

Department of Natural Resources

State Park Campsite Reservations

Performance Audit
May 2022
2162P



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KERRI L. HUNTER, CPA, CFE • STATE AUDITOR

May 25, 2022

Members of the Legislative Audit Committee:

This report contains the results of a performance audit of Colorado Parks and Wildlife, within the Department of Natural Resources. The audit was conducted pursuant to Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct audits of all departments, institutions, and agencies of state government, and Section 2-7-204(5), C.R.S., which requires the State Auditor to annually conduct performance audits of one or more specific programs or services in at least two departments for purposes of the SMART Government Act. The report presents our findings, conclusions, and recommendations, and the responses of Colorado Parks and Wildlife.

Kerri L. Hunter



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Report Highlights

State Park Campsite Reservations

Department of Natural Resources

Performance Audit • May 2022 • 2162P



OFFICE OF THE STATE AUDITOR

C O L O R A D O

Key Concern

Overall, we found that Colorado Parks and Wildlife (CPW), within the Department of Natural Resources, is not managing campsite reservations at state parks in a way that maximizes use for the general public or the revenue that CPW could be collecting from campground use.

Key Findings

- More than 1,500 of the State's 4,200 (36 percent) campsites were closed for at least one night from January 1 through September 7, 2021. Although some of the site closures may have been for legitimate reasons (e.g., sites closed to the public for use by volunteer camp hosts), we could not reliably verify what proportion of the closures appeared to be reasonable due to discrepancies in CPW's reservation data. In total, these closed sites could have brought in up to \$1.9 million in additional state revenue if the sites had been made available and reserved by the public.
- We identified 136,517 reserved nights across 32 parks from January 1 through September 7, 2021, in which the parks charged a total of \$836,921 less than what the standard nightly fees for these campsites would have required. Although regional managers approved these reductions in campsite reservation fees, they did not document their rationale for how lowering the fees would encourage occupancy and otherwise increase campground use, which is required by CPW policies.
- CPW refunded about \$12,500 for 268 cancelled reservations for reasons that did not qualify for a refund, according to CPW policy, based on CPW reservation data. In addition, we could not determine whether CPW refunded the appropriate amount for another 853 reservations, or more than \$21,100 worth of refunds; for these reservations, either CPW staff did not enter any notes into the database field where staff are supposed to document the reason for a refund, or the notes were too vague to determine if the cancellations were eligible for a refund.
- In 2021, CPW collected about \$14.7 million in revenue from campsite reservations. However, the issues our audit identified resulted in CPW collecting up to \$2.8 million less in revenue from campsite reservations than it might have.

Background

- CPW was created in 2011 from merging two separate divisions—Colorado State Parks and the Colorado Division of Wildlife—to protect, preserve, enhance, and manage the State's natural, scenic, scientific, and outdoor recreation areas, and provide a comprehensive program of outdoor recreation that includes a state park system.
- CPW offers more than 4,200 overnight campsites for public use, including sites with electrical hookups for recreational vehicles (RVs), tent sites, cabins, yurts, and tipis, at the 42 state parks across four regions in the state.
- Campers are allowed to reserve a campsite from 1 to 14 nights in a 28-day period.
- CPW manages campsite reservations through its campsite and outdoor customer relations software called the Integrated Parks and Wildlife System (IPAWS).

Recommendations Made

6

Responses

Agree: 6

Partially Agree: 0

Disagree: 0



State Park Campsite Management

Statute [Section 33-9-104(1), C.R.S.] established Colorado Parks and Wildlife (CPW) as a division within the Department of Natural Resources (Department) in 2011. CPW was created from merging two separate divisions—Colorado State Parks and the Colorado Division of Wildlife—to protect, preserve, enhance, and manage the State’s natural, scenic, scientific, and outdoor recreation areas, and provide a comprehensive program of outdoor recreation that includes a state park system [Sections 33-10-101(1) and 33-9-101(12)(b), C.R.S.].

