

AUDIT RECOMMENDATION STATUS REPORT

AUDIT NAME: Schedule of TABOR Revenue

AUDIT NUMBER: 1548P

DEPARTMENT: Office of the State Controller

DATE OF STATUS REPORT: November 14, 2016

SUMMARY INFORMATION

Please complete the highlighted sections with summary information for all audit recommendations.

Rec. Number	Agency's Response	Original Implementation Date	Implementation Status <i>(Insert: Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable.)</i>	Revised Implementation Date (If applicable) <i>(Complete only if agency is revising the original implementation date.)</i>
1	Agree	August 2016	Implemented and Ongoing	N/A
2	Agree	May 2016	Implemented	N/A

DETAIL OF IMPLEMENTATION STATUS

Note: The Department agreed with all of the audit recommendations.

Recommendation No. 1:

The Office of the State Controller should ensure that it complies with State law related to the preparation of the annual TABOR Financial Report. This should include closing financial accounting periods in a timely manner and in accordance with State statutes to ensure that accurate revenue information is available to prepare the annual TABOR Financial Report.

Current Implementation Status for Recommendation 1 *(i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):*
Implemented and Ongoing.

Agency's Update:

As of August 2016, period 12 for Fiscal Year 2016 was closed on time on July 22, 2016. In addition, the official books for Fiscal Year 2016 were closed on August 26th, which is a significant improvement over Fiscal Year 2015. As of November 2016, the OSC has closed each month in Fiscal Year 2017 on time by the third Friday subsequent to the end of the accounting period, beginning with period 1 on August 19, 2016. The OSC also anticipates closing the official books for Fiscal Year 2017 by the statutory deadline on August 4, 2017.

Recommendation No. 2:

The Office of the State Controller should work with the General Assembly to create a consistent methodology surrounding changes in budgetary reporting that affect TABOR revenue.

Current Implementation Status for Recommendation 2 (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):
Implemented.

Agency's Update:

The State Controller signed a policy on September 1, 2015 outlining how transactions affecting TABOR will be handled in the absence of statute in order to ensure transparency and consistency of financial reporting. It is the policy of the Office of the State Controller that the principles of consistency and transparency support a base adjustment due to process changes not addressed or specifically prohibited in statute. With base adjustments, the substance of the transactions are the same and the Over/(Under) TABOR Limit will remain the same.