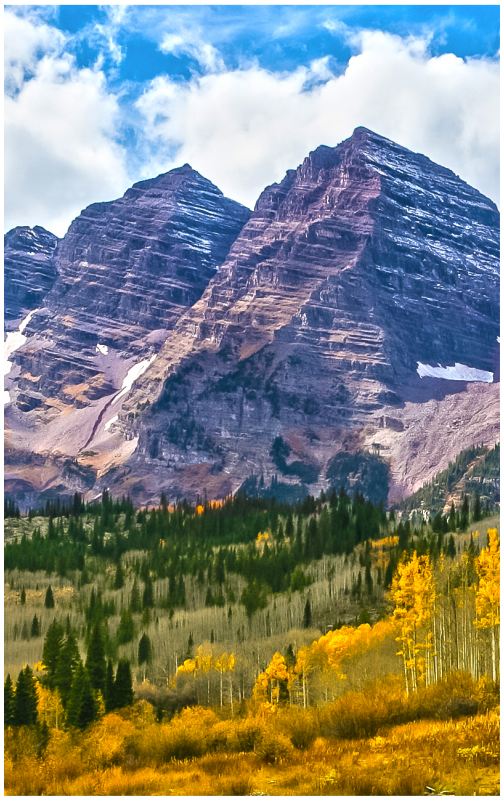
COLORADO
OFFICE OF THE
STATE AUDITOR

We Set the Standard for Good Government

# ANNUAL REPORT: STATUS OF AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED, AS OF JUNE 30, 2021



NOVEMBER 2021 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: STATUS OF AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED, AS OF JUNE 30, 2021

INFORMATIONAL REPORT, NOVEMBER 2021 STATE OF COLORADO

### CONCLUSION

Over the 5-year period, July 2015 through June 2020, the Office of the State Auditor (OSA) made 1,504 audit recommendations to state agencies and other audited organizations (auditees). Auditees generally agreed with our recommendations and usually implemented them by the original implementation date set by auditees. However, 132 of the recommendations that auditees agreed to (9 percent), have not been fully implemented as of June 30, 2021, and about one-third of the unimplemented recommendations are considered high priority due to their seriousness, or because they have been unimplemented for 3 years or more.

### KEY FACTS

- For Fiscal Years 2016 through 2020 (July 2015 to June 2020), the OSA made a total of 1,532 recommendations to auditees through financial audits, performance audits, and information technology (IT) audits.
- Auditees agreed to implement 98 percent of all audit recommendations made by the OSA.
- Overall, as of June 30, 2021, auditees have implemented 91 percent of the audit recommendations that they agreed to implement.
- The percentage of unimplemented audit recommendations has increased since June 30, 2020, primarily because the Governor's Office of Information Technology had more recommendations that were unimplemented in 2021.
- Of the 132 unimplemented audit recommendations, the OSA has classified 54 of them (41 percent) as high priority due to the seriousness of the problems identified and/or because they have been unimplemented for 3 years or more.

### BACKGROUND

- The OSA is an independent, nonpartisan Legislative Branch agency, with the mission to improve government for the people of Colorado.
- The OSA tracks the implementation status of all recommendations that it makes through its audits of state agencies, public colleges and universities, and other political subdivisions and organizations, as required by Section, 2-3-103(1), C.R.S.
- The purpose of this report is to provide transparency to policy makers, the public, and others responsible for holding state agencies and other audited organizations accountable for the audit recommendations that they have agreed to implement.
- The OSA determines the implementation status of financial and IT-related financial audit recommendations based on follow-up audits, and determines the implementation status of recommendations from performance or IT performance audits based on self-reported data from auditees, and on OSA follow-up audit work for select audits.

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# ANNUAL REPORT

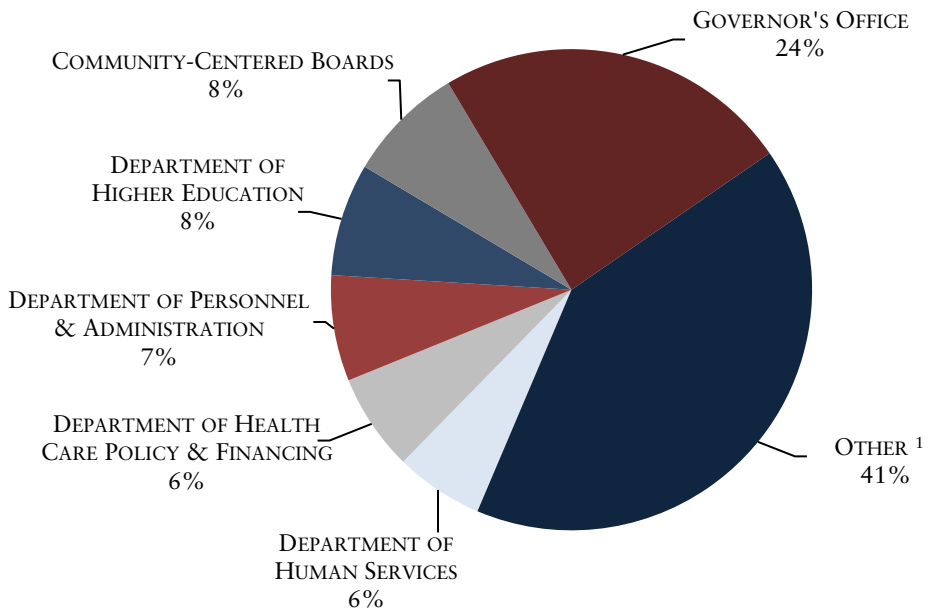
## STATUS OF AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED

The Office of the State Auditor (OSA) annually reports on the implementation status of recommendations from audit reports released by the Legislative Audit Committee over the past 5 fiscal years. Enclosed is a summary of the implementation status of all recommendations made by the OSA for Fiscal Years 2016 through 2020, that were not fully implemented by state agencies and other audited organizations (auditees) as of June 30, 2021. This report is part of an initiative to hold state agencies and other audited organizations accountable for implementing the audit recommendations that they have agreed to implement, and to provide better, more transparent information to policy makers [Section 2-3-103(9.5), C.R.S.] and the public.

# SUMMARY INFORMATION

From July 2015 through June 2020, the OSA made 1,532 audit recommendations to auditees. The OSA tracks a recommendation with multiple subparts as multiple recommendations. For example, a recommendation with subparts "A" through "C" is tracked as three recommendations. Additionally, if a recommendation is made to two auditees, the recommendation is tracked as two separate recommendations. EXHIBIT 1 shows the percentage of total audit recommendations, by auditee, over the 5-year period.

EXHIBIT 1. OSA AUDIT RECOMMENDATIONS, BY AUDITEE
JULY 2015 THROUGH JUNE 2020




SOURCE: Office of the State Auditor's audit recommendation database.
[1] "Other" includes auditees that received less than 5 percent of the total audit recommendations during the 5-year period. These are the Departments of Agriculture, Corrections, Education, Labor and Employment, Law, Local Affairs, Military and Veterans Affairs, Natural Resources, Public Health and Environment, Public Safety, Regulatory Agencies, Revenue, State, Transportation, Treasury, as well as the Legislative Department, Judicial Branch, Connect for Health Colorado, the Gaming Cities, Great Outdoors Colorado, PERA, Pinnacol Assurance, and the Regional Transportation District.

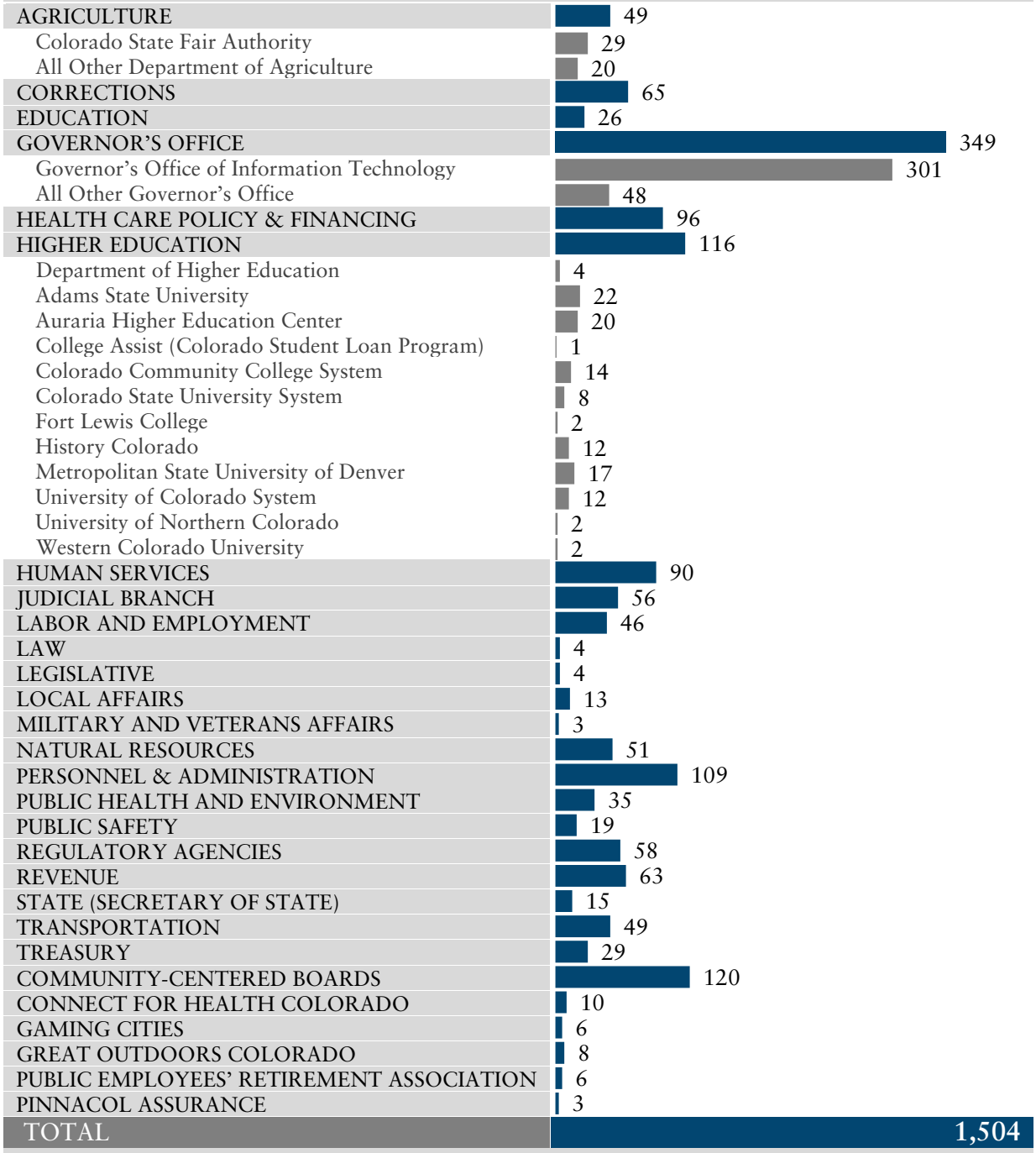
The appendices of this report provide additional information for each auditee that received audit recommendations during the 5-year period.

# OVERVIEW OF AUDIT RESPONSES

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

During the 5-year period, July 2015 through June 2020, auditees agreed or partially agreed to implement 1,504 of the audit recommendations (98 percent), which are summarized in EXHIBIT 2.

## EXHIBIT 2. NUMBER OF AUDIT RECOMMENDATIONS THAT AUDITEES [1] AGREED TO IMPLEMENT JULY 2015 THROUGH JUNE 2020




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

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

# TYPES OF AUDIT RECOMMENDATIONS

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

- **FINANCIAL AND FINANCIAL-RELATED INFORMATION TECHNOLOGY (IT) RECOMMENDATIONS** that appeared in at least one financial audit report covering Fiscal Years 2016 through 2020 (July 2015 through June 2020), and that auditees agreed to, but had not fully implemented as of June 30, 2021. The OSA determines the implementation status for financial and financial-related IT audit recommendations by conducting follow-up audit work.

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

  - **Material Weakness** is the most serious level of internal control weakness, such that there is a reasonable possibility of a material misstatement to the entity's financial statements or of material noncompliance with a federal program requirement that will not be prevented, or detected and corrected, in a timely manner.

  - **Significant Deficiency** is less severe than a "material weakness," but is still a high-level internal control weakness and warrants attention by those charged with governance.

  - **Deficiency in Internal Controls** is the least serious level of internal control weakness and exists when the design or operation of a control does not allow management or employees to prevent, or detect and correct, misstatements or federal program noncompliance, in a timely manner.

  - **Not Classified/Not an Internal Control Issue** is the classification for financial and financial-related IT audit recommendations that are not classified in one of the above three categories because they do not relate to a deficiency in internal controls.

- **PERFORMANCE AND IT PERFORMANCE RECOMMENDATIONS** made during Fiscal Years 2016 through 2020 (July 2015 through June 2020), which includes cash funds-related recommendations, and that auditees agreed to, but had not fully implemented as of June 30, 2021. The OSA determines the implementation status for performance and IT performance audit recommendations by reviewing self-reported information from the respective auditees and conducting follow-up audit work as needed.

# SUMMARY OF AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED

Overall, as of June 30, 2021, auditees had implemented 91 percent of the recommendations with which they originally agreed or partially agreed, which means they had not fully implemented 9 percent of the recommendations from July 2015 through June 2020. Recommendations reported as unimplemented include those for which auditees have not yet reached their original implementation date, as well as those for which auditees did not meet their original implementation date and have provided a new date.