The Parks and Wildlife Commission oversees CPW and includes 11 citizen commissioners who are appointed by the Governor, as well as two standing members, the Department’s Executive Director, and the Commissioner of Agriculture. The CPW commissioners represent different areas of expertise within the outdoor sporting, outfitting, agricultural, and recreation industries [Section 33-9-101, C.R.S.]. The commissioners are responsible for promulgating rules and orders relating to parks and outdoor recreation programs; controlling, managing, developing, and maintaining all state parks and state recreation areas, consistent with state policy; and establishing parks and outdoor recreation uses for the areas, lakes, properties, and facilities under its control, among other responsibilities [Section 33-10-106(1), C.R.S.].



Sylvan Lake State Park
Photo Credit: Greg Fugate

Statute grants CPW the authority to “develop state parks and state recreation areas suitable for such recreational activities as camping” [Section 33-10-101(2)(a), C.R.S.]. CPW’s staff have day-to-day responsibilities that include, in part, conserving and maintaining state parks and conducting activities that generate revenue, including selling passes that grant visitors access to Colorado’s parks, as well as hunting and fishing permits. During Fiscal Year 2021, nearly 3,600 volunteers provided staff support to CPW, some of whom worked as “hosts” at state park campgrounds. These volunteers are

responsible for greeting arriving campers, promoting educational activities, and performing minor maintenance tasks at their assigned parks.

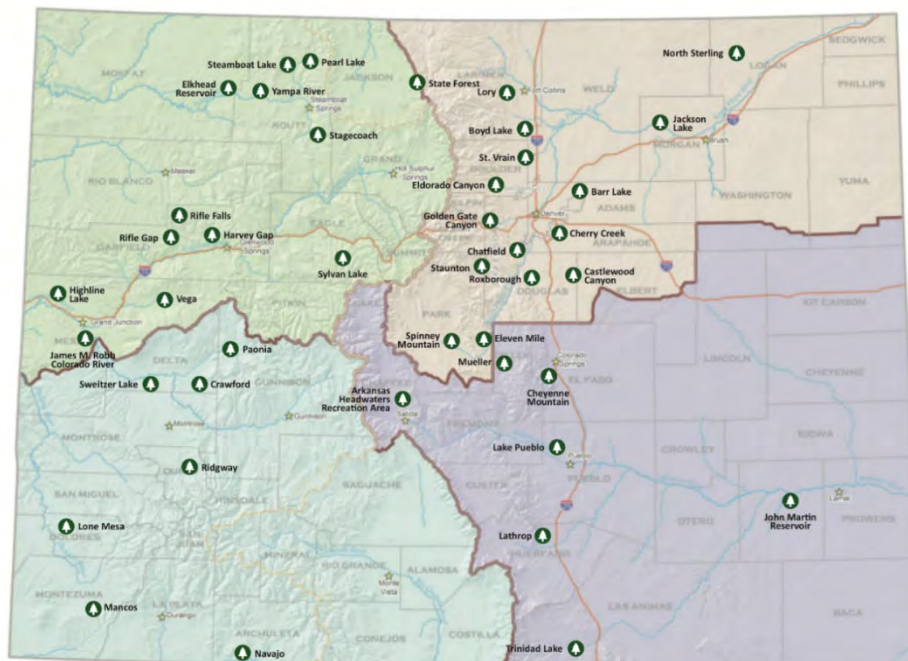
In Fiscal Year 2022, CPW was appropriated \$37.8 million and 262.1 full-time-equivalent employees for state park operations. CPW’s state park operations are primarily cash funded, although CPW also receives federal funding and a small amount of general funds that amount to less than 1 percent of those appropriations. In 2018, with the passage of Senate Bill 18-143, CPW was granted authority to increase funding from user fees, including state park entrance fees and in-state hunting and fishing licenses, to address projected funding shortfalls of \$30 million annually for wildlife and \$11 million annually for parks that are expected to occur by 2025.

According to statute, “all money derived ... from division facilities and fees, and all interest earned on the money, shall be credited to the parks and outdoor recreation cash fund”; this includes campsite reservation fees [Section 33-10-111(1), C.R.S.].

