had not complied with statutory requirements to monitor the effectiveness of the Habitat Partnership Program. The Habitat Partnership Program was created in the early 1990's to alleviate rangeland forage and fence issues arising from the migration and presence of the State's big game herds. The Program consists of a statewide Council and a number of local committees that are responsible for developing game management plans and identifying and implementing methods to mitigate big game-related problems. Monitoring the effectiveness of the Habitat Partnership Program is a statutory requirement for both the statewide Council and the local committees. At the time of the audit, however, neither of these statutory requirements was being met in any systematic way. Developing a systematic evaluation approach is important to show whether the Program is effectively meeting its statutory objectives.

Recommendation No. 17 (October 1999):

The Division of Wildlife, working through the Habitat Partnership Council, should ensure compliance with statutes that require the effectiveness of the Habitat Partnership Program to be monitored at both the state and local levels. This could include developing a uniform set of performance indicators that could be used to measure the success of the Program statewide or requiring local committees to institute individualized evaluation systems with accompanying reporting requirements.

Division of Wildlife Response (October 1999):

Agree. The statute requires monitoring sufficient to recommend to the Wildlife Commission changes in program guidelines as necessary, and to make an annual report to the Commission,

Executive Director, and the General Assembly. Periodic, more comprehensive evaluations of programs like the Habitat Partnership Program are important to undertake. To that end, the Division, through the Habitat Partnership Program Council, has contracted for a study of the Program's effectiveness and has scheduled to have a team of internal and external program participants to build on that study and develop a comprehensive program evaluation in cooperation with the Council. The initial report is to be completed in June 2000. The team evaluation is scheduled for completion by September 2000.

Implementation Date: September 2000.

Division of Wildlife Update (May 2000):

In progress. The Habitat Partnership Program (HPP) is currently undergoing an intensive evaluation and analysis by a formal team of individuals appointed by the Division. The team is comprised of landowners, sportsmen, and agency representatives—many of whom were originally involved in setting up the program. This report has a deadline of September 1, 2000, and will be circulated widely throughout the agency and externally to all other interested parties. The analysis will address each recommendation in the State Auditor's report, including the establishment of an evaluation process.

Office of the State Auditor's Evaluation of Actions Taken (May 2000):

As noted in its original response to the recommendation, the Division has begun an evaluation of the Habitat Partnership Program that utilizes the expertise of persons from various stakeholder groups who are familiar with the Program (e.g., ranchers, Division employees, U.S. Forest Service personnel).

Formalize Policies and Procedures for the Habitat Partnership Program

The audit also identified that one Division employee performs most of the administrative functions associated with the Habitat Partnership Program. We found no written procedures describing this employee's activities and identified no one who was cross-trained to perform his job. We concluded that if this employee was to leave his position, it would be difficult for the Division to perform the tasks associating with operating this program.

Recommendation No. 18 (October 1999):

The Division of Wildlife, working through the Habitat Partnership Council, should formalize its policies and procedures for administering the Habitat Partnership Program.

Division of Wildlife Response (October 1999):

Agree. The Division intends to complete a policies and procedures document for the Habitat Partnership Program by September 1, 2000.

Implementation Date: September 2000.

Division of Wildlife Update (May 2000):

In progress. The analysis referenced under Recommendation No. 17 will address the overall administration of the program. Due to unforeseen medical issues with the program director, implementation of this recommendation was delayed. Implementation of the policies and procedures will begin September 2000.

Office of the State Auditor's Evaluation of Actions Taken (May 2000):

To date, this recommendation has not been implemented.

Enforce Timekeeping Policies

In our 1995 performance audit of the Division, we noted problems related to expenditure tracking. Although some improvements were noted in our 1999 audit, we observed that the Division was continuing to have problems accurately tracking its expenditures by program area. This was occurring because not all employees were submitting their time sheets on a monthly basis as required by Division policy. Accurate expenditure tracking is important so that the Division can reliably determine the specific costs associated with its numerous programs.