EXHIBIT 3 compares the number of audit recommendations that were not fully implemented for each auditee as of June 30, 2020, as reported in our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, to those audit recommendations that were not fully implemented for each auditee as of June 30, 2021.

## EXHIBIT 3. NUMBER OF AUDIT RECOMMENDATIONS THAT AUDITEES [1] AGREED TO IMPLEMENT, AND WERE NOT FULLY IMPLEMENTED AS OF JUNE 30, 2020, AND JUNE 30, 2021

| | 2020 | | | 2021 | | |
|---|---|---|---|---|---|---|
| | Financial/ IT Recs | Performance/ IT Recs | Total | Financial/ IT Recs | Performance/ IT Recs | Total [2] |
| AGRICULTURE | 1 | 1 | 2 | 0 | 3 | 3 ▲ |
| Colorado State Fair Authority | 1 | 0 | 1 | 0 | 3 | 3 ▲ |
| All Other Department of Agriculture | | 1 | 1 | | 0 | 0 |
| CORRECTIONS | | 4 | 4 | | 4 | 4 |
| EDUCATION | | 0 | 0 | | 6 | 6 ▲ |
| GOVERNOR'S OFFICE | 9 | 31 | 40 | 14 | 56 | 70 ▲ |
| Governor's Office of Information Technology | 9 | 30 | 39 | 14 | 55 | 69 ▲ |
| All Other Governor's Office | | 1 | 1 | | 1 | 1 |
| HEALTH CARE POLICY & FINANCING | 16 | 1 | 17 | 15 | 0 | 15 |
| HIGHER EDUCATION | 1 | | 1 | 1 | | 1 |
| Metropolitan State Univ. of Denver | 1 | | 1 | 0 | | 0 |
| University of Colorado | 0 | | 0 | 1 | | 1 ▲ |
| HUMAN SERVICES | 3 | | 3 | 4 | | 4 ▲ |
| LABOR AND EMPLOYMENT | 5 | | 5 | 8 | | 8 ▲ |
| LAW | | 1 | 1 | | 0 | 0 |
| NATURAL RESOURCES | | 6 | 6 | | 0 | 0 |
| PERSONNEL & ADMINISTRATION | 6 | 0 | 6 | 6 | 1 | 7 ▲ |
| PUBLIC HEALTH AND ENVIRONMENT | | 2 | 2 | | 5 | 5 ▲ |
| PUBLIC SAFETY | | 0 | 0 | | 1 | 1 ▲ |
| REGULATORY AGENCIES | | 2 | 2 | | 5 | 5 ▲ |
| STATE (SECRETARY OF STATE) | | 1 | 1 | | 0 | 0 |
| TRANSPORTATION | | 3 | 3 | | 1 | 1 |
| TREASURY | 2 | | 2 | 2 | | 2 |
| TOTAL | 43 | 52 | 95 | 50 | 82 | 132 ▲ |

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

[1] Auditees that are not listed in the exhibit have no unimplemented audit recommendations in 2021 and had none in 2020.

[2] △ indicates that the number of audit recommendations not fully implemented increased in 2021 compared to 2020.

# HIGH PRIORITY RECOMMENDATIONS THAT ARE NOT FULLY IMPLEMENTED

Of the 132 recommendations that were not fully implemented as of June 30, 2021, 54 (41 percent) are considered high priority due to the seriousness of the problems identified and/or the length of time that they have not been fully implemented since the date of the respective audit report. The high priority audit recommendations are defined in this report as follows:

| HIGH PRIORITY FINANCIAL AND FINANCIAL-RELATED IT AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED | HIGH PRIORITY PERFORMANCE AND IT PERFORMANCE AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED |
|---|---|
| The OSA considers a financial or financial-related IT audit recommendation to be high priority if it has not been fully implemented; it is past its original implementation date; and it is (1) a "material weakness," (2) a "significant deficiency" that has not been fully implemented for 3 years or more, or (3) a "not classified" recommendation that has not been fully implemented for 5 years or more. | The OSA considers a performance or IT performance audit recommendation high priority if it has not been fully implemented, and is from a report that was released 3 years ago or more. |

Throughout this report, the recommendations that are not fully implemented and are considered high priority are highlighted in orange.

EXHIBIT 4 compares the total number of audit recommendations that were not fully implemented and are considered high priority, by auditee, as of June 30, 2020, and June 30, 2021, respectively.

EXHIBIT 4. COMPARISON OF HIGH PRIORITY AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2020, AND JUNE 30, 2021

| AUDITEE | TOTAL RECS JULY 2015 - JUNE 2020 | HIGH PRIORITY RECS AS OF JUNE 30, 2020 | HIGH PRIORITY RECS AS OF JUNE 30, 2021[1] |
|---|---|---|---|
| AGRICULTURE | 49 | 1 | 0 |
| CORRECTIONS | 65 | 4 | 4 |
| GOVERNOR'S OFFICE | 349 | 6 | 23 ▲ |
| HEALTH CARE POLICY & FINANCING | 96 | 14 | 10 |
| HUMAN SERVICES | 90 | 1 | 1 |
| LABOR AND EMPLOYMENT | 46 | 2 | 8 ▲ |
| PERSONNEL & ADMINISTRATION | 109 | 5 | 6 ▲ |
| TREASURY | 29 | 2 | 2 |
| TOTAL | 833 | 35 | 54 ▲ |

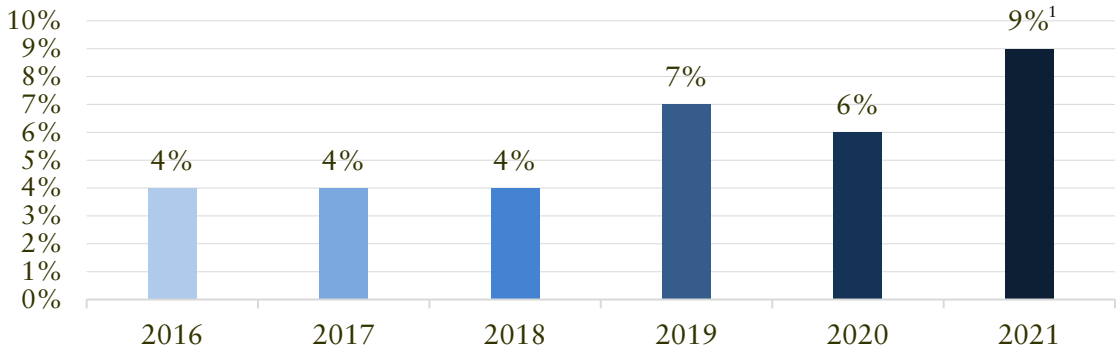
SOURCE: Office of the State Auditor's audit recommendation database.
[1] △ indicates that the number of audit recommendations not fully implemented increased in 2021 compared to 2020.

The appendices of this report provide additional information on the recommendations that are not fully implemented and are considered high priority as of June 30, 2021.

## OVERALL CONCLUSIONS

When considering the number of recommendations that the OSA made to auditees over the 5-year period, the summary information in this report shows that auditees generally agree with our recommendations and usually implement them by the original implementation date. However, the percentage of audit recommendations that have not been fully implemented by auditees has increased in 2021 compared to the past 5 fiscal years, as shown in EXHIBIT 5.

EXHIBIT 5. PERCENTAGE OF AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED BY AUDITEES FISCAL YEARS 2016 THROUGH 2021




SOURCE: Office of the State Auditor's audit recommendation database.
[1] In 2021, the percentage of recommendations not fully implemented by auditees increased compared to prior years primarily because the Governor's Office of Information Technology had more recommendations unimplemented in 2021.

# POSSIBLE NEXT STEPS FOR LEGISLATORS

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

A Agencies'/organizations' specific plans for implementing the high priority recommendations.

B The reasons implementation has been delayed for those recommendations where the agency/organization has delayed implementation (i.e., the recommendations with months in the "Delay" column of tables).

C Agency's/organization's plans for implementing the unimplemented recommendations for which the agency/organization provided new implementation dates.

# APPENDICES

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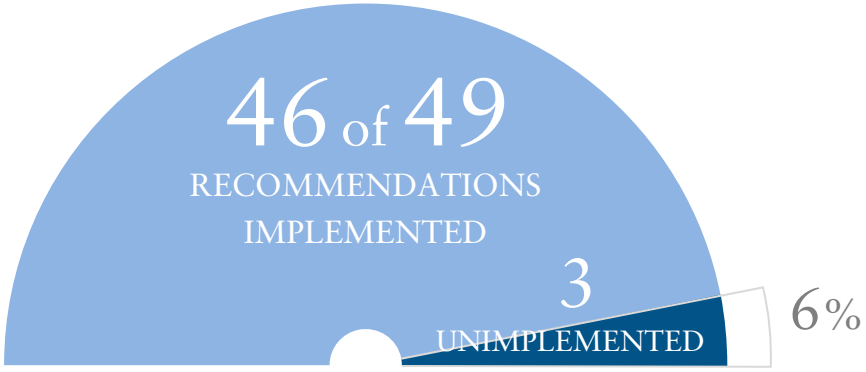
# DEPARTMENT OF AGRICULTURE




From July 1, 2015, through June 30, 2020, the Department of Agriculture (Department) agreed to implement 49 audit recommendations—six were from financial audits and 43 were from performance audits. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from the Department have determined that a total of three of the 49 recommendations are not fully implemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had two out of 21 audit recommendations that were not fully implemented.

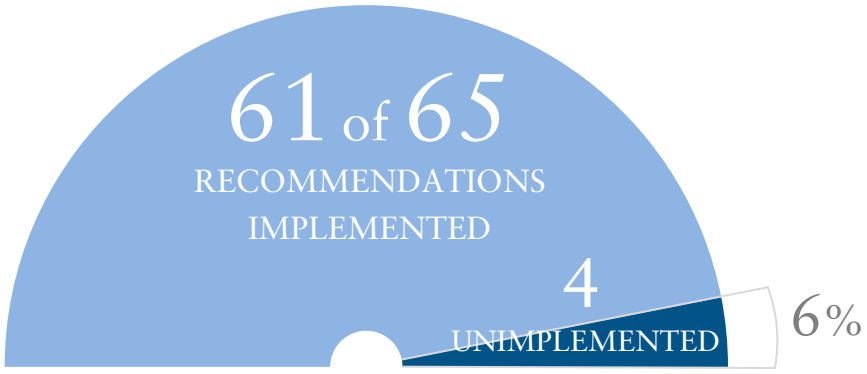
EXHIBIT 6 summarizes the three audit recommendations that are not fully implemented, as of June 30, 2021. None of these recommendations are considered high priority.

## EXHIBIT 6. DEPARTMENT OF AGRICULTURE AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2021

| Audit | Rec. No. | First FY Rec. Made | Topic Area | Implementation Status | Original Implementation Date | Current Implementation Date | Delay (months) | Deficiency Level, if Applicable [1] |
|---|---|---|---|---|---|---|---|---|
| Colorado State Fair Authority, Performance Audit, October 2019 | 1D | 2020 | Board Governance | Partially Implemented | 6/30/2020 | 6/30/2022 | 24 | - |
| | 6B | 2020 | Board Governance | Partially Implemented | 2/28/2021 | 11/30/2021 | 9 | - |
| | 6C | 2020 | State Fair Oversight | Partially Implemented | 2/29/2020 | 11/30/2021 | 21 | - |

SOURCE: Office of the State Auditor's audit recommendation database.
[1] Only financial audit recommendations related to internal controls are classified by deficiency level.

# DEPARTMENT OF CORRECTIONS




From July 1, 2015, through June 30, 2020, the Department of Corrections (Department) agreed or partially agreed to implement 65 audit recommendations—32 were from financial audits and 33 were from performance audits. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from the Department have determined that a total of four of the 65 recommendations are not fully implemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had four out of 87 audit recommendations that were not fully implemented.

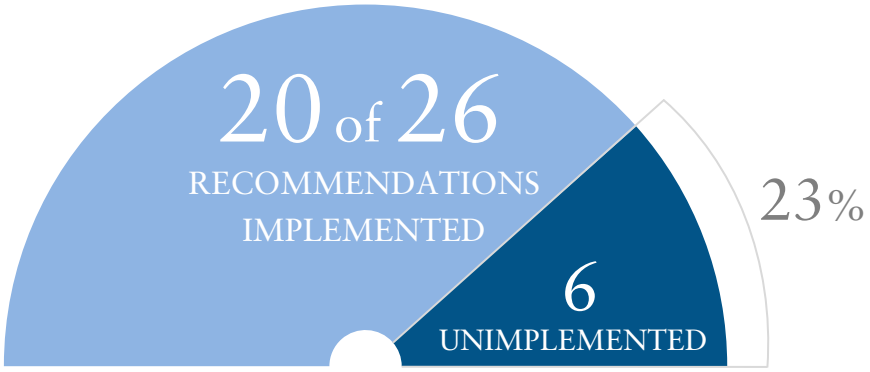
EXHIBIT 7 summarizes the four audit recommendations that are not fully implemented, as of June 30, 2021. These four recommendations are considered high priority and highlighted in orange.

EXHIBIT 7. DEPARTMENT OF CORRECTIONS
AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED
AS OF JUNE 30, 2021

| Audit | Rec. No. | First FY Rec. Made | Topic Area | Implementation Status | Original Implementation Date | Current Implementation Date | Delay (months) | Deficiency Level, if applicable [1] |
|---|---|---|---|---|---|---|---|---|
| Behavioral Health Programs, Performance Audit, November 2016 | 1A | 2017 | Mental Health Assessments | Partially Implemented | 3/31/2017 | 6/30/2022 | 63 | - |
| | 9B | 2017 | Sex Offender Treatment Program | Partially Implemented | 12/31/2018 | 6/30/2022 | 42 | - |
| | 11B | 2017 | IT Controls | Partially Implemented | 12/31/2017 | 6/30/2022 | 54 | - |
| | 11C | 2017 | Oversight of Sex Offender & Mental Health Treatment Programs | Partially Implemented | 12/31/2018 | 6/30/2022 | 42 | - |

SOURCE: Office of the State Auditor's audit recommendation database.
[1] Only financial audit recommendations related to internal controls are classified by deficiency level.