State Park Campsites

CPW offers more than 4,200 overnight campsites for public use, including sites with electrical hookups for recreational vehicles (RVs), tent sites, cabins, yurts, and tipis, at the 42 state parks across four regions in the state. Exhibit 1.1 shows the location of state parks where campsites were located in Colorado during Calendar Year 2021.

Exhibit 1.1
CPW State Parks and Regions Maps, Calendar Year 2021



Source: Office of the State Auditor analysis of information on the Colorado Parks and Wildlife website.

CPW manages campsite reservations through its campsite and outdoor customer relations software called the Integrated Parks and Wildlife System (IPAWS). To stay at one of the State’s campsites, members of the public must typically make a reservation ahead of their stay; some parks offer walk-in sites during the off-season. For Calendar Year 2021, campsite fees ranged from \$18 to \$250 per night, depending on the type of campsite or facility; fees must be paid in-full upfront, at the time the reservation is made. Individuals made about 209,000 camping reservations in Colorado state parks during Calendar Year 2021. Exhibit 1.2 shows the different types of campsites available during Calendar Year 2021 and the associated fees, along with the number of reservations made by site type.

Exhibit 1.2
State Park Campsite Reservations and Fees
Calendar Year 2021

Campsite Type	Standard Nightly Fee ⁴	Number of Reservations
Primitive ¹	\$18	4,314
Basic ²	\$28	49,406
Tent	\$36	19,748
Electric	\$36	96,609
Full Hookup (Electric and Plumbing)	\$41	34,219
Cabin	\$90 - \$250	2,282
Yurt	\$90 - \$120	1,070
Tipi	\$50	88
Group Camping	\$18 - \$41 per site	1,258
Equestrian ³	\$36	67
Total		209,061

Source: Colorado Parks and Wildlife rules and Office of the State Auditor analysis of CPW’s campsite reservation data.

¹ Primitive campsites include only limited facilities or improvements. Individual campsites may not include individual tables, grills, or fire rings. Centrally located vault toilets and trash receptacles may be available, but drinking water is generally not available.

² Basic campsites include basic facilities and improvements, such as individual tables, grills, and/or fire rings; centrally located vault toilets and trash receptacles; and drinking water.

³ Equestrian campsites include special facilities to accommodate campers who bring horses, including access to riding trails.

⁴The Commission has the authority to promulgate a rule to increase or decrease a park fee throughout the year and must consider the effect that the change in the fee would have on park usage, the demand for which the fee or charge is used, and opportunities to implement differential pricing [Section 33-9-102(4)(a), C.R.S.].

Exhibit 1.3 shows the number of reservations by region during Calendar Year 2021.

Exhibit 1.3
State Parks and Reservations by Region
Calendar Year 2021

Region	Number of Parks	Number of Reservations
Northeast	15	78,916
Northwest	12	49,530
Southeast	7	57,852
Southwest	8	22,763
Total	42	209,061

Source: Office of the State Auditor analysis of CPW campsite reservation data.

Audit Purpose, Scope, and Methodology

We conducted this performance audit pursuant to Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct audits of all departments, institutions, and agencies of the state government, and Section 2-7-204(5), C.R.S., the State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act. Audit work was performed from October 2021 through May 2022. We appreciate the cooperation and assistance provided by CPW management and staff during this audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The key objective of the audit was to determine whether CPW is managing state park campsite reservations in a way that maximizes the use of available sites and revenue generated for the State. The scope of the audit did not include a review of day-use sites or park cash controls.

