



1313 Sherman Street, Room 618 • Denver, Colorado 80203 • Phone (303) 866-3437 • FAX (303) 866-3206 •  
www.parks.state.co.us

December 19, 2008

The Honorable Dianne Primavera, Chairperson  
Legislative Audit Committee  
200 East 14<sup>th</sup> Avenue, 2<sup>nd</sup> Floor  
Denver, CO 80203

Dear Representative Primavera:

This letter will update members of the Legislative Audit Committee and staff on actions taken by the Division of Parks and Outdoor Recreation (State Parks) and the State Parks Board to implement recommendations contained in the Report of the State Auditor released in July 2008. As requested, we have submitted an update of our progress within the attached Implementation Progress Report.

Since well before our hearing on July 14, 2008, State Parks and the State Parks Board have devoted considerable time and resources to aggressively implement the recommendations contained in the audit report. As you can see from our attached Implementation Progress Report, State Parks and the Parks Board have made significant progress, with many of the Legislative Audit Committee's recommendations already fully implemented and others well on their way toward completion before the agreed upon deadlines.

As stated at the July 14, 2008 hearing with the Legislative Audit Committee, State Parks and the State Parks Board take this audit very seriously. We look forward to meeting with the committee on January 13, 2009 and would be happy to answer any questions in the meantime.

Respectfully,

Dean Winstanley  
Director

cc: Harris Sherman, Doug Robotham, Mike King, Lise Aangeenbrug, Norma Anderson, Bill Kane, Jim Pribyl, Lenna Watson, Gary Butterworth, Laurie Mathews

Colorado State Parks - 2008 Performance Audit  
Implementation Progress Report (December 19, 2008)

Rec. #	Recommendation Summary	Entity	Implementation Date	Implementation Status (Implemented, In Progress, Not Implemented)	Next Steps
1	<p><b>Parks/GOCO</b></p> <p>The Division of State Parks and Outdoor Recreation should work with the State Board of the Great Outdoors Colorado Trust Fund (GOCO Board) to increase transparency and accountability for the investment and expenditure of GOCO funds. Specifically, the Division and GOCO Board should work to:</p>	Division of Parks and Outdoor Recreation			
1a.	<p><b>GOCO requirements</b></p> <p>a. Clarify requirements regarding the types of information and level of detail the Division must include in its annual investment requests and grant applications. This should include detailed budgets and allowable/prohibited uses for each funding category. When appropriate, the Division should be required to submit master on business plans, project goals and objectives, and funding plans for ongoing maintenance and operations. The Division should be required to seek approval from the GOCO Board for changes from the approved plans.</p>		Dec-08	<p>In progress. Parks has developed a standardized system for preparing detailed project budgets. GOCO and Parks staff have agreed on this budget detail format. GOCO and Parks staff have agreed on an interim list of allowable/unallowable expenditures. A draft MOU has been developed incorporating these agreements.</p> <p>Audit staff and Deputy State Auditor were briefed on status and timeline on Nov. 25<sup>th</sup> by Parks and GOCO.</p>	<p>Review of the draft MOU by Parks staff. GOCO Board, Parks Board. Parks Board is expected to approve the MOU in March.</p>
1b.	<p><b>Standardize requests</b></p> <p>b. Develop a standard format for reimbursement requests that ties individual expenditures to approved budget line items in the Division's annual investment requests or grant applications and provides an accurate accounting of grant balances and expenditures each month.</p> <p>The GOCO Board should consider approving only those annual investment requests, grant applications, and reimbursement requests that provide the required information.</p>		Dec-08	<p>In progress. GOCO and Parks staff have agreed on a billing format and content. A draft MOU has been developed incorporating these agreements.</p> <p>Audit staff and Deputy State Auditor were briefed on status and timeline on Nov. 25<sup>th</sup> by Parks and GOCO.</p>	<p>Review of draft MOU by Parks staff. GOCO Board and Parks Board. Parks Board is expected to approve the MOU in March.</p>
2	<p><b>GOCO Revenues</b></p> <p>The Department of Natural Resources should work with the Division of Parks and Outdoor Recreation to establish adequate controls over the receipt and use of GOCO moneys to ensure the State's financial statements are complete and accurate and to ensure assets are safeguarded. Specifically, the Department and the Division should:</p>	Division of Parks and Outdoor Recreation			
2a.	<p><b>Controls over receipt of GOCO funds</b></p> <p>a. Implement controls over the receipt of all GOCO funds to ensure that all related revenues, expenditures, capital assets, and other affected accounts are accurately and completely reflected in COFRS, the State's financial system.</p>		Jul-08	<p>Implemented. All transactions are reviewed by the Parks controller. Procedures have been implemented for recording real property acquisitions where GOCO funds are paid directly to the seller at closing - the primary type of transaction which gave rise to this audit finding.</p>	
2b.	<p><b>Reconcile GOCO revenues in State financial system</b></p> <p>b. Reconcile the Division's GOCO revenues recorded in COFRS to GOCO's records of amounts paid to the Division and make all necessary adjustments to COFRS. This reconciliation should be conducted periodically but no less than annually prior to fiscal year end.</p>		Jun-09	<p>In progress.</p>	<p>Parks and GOCO records will be reconciled prior to FY 08-09 closing (July 2009) per the audit recommendation.</p>
2c.	<p><b>Reconciliation FY 1993-2008</b></p> <p>c. Perform reconciliation from Fiscal Year 1993 through Fiscal Year 2008 of the Division's GOCO revenues recorded in COFRS to GOCO's records of amounts paid to the Division. When the reconciliation is complete, the Department should work with the Office of the State Controller to ensure all appropriate entries are made in COFRS.</p>		Dec-10	<p>In progress. Parks accounts for FY 07-08 have been reviewed and corrected to appropriately book real property acquisitions. Parks accounts for FY 03-07 have been reviewed and corrected, subject to final reconciliation with GOCO records.</p>	<p>Finalize methodology and action plan for obtaining and reviewing accounting records for 1993-2002. Request GOCO records on payments to Parks covering the period 1993 through present. Reconcile Parks and GOCO records and work with GOCO staff to resolve any discrepancies.</p>

2d.	<p><b>Capital Asset List</b></p> <p>d. Ensure that the Division's list of capital assets is updated no less than annually and reflects capital purchases made with GOCO funds.</p>	Dec-10	<p><b>In Progress</b></p> <p>Examining Asset Management methodologies and practices used by Arkansas, Utah, California and Office of the Colorado State Architect/Risk Management/DNR for capital asset inventory, condition assessment, prioritization, funding and reporting.</p> <p>Met with Larry Friedberg, Office of the State Architect to review their policies, processes and procedures for capital construction management.</p> <p>Preparing the Position Description Questionnaire for the Division Development Manager position (Architect III classification) that will provide central control over the Division's asset and construction management programs.</p>	<p>1. Division Senior Staff will determine the best vision and approach for a comprehensive Asset Management system that will meet the Division, DNR, Parks Board and GOCO Board needs and will be consistent with all state regulations and requirements.</p> <p>2. Request approval of the Asset Management system vision and approach from the Parks Board.</p> <p>3. Hire the new Capital Development Manager.</p> <p>4. Prepare an RFP for development of the Asset Management system.</p> <p>5. Capital Development Manager and Senior Staff will select consultant that will develop and assist in implementing the Division's Asset Management system</p> <p>6. Evaluate and improve on an annual basis.</p>
3	<p><b>Lottery in Operating</b></p> <p>The Division of Parks and Outdoor Recreation should develop a comprehensive strategy for responsible investment and management of lottery proceeds to ensure accountability for the lottery funds entrusted to it by the public. Specifically, the Division should:</p>			
3a.	<p><b>Discontinue Lottery Cap</b></p> <p>a. Discontinue its unsubstantiated cap of \$506,000 on the amount of lottery funds invested in operating parks developed with lottery moneys.</p>		Implemented.	Based on the final Comprehensive Financial Plan (see 3d below) the division will prepare an executive branch budget decision item request for the Governor's review that reflects the changes required in the Long Bill to fully and accurately identify the use of lottery funds utilized for parks O&M.
3b.	<p><b>Tracking System</b></p> <p>b. Develop a mechanism for tracking lottery expenditures by specific park and project from 1983 and forward. The Division should then use this information to determine which parks have been acquired, developed, or expanded in whole or in part with lottery proceeds and evaluate and implement allocation strategies for using lottery proceeds in support of ongoing operations.</p>	Mar-10	<p><b>In progress.</b></p> <p>Expenditures by park by fund source are being tracked in COFRS (FY 08-09) using a combination of COFRS org code, project, appropriation, fund and gbl. This will allow records of cumulative investment by fund source by park to be updated on a regular basis in the future.</p>	Develop a methodology and action plan for obtaining and reviewing accounting records going back to 1983 (the early years are expected to be problematic). Collect and compile historical expenditure data. Prepare schedules showing historical capital investments at each park by fund source. Update these schedules annually.
3c.	<p><b>Methodology - Funding Capital Projects</b></p> <p>c. Ensure new capital projects have sufficient funding to support ongoing operations in the short- and long-term, including funding from lottery proceeds. One of the primary goals of this methodology should be to mitigate the impact on the General Fund for financing operating costs of lottery-funded projects and parks as well as keeping user fees reasonable.</p>	Dec-08	<p><b>In progress.</b></p> <p>The division has requested an opinion from the AG's office regarding allowable uses, constraints and sideboards on the use of lottery funds.</p> <p>All new capital investment proposals will require a detailed analysis of operating costs prior to approval by the Parks Director and Parks Board.</p>	Operating costs of new capital investments will be reflected in Parks' operating budget requests submitted to the Governor. Informal AG opinion on Lottery due end of December or early January 2009.
3d.	<p><b>Planning Process</b></p> <p>d. Reevaluating its process for planning and executing projects to ensure that lottery funds are used effectively and efficiently to benefit the park system and the public. This should include setting a target amount for the fund Report of The Colorado State Auditor 45 balance within the Lottery Fund, monitoring Lottery Fund activity and the fund balance, and taking appropriate action when funds exceed the target, as needed.</p>	Jun-09	<p><b>In progress.</b></p> <p>A draft timeline and table of contents for Parks' Comprehensive Financial Plan have been developed. Among other things, this plan will identify sources and uses of all the agency's principal funding sources (lottery, GF, cash, federal, GOCO) and will set target fund balances for each of the division's funds.</p>	Discuss timeline and content of Parks Comprehensive Financial Plan with the Parks Board and get concurrence Develop baseline financial projections for all fund sources; document assumptions and calculations. Identify and analyze a number of policy alternatives and their respective financial implications. Present and discuss draft alternatives with the Board Board approval of financial plan June, 2009
4	<p><b>Lottery reporting to General Assembly</b></p> <p>The Division of Parks and Outdoor Recreation and the Board of Parks and Outdoor Recreation should report annually to the General Assembly and the Office of State Planning and Budgeting on the use of lottery proceeds appropriated directly to the Division. The Division and Parks Board should report on the:</p>			

4a	a. Use of lottery funds for long-term projects and operating expenses associated with projects funded by lottery moneys.	Division of Parks and Outdoor Recreation & Parks Board	Oct-09	In progress. The division has requested an opinion from the AG's office regarding allowable uses, constraints and sideboards on the use of lottery funds.	Informal AG opinion on Lottery due end of December or early January 2009.
4b.	b. Use and status of the fund balance within the Division's Lottery Fund on an annual basis. The Division should explain how it monitors the fund balance to ensure projects are completed in a timely manner and identify any problem areas, as well as the action plan the Division has established to resolve the problem.	Division of Parks and Outdoor Recreation & Parks Board	Oct-09	In progress.	See Above
5	Expenditure Controls The Department of Natural Resources and the Division of Parks and Outdoor Recreation should improve controls over the Division's expenditure processes by:	Division of Parks and Outdoor Recreation			
5a.	Payment Process a. Evaluating the process used to pay Division expenditures and identifying ways to ensure all expenditures are reasonable and necessary, accountability is clear at all levels of the process, and controls are adequate to ensure compliance with State Fiscal Rules and all other applicable requirements. Ways to streamline the process and ensure timely payment should also be identified.		Dec-08	In progress. Formal written interim controls have been implemented. New detailed controls and procedures were put in place in October, 2008 covering ProCard purchases and payment vouchers. An RFP has been issued to contract for an outside evaluation of the effectiveness of Parks' internal controls.	Feedback and input on interim controls / procedures are being collected. Contract with an outside CPA firm to assess the effectiveness of Park's internal controls and modify as necessary. Based on input / feedback, controls and procedures will be finalized and incorporated into a revised Financial Procedures Manual.
5b.	Training b. Providing periodic training to staff on their responsibilities for the review and approval of expenditures to ensure they are appropriate, accurate, and recorded properly in COFRS. As part of this initiative, procedures should be put into place to ensure timely communication regarding changes in accounting policies.		Dec-08	Implemented. Training was provided to all division managers at a two-day training conference, November 5-6, 2008. All ProCard holders of record have attended a one-day refresher training on ProCard use. Written draft interim procedures were distributed to all pertinent personnel. Managers have signed statements certifying that they have read the procedures, understand them and will comply with them.	Training will be ongoing.
5c.	Staff Accountability c. Including responsibilities related to payment processing in job descriptions, performance plans, and evaluations for all employees responsible for initiating, reviewing, and approving payments, and taking appropriate disciplinary action as appropriate.		May-09	Implemented. Interim Individual Performance Objectives (IPOs) have been incorporated at mid-year in the performance plans of all affected employees. A new standard "Core Competency" has been incorporated in all individual performance plans for FY 08-09.	Performance Plans developed for 2009-10 and beyond will require this IPO and Core competency
6	ProCards The Department of Natural Resources and the Division of Parks and Outdoor Recreation should work together to improve controls over procurement cards (ProCards) by:	Division of Parks and Outdoor Recreation			
6a.	Document/Review Process a. Ensuring that cardholders adequately document all purchases and that supervisors review and approve, as appropriate, all purchases monthly. This process could be facilitated by the development of a standard template that must be completed by the cardholder for each transaction on a monthly basis and reviewed by the approving authority prior to payment.	Department of Natural Resources	Dec-08	Implemented. Formal written interim controls have been implemented. New detailed controls and procedures were put in place in October, 2008 covering ProCard purchases. An RFP has been issued to contract for an outside evaluation of the effectiveness of Parks' internal controls.	Feedback and input on interim controls / procedures are being collected. Contract with an outside CPA firm to assess the effectiveness of Park's internal controls and modify as necessary. Based on input / feedback, controls and procedures will be finalized and incorporated into a revised Financial Procedures Manual.