# DEPARTMENT OF EDUCATION




From July 1, 2015, through June 30, 2020, the Department of Education (Department) agreed to implement 26 audit recommendations—six were from financial audits and 20 were from performance or information technology (IT) performance audits. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from the Department have determined that a total of six of the 26 recommendations are not fully implemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had no unimplemented audit recommendations.

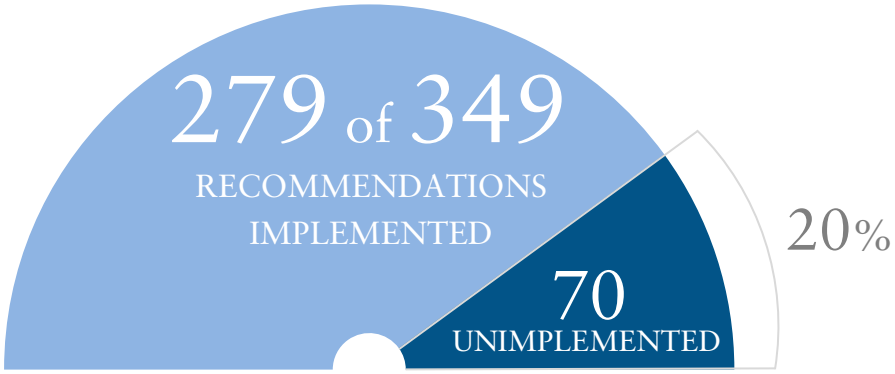
EXHIBIT 8 summarizes the six audit recommendations that are not fully implemented, as of June 30, 2021. None of these recommendations are considered high priority.

## EXHIBIT 8. DEPARTMENT OF EDUCATION AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2021

| Audit | Rec. No. | First FY Rec. Made | Topic Area | Implementation Status | Original Implementation Date | Current Implementation Date | Delay (months) | Deficiency Level, if applicable [1] |
|---|---|---|---|---|---|---|---|---|
| IT Audit of a Mission Critical System, IT Performance Audit, Confidential Report, November 2019 | 1A | 2020 | IT Governance | Partially Implemented | 6/30/2020 | 1/31/2022 | 19 | - |
| | 1C | 2020 | IT Governance | Partially Implemented | 12/31/2020 | 1/31/2022 | 13 | - |
| | 1D | 2020 | IT Governance | Not Implemented | 6/30/2020 | 4/30/2022 | 22 | - |
| | 1E | 2020 | IT Governance | Not Implemented | 6/30/2020 | 4/30/2022 | 22 | - |
| | 2C | 2020 | IT Security | Partially Implemented | 6/30/2020 | 10/31/2021 | 16 | - |
| | 2G | 2020 | IT Security | Partially Implemented | 6/30/2020 | 11/30/2021 | 17 | - |

SOURCE: Office of the State Auditor's audit recommendation database.
[1] Only financial audit recommendations related to internal controls are classified by deficiency level.

# GOVERNOR'S OFFICE




From July 1, 2015, through June 30, 2020, the Governor's Office, including the Governor's Office of Information Technology (IT), agreed or partially agreed to implement 349 audit recommendations—115 were from financial audits, which included financial-related IT audit recommendations, and 234 were from performance or IT performance audits. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from the Department have determined that a total of 70 of the 349 recommendations are not fully implemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Governor's Office had 40 out of 304 audit recommendations that were not fully implemented.

EXHIBIT 9 summarizes the 70 audit recommendations that are not fully implemented, as of June 30, 2021. Twenty-three of these recommendations are considered high priority and highlighted in orange.

## EXHIBIT 9. GOVERNOR'S OFFICE
## AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED
## AS OF JUNE 30, 2021

| Audit | Rec. No. | First FY Rec. Made | Topic Area | Implementation Status | Original Implementation Date | Current Implementation Date | Delay (months) | Deficiency Level, if applicable[1] |
|---|---|---|---|---|---|---|---|---|
| Statewide Single Financial Audit, Fiscal Year Ended June 30, 2020 | 2020-003A | 2020 | GenTax[2] & DRIVES[3] IT Controls | Partially Implemented | 6/30/2021 | 8/31/2021 | 2 | Material Weakness |
| | 2020-004A | 2019 | IT Security | Partially Implemented | 8/31/2020 | 7/31/2021 | 11 | Material Weakness |
| | 2020-006 | 2014 | IT Security | Not Implemented | 12/31/2015 | 10/31/2021 | 70 | Significant Deficiency |
| | 2020-007A | 2013 | GenTax[2] IT Controls | Partially Implemented | 3/31/2014 | 7/31/2021 | 88 | Significant Deficiency |
| | 2020-007B | 2013 | GenTax[2] IT Controls | Not Implemented | 3/31/2014 | 7/31/2021 | 88 | Significant Deficiency |
| | 2020-007C | 2013 | GenTax[2] IT Controls | Not Implemented | 3/31/2014 | 7/31/2021 | 88 | Significant Deficiency |
| | 2020-008A | 2017 | IT Security | Not Implemented | 1/31/2020 | 10/31/2021 | 21 | Significant Deficiency |
| | 2020-008B | 2017 | IT Security | Not Implemented | 1/31/2020 | 10/31/2021 | 21 | Significant Deficiency |
| | 2020-010B | 2019 | IT Security | Partially Implemented | 6/30/2021 | 6/30/2022 | 12 | Material Weakness |
| | 2020-011B | 2018 | CUBS[4], CATS[5], & CLEAR[6] IT Controls | Not Implemented | 6/30/2019 | 12/31/2021 | 30 | Significant Deficiency |
| | 2020-011D | 2017 | CUBS[4], CATS[5], & CLEAR[6] IT Controls | Partially Implemented | 6/30/2018 | 12/31/2021 | 42 | Significant Deficiency |
| Evaluation of IT Security at Department of Transportation, IT Performance Audit, Public Report, February 2020 | 2B | 2020 | IT Governance | Partially Implemented | 12/31/2020 | 12/31/2021 | 12 | - |
| | 2C | 2020 | IT Governance | Partially Implemented | 12/31/2020 | 12/31/2021 | 12 | - |
| | 2D | 2020 | IT Governance | Partially Implemented | 9/30/2020 | 12/31/2021 | 15 | - |
| Evaluation of IT Security at Department of Transportation, IT Performance Audit, Confidential Report, February 2020 | 3B | 2020 | IT Security | Not Implemented | 4/30/2020 | 12/31/2021 | 20 | - |
| | 3F | 2020 | IT Security | Partially Implemented | 7/31/2020 | 12/31/2021 | 17 | - |
| | 3H | 2020 | IT Security | Partially Implemented | 4/30/2020 | 12/31/2021 | 20 | - |
| | 3I | 2020 | IT Security | Partially Implemented | 7/31/2020 | 12/31/2021 | 17 | - |
| | 3J | 2020 | IT Security | Partially Implemented | 12/31/2020 | 12/31/2021 | 12 | - |
| | 4A | 2020 | IT Security | Partially Implemented | 9/30/2020 | 12/31/2022 | 27 | - |
| | 4Bi | 2020 | IT Security | Partially Implemented | 5/31/2020 | 12/31/2022 | 31 | - |
| | 4Bii | 2020 | IT Security | Partially Implemented | 5/31/2020 | 12/31/2022 | 31 | - |
| | 4C | 2020 | IT Security | Partially Implemented | 5/31/2020 | 12/31/2022 | 31 | - |

## EXHIBIT 9. GOVERNOR'S OFFICE
## AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED
## AS OF JUNE 30, 2021

| Audit | Rec. No. | First FY Rec. Made | Topic Area | Implementation Status | Original Implementation Date | Current Implementation Date | Delay (months) | Deficiency Level, if applicable[1] |
|---|---|---|---|---|---|---|---|---|
| | 4D | 2020 | IT Security | Partially Implemented | 5/31/2020 | 12/31/2022 | 31 | - |
| | 5A | 2020 | IT Change Management | Partially Implemented | 2/28/2021 | 12/31/2021 | 10 | - |
| | 5C | 2020 | IT Change Management | Partially Implemented | 2/29/2020 | 12/31/2021 | 22 | - |
| | 5D | 2020 | IT Change Management | Partially Implemented | 12/31/2020 | 12/31/2021 | 12 | - |
| | 7A | 2020 | IT Governance | Partially Implemented | 9/30/2019 | 12/31/2021 | 27 | |
| | 7C | 2020 | IT Governance | Partially Implemented | 6/30/2020 | 6/30/2022 | 24 | - |
| | 8A | 2020 | IT Security | Partially Implemented | 12/31/2020 | 12/31/2021 | 12 | - |
| | 8B | 2020 | IT Security | Partially Implemented | 6/30/2020 | 12/31/2021 | 18 | - |
| | 9D | 2020 | IT Security | Partially Implemented | 4/30/2020 | 12/31/2021 | 20 | - |
| | 10A | 2020 | IT Security | Not Implemented | None Provided [7] | 1/31/2022 | 23 [7] | - |
| | 10B | 2020 | IT Security | Partially Implemented | None Provided [7] | 1/31/2022 | 23 [7] | - |
| | 10C | 2020 | IT Security | Partially Implemented | 10/31/2020 | 2/28/2022 | 16 | - |
| | 11A | 2020 | IT Security | Not Implemented | 7/31/2022 | 7/31/2022 | 0 | - |
| | 11B | 2020 | IT Security | Not Implemented | 2/28/2021 | 12/31/2021 | 10 | - |
| | 11D | 2020 | IT Security | Not Implemented | 12/31/2020 | 1/31/2022 | 13 | - |
| | 11E | 2020 | IT Security | Not Implemented | 12/31/2020 | 1/31/2022 | 13 | - |
| | 12A | 2020 | IT Governance | Not Implemented | 5/31/2020 | 12/31/2021 | 19 | - |
| | 12C | 2020 | IT Governance | Partially Implemented | 2/28/2021 | 12/31/2021 | 10 | - |
| | 12E | 2020 | IT Security | Partially Implemented | 3/31/2020 | 12/31/2021 | 21 | - |
| Statewide Single Financial Audit, Fiscal Year Ended June 30, 2019 | **2019-027C** | **2017** | **CUBS[4], CATS[5], & CLEAR[6] IT Controls** | **Partially Implemented** | **6/30/2018** | **12/31/2021** | **42** | **Significant Deficiency** |
| Colorado New Energy Improvement District, Performance Audit, May 2019 | 2 | 2019 | Program Oversight | Partially Implemented | 12/31/2021 | 3/31/2022 | 3 | - |
| HB17-1361 Evaluation of State IT Resources, IT Performance Audit, November 2018 | 2D2 | 2019 | IT Governance | Partially Implemented | 4/30/2019 | 6/30/2025 | 74 | - |
| | 8A | 2019 | IT Governance | Partially Implemented | 4/30/2019 | 12/31/2021 | 32 | - |

## EXHIBIT 9. GOVERNOR'S OFFICE
## AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED
## AS OF JUNE 30, 2021

| Audit | Rec. No. | First FY Rec. Made | Topic Area | Implementation Status | Original Implementation Date | Current Implementation Date | Delay (months) | Deficiency Level, if applicable[1] |
|---|---|---|---|---|---|---|---|---|
| | 8B | 2019 | IT Governance | Partially Implemented | 7/31/2019 | 12/31/2021 | 29 | - |
| | 10A | 2019 | IT Governance | Partially Implemented | 6/30/2019 | 8/31/2021 | 26 | - |
| | 10B | 2019 | IT Governance | Partially Implemented | 6/30/2019 | 9/30/2021 | 27 | - |
| | 10C | 2019 | IT Governance | Partially Implemented | 6/30/2019 | 9/30/2021 | 27 | - |
| | 10D | 2019 | IT Governance | Partially Implemented | 6/30/2019 | 9/30/2021 | 27 | - |
| | 10E | 2019 | IT Governance | Partially Implemented | 6/30/2019 | 9/30/2021 | 27 | - |
| | 10F | 2019 | IT Governance | Partially Implemented | 6/30/2019 | 9/30/2021 | 27 | - |
| | 10G | 2019 | IT Governance | Partially Implemented | 6/30/2019 | 9/30/2021 | 27 | - |
| | 10H | 2019 | IT Governance | Partially Implemented | 6/30/2019 | 9/30/2021 | 27 | - |
| | 10I | 2019 | IT Governance | Partially Implemented | 6/30/2019 | 9/30/2021 | 27 | - |
| | 10J | 2019 | IT Governance | Partially Implemented | 6/30/2019 | 8/31/2021 | 26 | - |
| | 10K2 | 2019 | IT Governance | Partially Implemented | 6/30/2019 | 9/30/2021 | 27 | - |
| | 10K3 | 2019 | IT Governance | Partially Implemented | 6/30/2019 | 9/30/2021 | 27 | - |
| Statewide Single Financial Audit, Fiscal Year Ended June 30, 2018 | 2018-014 | 2012 | CUBS[4] & CATS[5] IT Controls | Not Implemented | 12/31/2016 | 12/31/2021 | 60 | Significant Deficiency |
| Audit of Three IT Systems at Department of Public Health and Environment, IT Performance Audit, Public Report, August 2017 | 1A | 2018 | IT Operations | Partially Implemented | 12/31/2017 | 1/31/2022 | 49 | - |
| | 2 | 2018 | IT Operations | Partially Implemented | 7/31/2018 | 1/31/2022 | 42 | - |
| Audit of Three IT Systems at Department of Public Health and Environment, IT Performance Audit, Confidential Report, August 2017 | 4D | 2018 | IT Security | Partially Implemented | 2/29/2020 | 1/31/2022 | 23 | - |
| | 4E | 2018 | IT Security | Partially Implemented | 2/29/2020 | 1/31/2022 | 23 | - |
| | 10G | 2018 | IT Security | Partially Implemented | 7/31/2018 | 1/31/2022 | 42 | - |
| | 13D | 2018 | IT Security | Partially Implemented | 3/31/2018 | 1/31/2022 | 46 | - |
| | 16A | 2018 | IT Operations | Partially Implemented | 7/31/2018 | 1/31/2022 | 42 | - |
| | 16B | 2018 | IT Operations | Partially Implemented | 7/31/2018 | 1/31/2022 | 42 | - |