To accomplish our audit objective, we performed the following audit work:

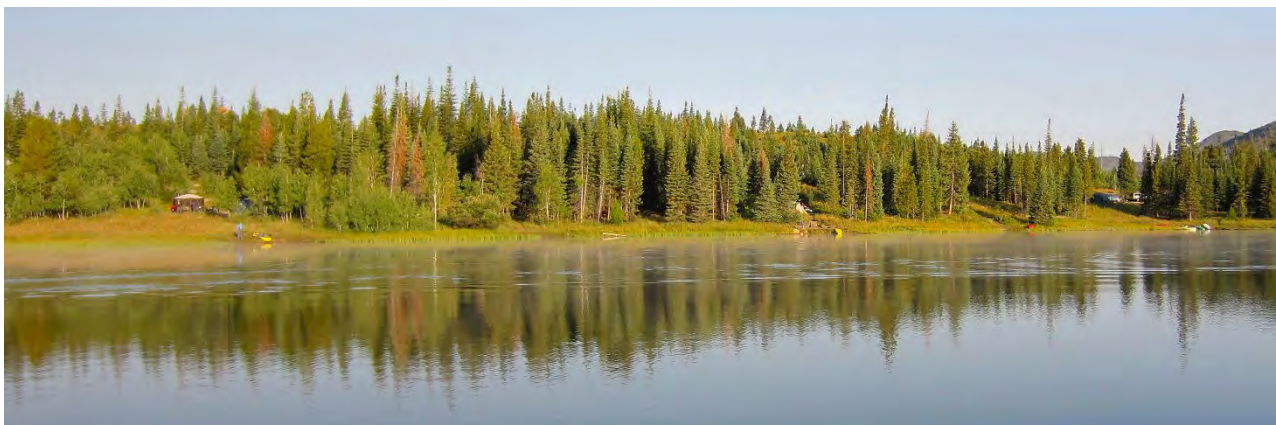
- Reviewed relevant state laws and rules, Department policies and procedures, as well as best practices, and other sister state management of campsite reservations.
- Interviewed CPW staff and management.

- Conducted various analyses of aggregate data from IPAWS related to campsite reservations that occurred in the 2021 season, from January 1 through September 7, 2021. In our analyses, we calculated missing revenue based on the minimum price that could have been charged for each site type category, because there was no reliable way to analyze the aggregate data to determine whether CPW charged campers the appropriate price for those reservations. For example, if the data indicated a “Group Camping” site type, an exception would only be generated if the price charged for the site was less than \$18 per night, even though “Group Camping” site types can range from \$18 - \$41 per night.
- Sent a survey to the 60 park staff in managerial roles, whom we refer to as park managers, to obtain insight about onsite management of campsite reservations and practical IPAWS functionality. We received responses from 29 park managers.
- Researched internet connectivity and access to technology, such as tablets, at campsites, which are needed for the use of IPAWS.

We relied on sampling techniques to support our audit by selecting a nonstatistical sample of 25 campsite reservations that occurred during the 2021 camping season to identify any issues with the reservation process or IPAWS functionality. The results of our nonstatistical sample cannot be projected to the population. However, the sample results, along with the other audit work performed, provide sufficient, reliable evidence as the basis for our findings, conclusions, and recommendations.

As required by auditing standards, we planned our audit work to assess the effectiveness of those internal controls that were significant to our audit objectives. Details about the audit work supporting our findings and conclusions, including any deficiencies in internal control that were significant to our audit objective are described in the remainder of the report.

A draft of this report was reviewed by CPW. We have incorporated CPW’s comments into the report where relevant. The written responses to the recommendations and the related implementation dates are the sole responsibility of CPW.



Pearl Lake State Park
Photo Credit: Nina Frant

Finding 1—State Park Campsite Reservation Management

Colorado statutes state that, “in order to provide for the greatly increasing outdoor needs of a rapidly expanding Colorado population...it is hereby declared to be the public policy of this state...to increase the accessibility and encourage the use of such natural resources by the residents of this state and by nonresidents...and...encourage an increase in...recreational activities as influences for the improvement of the health and welfare of the people” [Section 33-11-102(1), C.R.S.]. “Outdoor recreation” is defined as “any activity conducted in an outdoor environment by persons, such as...camping” [Section 33-10-102(13), C.R.S.].