6h.	ProCard Training b. Providing ProCard refresher training on a periodic basis determined by the Department and the Division to cardholders to ensure understanding of the rules on proper and allowable card use.	Division of Parks and Outdoor Recreation	Dec-08	Implemented. 13 ProCard refresher training sessions were conducted at locations throughout the state from Aug. 27 through Nov.18. There were 235 employees who completed this training. All cardholders attended one of these training sessions.	Training is ongoing
7	ProCard Oversight – DNR The Department of Natural Resources should improve its oversight of the ProCard program.	Department of Natural Resources			
7a	a. Expanding the ProCard audit process to include a review of the areas in which problems were identified during our audit and regularly reviewing all relevant reports available from the State's ProCard vendor to identify violations of card use.		Dec-08		
7b.	b. Requiring that approving supervisory authorities report to the Department's procurement office on instances of errors or employee misuse of ProCards and on disciplinary or other actions taken related to the errors or misuse.		Dec-08		
7c.	b. Developing a system for tracking instances of card abuse by individual cardholders and establishing policies regarding the penalties that cardholders will incur, on the basis of the frequency and severity of the violations. Information on violations should be obtained from the Department's ProCard audits and reviews, as well as from supervisors responsible for reviewing monthly ProCard statements.		Dec-08		
7d.	c. Reviewing information in the tracking system from Part c. and taking appropriate disciplinary action when abuses are found. The Department should consider the use of a graduated point system for repeated cardholder violations of ProCard requirements.		Dec-08		
8	Cash Collection, etc. The Division of Parks and Outdoor Recreation should strengthen its controls over park pass and permit assignment and cash collection processes by:	Division of Parks and Outdoor Recreation	May-09	In progress. Team reviewed Cheyenne Mountain State Park Revenue Manual Draft policy developed by team Addressed at November 5, 2008 Managers Training Session	Update - Financial Services Manual
8a.	Controls over Cash Collection a. Ensuring functions related to assigning passes and permits and collecting, recording, depositing, and preparing cash reconciliations and reports are performed by different employees. At a minimum, different employees should perform parts of these functions as discussed in the report.		May-09	In progress. Interim procedures developed and implemented on trial basis	Gather input and feedback and finalize procedures Monitor compliance with procedures
8b.	Control Access to Inventory b. Controlling access to park passes and permits and cash by keeping them locked in a drawer during the day and locked in a safe at night. Additionally, the Division should limit, as much as possible, the number of employees with access to locked cash drawers and safes. Drawer locks and safe combinations should be changed when staff with access leave employment. Access to cash boxes should be restricted to one employee during a shift, and the employee should reconcile the cash box at the end of his or her shift.		May-09	In progress. Interim procedures developed and implemented on trial basis	Gather input and feedback and finalize procedures Monitor compliance with procedures
8c.	Reconciliation Process c. Reviewing all monthly reports and reconciliations submitted by the park and region offices for completeness and accuracy, including supporting documentation, prior to entering information into the State's accounting system. If there are problems with the reconciliation or documentation is missing, the Division should follow up with the appropriate individuals and resolve the problem.		May-09	In progress. Interim procedures developed and implemented on trial basis	Gather input and feedback and finalize procedures Monitor compliance with procedures

Bd.	<p>Policies and Procedures</p> <p>d. Developing written policies and procedures that address proper segregation of duties, cash handling, and reconciliation and reporting requirements. Policies should require all offices to provide explanations for overages and shortages in cash, and the Division should establish a threshold over which any overage or shortage should be investigated and additional controls implemented. Once developed, staff should be trained on these policies and procedures.</p>		May-09	In progress. Interim procedures developed and implemented on trial basis	Gather input and feedback and finalize procedures Monitor compliance with procedures
Bc.	<p>Best Practices</p> <p>e. Including requirements related to ensuring proper cash handling practices in job descriptions, performance plans, and evaluations for all employees responsible for cash collections, and taking appropriate disciplinary action when problems are found.</p>		May-09	In progress. Best practices reviewed and incorporated in draft procedures	Gather input and feedback and finalize procedures Monitor compliance with procedures
9	<p>Personal Services Contract Deliverables &amp; Procurements</p> <p>The Division of Parks and Outdoor Recreation and the Department of Natural Resources should improve accountability and provide adequate oversight and monitoring of contract scope, deliverables, and payments. Specifically, the Division and Department should:</p>	Division of Parks and Outdoor Recreation			
9a.	<p>Staff Accountability</p> <p>a. Define staff responsibilities for developing, reviewing, approving, or monitoring contract deliverables or payments in job descriptions and performance plans and evaluate performance of these duties during annual performance reviews. Staff who fail to perform their responsibilities in accordance with statutes, rules, and guidelines or the expectations set forth in performance plans should be subject to disciplinary action.</p>		May-09	Implemented. Interim Individual Performance Objectives (IPOs) have been incorporated at mid-year in the performance plans of all affected employees. A new standard "Core Competency" has been incorporated in all individual performance plans for FY 08-09.	Performance Plans developed for 2009-10 and beyond will require this IPO and Core competency
9b.	<p>Training</p> <p>b. Provide contract monitoring staff with contract management training and ongoing supervision and guidance, including, but not limited to, proper procedures for defining contract scope of work, providing ongoing monitoring and review of contract work and deliverables, and approving and tracking payments.</p>		Dec-08	Implemented. Contract training was provided at various locations around the state on 4/2, 4/24, 4/30, 5/7, 5/20, 5/22. Contract training was provided to all division managers at a two-day training conference, Nov. 5-6, 2008.	Training will be ongoing.
9c.	<p>Personnel Action</p> <p>c. Complete their investigation of the questions raised in our audit regarding three personal services contracts and take action as appropriate, including requiring repayment of state funds spent for work performed prior to contract execution or outside of the contract scope.</p>		Sep-08	Implemented. Director worked with AG and DNR on this issue. Determination was made that the Division received fair value for the investment made in this research under both contracts and payment for this work by the State of Colorado was appropriate.	
10	<p>Personal Services Procurement</p> <p>The Division of Parks and Outdoor Recreation and the Department of Natural Resources should ensure that practices for procuring personal services comply with applicable statutes, rules, guidelines, and the Procurement Code of Ethics. To improve compliance, the Division and Department should ensure that all staff involved in preparing, reviewing, or approving personal services contracts are held accountable for these responsibilities in performance plans and evaluations and receive disciplinary action for violations, as previously recommended. Additionally, the Division and Department should:</p>	Division of Parks and Outdoor Recreation			
10a.	<p>Training</p> <p>a. Ensure staff receive comprehensive, ongoing training related to statutory and regulatory requirements and ethical responsibilities under the State Procurement Code and State Personnel Rules.</p>		Dec-08/ongoing	Implemented. Contract training was provided at various locations around the state on 4/2, 4/24, 4/30, 5/7, 5/20, 5/22/08. Contract training was provided to all division managers at a two-day training conference, November 5-6, 2008.	Training will be ongoing.

10b.	Review Process b. Develop an expanded, detailed checklist for reviewing and approving personal services certifications and require sufficient written explanations and supporting documentation to substantiate the certification. Insufficient explanations, discrepancies, or gaps in information should be investigated and resolved prior to approving the procurement of personal services.		Dec-08/ongoing	Implemented A checklist was developed for staff who review personal services contract for certification. Comprehensive documentation is required as support for all certification requests.	Next steps for each sub-recommendation are outlined below
11	Capital Construction Projects The Division of Parks and Outdoor Recreation should work with the Department of Natural Resources to improve oversight and cost containment for capital construction projects. Specifically, the Division and the Department should:	Division of Parks and Outdoor Recreation		In progress. See details below:	
11a.	Tracking System a. Establish mechanisms for tracking and monitoring the reasonableness of capital construction cost increases against performance standards. This should include analyzing and using this information to investigate the factors contributing to cost overruns, including whether particular types of projects, certain contractors, or individual project managers are contributing to unreasonable increases in project costs.		Dec-10	In progress. Met with the Office of the State Architect (OSA) to review their policies, process and procedures for tracking and monitoring capital construction projects. We also discussed the Division's new Asset and Construction Manager position and the benefits of this position serving in a delegated authority capacity with the OSA. Received input from OSA regarding the position's required experience, education and classification. In progress. In July, we worked with DNR to eliminate Capital Construction emergency modifications, except for when urgent steps must be taken to address Public Health and Safety issues. Met with the Office of the State Architect (OSA) to review their accepted policies, process and procedures for managing construction contract amendments and modifications.	1. Hire the Division's Asset and Construction Program Manager. 2. Arrange for this position to receive training and delegation of authority with the OSA. 3. Transfer management and supervision of construction project management staff to the new Division Asset and Construction Manager 4. Adopt policies, processes and procedures for tracking, monitoring and managing capital construction projects. 5. Evaluate and measure performance factors of each project.
11b.	Emergency Needs b. Reduce reliance on emergency modifications and strengthen processes for preparing, reviewing, and approving contract amendments and modifications to improve compliance and mitigate risks of fraud and abuse. This should include conducting a comprehensive review of policies and procedures to clarify requirements for documentation and approvals, establishing more stringent percentage and dollar thresholds for changes affecting contract costs, and developing requirements for cost recoveries related to design consultant errors and omissions.		Jul-09	In progress. In July, we worked with DNR to eliminate Capital Construction emergency modifications, except for when urgent steps must be taken to address Public Health and Safety issues. Met with the Office of the State Architect (OSA) to review their accepted policies, process and procedures for managing construction contract amendments and modifications.	1. New Division Asset and Construction Manager will be hired and will solidify the close working relationship with the OSA. 2. OSA policies, processes and procedures will be adopted 3. Staff will be fully trained and required to follow these policies, processes and procedures.
11c.	Training/Supervision c. Provide ongoing training and supervision to ensure all staff involved in procuring and managing construction contracts are competent and qualified to perform their job responsibilities and following up with disciplinary action when staff fail to comply with Department and Division policies.		May-09/ongoing	In progress. In October, we provided a two day training workshop on a comprehensive approach to facility and construction management. All Division and DNR staff involved in contracts, accounting and construction management were required to participate. The job description for the new Division Asset and Construction Management Manager includes providing professional training, supervision and evaluation of performance for all construction management staff.	1. Hire the new Asset and Construction Manager. 2. Transfer construction management staff to be supervised and managed by this central position. 3. Ensure manager is trained and familiar with the State's Personnel Rules and Supervisor's Training for the Employee Performance Evaluation System. 4. Manager will closely supervise and manage all construction management staff.
11d.	Process d. Consider streamlining processes for overseeing the procurement and management of capital construction projects by centralizing some contracting functions requiring specialized expertise.		Jul-09	In progress. The decision was made to centralize the Division's construction management by creating an Asset and Construction Management Manager position that will serve on the Leadership staff and will work in the Denver Headquarters Office.	1. The new manager will receive delegated authority from the OSA and will implement and utilize the policies, processes and procedures developed by the OSA. 2. One and possibly two support positions will be assigned to the Asset and Construction Management Manager to assist with construction project tracking, procurement and contract management and budget monitoring.
12	Capital Contractor Selection The Division should improve compliance with policies for reviewing and selecting qualified consultants and maintaining records of contractor procurements. Specifically, the Division should:	Division of Parks and Outdoor Recreation			
12a.	Training a. Train contract monitors on these requirements		Feb-09/ongoing	Implemented. Evaluation/selection process requirements were reviewed with Capital Construction Project Managers June 5, 2008.	Training is ongoing

12b.	Staff Accountability c. Ensure compliance through supervisory review, Division and Department reviews, and performance evaluations, as appropriate.	May-09	Implemented. Interim Individual Performance Objectives (IPOs) have been incorporated at mid-year in the performance plans of all affected employees. A new standard "Core Competency" has been incorporated in all individual performance plans for FY 08-09.	Performance Plans developed for 2009-10 and beyond will require this IPO and Core competency
13	Controls over Personnel The Division of Parks and Outdoor Recreation should work with the Department of Natural Resources, and within the Division's own management structure, to improve controls and accountability related to personnel activities by:	Division of Parks and Outdoor Recreation		
13a.	Clarify Roles/Responsibilities a. Clarifying the roles and responsibilities at each level of the organization. This should include developing written policies and procedures, memorandums of understanding, and employee job descriptions that adequately describe the delineation of roles and personnel system responsibilities among staff at each level of the organization. One possible option would be to appoint a Division-level human resources administrator to help ensure rules are followed consistently throughout the Division.	Mar-09	Implemented. Memorandum from the Executive Director to all Division Directors (for distribution to all supervisors) clarifying the role of the appointing authority and the Director of Human Resources (and the HRO). The memorandum also clarified common delegation of appointing authority tasks to first and second-level supervisors.  The Parks Director is considering creating a division-level position to provide assistance in the administration of the state personnel system.	
13b.	Training a. Providing training to employees regarding personnel rules and actions, as well as on conflicts of interest.	Spring 09	Implemented. "Supervisors Essentials" training provided to supervisors from all DNR Divisions throughout August and September 2008. This training included information about the laws, policies, rules and procedures that guide personnel administration in the state personnel system.	The training will continue to be offered once per year. DNR is also contemplating development of online training modules that may be used as refresher for current supervisors and as orientation for new supervisors.
13c.	Staff Accountability d. Holding individuals responsible for personnel functions accountable in their performance evaluations for compliance with personnel rules and laws and taking appropriate corrective action as necessary.	May-09	In progress. July/08 - Core Competency for Supervision and Performance Mgmt added to plans for all DNR Supervisors.	Revise Performance Plans Complete
14	Legal use of Temporary Employees The Division of Parks and Outdoor Recreation, in coordination with the Department of Natural Resources, should ensure its use of temporary staff complies with federal and state law and State Personnel Rules by:	Division of Parks and Outdoor Recreation	Implemented See details for each recommendation below.	
14a.	Assess Need for FTE a. Assessing the need for permanent FTE positions for those jobs that have been filled with temporary staff beyond the six-month limit.	Oct-09	Implemented. For the current budget request cycle, supervisors evaluated their use of temporary employees to determine positions that should change from six month temporary positions to permanent full-time. Supervisors prepared and submitted written requests to the Leadership staff for FTE.	1. For the next fiscal year funding cycle, we will have supervisors prepare and submit written requests for permanent FTE positions to replace six month temporary employees. 2. Leadership staff will evaluate and prioritize these requests and provide available funding to make some the changes. When existing funding is not available, requests for permanent FTE will be submitted to the Governor for consideration.
14b.	Budget Request b. Making appropriate budget requests for FTE, reallocating duties among existing appropriated FTE, or some combination of both.	Feb-10	Implemented. For the current budget request cycle, Leadership staff evaluated and prioritized the positions and provided existing available funding for some of the priority positions to change to permanent FTE. Leadership prepared annual budget request that included a request for permanent FTE positions and submitted to DNR for review and approval.	1. For the next fiscal year budget request cycle, Leadership staff evaluate and prioritize the permanent position requests and provide existing available funding for some of the priority positions to change to permanent FTE. For the next fiscal year budget request cycle, Leadership will prepare the annual budget request that will include a request for priority permanent FTE positions and will submit to DNR for review and approval and inclusion in the department request that is submitted to the Governor's Office. This training will be on-going and required for all new supervisors.
14c.	Training c. Providing managers and other employees with regular training on the allowable uses of temporary employment arrangements.	Feb-09	Implemented. DNR provided personnel management training for Division supervisors that included a lesson on allowable uses of temporary employees.	

