



OFFICE OF THE STATE AUDITOR



April 23, 2020

DIANNE E. RAY, CPA
STATE AUDITOR

COLORADO DEPARTMENT OF REVENUE'S USE OF MARIJUANA INVENTORY TRACKING DATA – STATUS REPORT

Members of the Legislative Audit Committee:

Attached is the status report from the Colorado Department of Revenue (Department) on the implementation of recommendations contained in the Office of the State Auditor's (OSA) August 2019 *Performance Evaluation of the Colorado Department of Revenue's Use of Marijuana Inventory Tracking Data*.

OSA REVIEW OF DOCUMENTATION

As part of the status report process, we requested and received supporting documentation for each recommendation that the Department reported as having been implemented. Specifically, we reviewed the following documentation:

- Taxation and Marijuana Enforcement Division communication procedures.
- Meeting agendas from the recent quarterly Marijuana Compliance/Enforcement Executive Meeting and quarterly MED & Taxation Coordination Meeting.

Based on our review, the supporting documentation substantiates the Department's reported implementation status.

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COLORADO

Department of Revenue

Enforcement Division – Marijuana

1707 Cole Blvd., Suite 300
Lakewood, CO 80401

April 3, 2020

Dianne E. Ray, CPA
State Auditor
Colorado Office of the State Auditor
1525 Sherman St., 7th Floor
Denver, CO 80203

Dear Auditor Ray:

In response to your request, we have prepared the attached status report on the implementation status of audit recommendations contained in the August 2019 Evaluation of the Colorado Department of Revenue's Use of Marijuana Inventory Tracking Data. The report provides a brief explanation of the actions taken by the Department of Revenue to implement each recommendation.

Again, we want to convey our appreciation to you and your staff for the support throughout the Evaluation process and the collaborative approach. Please let us know if you have any further questions about this status report. You can contact me at 303.478.1482 (cell) or jim.burack@state.co.us.

Sincerely,

JAMES
BURACK

Digitally signed by
JAMES BURACK
Date: 2020.04.06
22:17:21 -06'00'

Jim Burack, Director
Marijuana Enforcement Division

AUDIT RECOMMENDATION STATUS REPORT

AUDIT NAME	Evaluation of the Colorado Department of Revenue's Use of Marijuana Inventory Tracking Data (August 2019)
AUDIT NUMBER	1925P
AGENCY	Department of Revenue
DATE OF STATUS REPORT	4/3/2020

SECTION I: SUMMARY

REC. NUMBER	AGENCY'S RESPONSE	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION STATUS	CURRENT IMPLEMENTATION DATE
1A	Agree	September 2019	Implemented	September 2019
1B	Agree	September 2019	Implemented	September 2019

SECTION II: NARRATIVE DETAIL

RECOMMENDATION 1A

The Department of Revenue should strengthen inter-divisional communication about marijuana-related compliance and enforcement activities by:

- a. Establishing a formal communications plan or other procedural document that specifies what information should be communicated between divisions, how the information should be communicated, the frequency of the communication, and which personnel should receive and have access to the information being communicated.

CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	September 2019
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AGENCY UPDATE

Marijuana Enforcement Division (MED) and Taxation Division collaboratively established a formal procedure that specifies what marijuana related compliance and enforcement information should be communicated between the two divisions, how the information should be communicated, the frequency of the communication, and which personnel should receive and have access to the information.

RECOMMENDATION 1B

The Department of Revenue should strengthen inter-divisional communication about marijuana-related compliance and enforcement activities by:

- b. Re-instituting routine inter-divisional meetings to coordinate and share information about observed issues and trends with individual marijuana businesses and the marijuana industry more generally.

CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	September 2019
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AGENCY UPDATE

MED and Taxation established executive meetings to collaborate regarding strategic issues and direction as well as tactical meetings to communicate regarding day-to-day issues, marijuana related compliance matters, trends and to identify additional opportunities for collaboration. Both, the executive and tactical meetings are held on a quarterly basis.