CPW is required to “offer the greatest possible variety of outdoor recreational opportunities to the people of this state and its visitors” [Section 33-10-101(1), C.R.S.]. One way CPW fulfills this responsibility is by offering overnight campsites for public use. The State’s camping season runs year-round, with the “peak season” taking place May 1 through September 7 each year. Campsite reservations can be made year-round, although CPW only allows individuals to “reserve a site, 24/7, anywhere from six months in advance up through the day of arrival” [CPW Reservation Policies]. Most campers make reservations using the available web interfaces that are connected to IPAWS, such as ReserveAmerica.com or CPWShop.com. However, campers can also reserve campsites by calling CPW’s 24/7 customer sales line or using a point-of-sale system in-person at a park. According to CPW policy, campers are allowed to reserve a campsite from 1 to 14 nights in a 28-day period.

How were the results of the audit work measured?

The Parks and Wildlife Commission has authority to “adopt rules for such areas [as]...camping and picnicking, including the place, time, and manner in which such activities are permitted” [Section 33-10-106(2)(e), C.R.S.] and “establish by rule the amounts of fees for certificates, permits, licenses, and passes...for cash revenues necessary for the continuous operation of the state park and recreation system” [Section 33-10-107(1)(h), C.R.S.].

CPW rules and policies establish the following requirements for campsite reservations:

“Closing” campsites in IPAWS. CPW may “close” campsites in IPAWS so that they cannot be reserved by the public. According to CPW staff, an IPAWS tutorial, and documentation of IPAWS user permissions, park staff and volunteers are allowed to close campsites in IPAWS for “host sites, hold sites, administrative sites as well as for special events and special use.” According to two park managers we interviewed and 27 of the 29 respondents to our park managers’ survey, campsites can be closed so that they can be used by CPW staff and park volunteers while they are working, as well as for medical and mechanical emergencies in which campers cannot physically leave the park and need a place to stay. The tutorial does not limit the number of nights a campsite can be closed during a year, or how many campsites can be closed at one time [CPW Closing Sites Tutorial].

Reservation Fees.

- Discounts. CPW's Discount Policy states that campsite discounts of up to \$3 per night are available for Colorado residents who hold certain passes or CPW non-resident volunteers 64 years of age or older; the discounts are not available on weekends or holidays, or for reservations for group sites, cabins, or yurts. CPW management stated that staff are not eligible for discounted rates on campsites. In addition, CPW's four regional managers, who oversee state parks within their respective region, are authorized by regulation to approve a park's request to lower the fees for any camping or park facility, when they determine it is necessary to do so based upon one or more of the following criteria:
 - A significant increase in the vacancy rate for the campground exists.
 - A significant need to update the campground exists.
 - A temporary closure of campground facilities, such as restrooms, boat ramps, and other amenities, is necessary in order to implement repairs [CPW Rule 712(9)].



Photo Credit: Cariann Ryan

Regional managers may also approve a park's request to reduce reservation fees up to 50 percent for all campsites, cabins, and yurts when determined necessary to encourage occupancy and otherwise increase use [CPW Rule 712(10)]. For the fee schedule to be changed, regional manager approval, including the regional manager's name and the date, must be documented on a CPW shared Google sheet.

- Refunds. CPW policies allow campers to cancel or change a reservation any time up until the camper's reservation departure date. When a reservation is cancelled or changed, the camper can receive a refund of their reservation fees, depending on how far in advance of the reservation start date that the cancellation or change occurs. However, any reservation cancellation or change is subject to cancellation or change fees, as shown in Exhibit 1.4.

Exhibit 1.4
CPW Campsite Reservation Cancellation and Change Fees Chart
Calendar Year 2021

Number of Days Change or Cancellation Occurs Before or After Reservation Start Date	Cancellation and Change Fee
After start date	100% of reservation fee for any nights that have passed + \$6
0 - 13 days before start date 1	100% of 1 night reservation fee + \$6
14 days or more before start date	\$6

Source: Colorado Parks and Wildlife policies.