14d.	Admin. Directives d. Adopting administrative directives, as appropriate, to provide guidance on the use of temporary staff.		Sep-08	Implemented. Departmental guidance on use of non-permanent workers was issued to all DNR divisions. In addition, a directive is under development specifically for the Division of Parks. The directive will be finalized prior to the spring season.	Continue to follow.
14e.	Tracking e. Implementing a tracking mechanism to ensure former temporary appointees are not hired as independent contractors within six months of their temporary employment with the Division.		Aug-08	Implemented. DNR developed the tracking mechanism that requires all temporary employee position applicants to complete an employment and previous contract history record that is attached to their application. These records are reviewed and used by the DNR Human Resources office to screen out applicants that have worked or have contracted with the state within the past six months.	Continue to follow. The tracking mechanism has been implemented department-wide. The mechanism is being refined to strengthen its utility in our efforts to monitor legal compliance.
15	Use of Temps - Legal Review The Department of Natural Resources should undertake a review of all nonpermanent employee relationships at the Division to ensure that relationships are in compliance with State Personnel Rules and IRS rules for independent contractors and leased workers and to identify any additional nonpermanent employees whom the Division is using inappropriately to supplement staff resources. All inappropriate nonpermanent employee relationships should be terminated.	Department of Natural Resources	July-08	Implemented. Review of non-perm relationships conducted by DNR HRO. No additional relationships identified as inappropriate comb of temp or short-term contracts were used to inappropriately supplement staff resources.	Complete
16	SWP Program Review The Division of Parks and Outdoor Recreation should review its Seasonal Work Program to ensure its necessity, efficiency, and relevancy. To accomplish this, the Division should:	Division of Parks and Outdoor Recreation	Jan-09	Implemented. New jobs descriptions have been generated for all park temp position and will be used for advertising open position and for central coordination.	
16a.	Eliminate SWP Classification a. Evaluate the need for a separate position classification within the state personnel system and request the classification be eliminated, as appropriate.		Jan-09	Implemented. July08 - Review of non-perm relationships conducted by DNR HRO. No additional relationships identified as inappropriate comb of temp or short-term contracts were used to inappropriately supplement staff resources.	
16b.	Review Policies/Procedures b. Review existing policies and procedures related to seasonal workers and make changes where needed.		Jan-09	In Progress. A Parks Directive on Use of Temporary Employees was drafted. New jobs descriptions have been generated for all park temp position and will be used for advertising open positions to ensure central coordination.	The Parks Directive on use of Temporary Employees will be finalized in January.
16c.	Central Coordination c. Provide central coordination and oversight related to the employment and supervision of seasonal workers, as needed.		Jan-09	In progress. The Parks Director is considering creating a division-level position to provide assistance.	Request FTE Position - Division HR Resource Specialist
17	SWP Timekeeping The Division of Parks and Outdoor Recreation should ensure compliance with time keeping requirements for seasonal workers by making improvements in the following areas:	Division of Parks and Outdoor Recreation		In progress. DNR Human Resources provided Supervisor Training for State Park managers and supervisors (that addressed legal use of temps) on Aug. 14- Sept. 10.	
17a.	Policies/Procedures a. Reviewing and clarifying, where needed, existing time keeping policies and procedures, including the format in which time will be recorded.		May-09/ongoing	In progress. Parks Directive on use of Temporary Employees in draft. The Directive includes specific instructions on timekeeping requirements and a revised Temporary Employee Timesheet.	

17b.	Training	b. Disseminating clear policy directives throughout the park system, including the Division's administrative office, and training supervisors and others as appropriate on their responsibilities.	May-09/ongoing	In progress.		
17c.	Employee Accountability	b. Holding supervisors responsible for compliance with policies and procedures through job descriptions, performance planning, and evaluations.	May-09/ongoing	Implemented. Interim Individual Performance Objectives (IPOs) have been incorporated at mid-year in the performance plans of all affected employees. A new standard "Core Competency" has been incorporated in all individual performance plans for FY 08-09.	Performance Plans developed for 2009-10 and beyond will require this IPO and Core competency	
18	Facility Maintenance & Renovation Plan	The Division of Parks and Outdoor Recreation should work toward developing a plan for maintenance and renovation of facilities at its parks. Steps should include:	Division of Parks and Outdoor Recreation	In progress This directly relates to our effort to address Recommendations No. 2(d) and 11. We are examining Asset Management methodologies and practices used by Arkansas, Utah, California and the Office of the Colorado State Architect/Risk Management/DNR for capital asset inventory, condition assessment, prioritization, funding and reporting. We decided to take a comprehensive approach to Asset Management and Construction Management. We are preparing the Position Description Questionnaire for the Division Development Manager position (Architect III classification) that will provide central control over the Division's asset and construction management programs. More details provided below:	<ol style="list-style-type: none"> <li>1 Division Senior Staff will determine the best vision and approach for a comprehensive Asset Management system that will meet the Division, DNR, Parks Board and GOCO Board needs and will be consistent with all state regulations and requirements.</li> <li>2 Request approval of the Asset Management system vision and approach from the Parks Board.</li> <li>3 Hire the new Capital Development Manager.</li> <li>4 Prepare an RFP for development of the Asset Management system.</li> <li>5 Capital Development Manager and Senior Staff will select consultant who will develop and assist in implementing the Division's Comprehensive Asset Management system</li> </ol>	
18a.	Review Condition	a. Conducting a comprehensive review of the condition of the Division's capital assets. This should include working with park and region staff to identify needs for new capital assets and major renovations of existing assets and ensuring that the information, once available, is input into the CAPTRS system. One option would be to appoint a management-level position, independent of the regions, to lead this effort.	Dec-09	In progress The decision was made to centralize the Division's construction management by creating an Asset and Construction Management Manager position that will serve on the Leadership staff and will work in the Denver Headquarters Office. Asset Inventory and Condition Assessment methodologies and practices used by Arkansas, Utah, California and Office of the Colorado State Architect/Risk Management/DNR are being examined.	We will follow the steps are outlined above. This comprehensive approach will include selecting the best approach for our condition assessment of assets.	
18b.	Prioritize Needs	b. Compiling and reviewing park and region capital needs, working with the regions to prioritize needs within their region, and evaluating regional priorities to develop Division-wide priorities in accordance with strategic plans and objectives. Information on prioritized needs should be provided to Division management for consideration and used to facilitate decision making and budgeting processes.	Dec-09	In progress Capital Construction Project prioritization and funding allocation methodologies and practices used by Arkansas, Utah, California and CO Office of the State Architect/Risk Management/DNR are being examined.	We will follow the steps are outlined above. This comprehensive approach will include selecting the best approach for project prioritization and funding allocation.	
18c.	Tracking System	c. Continuing to develop and implement the CAPTRS system and using the system to maintain accurate records of capital assets.	Jul-09	In progress We are reviewing construction project automated tracking systems in use by California, Utah, and CO Office of the State Architect. Reviewing asset management database used by CO Risk Management Office to examine how needs can be coordinated and integrated. Received input from our construction management staff on ways to improve CAPTRS.	We will follow the steps outlined above. After we determine our business rules and policies, we will determine the best automated asset management tracking tool that will best meet our needs and requirements.	

19	<p><b>Facility Plans &amp; Design</b></p> <p>The Division of Parks and Outdoor Recreation should ensure it maximizes its investment in building designs by utilizing existing plans or, if necessary, developing a set of prototypes for core types of buildings (e.g., visitor centers, camper services buildings, entrance stations, and bathrooms) that can be used among all parks, and by developing and maintaining a central design library or database that can be accessed by all regions. The Division should consider requiring all regions to use the prototype designs for these buildings unless Division management grants a waiver in advance.</p>	Division of Parks and Outdoor Recreation	May-09	<p><b>In progress</b> Reviewing capabilities of electronic storage of data. Review of storage and management methods by other agencies for best practices. Ongoing meeting with design team for library design and use.</p>	Ongoing
20	<p><b>Comp. Overnight Stays</b></p> <p>The Division of Parks and Outdoor Recreation should develop and implement a policy over granting complimentary stays at park facilities and the appropriate use of amenities. This policy should include:</p>	Division of Parks and Outdoor Recreation		<p><b>In progress.</b> In June, Interim Guidelines were provided to Division Staff and implemented until new formal directives and policies are approved. The existing Parks Board Policies and Administrative Directives that included original documents: Policy B-177 and Administrative Directive B-177 were reviewed. The documents were reformatted and revised to address the following:</p> <ol style="list-style-type: none"> <li>1. Complimentary Passes (daily and annual)</li> <li>2. Complimentary Permits (rental fees, campsite fees, group shelter fees, etc.)</li> <li>3. Complimentary Gift Certificates</li> <li>4. Fee Waiver Request</li> </ol>	<p>The draft policies and directives will be reviewed and approved by Division Leadership. The draft policies and directives will be submitted for review and comment to the Department Controller. The administrative directives will be reviewed and officially approved by the Division Director. The new policies will be submitted to the Parks Board for review and approval. Division staff will receive training to ensure they follow the mandatory directives and policies.</p>
20a.	<p><b>Policy/Procedures</b></p> <p>a. Establishing a list of Division staff that has authority to grant complimentary stays at the Division's fully furnished cabins, rustic cabins, yurts, campsites, or other amenities. All stays should be required to be documented and pre-approved.</p>		Nov-08	<p><b>In progress.</b> Outlined above.</p>	<p>We will follow the steps outlined above.</p>
20b.	<p><b>Requirements</b></p> <p>c. Describing the circumstances under which granting complimentary stays at the Division's amenities is appropriate, and the documentation and authorizations required for complimentary stays.</p>		Nov-08	<p><b>In progress.</b> Outlined above</p>	<p>We will follow the steps outlined above.</p>
20c.	<p><b>Guidelines</b></p> <p>d. Developing appropriate guidelines for employee reservations of amenities including allowable time frames for advance reservations, frequency of employee use, and acceptable methods for making reservations.</p>		Nov-08	<p><b>In progress.</b> Outlined above</p>	<p>We will follow the steps outlined above.</p>
21	<p><b>Commuter Vehicles</b></p> <p>The Department of Natural Resources should work with the Division of Parks and Outdoor Recreation to improve oversight of commuting arrangements and ensure federal tax regulations are addressed. Specifically, the Department and Division should:</p>	Division of Parks and Outdoor Recreation			
21a.	<p><b>Review Current Agreements</b></p> <p>a. Review prior and existing commuting arrangements to determine whether the arrangements are in the best interest of the State and whether such arrangements have been properly classified and reported with respect to tax treatment for the employee.</p>		Done	<p><b>Implemented.</b></p>	
21b.	<p><b>IRS Requirements</b></p> <p>b. If commuting arrangements were improperly reported as tax-exempt benefits, this information should be reported to State Fleet Management and the State's Central Payroll. The Department should ensure that either prior year's employee income reporting to the IRS is corrected or employees reimburse the Division for all taxable commuting.</p>		Jul-08	<p><b>Implemented.</b> Commuting arrangements have been discontinued; appropriate action has been taken to correct prior year employee income reporting as directed by the Department of Personnel and Administration, Central Payroll.</p>	