## EXHIBIT 9. GOVERNOR'S OFFICE
## AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED
## AS OF JUNE 30, 2021

| AUDIT | REC. NO. | FIRST FY REC. MADE | TOPIC AREA | IMPLEMENTATION STATUS | ORIGINAL IMPLEMENTATION DATE | CURRENT IMPLEMENTATION DATE | DELAY (MONTHS) | DEFICIENCY LEVEL, IF APPLICABLE[1] |
|---|---|---|---|---|---|---|---|---|
| Statewide Single Financial Audit, Fiscal Year Ended June 30, 2017 | 2017-028A | 2017 | CUBS[4], CATS[5], & CLEAR[6] IT Controls | Partially Implemented | 6/30/2018 | 12/31/2021 | 42 | Significant Deficiency |
| IT Vulnerability Assessment, Performance Evaluation, Public Report, November 2014 | 1A | 2015 | IT Updates | Partially Implemented | 12/31/2015 | 7/31/2023 | 91 | - |

SOURCE: Office of the State Auditor's audit recommendation database.
[1] Only financial audit recommendations related to internal controls are classified by deficiency level.
[2] GenTax is the State's primary information system for processing taxes collected by the State.
[3] DRIVES is the Driver's License, Record, Identification, and Vehicle Enterprise Solution System.
[4] CUBS is the Colorado Unemployment Benefits System.
[5] CATS is the Colorado Automated Tax System.
[6] CLEAR is the Colorado Labor and Employment Applicant Resource system.
[7] The Governor's Office did not provide an original implementation date for this recommendation when it was first made, so the February 2020 date of the audit report is used as the original implementation date and used to calculate the months delay.

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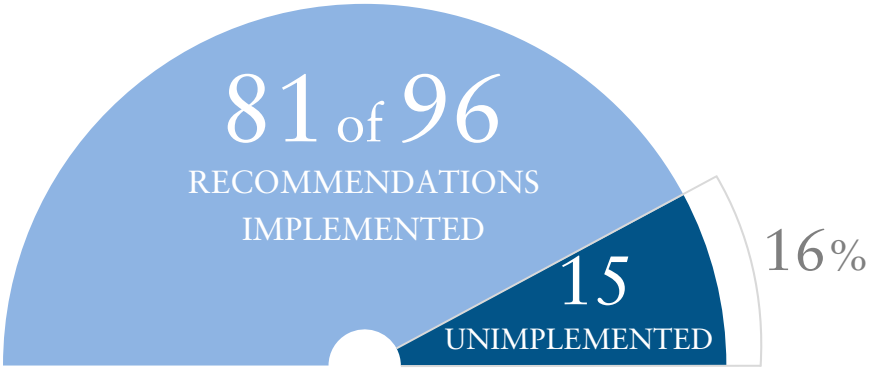
# DEPARTMENT OF HEALTH CARE POLICY & FINANCING




From July 1, 2015, through June 30, 2020, the Department of Health Care Policy & Financing (Department) agreed or partially agreed to implement 96 audit recommendations—88 were from financial audits, which included financial-related information technology (IT) audit recommendations, and eight were from performance audits. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from the Department have determined that a total of 15 of the 96 recommendations are not fully implemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had 17 out of 90 audit recommendations that were not fully implemented.

EXHIBIT 10 summarizes the 15 audit recommendations that are not fully implemented, as of June 30, 2021. Ten of these recommendations are considered high priority and highlighted in orange.

## EXHIBIT 10. DEPARTMENT OF HEALTH CARE POLICY & FINANCING AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2021

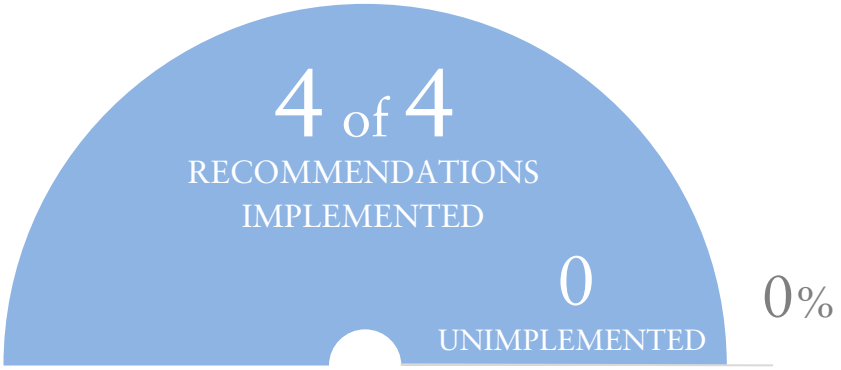
| Audit | Rec. No. | First FY Rec. Made | Topic Area | Implementation Status | Original Implementation Date | Current Implementation Date | Delay (months) | Deficiency Level, if applicable [1] |
|---|---|---|---|---|---|---|---|---|
| Statewide Single Financial Audit, Fiscal Year Ended June 30, 2020 | 2020-014 | 2017 | IT Governance | Partially Implemented | 12/31/2018 | 7/31/2021 | 31 | Significant Deficiency |
| | 2020-034A | 2017 | Medicaid Eligibility Controls | Not Implemented | 12/31/2018 | 7/31/2022 | 43 | Material Weakness |
| | 2020-034B | 2017 | Medicaid Eligibility Controls | Not Implemented | 12/31/2018 | 7/31/2022 | 43 | Material Weakness |
| | 2020-034C | 2017 | Medicaid Eligibility Controls | Not Implemented | 12/31/2018 | 12/31/2022 | 48 | Material Weakness |
| | 2020-036A | 2019 | Medicaid Eligibility Controls | Not Implemented | 7/31/2022 | 7/31/2022 | 0 | Material Weakness |
| | 2020-036B | 2019 | Medicaid Eligibility Controls | Not Implemented | 7/31/2022 | 7/31/2022 | 0 | Material Weakness |
| | 2020-036D | 2017 | Medicaid Eligibility Controls | Not Implemented | 12/31/2018 | 12/31/2022 | 48 | Material Weakness |
| | 2020-039A | 2017 | CHIP [2] Eligibility Controls | Not Implemented | 12/31/2018 | 7/31/2022 | 43 | Significant Deficiency |
| | 2020-039C | 2016 | CHIP [2] Eligibility Controls | Not Implemented | 7/31/2017 | 7/31/2022 | 60 | Significant Deficiency |
| | 2020-041A | 2019 | Medicaid Eligibility Controls | Partially Implemented | 7/31/2022 | 7/31/2022 | 0 | Material Weakness |
| | 2020-041C | 2017 | Medicaid Eligibility Controls | Partially Implemented | 12/31/2018 | 7/31/2022 | 43 | Material Weakness |
| | 2020-042A | 2018 | Medicaid Payment Controls | Not Implemented | 6/30/2018 | 7/31/2021 | 37 | Material Weakness |
| | 2020-042B | 2019 | Medicaid Payment Controls | Not Implemented | 7/31/2021 | 7/31/2021 | 0 | Material Weakness |
| | 2020-044A | 2016 | CHIP [2] Eligibility Controls | Not Implemented | 7/31/2017 | 7/31/2022 | 60 | Material Weakness |
| Statewide Single Financial Audit, Fiscal Year Ended June 30, 2019 | 2019-057 | 2018 | Service Authorizations | Partially Implemented | 9/30/2019 | 6/30/2022 | 33 | Deficiency in Internal Control |

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

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

[2] Children's Health Insurance Program.

# DEPARTMENT OF HIGHER EDUCATION




From July 1, 2015, through June 30, 2020, the Department of Higher Education (Department) agreed to implement four audit recommendations—three were from a financial audit and one was from a performance audit. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from the Department have determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department also had no unimplemented audit recommendations.

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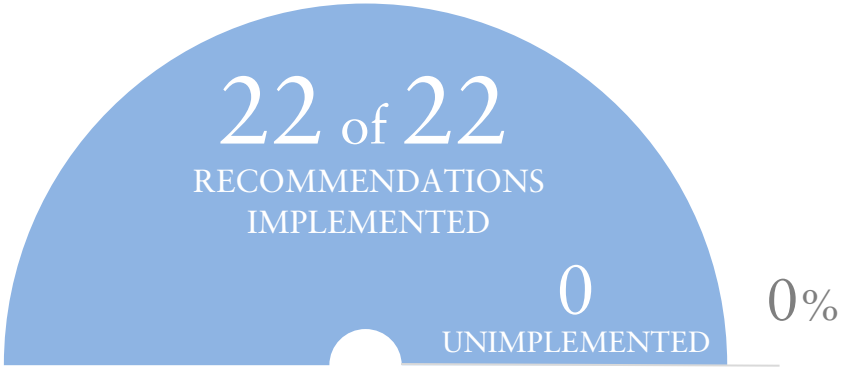
# ADAMS STATE UNIVERSITY




From July 1, 2015, through June 30, 2020, Adams State University (University) agreed to implement 22 financial audit recommendations. As of June 30, 2021, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented,* the University also had no unimplemented audit recommendations.

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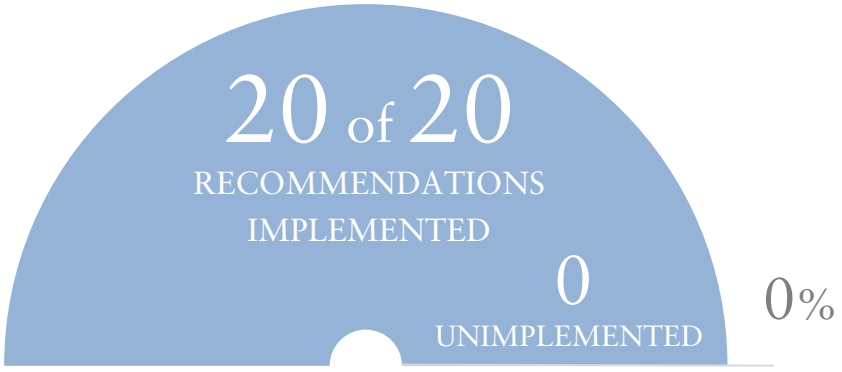
# AURARIA HIGHER EDUCATION CENTER




From July 1, 2015, through June 30, 2020, Auraria Higher Education Center agreed to implement 20 financial audit recommendations. As of June 30, 2021, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented,* Auraria Higher Education Center also had no unimplemented audit recommendations.

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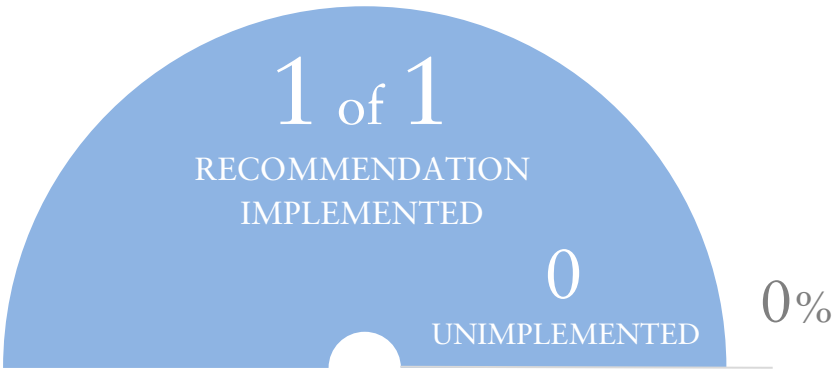
# COLLEGE ASSIST (COLORADO STUDENT LOAN PROGRAM)




From July 1, 2015, through June 30, 2020, College Assist (Colorado Student Loan Program) agreed to implement one financial audit recommendation. As of June 30, 2021, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented,* the Colorado Student Loan Program also had no unimplemented audit recommendations.

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# COLORADO COMMUNITY COLLEGE SYSTEM

From July 1, 2015, through June 30, 2020, the Colorado Community College System (System) agreed to implement 14 financial audit recommendations. As of June 30, 2021, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented,* the System also had no unimplemented audit recommendations.

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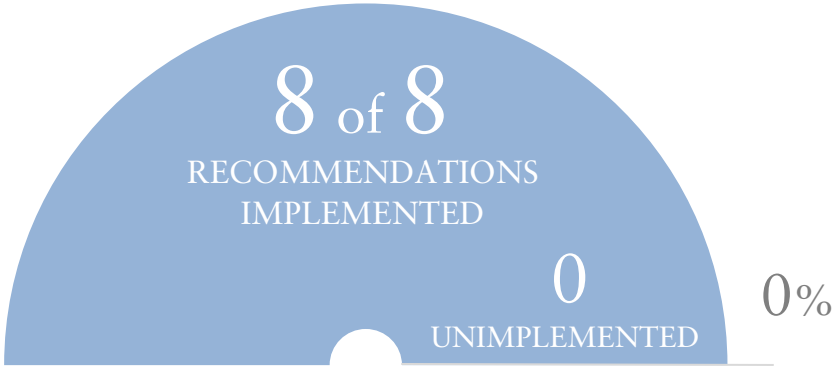
# COLORADO STATE UNIVERSITY SYSTEM




From July 1, 2015, through June 30, 2020, the Colorado State University System (System) agreed to implement eight financial audit recommendations. As of June 30, 2021, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented,* the System also had no unimplemented audit recommendations.