Recommendation No. 19 (October 1999):

The Division of Wildlife should improve its expenditure tracking methods by developing a more effective method of ensuring that times sheets are received from all employees in a timely manner.

This may include pay-related consequences for offending employees and/or sanctioning the supervisors of chronic offenders.

Division of Wildlife Response (October 1999):

Partially agree. In Fiscal Year 1999, there are 57 time sheets missing, less than .5 percent. [For Fiscal Year 1998, 217 time sheets are missing.]

The improved rate of compliance from 1998 to 1999 is a result of the Division of Wildlife recognizing the need for increased compliance. At the beginning of Fiscal Year 1999, in July 1998, the Division instituted a procedure whereby supervisors were provided a monthly list of employees who had not submitted a time sheet. Supervisors were expected to remind employees to submit these missing time sheets. The agency is fairly well satisfied with a 99.5 percent compliance rate, but will continue to strive for 100 percent compliance. Given retirements, personal leave, and changes in supervisors, that may be very difficult to achieve.

Implementation Date: Implemented.

Division of Wildlife Update (May 2000):

In progress. New procedures have been put in place to reduce the number of outstanding time sheets. These procedures include monthly monitoring, reporting, and follow-up with cost center managers to ensure that all time sheets are received. The Division anticipates that better management of the tracking of employee time sheets will result in fewer unallocated program costs by fiscal year-end. The Division is in the process of reducing to the extent possible the number of missing time sheets.

Office of the State Auditor's Evaluation of Actions Taken (May 2000):

The Division provided no evidence that it has implemented the procedural changes we recommended in the audit. Further, it appears that the problem that existed at the time of the audit is still evident. Specifically, Division records show that the dollar amount of personnel services not charged to any program varied between about \$3.7 million and \$540,000 during the period August 1999 to March 2000. Further, the Division reports that as of April 2000, a total of 169 time sheets are still missing.

Complete Implementation of Recommendations in the 1995 Performance Audit

Audit work conducted in 1999 revealed that about half of the 20 recommendations we made in our 1995 performance audit of the Division had yet to be fully implemented. We concluded that Division management needed to identify what actions were necessary to fully implement any unaddressed recommendations and then develop an action plan to ensure they were dealt with as soon as possible.

Recommendation No. 20 (October 1999):

The Division of Wildlife should review all recommendations that have not been completely implemented from the 1995 State Auditor's performance audit report and develop an action plan to ensure their timely implementation.

Division of Wildlife Response (October 1999):

Agree. The Division will develop a status report and update on implementing the 1995 State Auditor's Performance Audit Report by July 2000. The Division believes it has made significant progress toward full implementation of those recommendations solely under its control and will detail that progress and define expectations in the July status report. The report will also discuss legislative initiatives that did not pass, in spite of detailed public processes and agency expense.

Implementation Date: July 2000.

Division of Wildlife Update (May 2000):

Implemented. Per the Wildlife Commission letter dated February 10, 2000, to the chairman of the Legislative Audit Committee, the Division believes it has implemented the 1995 performance audit recommendations. The Department considers the 1995 performance audit as having been addressed to the extent politically and financially practicable. Some issues continued into the 1999 audit; therefore, the Department is focusing its attention on full implementation of the 1999 performance audit.

Office of the State Auditor's Evaluation of Actions Taken (May 2000):

The Division provided a status report to us in February 2000 that indicates the Division's position that all recommendations from the 1995 performance audit

have been implemented to the extent possible. We believe that further action can be taken on certain recommendations (e.g., identifying alternative funding mechanisms and analyzing data on law enforcement activities, among others), and would encourage the Division to work toward that end.