21c.	Future Commuting Arrangements c. Ensure all future commuting arrangements are in the best interest of the State and are properly classified for tax purposes.		Done	Implemented.	
21d.	Roles/Responsibilities d. Clarify Department and Division roles and responsibilities with respect to authorizing commuting arrangements and ensure that all authorized commuting arrangements are reported to State Fleet Management.		Done	Implemented.	
22	Non-state Empl. - Vehicles The Division of Parks and Outdoor Recreation should establish controls to prevent non-state employees from driving state vehicles unless express written permission is obtained in advance from State Fleet Management. Additionally, the Department should define the circumstances under which non-state employees are allowed to ride in state vehicles. Specifically, the Division should consider implementing a vehicle sign-out policy and provide training to all staff with access to state vehicles to ensure staff understand the limitations regarding vehicle use by non-state employees.	Division of Parks and Outdoor Recreation	Oct-08	In Progress Richard Storm, Chief of Law Enforcement, completed research. Provided draft policy for Director and Department review.	Sr. Staff and EDO Review and approval.
23	Size of Vehicle Fleet The Division of Parks and Outdoor Recreation should evaluate the use and allocation of its current fleet to determine whether it can achieve cost savings by eliminating some fleet vehicles and instead leasing fleet vehicles periodically or paying employees' mileage to use their own vehicles when necessary.	Division of Parks and Outdoor Recreation	Jul-09	In Progress List of alternative vehicles has been compiled. Fleet list and Fleet rules will be available by 9/30/08. Met with Gov Energy Office staff and will meet with additional staff shortly.	Obtain inventory and stats from Fleet CARS program Determine Fleet req./standards Contact Energy Office Arrange Meeting with Sr. Staff
24	Cabin Inventory The Division of Parks and Outdoor Recreation should improve its controls over cabin inventory by instituting Division-wide policies for safeguarding cabin assets that address: a. The frequency of inventory checks. b. Items that should be included in each inventory check. c. Procedures for pursuing recovery for any items lost through theft or damage. d. Use of inventory tags to identify items as the property of the State. e. A method for communicating the policy on losses and damages to cabin visitors. This could include developing a standard disclosure form to be signed by the responsible party and posting rules in the cabins.	Division of Parks and Outdoor Recreation	Jan-09/on-going	In Progress Team is reviewing and development standard inventory reporting forms. Will set a meeting with financial services staff regarding damage deposit issue.	Create standard inventory list Create Policy/Protocol Resolve damage deposit issue (input from Susan/Liana) Report to Sr. Staff All the information has been gathered and a new policy and inventory sheet will be developed the first part of 2009
25	RMNA Controls The Division of Parks and Outdoor Recreation should establish adequate controls to safeguard inventory at its Rocky Mountain Nature Association retail operations and ensure compliance with financial reporting requirements by: a. Establishing either manual or Point of Sale systems for recording inventory and tracking sales, conducting periodic physical inventory counts and reconciliations, and investigating inventory losses and implementing additional inventory safeguards as needed.	Division of Parks and Outdoor Recreation		In Progress. State Parks accounting staff is working to fine-tune the revenue recording procedures. RMNA was directed to send aid money allocation amount for each RMNA outlet in the parks as well as what has been spent to date from July 1, 2008. Meet with IT staff to identify changes of PARKS system to accommodate recording of RMNA transactions and reporting through PARKS system. In Progress. Outlined above.	The next steps for full implementation include: 1. Parks recording RMNA sales on their shiftbox/CUR, following up with RMNA to receive current sales and aid estimates information and receiving this on a monthly basis. 2. Complete plan with accounting/contracts/IT staff to make the required changes to the Parks Accounting system (PARKS).
25a.	Point of Sale System a. Establishing either manual or Point of Sale systems for recording inventory and tracking sales, conducting periodic physical inventory counts and reconciliations, and investigating inventory losses and implementing additional inventory safeguards as needed.		Jan-09	In Progress. Outlined above.	We will follow the steps outlined above.
25b.	RMNA Reporting b. Recording all revenues and expenditures, including commissions earned, on Rocky Mountain Nature Association sales and related purchases in COFRS, the State's financial reporting system.		Jul-09	In Progress. Outlined above.	We will follow the steps outlined above.

26	<p><b>Self-Governance Policies</b></p> <p>The Department of Natural Resources should improve oversight of Division practices with respect to budgeting, accounting, procurement, and human resource management as recommended throughout this report. Additionally, the Department should: (a) assist the Parks Board in developing self-governance policies that clearly define the respective responsibilities of the Department, the Parks Board, and the Division and (b) provide ongoing performance monitoring of the Division and its Director and communicate with the Parks Board to ensure the Division accomplishes its statutory duties.</p>	Department of Natural Resources	July-09	<p><b>In Process.</b> The Department, Parks Board and the Division are working with a third party consultant to help with Governance review and development. Ongoing work has included focused discussion with Parks Board at Nov. 6, 2008 Board meeting.</p>	<p>Developing deliverables and timeline for completion. Working closely with Board and DNR.</p> <p>Ongoing work with Board to develop self-governance policies will include focused 4-hour Governance session on Jan. 22, 2009. Fifteen to 20 State Parks employees working on teams with the consultant and Director.</p> <p>Department will provide further update to the State Audit Committee on their progress and plans to meet deadlines for implementation.</p>
27	<p><b>Governance Review &amp; Development</b></p> <p>The Board of Parks and Outdoor Recreation should undertake a comprehensive review of its oversight practices and develop a governance manual that outlines the specific responsibilities of the Parks Board, the Division, and the Director. At a minimum, the governance policies should include:</p> <ol style="list-style-type: none"> <li>Standards for behavior, including a code of conduct.</li> <li>Processes for ensuring the Parks Board and Division meet their statutory responsibilities.</li> <li>Control mechanisms for managing risk, park acquisition and development, financial resources and operations, and reporting.</li> <li>Procedures for ongoing monitoring and evaluation of the performance of the Director and the Parks Board.</li> </ol>	Parks Board	Jun-09	<p><b>In Process.</b> The Parks Board and Director are working with a third party consultant to help with Governance review and development. Ongoing work has included focused discussion with Parks Board at Nov. 6, 2008 Board meeting.</p>	<p>Ongoing work with Board to clarify roles and responsibilities and oversight practices will include focused 4-hour Governance session on Jan. 22, 2009. Board will adopt code of conduct in January or February 2009; Division developing similar document for agency employees to be completed in February 2009. Fifteen to 20 State Parks employees working on teams with the consultant and Director to clarify roles and responsibilities of Department, Parks Board, Director and Division.</p>
28	<p><b>Governance - Reporting to LAC</b></p> <p>The Board of Parks and Outdoor Recreation and the Division of Parks and Outdoor Recreation should report to the Legislative Audit Committee on their respective progress in developing and implementing a governance structure that instills a culture of accountability. The governance structure should ensure a strong control environment and ethical culture as discussed in this chapter.</p>	Parks Board	Feb-09/ongoing	<p><b>Implemented/ In Progress.</b> Audit update to be submitted to State Audit Committee on Dec. 19, 2008. Parks Board and Division to update the State Audit Committee on Jan. 13, 2009.</p>	<p>February through April 2009 will include further development of Governance Manual and in-depth work with Parks Board. Plans are to develop manual and related policies for adoption by Parks Board action by June 2009.</p>

# STATE OF COLORADO

## OFFICE OF THE EXECUTIVE DIRECTOR

Department of Natural Resources  
1313 Sherman Street, Room 718  
Denver, Colorado 80203  
Phone: (303) 866-3311  
TDD: (303) 866-3543  
Fax: (303) 866-2115

ATTACHMENT F



DEPARTMENT OF  
NATURAL  
RESOURCES

Bill Ritter, Jr.  
Governor

Harris D. Sherman  
Executive Director

May 18, 2009

The Honorable Dianne Primavera, Chairperson  
Legislative Audit Committee  
200 East 14<sup>th</sup> Avenue, 2<sup>nd</sup> Floor  
Denver, CO 80203

Dear Representative Primavera:

This letter and the attached matrix will update members of the Legislative Audit Committee and staff on actions that have been taken by the Department of Natural Resources to implement recommendations contained in the Report of the State Auditor released in July 2008. Our progress is reported within the attached Implementation Progress Report. Please note that information has been added to the report received earlier from Parks to reflect the status of those recommendations related to the department.

The Executive Director's Office of the Department of Natural Resources, in conjunction with the Accounting/Purchasing, Budgeting and Human Resources Sections, has been working in coordination with staff in the Division of Parks and Outdoor Recreation since the performance audit began. Issues related to procurement, contracts, accounting, payroll, personnel actions, budget and any other administrative functions have been addressed as reflected in the attached report. Many of these efforts are related to on-going training, as well as better communication and implementation of administrative rules and requirements. In conjunction with Division staff, the department administrative sections have developed policies and procedures in many of the areas that were addressed in the audit. You will see that implementation dates have been met and are on-going in the department.

If there are questions or a need for additional information prior to the June 9, 2009 committee meeting, please contact me at 303-866-3292 x8655 or e-mail me at [mike.king@state.co.us](mailto:mike.king@state.co.us).

Sincerely,

Mike King, Deputy Director  
Colorado Department of Natural Resources

Cc: Harris Sherman, Doug Robotham, Dean Winstanley, Lise Aangeenbrug, Norma Anderson, Bill Kane, Jim Pribyl, Lenna Watson, Gary Butterworth, Laurie Mathews



1313 Sherman Street, Room 618 • Denver, Colorado 80203 • Phone (303) 866-3437 • FAX (303) 866-3206 •  
www.parks.state.co.us

May 8, 2009

The Honorable Dianne Primavera, Chairperson  
Legislative Audit Committee  
200 East 14<sup>th</sup> Avenue, 2<sup>nd</sup> Floor  
Denver, CO 80203

Dear Representative Primavera:

This letter will update members of the Legislative Audit Committee and staff on actions taken by the Division of Parks and Outdoor Recreation (State Parks) and the State Parks Board to implement recommendations contained in the Report of the State Auditor released in July 2008. As requested, we have submitted an update of our progress within the attached Implementation Progress Report.

Since well before our hearing on July 14, 2008, State Parks and the State Parks Board have devoted considerable time and resources to aggressively implement the recommendations contained in the audit report. As you can see from our attached Implementation Progress Report, State Parks and the Parks Board have made significant progress with many of the Legislative Audit Committee's recommendations already fully implemented and others well on their way toward completion before the agreed upon deadlines.

As stated at the January 13, 2009 and the July 14, 2008 hearings with the Legislative Audit Committee, State Parks and the State Parks Board take this audit very seriously. We look forward to meeting with the committee on June 9, 2009 and would be happy to answer any questions in the meantime.

Respectfully,

A handwritten signature in cursive script that reads "Dean Winstanley".

Dean Winstanley  
Director

cc: Harris Sherman, Doug Robotham, Mike King, Lise Aangeenbrug, Norma Anderson,  
Bill Kane, Jim Pribyl, Lenna Watson, Gary Butterworth, Laurie Mathews



GREAT OUTDOORS  
COLORADO

May 4, 2009

The Honorable Dianne Primavera  
Chairperson, Legislative Audit Committee  
Office of the State Auditor  
200 East 14th Street, 2nd Floor  
Denver, CO 80203-2211

Dear Representative Primavera:

This letter represents a status update from Great Outdoors Colorado regarding the finding from the performance audit of the Division of Parks and Outdoor Recreation.

### Recommendation No: 1

*The Division of State Parks and Outdoor Recreation should work with the State Board of the Great Outdoors Colorado Trust Fund (GOCO Board) to increase transparency and accountability for the investment and expenditure of GOCO funds. Specifically, the Division and GOCO Board should work to:*

- a. Clarify requirements regarding the types of information and level of detail the Division must include in its annual spending plans and grant applications. This should include detailed budgets and allowable/prohibited uses for each funding category. When appropriate, the Division should be required to submit master or business plans, project goals and objectives, and funding plans for ongoing maintenance and operations. The Division should be required to seek approval from the GOCO Board for changes from the approved plans.*
- b. Develop a standard format for reimbursement requests that ties individual expenditures to approved budget line items in the Division's annual spending plan or grant application and provides for accurate accounting of grant balances and expenditures for each month.*

*The GOCO Board should consider approving only those spending plans, grant applications, and reimbursement requests that provide the required information.*

Agree. Partially implemented, to be fully implemented by December 2009.

STATE BOARD OF THE GREAT OUTDOORS COLORADO TRUST FUND  
1600 BROADWAY • SUITE 1650 • DENVER, CO 80202  
TELEPHONE 303-226-4500 • FACSIMILE 303-863-7517

E-MAIL: [info@goco.org](mailto:info@goco.org)

Page 2  
The Honorable Dianne Primavera  
May 4, 2009

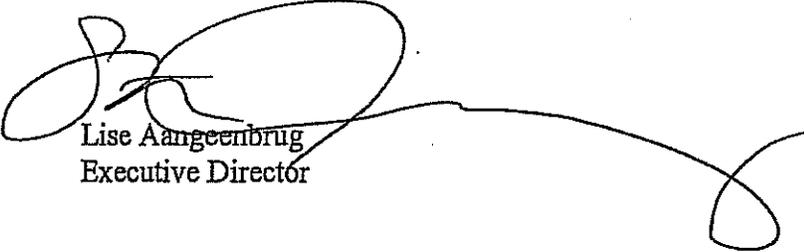
The GOCO Board continues to be committed to ensuring the transparency and accountability of GOCO funds. As you know, following the release of the audit in July 2008, GOCO rescinded \$8.6 million in investments through Colorado State Parks it had previously approved. Since July, the Board has approved \$4,624,000 of that total with detailed budgets for all investments through Colorado State Parks provided prior to spending authority being granted.

GOCO acknowledges that there is not a current Memorandum of Agreement (MOA). An updated MOA between GOCO, the Division, and the Department of Natural Resources to clearly define GOCO's expectations on reporting on investment requests, project progress and achievements, and reimbursement requests is nearly completed. GOCO anticipates an MOA will be executed during the summer of 2009.

GOCO agrees to work with the Division to create a reimbursement form that provides GOCO with the necessary information and improves the ability to track GOCO's investments. However, until effective internal controls are demonstrated by the Division, GOCO will continue the procedures currently in place to provide reimbursement to the Division. In addition, in late 2008, GOCO engaged an outside CPA firm to complete an agreed upon procedures engagement with regards to cash disbursements at the Division. The results of the firm's review will be presented to GOCO in late May.

While it was GOCO's concerns that were, in part, the impetus for this audit, it is important to recognize that GOCO's role with State Parks is limited to its role as fiduciaries of the GOCO Trust Fund. GOCO must rely on the entities within State government with statutory authority for overseeing the Division to ensure that overall internal controls exist within State Park's financial system.

Sincerely,



Lise Aangeenbrug  
Executive Director

Cc: Harris Sherman, Director of Natural Resources  
Dean Winstanley, Director of State Parks  
Sarah Aurich, Audit Manager

## INTERAGENCY AGREEMENT

THIS Interagency Agreement is made this 21 day of April 2009, by and between the Division of Parks and Outdoor Recreation, hereinafter referred to as the Division, the Board of Parks and Outdoor Recreation, hereinafter referred to as the Board, and the Department of Natural Resources hereinafter referred to as the Department.