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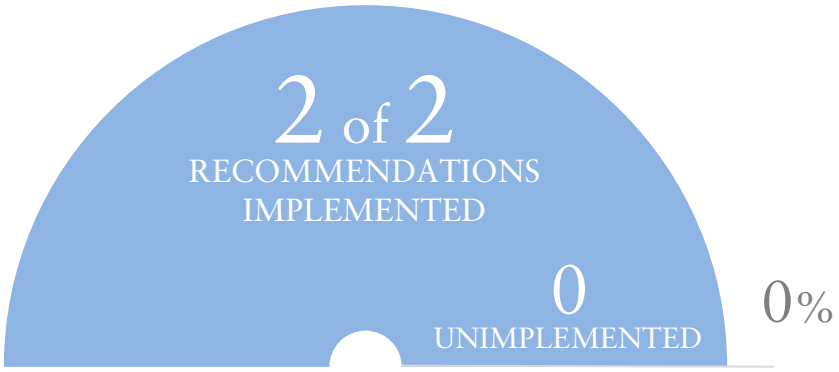
# FORT LEWIS COLLEGE




From July 1, 2015, through June 30, 2020, Fort Lewis College (College) agreed to implement two financial audit recommendations. As of June 30, 2021, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented,* the College also had no unimplemented audit recommendations.

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# HISTORY COLORADO

From July 1, 2015, through June 30, 2020, History Colorado agreed to implement 12 financial audit recommendations. As of June 30, 2021, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented,* History Colorado also had no unimplemented audit recommendations.

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# METROPOLITAN STATE UNIVERSITY OF DENVER

From July 1, 2015, through June 30, 2020, Metropolitan State University of Denver (University) agreed to implement 17 financial audit recommendations. As of June 30, 2021, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the University had one out of 15 audit recommendations that was not fully implemented.

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# UNIVERSITY OF COLORADO SYSTEM

From July 1, 2015, through June 30, 2020, the University of Colorado System (System) agreed to implement 12 financial audit recommendations. As of June 30, 2021, the OSA's follow-up audit process has determined that one of the 12 recommendations is not fully implemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented,* the System had no unimplemented audit recommendations.

EXHIBIT 11 provides information on the audit recommendation that is not fully implemented, as of June 30, 2021. This recommendation is not considered high priority.

EXHIBIT 11. UNIVERSITY OF COLORADO SYSTEM
AUDIT RECOMMENDATION NOT FULLY IMPLEMENTED
AS OF JUNE 30, 2021

| AUDIT | REC. NO. | FIRST FY REC. MADE | TOPIC AREA | IMPLEMENTATION STATUS | ORIGINAL IMPLEMENTATION DATE | CURRENT IMPLEMENTATION DATE | DELAY (MONTHS) | DEFICIENCY LEVEL, IF APPLICABLE [1] |
|---|---|---|---|---|---|---|---|---|
| Statewide Single Financial Audit, Fiscal Year Ended June 30, 2020 | 2020-018B | 2020 | IT Controls | Partially Implemented | 12/31/2020 | 12/31/2021 | 12 | Significant Deficiency |

SOURCE: Office of the State Auditor's audit recommendation database.
[1] Only financial audit recommendations related to internal controls are classified by deficiency level.

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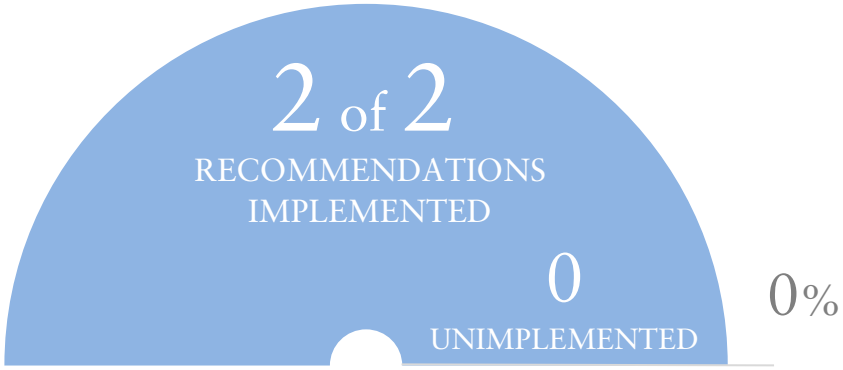
# UNIVERSITY OF NORTHERN COLORADO




From July 1, 2015, through June 30, 2020, the University of Northern Colorado (University) agreed to implement two financial audit recommendations. As of June 30, 2021, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented,* the University also had no unimplemented audit recommendations.

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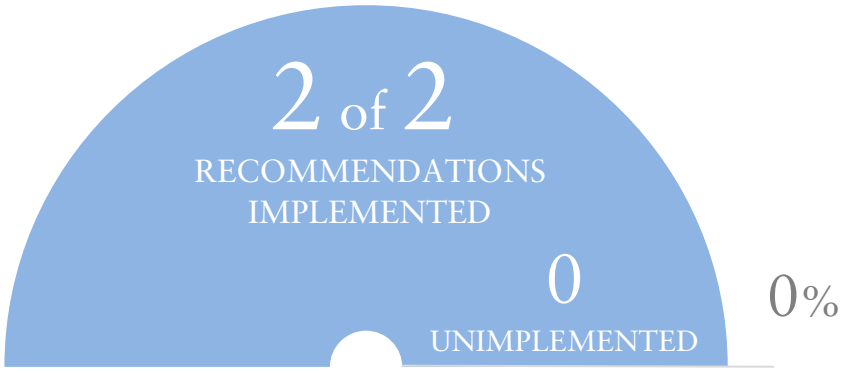
# WESTERN COLORADO UNIVERSITY




From July 1, 2015, through June 30, 2020, Western Colorado University (University) agreed to implement two financial audit recommendations. As of June 30, 2021, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented,* the University also had no unimplemented audit recommendations.

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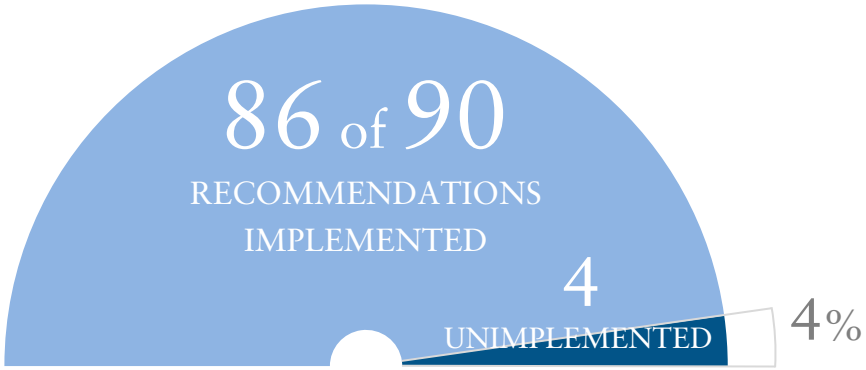
# DEPARTMENT OF HUMAN SERVICES




From July 1, 2015, through June 30, 2020, the Department of Human Services (Department) agreed or partially agreed to implement 90 audit recommendations—61 were from financial audits and 29 were from performance audits. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from the Department have determined that a total of four of the 90 recommendations are not fully implemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had three out of 156 audit recommendations that were not fully implemented.

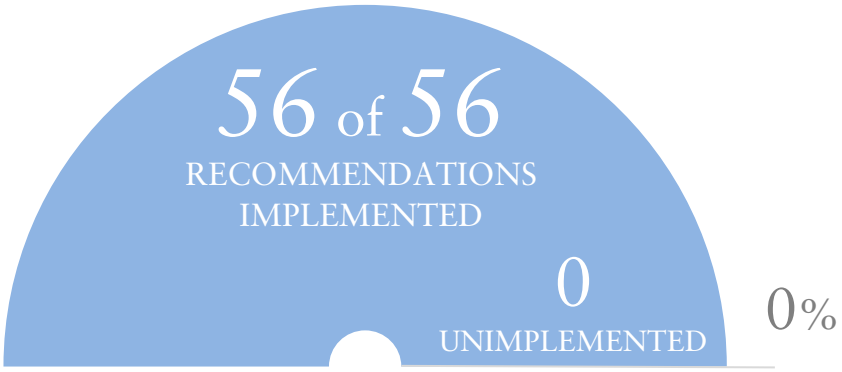
EXHIBIT 12 summarizes the four audit recommendations that are not fully implemented, as of June 30, 2021. One of these recommendations is considered high priority and highlighted in orange.

## EXHIBIT 12. DEPARTMENT OF HUMAN SERVICES AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2021

| Audit | Rec. No. | First FY Rec. Made | Topic Area | Implementation Status | Original Implementation Date | Current Implementation Date | Delay (months) | Deficiency Level, if Applicable [1] |
|---|---|---|---|---|---|---|---|---|
| Statewide Single Audit, Fiscal Year Ended June 30, 2020 | 2020-022A | 2013 | Payroll Controls | Partially Implemented | 12/31/2014 | 7/31/2022 | 91 | Deficiency in Internal Control |
| | 2020-022B | 2019 | Payroll Controls | Partially Implemented | 7/31/2020 | 7/31/2022 | 24 | Deficiency in Internal Control |
| | 2020-022C | 2019 | Payroll Controls | Partially Implemented | 7/31/2020 | 7/31/2022 | 24 | Deficiency in Internal Control |
| | **2020-052Dii** | **2013** | **Colorado Child Assistance Program** | **Not Implemented** | **12/31/2014** | **7/31/2020** | **67** | **Material Weakness** |

SOURCE: Office of the State Auditor's audit recommendation database.
[1] Only financial audit recommendations related to internal controls are classified by deficiency level.

# JUDICIAL BRANCH




From July 1, 2015, through June 30, 2020, the Judicial Branch (Judicial) agreed to implement 56 audit recommendations—four were from a financial audit and 52 were from performance audits. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from Judicial have determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented,* Judicial also had no unimplemented audit recommendations.

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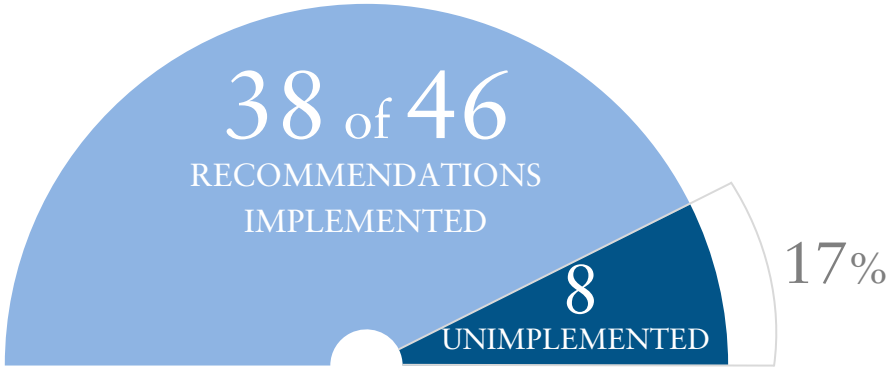
# DEPARTMENT OF LABOR AND EMPLOYMENT




From July 1, 2015, through June 30, 2020, the Department of Labor and Employment (Department) agreed or partially agreed to implement 46 audit recommendations—30 were from financial audits, which included financial-related information technology (IT) audit recommendations, and 16 were from performance audits. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from the Department have determined that a total of eight of the 46 recommendations are not fully implemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had five out of 34 audit recommendations that were not fully implemented.

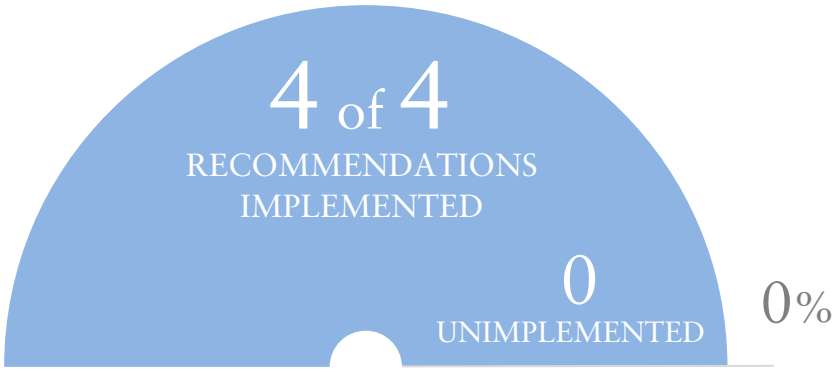
EXHIBIT 13 summarizes the eight audit recommendations that are not fully implemented, as of June 30, 2021. These eight recommendations are considered high priority and highlighted in orange.