Pursue Federal Funding for a Point of Sale System

During the audit, we reviewed the Division's plans for implementing a point of sale system for hunting and fishing licenses. We concluded that, although costly, such a system could significantly improve customer service at the Division. At the time of our review, however, the Division had not pursued all available funding alternatives for a system, including federal funding options. In reviewing the experience of other states and discussing the matter with federal officials, we were convinced that federal funding might be available to help defray the costs of implementing a point of sale system in Colorado, and that the Division should actively pursue this funding option.

Recommendation No. 21 (October 1999):

The Division of Wildlife should continue its efforts to improve customer service by working with the appropriate federal agencies to secure partial funding for a point of sale system.

Division of Wildlife Response (October 1999):

Agree. The Division will continue its effort with the appropriate federal agencies to secure partial funding for a point of sale system should that decision be made. (See Recommendation No. 12.)

Implementation Date: July 2002.

Division of Wildlife Update (May 2000):

In progress. On February 17, 2000, the Total Licensing Project core team held a meeting that included the Automated Wildlife Data Systems (AWDS) Coordinator for the International Association of Fish and Wildlife Agencies (IAFWA). This meeting helped the Division identify states that have used federal aid grants to build their point of sale systems and gave the DOW License Administration Manager the names of the state contacts. The Division sent a letter to the U.S. Fish and Wildlife Service on May 5, 2000, indicating the intent to create a federal aid project for a total licensing project once the project is defined and approved for implementation.

Office of the State Auditor's Evaluation of Actions Taken (May 2000):

In May 2000 the Division wrote a letter to the U.S. Fish and Wildlife Service explaining its intent to request federal aid for the development of a new "front-end" mechanism for CORIS (the Division's licensing database). The letter explains that the new "front-end" mechanism may include some type of point of sale system for issuing licenses to Division customers. We encourage the Division to follow up on this request as soon as appropriate, given internal timetables for completing planning and development of any new automated licensing system.

Communicate Wait Times for Hunting Licenses to Division Customers

The audit revealed that little information was being provided to license applicants concerning the wait times associated with certain highly sought-after hunting licenses. Long waits for certain types of licenses create customer complaints and questions about the fairness of the Division's draw procedures. We concluded that improving communication with Division customers about expected wait times for licenses could decrease some of the dissatisfaction that was apparent with the limited license draw process.

Recommendation No. 22 (October 1999):

The Division of Wildlife should improve the information it provides the public regarding the limited license draw system by periodically communicating the average wait required to obtain various hunting licenses. The Division should use brochures, its Web site, and/or additional cost-effective means of communicating with customers to implement this recommendation.

Division of Wildlife Response (October 1999):

Agree. Each year, the State's conservation magazine, *Colorado Outdoors*, publishes a listing of the number of licenses available, number of applicants, and minimum preference points required (wait time) for both deer and elk licenses in each game management unit in the State. Minimum preference points needed to draw antelope, black bear, bighorn sheep, mountain goat, and moose hunting licenses are also provided in this special section of the magazine. The same information is repeated in the *Big Game Harvest Book*, which is published and sold in May of each year.

Beginning with the 2000 Big Game Season Information Brochure, the Division will include information describing the relationship between wait time and preference points. Similar information will be included in releases to the State's news media by April 15, 2000 (and periodically thereafter), and in the 2000 "hunting packet" which is distributed to news media throughout the State prior to the fall hunting seasons. This information will also be posted on the Division's Web site. The minimum preference points required and other information from the *1999 Harvest Statistics Book* (available in May 2000) will also be available from the Division's Web site storefront.

Implementation Date: May 2000.

Division of Wildlife Update (May 2000):

Implemented. *Colorado Outdoors* magazine, the *1999 Big Game Harvest Statistics Book*, the 2000 Deer, Elk, Antelope, Moose, and Black Bear season information brochure, and several issues of Wildlife Report (DOW's press release) have all included improved information regarding the limited license draw. This information has also been posted on the Division's Web site and has been provided to telephone callers during the March 2000 application season.