WHEREAS the Division, the Board and the Department all desire to better define and formalize their respective roles and responsibilities in the acquisition, development, maintenance, operation and protection of state parks and outdoor recreation resources;

WHEREAS to better define their respective roles and responsibilities, the Division, the Board and the Department have developed a matrix outlining each parties' level of involvement with a narrative description of their respective roles and responsibilities according to the four major functional areas of state park and outdoor recreational resource management, including the State Park System, Administrative Services, Support Services and Statewide Outdoor Recreation Programs, hereinafter referred to as "Governance and Accountability – Roles and Responsibilities," a copy of which is attached as Attachment A to this Interagency Agreement. These four major functional areas are further broken down into more detailed specific functions and the roles and responsibilities of the Division are further broken down into those attributed to the Division staff and those attributed to the Director of the Division;

WHEREAS by executing this Interagency Agreement, all parties agree to perform the functions and duties and accept the roles and responsibilities contained herein; and,

NOW THEREFORE, it is hereby agreed that

1. Statement of Work and Responsibilities.  
The Division, the Board and the Department accept and agree to perform the roles and responsibilities as set forth in Attachment A, Governance and Accountability Roles and Responsibilities. The parties further agree to cooperate in the performance of their respective roles and responsibilities and to make their best efforts to otherwise perform in a timely fashion.
2. Performance Term. The term of this Interagency Agreement will be from the date it is executed by all parties through April 3, 2014.
3. Record Keeping Requirements. The parties agree to maintain appropriate records regarding the performance of their respective roles and responsibilities, to make such records available to the other parties for review and that such records should be maintained at a minimum for a period of three (3) years from termination or expiration of this Interagency Agreement. In furtherance of this provision the parties will adopt policies or directives specifically outlining the records that they believe are appropriate for and otherwise establish a clear and concise basis and rationale for the performance of their respective roles and responsibilities.
4. The parties understand that the roles and responsibilities set forth in Attachment A are personal in nature, and not otherwise subject to assignment or delegation to another party. However, nothing in this provision is intended to prevent administrative assignments or delegations by the Director within the Division or by the Executive Director within the Department, or assignments by the

Chairman of specific issues for future Board action to individual Board members for initial evaluation or consideration and subsequent recommendation to the Board.

5. This Interagency Agreement shall inure to the benefit of and be binding only upon the parties hereto and their respective successors and assigns. No third party beneficiary rights or benefits of any kind are expressly or impliedly provided herein.
6. This Interagency Agreement constitutes the entire agreement between the three parties. All amendments and/or changes, including amendments and/or changes to Attachment A, shall be by written instrument executed by the parties hereto.
7. Should any issue arise regarding any party's performance of an assigned role or responsibility, the parties agree to meet to discuss and resolve any such issue regarding such performance in a timely and cooperative fashion.
8. Any of the parties shall have the right to terminate this agreement by giving the other party 60 days notice. If notice is given, the agreement will terminate at the end of 60 days, and the liabilities of the parties hereunder for further performance of the terms of the agreements shall thereupon cease, but the parties shall not be released from the duty to perform up to the date of termination. However, before any such termination becomes effective, the parties agree to meet to discuss and resolve, if possible, the issue that led the individual party to give notice of termination.
9. For the purpose of this Interagency Agreement, the individuals identified below are hereby designated representatives of the respective parties and any required notice or communication regarding this Interagency Agreement should be sent to them. Each of the parties may from time to time designate in writing new or substitute representatives:

**For Division:**

State of Colorado  
Department of Natural Resources,  
Division of Parks and Outdoor  
Recreation:

Dean Winstanley  
Division Director  
1313 Sherman Street, #618  
Denver, Colorado 80203  
(303) 866-3203 x4314  
email:  
dean.winstanley@state.co.us

**For Board:**

State of Colorado  
Board of Parks and  
Outdoor Recreation:

William G. Kane  
Board Chairman  
120 E. Main Street  
Aspen, Colorado 81611  
(970) 925-8354

email:  
bkane@designworkshop.com

**For Department:**

State of Colorado  
Department of Natural Resources

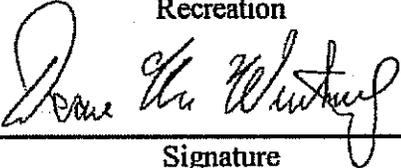
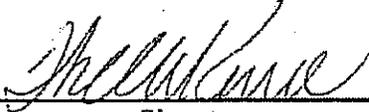
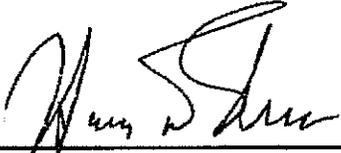
Harris D. Sherman  
Executive Director  
1313 Sherman Street, #718  
Denver, Colorado 80203  
(303) 866-3203 x4314

email:  
harris.sherman@state.co.us

**THE PARTIES HERETO HAVE EXECUTED THIS INTER-AGENCY AGREEMENT**

**STATE OF COLORADO**

**Bill Ritter, Jr. GOVERNOR**

<b>STATE OF COLORADO</b> <b>Bill Ritter, Jr. GOVERNOR</b>		
State of Colorado Department of Natural Resources, Division of Parks and Outdoor Recreation	State of Colorado Board of Parks and Outdoor Recreation	State of Colorado Department of Natural Resources
		
Signature	Signature	Signature
By: <u>Dean Winstanley</u>	By: <u>William G. Kane</u>	By: <u>Harris D. Sherman</u>
<u>Division Director</u> Title	<u>Board Chairman</u> Title	<u>Executive Director</u> Title
Date: <u>March 27, 2009</u>	Date: <u>5/11/09</u>	Date: <u>7/27/09</u>



1313 Sherman Street, Room 618 • Denver, Colorado 80203 • Phone (303) 866-3437 • FAX (303) 866-3206 • www.parks.state.co.us

November 12, 2009

The Honorable Dianne Primavera, Chairperson  
 Legislative Audit Committee  
 200 East 14<sup>th</sup> Avenue, 2<sup>nd</sup> Floor  
 Denver, CO 80203

Dear Representative Primavera:

This letter will update members of the Legislative Audit Committee and staff on actions taken by the Division of Parks and Outdoor Recreation (State Parks) and the State Parks Board to implement recommendations contained in the Report of the State Auditor released in July 2008. As requested, we have submitted an update of our progress within the attached Implementation Progress Report.

Since well before our hearing on July 14, 2008, State Parks and the State Parks Board have devoted considerable time and resources to aggressively implement the recommendations contained in the audit report. As you can see from our attached Implementation Progress Report, State Parks and the Parks Board have made significant progress with many of the Legislative Audit Committee's recommendations already fully implemented and others well on their way toward completion before the agreed upon deadlines.

Approximately 75% of the Audit recommendations have been implemented. Of those remaining to be implemented, many are associated with the new centralized capital management program established by Colorado State Parks. I am happy to report that our recently-hired capital program manager will enable the agency to quickly and efficiently implement many of these recommendations in the near future. We are anxious to talk with the Committee and Auditor's staff in more detail about this and other remaining steps.

As stated at the June 9, 2009, the January 13, 2009 and the July 14, 2008 hearings with the Legislative Audit Committee, State Parks and the State Parks Board take this audit very seriously. We look forward to meeting with the committee in early December and would be happy to answer any questions in the meantime.

Respectfully,

A handwritten signature in black ink, appearing to read "Dean Winstanley".

Dean Winstanley  
 Director

cc: Jim Martin, Doug Robotham, Mike King, Bill Kane, Jim Pribyl, Lenna Watson, Gary Butterworth, Laurie Mathews

**Colorado State Parks – 2008 Performance Audit  
Implementation Progress Report (November 12, 2009)**

Rec #	Recommendation Summary	Entity	Implementation Date	Implementation Status (Implemented, In Progress, Not Implemented)	Next Steps
1	<p><b>Parks/GOCO</b></p> <p>The Division of State Parks and Outdoor Recreation should work with the State Board of the Great Outdoors Colorado Trust Fund (GOCO Board) to increase transparency and accountability for the investment and expenditure of GOCO funds. Specifically, the Division and GOCO Board should work to:</p>	Parks	Dec-08	Implemented, In Progress, Not Implemented	
1a.	<p><b>GOCO requirements</b></p> <p>a. Clarify requirements regarding the types of information and level of detail the Division must include in its annual investment requests and grant applications. This should include detailed budgets and allowable/prohibited uses for each funding category. When appropriate, the Division should be required to submit master or business plans, project goals and objectives, and funding plans for ongoing maintenance and operations. The Division should be required to seek approval from the GOCO Board for changes from the approved plans.</p>		Dec-08	<p>In progress.</p> <p>Parks has developed a standardized system for preparing detailed project budgets. GOCO and Parks staff have agreed on this budget detail format. GOCO and Parks staff have agreed on an interim list of allowable/unallowable expenditures. A draft MOU has been developed incorporating these agreements. Parks Board reviewed the MOU revised draft in April 2009. Subsequent issues arose that required additional time to discuss and incorporate in the MOU.</p>	Finalize MOU and sign by December 31, 2009.
1b.	<p><b>Standardize requests</b></p> <p>b. Develop a standard format for reimbursement requests that ties individual expenditures to approved budget line items in the Division's annual investment requests or grant applications and provides an accurate accounting of grant balances and expenditures each month.</p> <p>The GOCO Board should consider approving only those annual investment requests, grant applications, and reimbursement requests that provide the required information.</p>		Dec-08	<p>In progress.</p> <p>GOCO and Parks staff has agreed on a billing format and content. A draft MOU has been developed incorporating these agreements.</p>	Finalize MOU and sign by December 31, 2009.
2	<p><b>GOCO Revenues</b></p> <p>The Department of Natural Resources should work with the Division of Parks and Outdoor Recreation to establish adequate controls over the receipt and use of GOCO moneys to ensure the State's financial statements are complete and accurate and to ensure assets are safeguarded. Specifically, the Department and the Division should:</p>	Parks			
2a.	<p><b>Controls over receipt of GOCO funds</b></p> <p>a. Implement controls over the receipt of all GOCO funds to ensure that all related revenues, expenditures, capital assets, and other affected accounts are accurately and completely reflected in COFRS, the State's financial system.</p>		Jul-08	<p>Implemented.</p> <p>All transactions are reviewed by the Parks controller. Procedures have been implemented for recording real property acquisitions where GOCO funds are paid directly to the seller at closing - the primary type of transaction which gave rise to this audit finding.</p>	
2b.	<p><b>Reconcile GOCO revenues in State financial system</b></p> <p>b. Reconcile the Division's GOCO revenues recorded in COFRS to GOCO's records of amounts paid to the Division and make all necessary adjustments to COFRS. This reconciliation should be conducted periodically but no less than annually prior to fiscal year end.</p>		Jun-09	<p>Implemented.</p> <p>Parks and GOCO records were reconciled prior to FY 08-09 closing (July 2009) per the audit recommendation.</p>	
2c.	<p><b>Reconciliation</b></p> <p>FY 1993-2008</p> <p>c. Perform reconciliation from Fiscal Year 1993 through Fiscal Year 2008 of the Division's GOCO revenues recorded in COFRS to GOCO's records of amounts paid to the Division. When the reconciliation is complete, the Department should work with the Office of the State Controller to ensure all appropriate entries are made in COFRS.</p>		Dec-10	<p>In progress.</p> <p>Parks accounts for FY 07-08 have been reviewed and corrected to appropriately book real property acquisitions. Parks accounts for FY 03-07 have been reviewed and corrected, subject to final reconciliation with GOCO records.</p>	Finalize methodology and action plan for obtaining and reviewing Parks accounting records for 1993-2002. Reconcile Parks and GOCO records and work with GOCO staff to resolve any discrepancies.