## EXHIBIT 13. DEPARTMENT OF LABOR AND EMPLOYMENT AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2021

| Audit | Rec. No. | First FY Rec. Made | Topic Area | Implementation Status | Original Implementation Date | Current Implementation Date | Delay (months) | Deficiency Level, if Applicable [1] |
|---|---|---|---|---|---|---|---|---|
| Statewide Single Financial Audit, Fiscal Year Ended June 30, 2020 | 2020-025B | 2018 | CUBS[2], CATS[3], & CLEAR[4] IT Controls | Not Implemented | 2/28/2019 | 12/31/2021 | 34 | Significant Deficiency |
| | 2020-025C | 2017 | CUBS[2], CATS[3], & CLEAR[4] IT Controls | Partially Implemented | 6/30/2018 | 12/31/2021 | 42 | Significant Deficiency |
| | 2020-025D | 2017 | CUBS[2], CATS[3], & CLEAR[4] IT Controls | Partially Implemented | 6/30/2018 | 12/31/2021 | 42 | Significant Deficiency |
| Statewide Single Financial Audit, Fiscal Year Ended June 30, 2019 | 2019-028B | 2018 | CUBS[2] & CATS[3] IT Controls | Partially Implemented | 1/31/2020 | 12/31/2021 | 23 | Significant Deficiency |
| | 2019-028C | 2018 | CUBS[2] & CATS[3] IT Controls | Partially Implemented | 1/31/2020 | 12/31/2021 | 23 | Significant Deficiency |
| Statewide Single Financial Audit, Fiscal Year Ended June 30, 2018 | 2018-025 | 2012 | CUBS[2] & CATS[3] IT Controls | Partially Implemented | 12/31/2016 | 3/31/2023 | 75 | Significant Deficiency |
| Statewide Single Financial Audit, Fiscal Year Ended June 30, 2017 | 2017-027A | 2017 | CUBS[2], CATS[3], & CLEAR[4] IT Controls | Partially Implemented | 6/30/2018 | 3/31/2023 | 57 | Significant Deficiency |
| | 2017-027E | 2017 | CUBS[2], CATS[3], & CLEAR[4] IT Controls | Partially Implemented | 12/31/2019 | 3/31/2023 | 39 | Significant Deficiency |

SOURCE: Office of the State Auditor's audit recommendation database.
[1] Only financial audit recommendations related to internal controls are classified by deficiency level.
[2] CUBS is the Colorado Unemployment Benefits System.
[3] CATS is the Colorado Automated Tax System.
[4] CLEAR is the Colorado Labor and Employment Applicant Resource System.

# DEPARTMENT OF LAW




From July 1, 2015, through June 30, 2020, the Department of Law (Department) agreed to implement four performance audit recommendations. As of June 30, 2021, the OSA's review of status updates from the Department has determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had one out of four audit recommendations that was not fully implemented.

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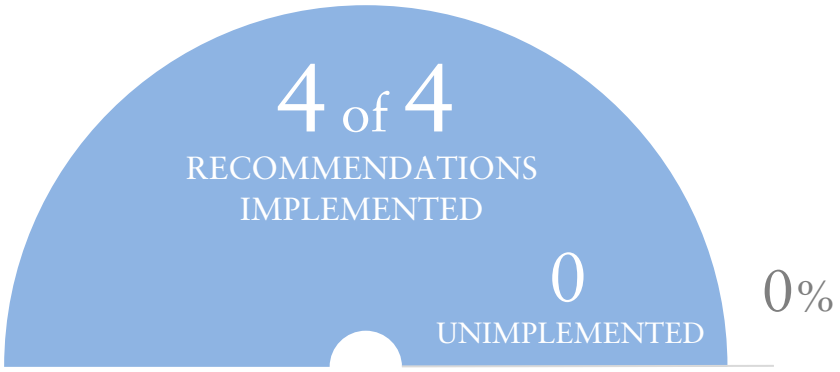
# LEGISLATIVE DEPARTMENT




From July 1, 2015, through June 30, 2020, the Legislative Department (Department) agreed to implement four financial audit recommendations. As of June 30, 2021, the OSA's follow-up audit process has determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department also had no unimplemented audit recommendations.

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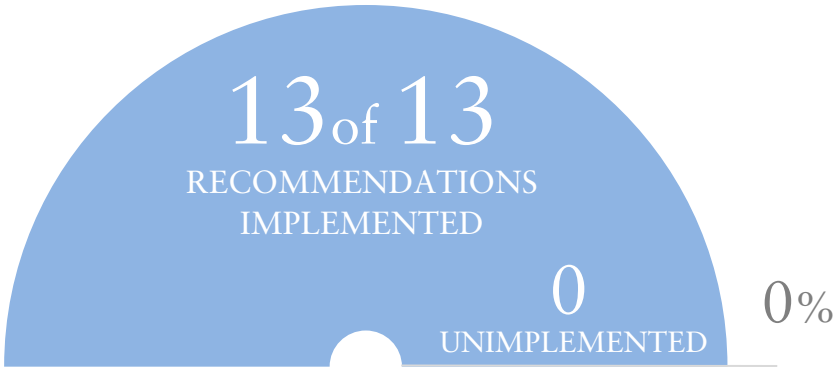
# DEPARTMENT OF LOCAL AFFAIRS




From July 1, 2015, through June 30, 2020, the Department of Local Affairs (Department) agreed or partially agreed to implement 13 audit recommendations—six were from a financial audit and seven were from performance audits. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from the Department have determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department also had no unimplemented audit recommendations.

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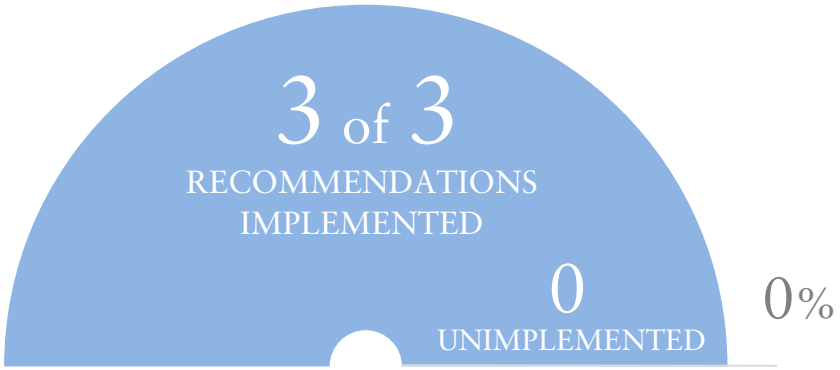
# DEPARTMENT OF MILITARY AND VETERANS AFFAIRS




From July 1, 2015, through June 30, 2020, the Department of Military and Veterans Affairs (Department) agreed to implement three audit recommendations—two were from a financial audit and one was from a performance audit. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from the Department have determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented,* the Department also had no unimplemented audit recommendations.

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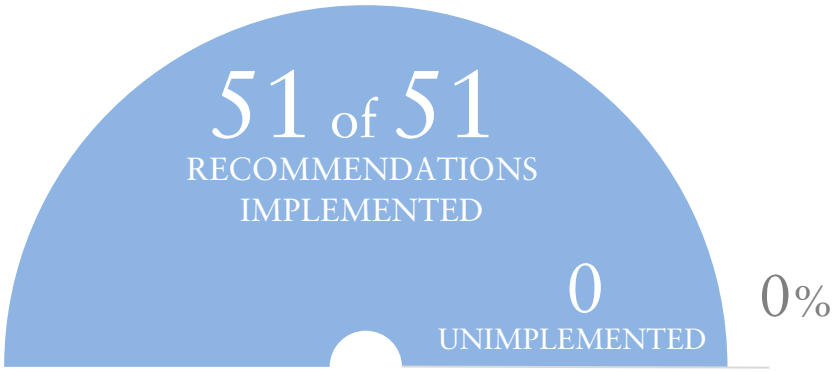
# DEPARTMENT OF NATURAL RESOURCES




From July 1, 2015, through June 30, 2020, the Department of Natural Resources (Department) agreed to implement 51 audit recommendations—two were from financial audits and 49 were from performance audits. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from the Department have determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had six out of 45 audit recommendations that were not fully implemented.

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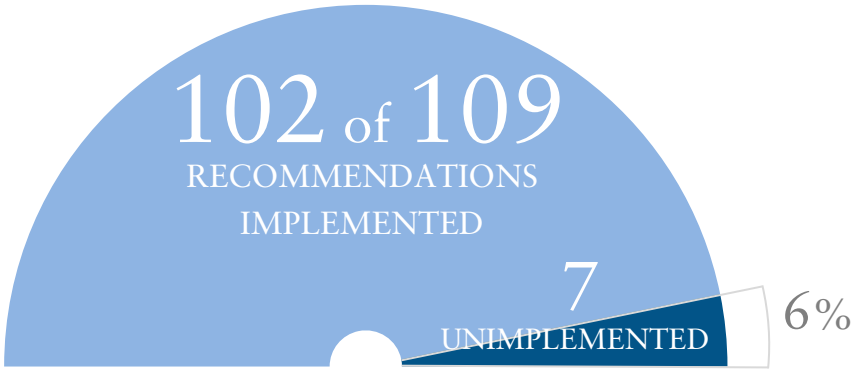
# DEPARTMENT OF PERSONNEL & ADMINISTRATION




From July 1, 2015, through June 30, 2020, the Department of Personnel & Administration (Department) agreed or partially agreed to implement 109 recommendations—77 were from financial audits, which included financial-related information technology (IT) audit recommendations, and 32 were from performance audits. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from the Department have determined that a total of seven of the 109 recommendations are not fully implemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had six out of 106 audit recommendations that were not fully implemented.

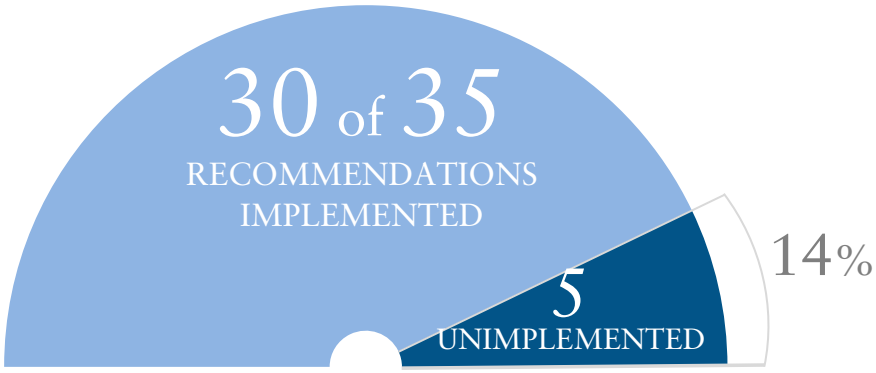
EXHIBIT 14 summarizes the seven audit recommendations that are not fully implemented, as of June 30, 2021. Six of these recommendations are considered high priority and highlighted in orange.

## EXHIBIT 14. DEPARTMENT OF PERSONNEL & ADMINISTRATION AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2021

| Audit | Rec. No. | First FY Rec. Made | Topic Area | Implementation Status | Original Implementation Date | Current Implementation Date | Delay (months) | Deficiency Level, if Applicable [1] |
|---|---|---|---|---|---|---|---|---|
| Statewide Single Financial Audit, Fiscal Year Ended June 30, 2020 | 2020-028B | 2018 | Financial Reporting | Partially Implemented | 9/30/2019 | 6/30/2022 | 33 | Material Weakness |
| | 2020-029 | 2017 | CORE [2] IT Controls | Partially Implemented | 6/30/2018 | 9/30/2021 | 39 | Material Weakness |
| | 2020-030A | 2019 | Financial Reporting | Not Implemented | 12/31/2020 | 8/31/2022 | 20 | Material Weakness |
| | 2020-030C | 2015 | Financial Reporting | Not Implemented | 12/31/2017 | 12/31/2022 | 60 | Material Weakness |
| | 2020-030D | 2019 | Financial Reporting | Partially Implemented | 12/31/2020 | 9/30/2022 | 21 | Material Weakness |
| | 2020-031A | 2018 | IT Security Controls | Partially Implemented | 6/30/2019 | 12/31/2021 | 30 | Material Weakness |
| Cash Funds Uncommitted Reserves, Fiscal Year Ended June 30, 2020, Performance Audit | 3 | 2020 | Supplier Database Cash Fund | Partially Implemented | 6/30/2021 | 6/30/2022 | 12 | - |

SOURCE: Office of the State Auditor's audit recommendation database.
[1] Only financial audit recommendations related to internal controls are classified by deficiency level.
[2] CORE is the Colorado Operations Resource Engine, the State's accounting system.

# DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT




From July 1, 2015, through June 30, 2020, the Department of Public Health and Environment (Department) agreed to implement 35 audit recommendations—nine were from financial audits and 26 were from performance or information technology (IT) performance audits. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from the Department have determined that a total of five of the 35 recommendations are not fully implemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had two out of 39 audit recommendations that were not fully implemented.

EXHIBIT 15 summarizes the five audit recommendations that are not fully implemented, as of June 30, 2021. None of these recommendations are considered high priority.

## EXHIBIT 15. DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2021

| Audit | Rec. No. | First FY Rec. Made | Topic Area | Implementation Status | Original Implementation Date | Current Implementation Date | Delay (months) | Deficiency Level, if Applicable [1] |
|---|---|---|---|---|---|---|---|---|
| Cash Funds Uncommitted Reserves, Fiscal Year Ended June 30, 2020, Performance Audit | 4A | 2019 | Assisted Living Residence Fund | Partially Implemented | 6/30/2021 | 6/30/2022 | 12 | - |
| | 4B | 2019 | Home Care Agency Fund | Partially Implemented | 6/30/2020 | 6/30/2022 | 24 | - |
| | 4C | 2020 | Radiation Control Cash Fund | Partially Implemented | 6/30/2021 | 6/30/2022 | 12 | - |
| | 4D | 2020 | Medical Marijuana Cash Fund | Partially Implemented | 6/30/2021 | 6/30/2022 | 12 | - |
| | 4E | 2020 | Trauma System Cash Fund | Not Implemented | 6/30/2021 | 6/30/2022 | 12 | - |

SOURCE: Office of the State Auditor's audit recommendation database.
[1] Only financial audit recommendations related to internal controls are classified by deficiency level.