Office of the State Auditor's Evaluation of Actions Taken (May 2000):

The Division published an article in the March/April 2000 issue of *Colorado Outdoors* magazine that provided comprehensive information about the preference point system now in use for certain types of limited license drawings. We encourage the Division to continue to provide this type of information to its customers on a periodic basis.

Improve the Dissemination of Public Information on Harvest Determination Methods

Another area where improved communication with Division customers was needed relates to the Division's methods for estimating game levels and establishing harvest objectives. During the audit we found there was a general lack of understanding on the part of the public about the accuracy and credibility of the Division's activities and methodologies in this area. We concluded that better communication methods were needed to promote increased public confidence in the Division's harvest determination methods.

Recommendation No. 23 (October 1999):

The Division of Wildlife should improve its communication with the public regarding methods it uses to estimate game populations and determine harvest objectives for various game species.

Division of Wildlife Response (October 1999):

Agree. The desire for detailed information varies among the public. Those most interested in game management (i.e., sportsmen) are getting additional information at monthly Wildlife Commission and Sportsmen's Advisory Group meetings. The Division is reluctant to burden the Habitat Partnership Program's committees with this responsibility. Each Wildlife Commissioner will hold two local public meetings in their areas each year to comply with House Bill 99-1313. Additional game management information will be posted on the Division's Web site by July 1, 2000.

Annually, the Division publishes the *Big Game Harvest Statistics Book*, which includes a brief discussion of methodology used to establish those numbers. That discussion will be expanded.

This information will be distributed to the public through the news media, the Division's Web site and will be distributed again through the 2000 "hunting packet" and periodically thereafter. The Division will publish information on methodology and harvest objectives in the March/April 2000 issue of *Colorado Outdoors*.

Implementation Date: Implemented.

Division of Wildlife Update (May 2000):

Implemented. *Colorado Outdoors* magazine and the *1999 Big Game Harvest Statistics Book* feature discussions of estimating game populations and determining harvest objectives. This information will be included in the 2000 hunting packet of Wildlife Reports (press releases) when it is distributed prior to the big game seasons in the fall and will be posted on the agency Web site at that time.

Office of the State Auditor's Evaluation of Actions Taken (May 2000):

The Division published an overview of its harvest determination processes in the March/April 2000 issue of *Colorado Outdoors* magazine. We also noted that the harvest information provided on the Division's Web site had improved since the

audit. We encourage the Division to continue to provide this type of information to its customers on a periodic basis.

Improve the Information Available to the Public About the Habitat Partnership Program

Our audit work also revealed two areas in which the Division could improve its communication with the public about the Habitat Partnership Program. Specifically, we found that the program newsletter was being published only sporadically and that the information about the Habitat Partnership Program on the Division's Web site was outdated. By not using these communication methods more systematically and effectively, the Division was missing valuable opportunities to provide information on the Habitat Partnership Program to interested parties.

Recommendation No. 24 (October 1999):

The Division of Wildlife should improve its methods for communicating with the general public in regard to the Habitat Partnership Program. This should include regularly reviewing and updating the information about the Program that is reported on the Division's Web site and establishing and adhering to a regular publication schedule for the Program's newsletter.

Division of Wildlife Response (October 1999):

Partially agree. More communication would be desirable; more regular newsletters and an up-to-date Web site are worthwhile goals. Given limited resources, however, and higher priorities for the Habitat Partnership Program's coordinator (including some recommendations in the audit), those assignments are not likely to be accomplished in the near future.

Implementation Date: July 2001.

Division of Wildlife Update (May 2000):

In progress. The Web site will be updated in the next several months as will the process for newsletters. Due to higher priorities for the new Habitat Partnership Program coordinator, little work has been accomplished on this recommendation to date. However, implementation is expected to be completed on schedule by July 2001.

**Office of the State Auditor's Evaluation of Actions Taken
(May 2000):**

Our review showed that this recommendation has not been addressed since the time of the audit.

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