**Colorado State Parks – 2008 Performance Audit  
Implementation Progress Report (November 12, 2009)**

Rec #	Recommendation Summary	Entity	Implementation Date	Implementation Status	Next Steps
2d.	<p><b>Capital Asset List</b></p> <p>d. Ensure that the Division's list of capital assets is updated no less than annually and reflects capital purchases made with GOCCO funds.</p>		Dec-10	<p><b>Implemented, In Progress, Not Implemented</b></p> <p>the period 1993 through present have been obtained.</p>	<ol style="list-style-type: none"> <li>1. Prepare an RFP for development of the Asset Management system.</li> <li>2. Capital Development Manager and Senior Staff will select a consultant that will develop and assist in implementing the Division's Asset Management system</li> <li>3. Evaluate and improve on an annual basis.</li> </ol>
3	<p><b>Lottery in Operating</b></p> <p>The Division of Parks and Outdoor Recreation should develop a comprehensive strategy for responsible investment and management of lottery proceeds to ensure accountability for the lottery funds entrusted to it by the public. Specifically, the Division should:</p>	Parks		<p><b>In Progress.</b></p> <p>A new position, the Capital Development Manager, has been created and hired by re-prioritizing an existing, vacant FTE. The Capital Development Manager will oversee centralizing the management of the capital program.</p> <p>The Capital Development Manager has been assigned the responsibility of developing and implementing a capital asset tracking system.</p>	
3a.	<p><b>Discontinue Lottery Cap</b></p> <p>a. Discontinue its unsubstantiated cap of \$306,000 on the amount of lottery funds invested in operating parks developed with lottery moneys.</p>			<p><b>Implemented.</b></p>	<p>Based on the final Comprehensive Financial Plan (see 3d below) the division will prepare an executive branch budget decision item request for the Governor's review that reflects the changes required in the Long Bill to fully and accurately identify the use of lottery funds utilized for parks O&amp;M.</p>
3b.	<p><b>Tracking System</b></p> <p>b. Develop a mechanism for tracking lottery expenditures by specific park and project from 1983 and forward. The Division should then use this information to determine which parks have been acquired, developed, or expanded in whole or in part with lottery proceeds and evaluate and implement allocation strategies for using lottery proceeds in support of ongoing operations.</p>		Mar-10	<p><b>In progress.</b></p> <p>Expenditures by park by fund source are being tracked in COFRS (FY 08-09) using a combination of COFRS org code, project, appropriation, fund and gbl. This will allow records of cumulative investment by fund source by park to be updated on a regular basis in the future.</p>	<p>Develop a methodology and action plan for obtaining and reviewing accounting records going back to 1983 (the early years are expected to be problematic). Collect and compile historical expenditure data. Prepare schedules showing historical capital investments at each park by fund source. Update these schedules annually.</p>
3c.	<p><b>Methodology - Funding Capital Projects</b></p> <p>c. Ensure new capital projects have sufficient funding to support ongoing operations in the short- and long-term, including funding from lottery proceeds. One of the primary goals of this methodology should be to mitigate the impact on the General Fund for financing operating costs of lottery-funded projects and parks as well as keeping user fees reasonable.</p>		Dec-08	<p><b>Implemented.</b></p> <p>The division has obtained an opinion from the AG's office regarding allowable uses, constraints and sideboards on the use of lottery funds. All new capital investment proposals now require a detailed analysis of operating costs prior to approval by the Parks Director and Parks Board.</p>	<p>Ongoing: Operating costs of new capital investments will be reflected in Parks operating budget requests submitted to the Governor.</p>
3d.	<p><b>Planning Process</b></p> <p>d. Reevaluating its process for planning and executing projects to ensure that lottery funds are used effectively and efficiently to benefit the park system and the public. This should include setting a target amount for the fund balance within the Lottery Fund, monitoring Lottery Fund activity and the fund balance, and taking appropriate action when funds exceed the target, as needed.</p>		Jun-09	<p><b>In progress.</b></p> <p>A timeline and table of contents for Parks' Comprehensive Financial Plan was developed January, 2009. Among other things, this plan will identify sources and uses of all the agency's principal funding sources (lottery, GF, cash, federal, GOCCO) and will set target fund balances for each of the division's funds. Throughout the spring and summer of 2009 the Division's short term financial environment changed dramatically, as a result of the State's budget crisis. Planning efforts were, out of necessity, shifted to dealing with the short term crisis. Given the severity of the financial impacts on State Parks' FY 09-10 budget, the timeline for completion of this plan were impacted.</p>	<p>Parks Board workshop, December, 2009 to discuss long term vision, goals and strategies, upon which the Comprehensive Financial Plan will be based. Develop baseline financial projections for all fund sources; identify and analyze a number of policy alternatives and their respective financial implications. Present and discuss draft alternatives with the Board. Board approval of financial plan in 2010.</p>

**Colorado State Parks – 2008 Performance Audit  
Implementation Progress Report (November 12, 2009)**

Rec #	Recommendation Summary	Entity	Implementation Date	Implementation Status <i>(Implemented, In Progress, Not Implemented)</i>	Next Steps
4	Lottery reporting to GA  The Division of Parks and Outdoor Recreation and the Board of Parks and Outdoor Recreation should report annually to the General Assembly and the Office of State Planning and Budgeting on the use of lottery proceeds appropriated directly to the Division. The Division and Parks Board should report on the:				
4a	a. Use of lottery funds for long-term projects and operating expenses associated with projects funded by lottery moneys.	Parks & Board	Oct-09	In progress. The division received a memorandum from the Attorney General's office on February 6, 2009 regarding allowable uses, constraints and sideboards on the use of lottery funds. This was shared with the General Assembly and GOCCO.	The Division and the Parks Board will provide an annual report to the General Assembly each fall related to the use of lottery for long-term projects and associated operating costs. The report will also address management of the Lottery fund balance. Estimated delivery date December 31, 2009.
4b.	b. Use and status of the fund balance within the Division's Lottery Fund on an annual basis. The Division should explain how it monitors the fund balance to ensure projects are completed in a timely manner and identify any problem areas, as well as the action plan the Division has established to resolve the problem.	Parks & Board	Oct-09	In progress. Tied to development of the Comprehensive Financial Plan, see 3(d) above.	See 3 (d) above
5	Expenditure Controls  The Department of Natural Resources and the Division of Parks and Outdoor Recreation should improve controls over the Division's expenditure processes by:	Parks			
5a.	Payment Process  a. Evaluating the process used to pay. Division expenditures and identifying ways to ensure all expenditures are reasonable and necessary, accountability is clear at all levels of the process, and controls are adequate to ensure compliance with State Fiscal Rules and all other applicable requirements. Ways to streamline the process and ensure timely payment should also be identified.		Dec-08	Implemented. New detailed controls and procedures were put in place in October, 2008 covering ProCard purchases and payment vouchers. An outside CPA firm has confirmed the effectiveness of Park's interim internal controls.	Compliance review ongoing
5b.	Training  b. Providing periodic training to staff on their responsibilities for the review and approval of expenditures to ensure they are appropriate, accurate, and recorded properly in CORRS. As part of this initiative, procedures should be put into place to ensure timely communication regarding changes in accounting policies.		Dec-08	Implemented. Training was provided to all division managers at a two-day training conference, November 3-6, 2008. All ProCard holders of record have attended a one-day refresher training on ProCard use. Written draft interim procedures were distributed to all pertinent personnel. Managers have signed statements certifying that they have read the procedures, understand them and will comply with them.	Training will be ongoing.
5c.	Staff Accountability  c. Including responsibilities related to payment processing in job descriptions, performance plans, and evaluations for all employees responsible for initiating, reviewing, and approving payments, and taking appropriate disciplinary action as appropriate.		May-09	Implemented. Interim Individual Performance Objectives (IPOs) were incorporated at mid-year in the FY08-09 performance plans of all affected employees. A new standard "Core Competency" was incorporated in all individual performance plans for FY 08-09.	Performance Plans developed for 2009-10 and beyond will require this IPO and Core competency
6	ProCards  The Department of Natural Resources and the Division of Parks and Outdoor Recreation should work together to improve controls over procurement cards (ProCards) by:	Parks	Dec-08		
6a.	Document/Review Process  a. Ensuring that cardholders adequately document all purchases and that supervisors review and approve, as appropriate, all purchases monthly. This process could be facilitated by the development of a standard template that must be completed by the cardholder for each transaction on a monthly basis and reviewed by the approving	Dept	Dec-08	Implemented. Formal written Interim controls have been implemented. New detailed controls and procedures were put in place in October, 2008 covering ProCard purchases.	Based on the recently completed review of Parks' new financial controls by KPMG, controls and procedures has been finalized and incorporated into a revised Financial Procedures Manual.

**Colorado State Parks – 2008 Performance Audit  
Implementation Progress Report (November 12, 2009)**

Rec. #	Recommendation Summary	Entity	Implementation Date	Implementation Status <i>(Implemented, In Progress, Not Implemented)</i>	Next Steps
7	ProCard Oversight – DNR The Department of Natural Resources should improve its oversight of the ProCard program.	Dept.	Dec-08		
7a	a. Expanding the ProCard audit process to include a review of the areas in which problems were identified during our audit and regularly reviewing all relevant reports available from the State's ProCard vendor to identify violations of card use.		Dec-08	Implemented. Audit process has been reviewed; review of vendor reports is ongoing.	
7b.	b. Requiring that approving supervisory authorities report to the Department's procurement office on instances of errors or employee misuse of ProCards and on disciplinary or other actions taken related to the errors or misuse.		Dec-08	Implemented. Targeted training regarding approving authorized responsibilities has been developed and is in use.	
7c.	c. Developing a system for tracking instances of card abuse by individual cardholders and establishing policies regarding the penalties that cardholders will incur, on the basis of the frequency and severity of the violations. Information on violations should be obtained from the Department's ProCard audits and reviews, as well as from supervisors responsible for reviewing monthly ProCard statements.		Dec-08	Implemented. A review of non-compliance with rules and policies is made by a judicial committee following each audit period, with disciplinary action steps.	
7d.	d. Reviewing information in the tracking system from Part c. and taking appropriate disciplinary action when abuses are found. The Department should consider the use of a graduated point system for repeated cardholder violations of ProCard requirements.		Dec-08	Implemented. A review of non-compliance with rules and policies is made by a judicial committee following each audit period, with disciplinary action steps.	
8	Cash Collection, etc. The Division of Parks and Outdoor Recreation should strengthen its controls over park pass and permit assignment and cash collection processes by:	Parks	May-09	Implemented. Team reviewed Cheyenne Mountain State Park Revenue Manual. Draft policy developed by team. Addressed at November 5, 2008 Managers Training Session	
8a.	Controls over Cash Collection a. Ensuring functions related to assigning passes and permits and collecting, recording, depositing, and preparing cash reconciliations and reports are performed by different employees. At a minimum, different employees should perform parts of these functions as discussed in the report.		May-09	Implemented. Nov 08--Interim procedures developed and implemented on trial basis. March 09--feedback from managers analyzed and modifications incorporated into procedure. Procedure has been implemented by all staff managing revenue.	
8b.	Control Access to Inventory b. Controlling access to park passes and permits and cash by keeping them locked in a drawer during the day and locked in a safe at night. Additionally, the Division should limit, as much as possible, the number of employees with access to locked cash drawers and safes. Drawer locks and safe combinations should be changed when staff with access leave employment. Access to cash boxes should be restricted to one employee during a shift, and the employee should reconcile the cash box at the end of his or her shift.		May-09	Implemented. Nov 08--Interim procedures developed and implemented on trial basis. March 09--feedback from managers analyzed and modifications incorporated into procedure. Procedure has been implemented by all staff managing revenue.	
8c.	Reconciliation Process c. Reviewing all monthly reports and reconciliations submitted by the park and region offices for completeness and		May-09	Implemented. Nov 08--Interim procedures developed and implemented on trial basis. March 09--feedback	

**Colorado State Parks – 2008 Performance Audit  
Implementation Progress Report (November 12, 2009)**

Rec. #	Entity	Implementation Date	Implementation Status	Next Steps
<p align="center"><b>Recommendation Summary</b></p> <p>accuracy, including supporting documentation, prior to entering information into the State's accounting system. If there are problems with the reconciliation or documentation is missing, the Division should follow up with the appropriate individuals and resolve the problem.</p>			<p><b>(Implemented, In Progress, Not Implemented)</b> from managers analyzed and modifications incorporated into procedure. Procedure has been implemented by all staff managing revenue.</p>	<p align="center"><b>Next Steps</b></p>
<p><b>8d. Policies and Procedures</b></p> <p>d. Developing written policies and procedures that address proper segregation of duties, cash handling, and reconciliation and reporting requirements. Policies should require all offices to provide explanations for overages and shortages in cash, and the Division should establish a threshold over which any overage or shortage should be investigated and additional controls implemented. Once developed, staff should be trained on these policies and procedures.</p>		<p align="center">May-09</p>	<p><b>Implemented.</b> Nov 08—Interim procedures developed and implemented on that basis. March 09—feedback from managers analyzed and modifications incorporated into procedure. Procedure has been implemented by all staff managing revenue.</p>	
<p><b>8e. Best Practices</b></p> <p>e. Including requirements related to ensuring proper cash handling practices in job descriptions, performance plans, and evaluations for all employees responsible for cash collections; and taking appropriate disciplinary action when problems are found.</p>		<p align="center">May-09</p>	<p><b>Implemented.</b> Best practices reviewed and incorporated in procedures. Division-wide Individual Performance Objective addresses implementation of all audit recommendations.</p>	<p align="center">Monitor compliance with procedures</p>
<p><b>9</b></p> <p><b>PS Contract Deliv. &amp; Procurements</b></p> <p>The Division of Parks and Outdoor Recreation and the Department of Natural Resources should improve accountability and provide adequate oversight and monitoring of contract scope, deliverables, and payments. Specifically, the Division and Department should:</p>	<p align="center">Parks</p>			
<p><b>9a. Staff Accountability</b></p> <p>a. Define staff responsibilities for developing, reviewing, approving, or monitoring contract deliverables or payments in job descriptions and performance plans and evaluate performance of these duties during annual performance reviews. Staff who fail to perform their responsibilities in accordance with statutes, rules, and guidelines or the expectations set forth in performance plans should be subject to disciplinary action.</p>		<p align="center">May-09</p>	<p><b>Implemented.</b> Interim Individual Performance Objectives (IPOs) were incorporated at mid-year in the FY08-09 performance plans of all affected employees. A new standard "Core Competency" was incorporated in all individual performance plans for FY 08-09. We have incorporated this into our 2009-2010 performance plans and all performance plans beyond FY 2009-2010 will also require this IPO and Core competency</p>	<p align="center">All performance plans beyond FY 2009-2010 will also require this IPO and Core competency</p>
<p><b>9b. Training</b></p> <p>b. Provide contract monitoring staff with contract management training and ongoing supervision and guidance, including, but not limited to, proper procedures for defining contract scope of work, providing ongoing monitoring and review of contract work and deliverables, and approving and tracking payments.</p>		<p align="center">Dec-08</p>	<p><b>Implemented.</b> Contract training was provided at various locations around the state on 4/2, 4/24, 4/30, 5/7, 5/20, 9/22, 2008. Contract training was provided to all division managers at a two-day training conference, Nov. 5-6, 2008.</p>	<p align="center">Training will be ongoing.</p>
<p><b>9c. Personnel Action</b></p> <p>c. Complete their investigation of the questions raised in our audit regarding three personal services contracts and take action as appropriate, including requiring repayment of state funds spent for work performed prior to contract execution or outside of the contract scope.</p>		<p align="center">Sep-08</p>	<p><b>Implemented.</b> Director worked with AG and DNR on this issue. Determination was made that the Division received fair value for the investment made in this research under both contracts and payment for this work by the State of Colorado was appropriate.</p>	
<p><b>10</b></p> <p><b>PS Procurement</b></p> <p>The Division of Parks and Outdoor Recreation and the Department of Natural Resources should ensure that practices for procuring personal services comply with applicable statutes, rules, guidelines, and the Procurement Code of Ethics. To improve compliance, the Division and Department should ensure that all staff involved in preparing, reviewing, or approving personal services contracts are held accountable for these responsibilities in performance plans and evaluations and receive disciplinary action for violations, as previously recommended. Additionally, the Division and Department should:</p>	<p align="center">Parks</p>		<p><b>Implemented.</b> Task orders for PS Contracts are no longer used. Policy effective 08/17/07 initiated contract monitoring process, justification requirements.</p>	