# DEPARTMENT OF PUBLIC SAFETY

From July 1, 2015, through June 30, 2020, the Department of Public Safety (Department) agreed to implement 19 audit recommendations—12 were from financial audits and seven were from performance audits. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from the Department have determined that one of the 19 recommendations is not fully implemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented,* the Department had no unimplemented audit recommendations.

EXHIBIT 16 provides information on the audit recommendation that is not fully implemented, as of June 30, 2021. This recommendation is not considered high priority.

EXHIBIT 16. DEPARTMENT OF PUBLIC SAFETY
AUDIT RECOMMENDATION NOT FULLY IMPLEMENTED
AS OF JUNE 30, 2021

| AUDIT | REC. NO. | FIRST FY REC. MADE | TOPIC AREA | IMPLEMENTATION STATUS | ORIGINAL IMPLEMENTATION DATE | CURRENT IMPLEMENTATION DATE | DELAY (MONTHS) | DEFICIENCY LEVEL, IF APPLICABLE [1] |
|---|---|---|---|---|---|---|---|---|
| Cash Funds Uncommitted Reserves, Fiscal Year Ended June 30, 2020, Performance Audit | 5B | 2020 | Criminal Background Check Cash Fund | Not Implemented | 6/30/2022 | 6/30/2022 | 0 | - |

SOURCE: Office of the State Auditor's audit recommendation database.
[1] Only financial audit recommendations related to internal controls are classified by deficiency level.

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# DEPARTMENT OF REGULATORY AGENCIES

From July 1, 2015, through June 30, 2020, the Department of Regulatory Agencies (Department) agreed or partially agreed to implement 58 performance audit recommendations. As of June 30, 2021, the OSA's review of status updates from the Department has determined that a total of five of the 58 recommendations are not fully implemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had two out of 43 audit recommendations that were not fully implemented

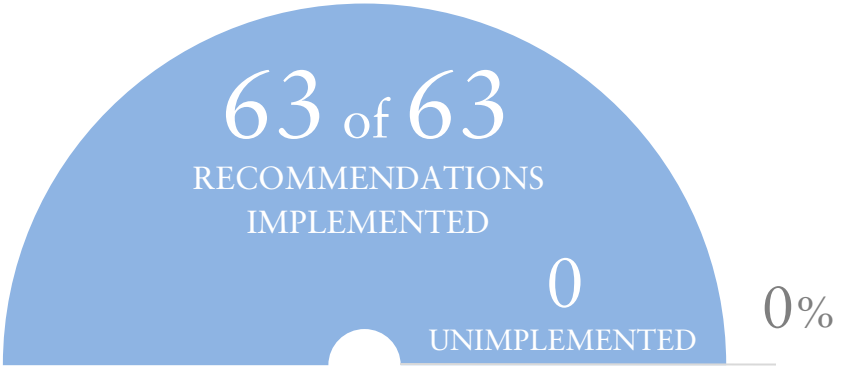
EXHIBIT 17 summarizes the five audit recommendations that are not fully implemented, as of June 30, 2021. None of these recommendations are considered high priority.

## EXHIBIT 17. DEPARTMENT OF REGULATORY AGENCIES AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2021

| Audit | Rec. No. | First FY Rec. Made | Topic Area | Implementation Status | Original Implementation Date | Current Implementation Date | Delay (months) | Deficiency Level, if Applicable [1] |
|---|---|---|---|---|---|---|---|---|
| Cash Funds Uncommitted Reserves, Fiscal Year Ended June 30, 2020, Performance Audit | 6A | 2019 | Prescription Drug Monitoring Fund | Partially Implemented | 6/30/2021 | 6/30/2022 | 12 | - |
| | 6B | 2019 | Division Securities Cash Fund | Partially Implemented | 6/30/2020 | 6/30/2022 | 24 | - |
| | 6C | 2020 | Conservation Easements Cash Fund | Partially Implemented | 6/30/2023 | 6/30/2023 | 0 | - |
| | 6D | 2020 | Real Estate Cash Fund | Partially Implemented | 6/30/2023 | 6/30/2023 | 0 | - |
| | 6E | 2020 | Telecommunications Utility Fund | Partially Implemented | 6/30/2022 | 6/30/2022 | 0 | - |

SOURCE: Office of the State Auditor's audit recommendation database.
[1] Only financial audit recommendations related to internal controls are classified by deficiency level.

# DEPARTMENT OF REVENUE




From July 1, 2015, through June 30, 2020, the Department of Revenue (Department) agreed to implement 63 audit recommendations—20 were from financial audits and 43 were from performance audits. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from the Department have determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department also had no unimplemented audit recommendations.

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# DEPARTMENT OF STATE (SECRETARY OF STATE)

From July 1, 2015, through June 30, 2020, the Department of State (Department) agreed to implement 15 audit recommendations—two were from financial audits and 13 were from performance audits. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from the Department have determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had one out of 15 audit recommendations that was not fully implemented.

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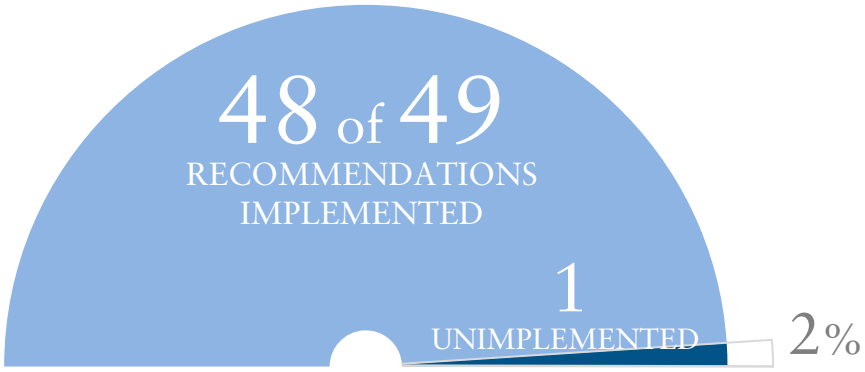
# DEPARTMENT OF TRANSPORTATION




From July 1, 2015, through June 30, 2020, the Department of Transportation (Department) agreed or partially agreed to implement 49 audit recommendations—seven were from financial audits and 42 were from performance or information technology (IT) performance audits. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from the Department have determined that one of the 49 recommendations is not fully implemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had three out of 70 audit recommendations that were not fully implemented.

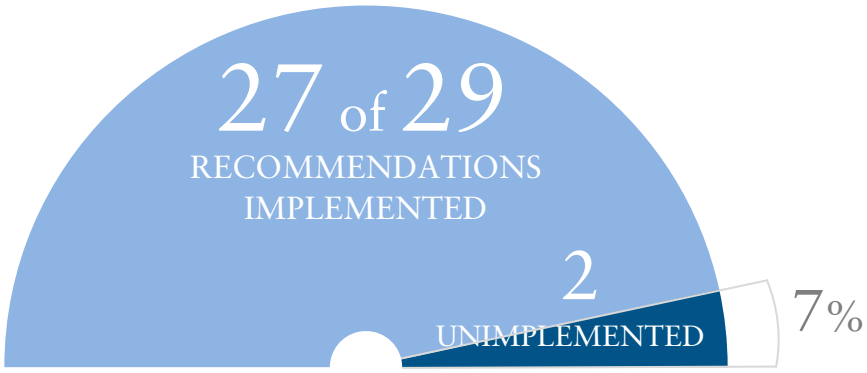
EXHIBIT 18 provides information on the audit recommendation that is not fully implemented, as of June 30, 2021. This recommendation is not considered high priority.

## EXHIBIT 18. DEPARTMENT OF TRANSPORTATION AUDIT RECOMMENDATION NOT FULLY IMPLEMENTED AS OF JUNE 30, 2021

| Audit | Rec. No. | First FY Rec. Made | Topic Area | Implementation Status | Original Implementation Date | Current Implementation Date | Delay (months) | Deficiency Level, if Applicable [1] |
|---|---|---|---|---|---|---|---|---|
| Evaluation of IT Security at Department of Transportation, IT Performance Audit, Public Report, February 2020 | 1 | 2020 | IT Governance | Partially Implemented | 5/31/2020 | 12/31/2021 | 19 | - |

SOURCE: Office of the State Auditor's audit recommendation database.
[1] Only financial audit recommendations related to internal controls are classified by deficiency level.

# DEPARTMENT OF TREASURY




From July 1, 2015, through June 30, 2020, the Department of Treasury (Department) agreed to implement 29 audit recommendations—eight were from financial audits and 21 were from performance audits. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from the Department have determined that a total of two of the 29 recommendations are not fully implemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Department had two out of nine audit recommendations that were not fully implemented.

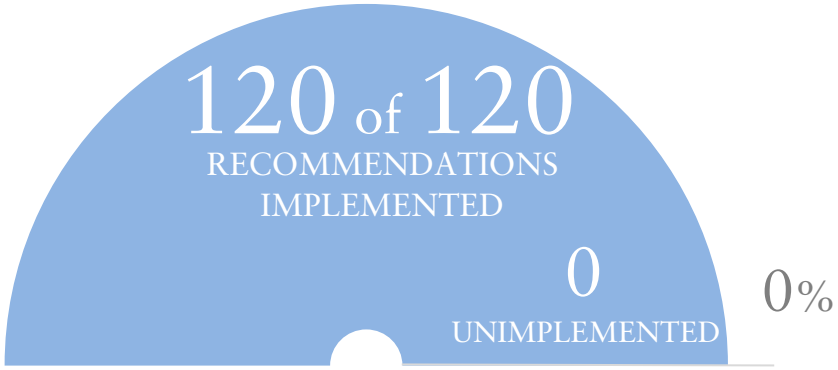
EXHIBIT 19 summarizes the two audit recommendations that are not fully implemented, as of June 30, 2021. Both of these recommendations are considered high priority and highlighted in orange.

## EXHIBIT 19. DEPARTMENT OF TREASURY AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2021

| Audit | Rec. No. | First FY Rec. Made | Topic Area | Implementation Status | Original Implementation Date | Current Implementation Date | Delay (months) | Deficiency Level, if Applicable [1] |
|---|---|---|---|---|---|---|---|---|
| Statewide Single Financial Audit, Fiscal Year Ended June 30, 2020 | 2020-076A | 2018 | Program Monitoring & Reporting | Not Implemented | 11/30/2019 | 6/30/2022 | 31 | Material Weakness |
| | 2020-076B | 2018 | Program Monitoring & Reporting | Not Implemented | 11/30/2019 | 6/30/2022 | 31 | Material Weakness |

SOURCE: Office of the State Auditor's audit recommendation database.
[1] Only financial audit recommendations related to internal controls are classified by deficiency level.

# COMMUNITY-CENTERED BOARDS




From July 1, 2015, through June 30, 2020, Colorado's 20 Community-Centered Boards (CCBs) agreed or partially agreed to implement 120 performance audit recommendations. As of June 30, 2021, the OSA's review of status updates from the CCBs has determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented,* the CCBs also had no unimplemented audit recommendations.

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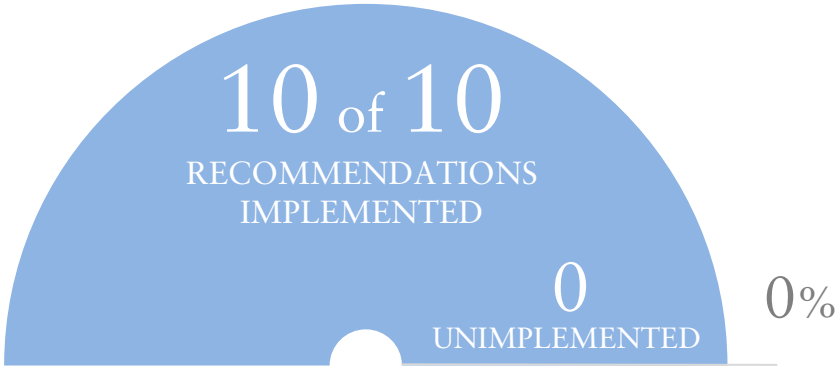
# CONNECT FOR HEALTH COLORADO




From July 1, 2015, through June 30, 2020, Connect for Health Colorado (Connect for Health) agreed to implement 10 performance audit recommendations. As of June 30, 2021, the OSA's review of status updates from Connect for Health has determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, Connect for Health also had no unimplemented audit recommendations.

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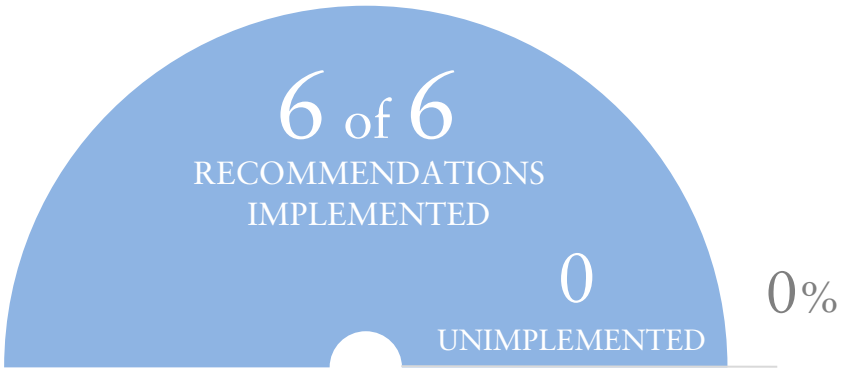
# GAMING CITIES




From July 1, 2015, through June 30, 2020, Colorado's three Gaming Cities (Gaming Cities) agreed or partially agreed to implement six performance audit recommendations. As of June 30, 2021, the OSA's review of status updates from the Gaming Cities has determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, the Gaming Cities also had no unimplemented audit recommendations.