**Colorado State Parks – 2008 Performance Audit  
Implementation Progress Report (November 12, 2009)**

Rec. #	Recommendation Summary	Entity	Implementation Date	Implementation Status	Next Steps
10a.	<p><b>Training</b></p> <p>a. Ensure staff receive comprehensive, ongoing training related to statutory and regulatory requirements and ethical responsibilities under the State Procurement Code and State Personnel Rules.</p>		Dec-08/ongoing	<p><i>(Implemented, In Progress, Not Implemented)</i></p> <p>Implemented. Contract training was provided at various locations around the state on 4/2, 4/24, 4/30, 5/7, 5/20, 5/22/08. Contract training was provided to all division managers at a two-day training conference, November 5-6, 2008.</p>	<p>Training will be ongoing.</p> <p align="center"><b>Next Steps</b></p>
10b.	<p><b>Review Process</b></p> <p>b. Develop an expanded, detailed checklist for reviewing and approving personal services certifications and require sufficient written explanations and supporting documentation to substantiate the certification. Insufficient explanations, discrepancies, or gaps in information should be investigated and resolved prior to approving the procurement of personal services.</p>		Dec-08/ongoing	<p><b>Implemented</b></p> <p>A checklist was developed for staff who review personal services contract for certification. Comprehensive documentation is required as support for all certification requests.</p>	<p>Next steps for each sub-recommendation are outlined below</p>
11	<p><b>Cap. Consl. Projects</b></p> <p>The Division of Parks and Outdoor Recreation should work with the Department of Natural Resources to improve oversight and cost containment for capital construction projects. Specifically, the Division and the Department should:</p>	Parks		<p><b>In progress.</b></p> <p>See details below:</p>	
11a.	<p><b>Tracking System</b></p> <p>a. Establish mechanisms for tracking and monitoring the reasonableness of capital construction cost increases against performance standards. This should include analyzing and using this information to investigate the factors contributing to cost overruns, including whether particular types of projects, certain contractors, or individual project managers are contributing to unreasonable increases in project costs.</p>		Dec-10	<p><b>In progress.</b></p> <p>New position was created, Capital Projects Manager, Capital Projects Manager was hired October, 2009.</p>	<ol style="list-style-type: none"> <li>1. Transfer management and supervision of construction project management staff to the new Division Capital Development Manager.</li> <li>2. Adopt policies, processes and procedures for tracking, monitoring and managing capital construction projects.</li> <li>3. Evaluate and measure performance factors of each project.</li> </ol>
11b.	<p><b>Emergency Meds</b></p> <p>b. Reduce reliance on emergency modifications and strengthen processes for preparing, reviewing, and approving contract amendments and modifications to improve compliance and mitigate risks of fraud and abuse. This should include conducting a comprehensive review of policies and procedures to clarify requirements for documentation and approvals, establishing more stringent percentage and dollar thresholds for changes affecting contract costs, and developing requirements for cost recoveries related to design consultant errors and omissions.</p>		Jul-09	<p><b>In progress.</b></p> <p>A follow-up training workshop was conducted in January 2009 to review and reinforce the proper procedures in managing contract amendments and modifications. The training included a review of the contract management procedures used by the OSA. New Division Capital Development Manager has been hired and will solidify the close working relationship with the OSA.</p>	<ol style="list-style-type: none"> <li>1. OSA policies, processes and procedures will be adopted</li> <li>2. Staff will be fully trained and required to follow these policies, processes and procedures.</li> </ol>
11c.	<p><b>Training/Supervision</b></p> <p>c. Provide ongoing training and supervision to ensure all staff involved in procuring and managing construction contracts are competent and qualified to perform their job responsibilities and following up with disciplinary action when staff fail to comply with Department and Division policies.</p>		May-09/ongoing	<p><b>In progress.</b></p> <p>The new Development Manager has been hired and is going through the orientation process. Eric Scholz will have several performance objectives in his annual work plan aimed at implementing the suggestion made by the audit...</p>	<ol style="list-style-type: none"> <li>1. New Capital Development Program Manager hired and work plan in development.</li> <li>2. Supervision of construction management staff is being transferred from the regions to the Development Program Manager at this time.</li> <li>3. Ensure manager is trained and familiar with the State's Personnel Rules and Supervisor's Training for the Employee Performance Evaluation System.</li> <li>4. Manager will closely supervise and manage all construction management staff.</li> </ol>
11d.	<p><b>Process</b></p> <p>d. Consider streamlining processes for overseeing the procurement and management of capital construction projects by centralizing some contracting functions requiring specialized expertise.</p>		Jul-09	<p><b>In progress.</b></p> <p>The new Capital Program Manager will form a select committee of experts to help evaluate the most effective way to centralize contract management. Meetings have been set with both the State Architect's office and the Division of Wildlife to gather information about other centralized programs that are running well.</p>	<ol style="list-style-type: none"> <li>1. The new manager will receive delegated authority from the OSA and will implement and utilize the policies, processes and procedures developed by the OSA.</li> <li>2. One and possibly two support positions will be assigned to the Capital Development Program Manager to assist with construction project tracking, procurement and contract management and budget monitoring.</li> </ol>
12	<p><b>Capital Contractor Selection</b></p> <p>The Division should improve compliance with policies for reviewing and selecting qualified consultants and maintaining records of contractor procurements. Specifically, the Division should:</p>	Parks			

**Colorado State Parks – 2008 Performance Audit  
Implementation Progress Report (November 12, 2009)**

Rec #	Recommendation Summary	Entity	Implementation Date	Implementation Status	Next Steps
12a.	Training a. Train contract monitors on these requirements		Feb-09/ongoing	Implemented. Evaluation/selection process requirements were reviewed with Capital Construction Project Managers June 5, 2008.	Training is ongoing. Next Steps
12b.	Staff Accountability b. Ensure compliance through supervisory review, Division and Department reviews, and performance evaluations, as appropriate.		May-09	Implemented. Intrain Individual Performance Objectives (IPOs) were incorporated at mid-year in the FY08-09 performance plans of all affected employees. A new standard "Core Competency" was incorporated in all individual performance plans for FY 08-09. We have incorporated this into our 2009-2010 performance plans and all performance plans beyond FY 2009-2010 will also require this IPO and Core competency	
13	Controls over Personnel The Division of Parks and Outdoor Recreation should work with the Department of Natural Resources, and within the Division's own management structure, to improve controls and accountability related to personnel activities by:	Parks			
13a.	Clarify Roles/Responsibilities a. Clarifying the roles and responsibilities at each level of the organization. This should include developing written policies and procedures, memorandums of understanding, and employee job descriptions that adequately describe the delineation of roles and personnel system responsibilities among staff at each level of the organization. One possible option would be to appoint a Division-level human resources administrator to help ensure rules are followed consistently throughout the Division.		Mar-09	Implemented. Memorandum from the Executive Director to all Division Directors for distribution to all supervisors clarifying the role of the appointing authority and the Director of Human Resources (and the HRO). The memorandum also clarified common delegation of appointing authority tasks to first and second-level supervisors.	The Parks Director is considering creating a division-level FTE position to provide assistance in the administration of the state personnel system, a division HR Resource Specialist. This is temporarily on hold due to ongoing agency budget cuts.
13b.	Training b. Providing training to employees regarding personnel rules and actions, as well as on conflicts of interest.		Spring 09	Implemented. *Supervisor Essentials* training provided to supervisors from all DNR Divisions throughout August and September 2008. This training included information about the laws, policies, rules and procedures that guide personnel administration in the state personnel system.	The training will continue to be offered once per year. DNR is also contemplating development of online training modules that may be used as refresher for current supervisors and as orientation for new supervisors.
13c.	Staff Accountability c. Holding individuals responsible for personnel functions accountable in their performance evaluations for compliance with personnel rules and laws and taking appropriate corrective action as necessary.		May-09	Implemented. The new core competency for Supervision and Performance Management was added to the 2008-09 performance plans for all supervisors in the Division. We have incorporated this into our 2009-2010 performance plans and all performance plans beyond FY 2009-2010 will also require this IPO and Core competency	
14	Legal use of Temps The Division of Parks and Outdoor Recreation, in coordination with the Department of Natural Resources, should ensure its use of temporary staff complies with federal and state law and State Personnel Rules by:	Parks		Implemented. See details for each recommendation below.	
14a.	Assess Need for FTE a. Assessing the need for permanent FTE positions for those jobs that have been filled with temporary staff beyond the six-month limit.		Oct-09	Implemented. For each budget request cycle, supervisors will continue to evaluate their use of temporary employees to determine positions that should change from six month temporary positions to permanent full-time. Supervisors will submit their written requests for FTE to the Leadership staff.	1. For the next fiscal year funding cycle, the written requests for permanent FTE positions to replace six month temporary employees will be submitted by supervisors. 2. Leadership staff will evaluate and prioritize these requests and provide available funding to make some the changes. When existing funding is not available, requests for permanent FTE will be submitted to the DNR-EDOC for

**Colorado State Parks – 2008 Performance Audit  
Implementation Progress Report (November 12, 2009)**

Rec. #	Recommendation Summary	Entity	Implementation Date	Implementation Status (Implemented, In Progress, Not Implemented)	Next Steps
14b.	Budget Request  b. Making appropriate budget requests for FTE, reallocating duties among existing appropriated FTE, or some combination of both.		Feb-10	Implemented. For the past budget request cycle, the Leadership staff evaluated and prioritized the positions and provided existing available funding for some of the priority positions to change to permanent FTE. Leadership prepared annual budget request that included a request for permanent FTE positions and submitted to DNR for review and consideration for approval.	1. For the next fiscal year budget request cycle, Leadership staff will evaluate and prioritize the permanent FTE position requests and provide existing available funding for some of the priority positions to change to permanent FTE. 2. For the next fiscal year budget request cycle, Leadership will prepare the annual budget request that will include a request for priority permanent FTE positions and will submit to DNR-EDO for review and consideration for inclusion in the department request that is submitted to the Governor's Office.
14c.	Training  c. Providing managers and other employees with regular training on the allowable uses of temporary employment arrangements.		Feb-09	Implemented. DNR provided personnel management training for Division supervisors that included a lesson on allowable uses of temporary employees.	This training will be on-going and offered each year and is mandatory for all new supervisors.
14d.	Admin. Directives  d. Adopting administrative directives, as appropriate, to provide guidance on the use of temporary staff.		Sep-08	Implemented. Departmental guidance on use of non-permanent workers was issued to all DNR divisions. In addition, a directive was developed specifically for the Division of Parks. The directive was finalized and distributed to all staff.	Continue to provide and review with employees and require that the directive be followed.
14e.	Tracking  e. Implementing a tracking mechanism to ensure former temporary appointees are not hired as independent contractors within six months of their temporary employment with the Division.		Aug-08	Implemented. A tracking system was implemented in October 2008 which required contractors to identify all individuals performing work pursuant to the contract scope. This information was used to review employment records to ensure previous employees are not hired as independent contractors. The system is currently being refined.	Continue to follow. The tracking mechanism has been implemented department-wide. The mechanism is being refined to strengthen its utility in our efforts to monitor legal compliance.
15	Use of Temps - Legal Review  The Department of Natural Resources should undertake a review of all nonpermanent employee relationships at the Division to ensure that relationships are in compliance with State Personnel Rules and IRS rules for independent contractors and leased workers and to identify any additional nonpermanent employees whom the Division is using inappropriately to supplement staff resources. All inappropriate nonpermanent employee relationships should be terminated.	Dept	July-08	Implemented. Review of non-perm relationships conducted by DNR-HRO. No additional relationships identified as inappropriate comb of temp or short-term contracts were used to inappropriately supplement staff resources.	
16	SWP Program Review  The Division of Parks and Outdoor Recreation should review its Seasonal Work Program to ensure its necessity, efficiency, and relevancy. To accomplish this, the Division should:	Parks	Jan-09	Implemented. New jobs descriptions have been generated for all park temp position and will be used for advertising open position and for central coordination	
16a.	Eliminate SWP Classification  a. Evaluate the need for a separate position classification within the state personnel system and request the classification be eliminated, as appropriate.		Jan-09	Implemented. July/08 – Review of non-perm relationships conducted by DNR-HRO. No additional temp or short-term contracts were used to inappropriately supplement staff resources.	
16b.	Review Policies/Procedures  b. Review existing policies and procedures related to seasonal workers and make changes where needed.		Jan-09	Implemented. A Parks Directive on Use of Temporary Employees was issued. New jobs descriptions have been generated for all park temp positions and will be used for advertising open positions to ensure central coordination.	

**Colorado State Parks – 2008 Performance Audit  
Implementation Progress Report (November 12, 2009)**

Rec. #	Recommendation Summary	Entity	Implementation Date	Implementation Status	Next Steps
16c.	Central Coordination e. Provide central coordination and oversight related to the employment and supervision of seasonal workers, as needed.		Jan-09	<i>Implemented, In Progress, Not Implemented</i> In progress. The Parks Director is considering creating a division-level position to provide assistance.	Request FTE Position - Division HR Resource Specialist temporarily on hold due to ongoing agency budget cuts.
17	SWP Timekeeping The Division of Parks and Outdoor Recreation should ensure compliance with time keeping requirements for seasonal workers by making improvements in the following areas:	Parks	August 2009	Implemented.	
17a.	Polices/Procedures a. Reviewing and clarifying, where needed, existing time keeping policies and procedures, including the format in which time will be recorded.		May-09/on-going	Implemented. Parks Directive on use of Temporary Employees was issued including specific directions on timekeeping. A standard temporary timesheet was also created and is in use division-wide.	
17b.	Training b. Disseminating clear policy directives throughout the park system, including the Division's administrative office, and training supervisors and others as appropriate on their responsibilities.		May-09/on-going	Implemented. Parks Directive on use of Temporary Employees was issued including specific directions on timekeeping. A standard temporary timesheet was also created and is in use division-wide.	
17c.	Employee Accountability c. Holding supervisors responsible for compliance with policies and procedures through job descriptions, performance planning, and evaluations.		May-09/on-going	Implemented. Interim Individual Performance Objectives (IPOs) have been incorporated at mid-year in the performance plans of all affected employees. A new standard "Core Competency" has been incorporated in all individual performance plans for FY 08-09. We have incorporated this into our 2009-2010 performance plans and all performance plans beyond FY 2009-2010 will also require this IPO and Core competency	
18	Facility Maint. & Renov. Plan The Division of Parks and Outdoor Recreation should work toward developing a plan for maintenance and renovation of facilities at its parks. Steps should include:	Parks		<b>In progress.</b> This directly relates to our effort described in addressing Recommendations No. 2(d) and 11. As stated above, the Division is taking a comprehensive approach to Asset Management and Construction Management. The new Capital Development Manager is evaluating the most efficient approach to providing proper capital asset inventory functions and funding has been allocated to accomplish the project. The new system will need to be detailed enough to provide quality data but simple enough so that it can be maintained and updated annually. The new Capital Manager position will also provide central control over the Division's asset and construction management programs. More details are provided below:	
18a.	Review Condition a. Conducting a comprehensive review of the condition of the Division's capital assets. This should include working with park and region staff to identify needs for new capital assets and major renovations of existing assets and ensuring that the information, once available, is input into the CAPTMS system. One option would be to appoint a management-level position, independent of the regions, to lead this effort.		Dec-09	<b>In progress.</b> The decision was made to centralize the Division's construction management by creating the Capital Development Program Manager position that will serve on the Leadership staff and will work in the Denver Headquarters Office. Asset Inventory and Condition Assessment	We will follow the steps outlined above.
18b.	Prioritize Needs		Dec-09	<b>In progress.</b> Capital Construction Project prioritization and	1. The Capital Development Manager will work with the Senior Management Team to develop and implement the

**Colorado State Parks – 2008 Performance Audit  
Implementation Progress Report (November 12, 2009)**

Rec. #	Recommendation Summary	Entity	Implementation Date	Implementation Status <i>(Implemented, In Progress, Not Implemented)</i>	Next Steps
18c.	<p>b. Compiling and reviewing park and region capital needs, working with the regions to prioritize needs within their region, and evaluating regional priorities to develop Division-wide priorities in accordance with strategic plans and objectives. Information on prioritized needs should be provided to Division management for consideration and used to facilitate decision making and budgeting processes.</p>			<p><i>(Implemented)</i> In Progress. Funding allocation methodologies and practices were analyzed and a preferred alternative was recommended.</p>	<p><b>Next Steps</b></p> <ol style="list-style-type: none"> <li>1. preferred alternatives in the seven major areas of our comprehensive asset and construction management program that includes prioritizing and budgeting.</li> <li>2. Prepare an RFP for development of the Asset Management system.</li> <li>3. Capital Development Manager and Senior Staff will select consultant that will develop and assist in implementing the Division's Asset Management system.</li> </ol>
19	<p>c. Continuing to develop and implement the CAPTRS system and using the system to maintain accurate records of capital assets.</p>		Jul-09	<p><i>(Implemented)</i> In progress. Alternatives for Asset Management Information Systems and Automation and Reporting were analyzed and preferred alternatives were recommended. Efforts are underway to determine if effective tracking can be accomplished without the use of expensive, proprietary software.</p>	<p>We will follow the steps outlined above that will include the development of the preferred alternative for Asset Management Information Systems and Automation and Reporting. Determine if effective tracking can be accomplished.</p>
20	<p>Facility Plans &amp; Design</p> <p>The Division of Parks and Outdoor Recreation should ensure it maximizes its investment in building designs by utilizing existing plans or, if necessary, developing a set of prototypes for core types of buildings (e.g., visitor centers, camper services buildings, entrance stations, and bathrooms) that can be used among all parks, and by developing and maintaining a central design library or database that can be accessed by all regions. The Division should consider requiring all regions to use the prototype designs for these buildings unless Division management grants a waiver in advance.</p>	Parks	May-09	<p><i>(Implemented)</i> DNR and OIT purchased and installed Microsoft SharePoint along with a database for electronic storage of data. The new Capital Development Manager will work with the Development staff to create the library design and procedures. Prototype designs for specific buildings such as CX1's and ANS decontamination facilities are being implemented. Design standards have been discussed for buildings larger than camper services buildings to meet the specific needs of each park, yet still conform to statewide standards.</p>	<p>Ongoing</p> <p>A detailed administrative directive to go along with Board Policy B-177 is currently being drafted and will be reviewed and approved by the Division Director in December 2009.</p>
20a.	<p>Comp. Overnight Stays</p> <p>The Division of Parks and Outdoor Recreation should develop and implement a policy over granting complimentary stays at park facilities and the appropriate use of amenities. This policy should include:</p>	Parks	July-09	<p><i>(Implemented)</i> In June, Intern Guidelines were provided to Division Staff and implemented until new formal directives and policies were approved. The existing Parks Board Policy B-177 was reviewed, reformatted and revised to address the following:</p> <ol style="list-style-type: none"> <li>1. Complimentary Passes (daily and annual)</li> <li>2. Complimentary Permits (rental fees, campsites fees, group shelter fees, etc.)</li> <li>3. Complimentary Gift Certificates</li> <li>4. Fee Waiver Request</li> </ol> <p>The policy was submitted to the Board for approval at their May 2009 Board meeting. The new policy is based on strict guidelines currently being enforced by upper level managers in the agency.</p>	<p>We will follow the steps outlined above.</p>
20b.	<p>Policy/Procedures</p> <p>a. Establishing a list of Division staff that has authority to grant complimentary stays at the Division's fully furnished cabins, rustic cabins, yurts, campsites, or other amenities. All stays should be required to be documented and pre-approved.</p> <p>Requirements</p> <p>b. Describing the circumstances under which granting complimentary stays at the Division's amenities is appropriate, and the documentation and authorizations required for complimentary stays.</p>		Nov-08	<p><i>(Implemented)</i> Outlined above.</p>	<p>We will follow the steps outlined above.</p>

**Colorado State Parks – 2008 Performance Audit  
Implementation Progress Report (November 12, 2009)**

Rec #	Recommendation Summary	Entity	Implementation Date	Implementation Status <i>(Implemented, In Progress, Not Implemented)</i>	Next Steps
20c.	Guidelines  c. Developing appropriate guidelines for employee reservations of amenities including allowable time frames for advance reservations, frequency of employee use, and acceptable methods for making reservations.		Nov-08	Implemented. Outlined above	We will follow the steps outlined above.
21	Commuter Vehicles  The Department of Natural Resources should work with the Division of Parks and Outdoor Recreation to improve oversight of commuting arrangements and ensure federal tax regulations are addressed. Specifically, the Department and Division should:	Parks			
21a.	Review Current Agreements  a. Review prior and existing commuting arrangements to determine whether the arrangements are in the best interest of the State and whether such arrangements have been properly classified and reported with respect to tax treatment for the employee.		Done	Implemented.	
21b.	IRS Requirements  b. If commuting arrangements were improperly reported as tax-exempt benefits, this information should be reported to State Fleet Management and the State's Central Payroll. The Department should ensure that either prior year's employee income reporting to the IRS is corrected or employees reimburse the Division for all taxable commuting.		Jul-08	Implemented. Commuting arrangements have been discontinued; appropriate action has been taken to correct prior year employee income reporting as directed by the Department of Personnel and Administration, Central Payroll.	
21c.	Future Commuting Arrangements  c. Ensure all future commuting arrangements are in the best interest of the State and are properly classified for tax purposes.		Done	Implemented.	
21d.	Roles/Responsibilities  d. Clarify Department and Division roles and responsibilities with respect to authorizing commuting arrangements and ensure that all authorized commuting arrangements are reported to State Fleet Management.		Done	Implemented.	
22	Non-state Empl. – Vehicles  The Division of Parks and Outdoor Recreation should establish controls to prevent non-state employees from driving state vehicles unless express written permission is obtained in advance from State Fleet Management. Additionally, the Department should define the circumstances under which non-state employees are allowed to ride in state vehicles. Specifically, the Division should consider implementing a vehicle sign-out policy and provide training to all staff with access to state vehicles to ensure staff clearly understand the limitations regarding vehicle use by non-state employees.	Parks	Oct-08	Implemented. Agency Fleet Manager researched existing mandatory guidelines from Central Services and Risk Management that provide the rules for use of all state vehicles. Both documents were provided to all fulltime staff and posted on the agency share point site for ongoing access.	Director will issue a directive further defining agency use of vehicles and mandating training updates.
23	Size of Vehicle Fleet  The Division of Parks and Outdoor Recreation should evaluate the use and allocation of its current fleet to determine whether it can achieve cost savings by eliminating some fleet vehicles and instead leasing fleet vehicles periodically or paying employees' mileage to use their own vehicles when necessary.	Parks	Jul-09	Implemented. List of alternative vehicles has been compiled and extensive use of alternative vehicles is already underway. Agency will seek additional seasonal vehicles and will utilize them as available. Some fleet vehicles were eliminated to cope with reductions in general fund support for FY 10. Four hybrids were added to the Parks fleet in FY 10 and will be emphasized along with E85 vehicles in future fleet orders. Research has shown that paying for mileage on an ongoing basis may not be cost effective.	Ongoing Efforts – Additional alternative vehicles will be purchased to help stretch transportation budgets.
24	Cabin Inventory  The Division of Parks and Outdoor Recreation should improve its controls over cabin inventory by instituting Division-wide policies for safeguarding cabin assets that address:	Parks	Jun-09/on-going	In Progress. Inventory forms, rental forms and individual parks procedures have been gathered from field staff and are being reviewed for development of	Create standard inventory list Create Policy/Protocol Resolve damage deposit issue Report to Sr. Staff

**Colorado State Parks – 2008 Performance Audit  
Implementation Progress Report (November 12, 2009)**

Rec. #	Recommendation Summary	Entity	Implementation Date	Implementation Status	Next Steps
25	<p align="center"><b>Recommendation Summary</b></p> <p>a. The frequency of inventory checks.                      b. Items that should be included in each inventory check.                      c. Procedures for pursuing recovery for any items lost through theft or damage.                      d. Use of inventory tags to identify items as the property of the State.                      e. A method for communicating the policy on losses and damages to cabin visitors.                      This could include developing a standard disclosure form to be signed by the responsible party and posting rules in the cabins.</p>	Parks		<p align="center"><b>Implementation Status</b></p> <p><i>(Implemented, In Progress, Not Implemented)</i></p> <p>Division-wide standard inventory reporting forms and system. All cabin renters are required to sign a disclosure form acknowledging cabin rental rules and requirements. Will set a meeting with financial services staff regarding damage deposit issue. Park staff is currently using existing rental forms and cabin procedures.</p>	<p align="center"><b>Next Steps</b></p> <p>All the information has been gathered and a new policy and inventory sheet will be developed. Finalize procedure and monitor for compliance.</p>
25a.	<p><b>Point of Sale System</b></p> <p>a. Establishing either manual or Point of Sale systems for recording inventory and tracking sales, conducting periodic physical inventory counts and reconciliations, and investigating inventory losses and implementing additional inventory safeguards as needed.</p>		Jan-09	<p><b>Implemented.</b></p> <p>State Parks accounting staff examined the reporting steps that include:</p> <ol style="list-style-type: none"> <li>1. RMNA provides monthly sales report to State Parks accounting.</li> <li>2. RMNA Board determines aid allocation amount for store outlets and notifies State Parks accounting</li> <li>3. RMNA staff notifies State Parks staff of the amount and use of these funds for each outlet.</li> </ol>	<p>Based on their analysis, State Parks accounting staff recommends that POS systems not be implemented in the RMNA store outlets and that the RMNA main office inventory tracking and record system will meet the needs in providing the necessary information.</p> <p>Continue recording revenue and expenditures related to RMNA contract.</p> <p>State Parks accounting will meet with State Parks Leadership to recommend that upon expiration of RMNA's current agreement, that a new agreement similar to a concessionaire agreement be used with RMNA.</p>
25b.	<p><b>RMNA Reporting</b></p> <p>b. Recording all revenues and expenditures, including commissions earned, on Rocky Mountain Nature Association sales and related purchases in COFRS, the State's financial reporting system.</p>		Jul-09	<p><b>Implemented.</b></p> <p>State Parks accounting staff reviewed RMNA's main office process of tracking and recording inventory changes (purchase and sales) in their centralized inventory tracking system. The State Parks accounting staff also examined the level of sales volume and the cost of the POS system at the RMNA store outlets.</p>	<p>Based on their analysis, State Parks accounting staff recommends that POS systems not be implemented in the RMNA store outlets and that the RMNA main office inventory tracking and record system will meet the needs in providing the necessary information.</p> <p>Continue recording revenue and expenditures related to RMNA contract.</p> <p>State Parks accounting will meet with State Parks Leadership to recommend that upon expiration of RMNA's current agreement, that a new agreement similar to a concessionaire agreement be used with RMNA.</p>
26	<p><b>Self-Governance Policies</b></p> <p>The Department of Natural Resources should improve oversight of Division practices with respect to budgeting, accounting, procurement, and human resource management as recommended throughout this report. Additionally, the Department should: (a) assist the Parks Board in developing self-governance policies that clearly define the respective responsibilities of the Department, the Parks Board, and the Division and (b) provide ongoing performance monitoring of the Division and its Director and communicate with the Parks Board to ensure the Division accomplishes its statutory duties.</p>	Dept	July-09	<p><b>Implemented.</b></p> <p>The Department, Parks Board and the Division worked with a third party consultant to undertake an extensive process to improve the governance and accountability and to better articulate the roles and responsibilities of each.</p> <p>At the January 22, 2009, the Board discussed the need to develop an agreement between the three parties to formally recognize and implement defined roles and responsibilities.</p> <p>At the February 19, 2009 Parks Board meeting, staff presented a draft Interagency Agreement along with the revised roles and responsibilities expanded matrix. The Interagency Agreement defined the respective roles and responsibilities of the Division, the Board and the Department and referenced the matrix that outlines each parties' level of involvement with a narrative</p>	<p>Leadership Team will present and discuss the agreement and matrix at staff meetings and future training sessions.</p>