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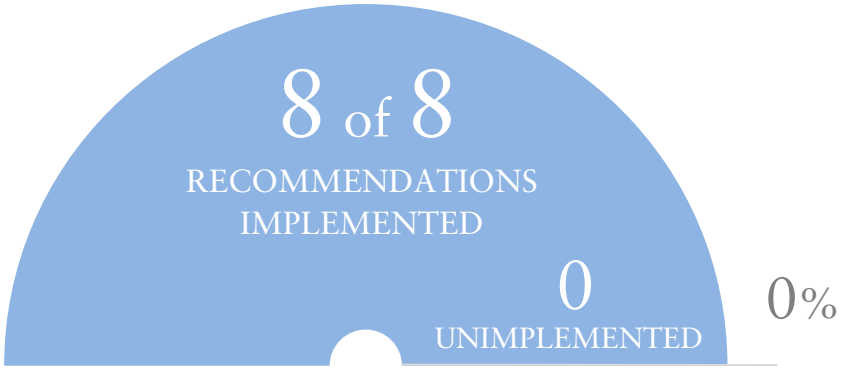
# GREAT OUTDOORS COLORADO




From July 1, 2015, through June 30, 2020, Great Outdoors Colorado (GOCO) agreed to implement eight performance audit recommendations. As of June 30, 2021, the OSA's review of status updates from the GOCO has determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, GOCO also had no unimplemented audit recommendations.

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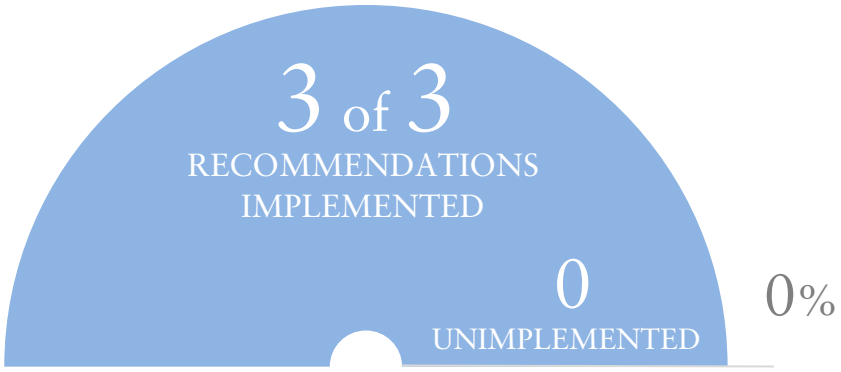
# PINNACOL ASSURANCE




From July 1, 2015, through June 30, 2020, Pinnacol Assurance (Pinnacol) agreed to implement three performance audit recommendations. As of June 30, 2021, the OSA's review of status updates from Pinnacol has determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, Pinnacol also had no unimplemented audit recommendations.

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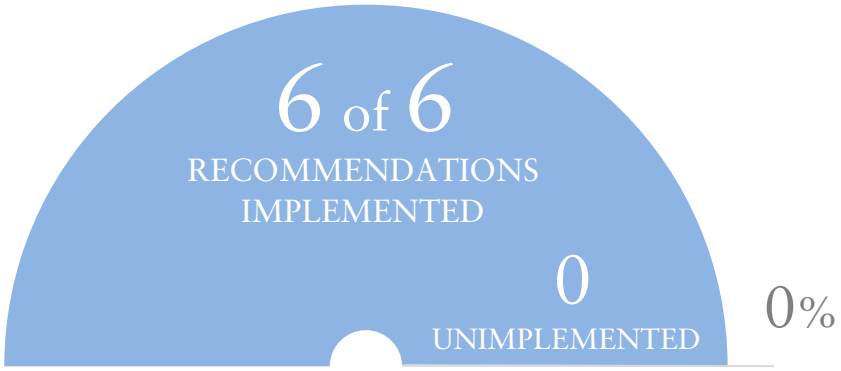
# PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION




From July 1, 2015, through June 30, 2020, the Public Employees' Retirement Association (PERA) agreed to implement six audit recommendations—three were from a financial audit and three were from a performance audit. As of June 30, 2021, the OSA's follow-up audit process and review of status updates from PERA have determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, PERA also had no unimplemented audit recommendations.

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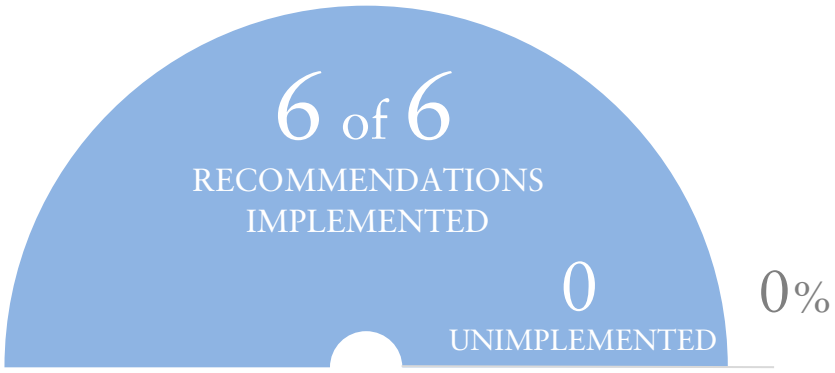
# REGIONAL TRANSPORTATION DISTRICT




From July 1, 2015, through June 30, 2020, the Regional Transportation District (RTD) agreed to implement six performance audit recommendations. As of June 30, 2021, the OSA's review of status updates from RTD has determined that none of the recommendations are unimplemented.

In our 2020 *Annual Report: Status of Audit Recommendations Not Fully Implemented*, RTD also had no unimplemented audit recommendations.

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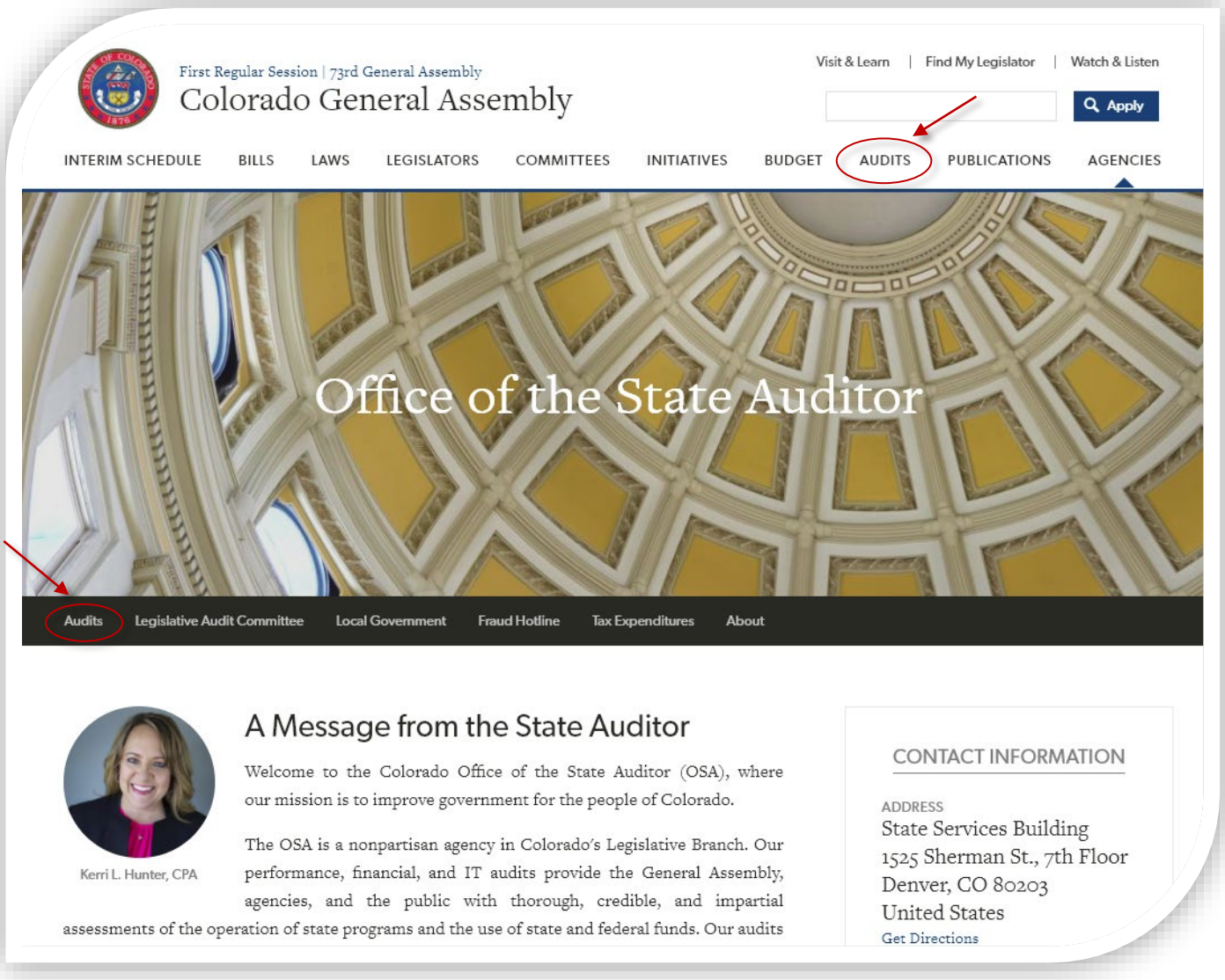

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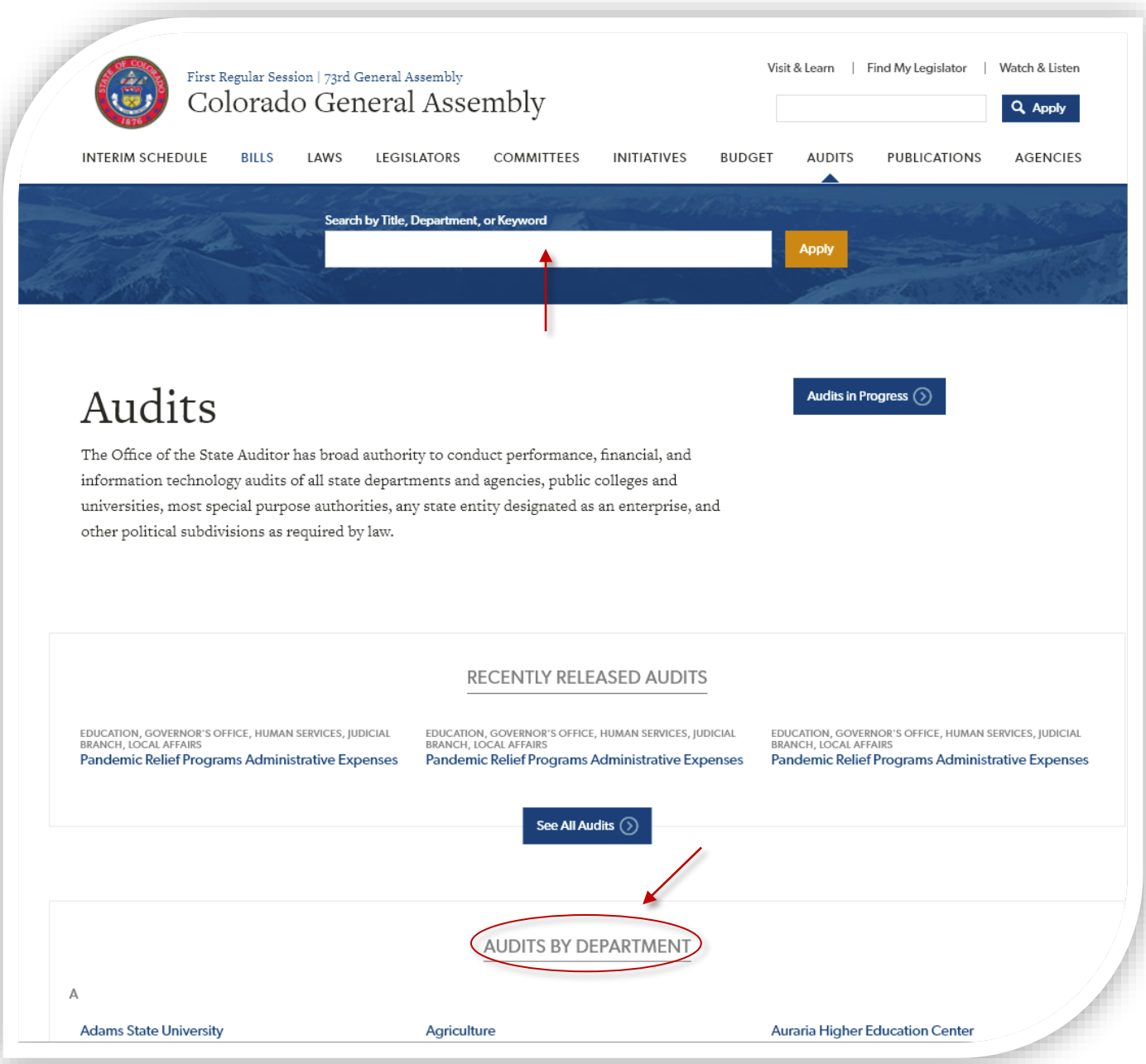


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