IPAWS is configured so that any cancellation or change in a reservation automatically calculates and issues the appropriate refund amount to the customer, minus applicable penalties. According to CPW policies, all cancellation requests after the reservation time period has passed or outside of the stated policy “require a note to be made on the reservation” in IPAWS by the park employee to document “what the customer is specifically requesting...why the customer is requesting a refund...[and] any relevant park information related to the request.” The policy states that exceptions to the refund policy are only to be granted due to Division error, such as the wrong customer being associated with the reservation, inaccurate information provided about the campsite, or staff booking the wrong site; emergencies, including a medical emergency or death involving the customer who reserved the campsite or their immediate family; or the park becoming inaccessible due to a natural disaster, such as mudslide or fire. The policy states that the following events do not qualify for a refund: weather issues, camping equipment issues, fire restrictions, fire bans, smoke unless the Colorado Department of Public Health and Environment declares the air level dangerous, low water levels, high water levels, water access restrictions, trail closures, road closures unless the park is inaccessible, algae, and insects. Refund exceptions may be initiated by customers through a park, the CPW call center, or the vendor call center. According to CPW staff, all exceptions are approved or denied by reservation administration staff.

No Shows. In order to keep their reservation, CPW publicly-stated policies require campers to notify the park office within 24 hours prior to their reservation check-in time if they will be arriving late for their reservation. Campers who do not arrive within 24 hours after their reservation start date and do not notify the park office that they will be late are referred to as “no shows.” According to CPW’s publicly-stated policy, when a camper is a no show, and does not contact the park office to request a refund prior to their reservation end date, they lose the right to their reservation and any

fees that they have paid, and park staff may list their campsite as available in the IPAWS system to rebook it [CPW Cancellation Policy].

What problems did the audit work identify?

Overall, we found that CPW is not managing campsite reservations in a way that maximizes use for the general public or the revenue that CPW could be collecting from campground use. We reviewed all campsite reservation data from IPAWS for January 1 through September 7, 2021, to assess campsite availability, the amount of reservation fees paid, and total refunds issued. In addition, we reviewed a nonstatistical random sample of 25 campsite reservation files to identify any issues with the reservation process, and surveyed all 42 state parks’ managers—receiving responses from 29—to obtain their viewpoint on campsite reservations management and IPAWS functionality. We found:

Campsite Closures in IPAWS. We found that 36 percent of campsites across the state were closed by park staff at some point between January 1 and September 7, 2021, and, therefore, not available for the public to reserve. Specifically, we found that CPW staff and volunteers listed as closed more than 1,500 of the State’s 4,200 (36 percent) campsites in IPAWS for at least one night during the 2021 season, amounting to nearly 2,600 closure records. Of the 374,000 nights that these affected sites could have been reserved, nearly 53,100 nights (14 percent) were not available during the camping season. Some closures lasted less than a week, while others were closed for the entire camping season through September 7, 2021 (249 days), as shown in Exhibit 1.5.

Exhibit 1.5
CPW Campsite Closures
Calendar Year 2021

Range of Days	Number of Campsite Closures	Percent of Total
1 - 7	2,017	78%
8 - 30	260	10%
31 - 60	111	4%
61 - 119	44	2%
120+	162	6%
Total	2,594	100%

Source: Office of the State Auditor analysis of Colorado Parks and Wildlife data.

As shown, 317 of the 2,600 closures (12 percent) were for more than a month.

CPW’s IPAWS tutorial indicates that park staff are allowed to close campsites for certain reasons, such as for “host sites, hold sites, administrative sites as well as for special events and special use.”

IPAWS includes a drop-down menu with 10 options for categorizing closures: host site, maintenance, administrative site, problem, special event, general, emergency, self-serve, seasonal, and block advance reservation. In addition, there is a text box field for staff to provide more specific information on the reason for the closure.

Although some of the site closures may have been for legitimate reasons, when we tried to analyze data entries in the drop-down and text fields, we could not reliably verify what proportion of the 2,600 closures appeared to be reasonable due to discrepancies in the IPAWS data. For more than one-third of the closures (about 960 closures), there were discrepancies between the closure category and explanatory text entries. For example, one site was categorized as a maintenance closure, but a note in the text field stated that the site was closed for an “admin hold.” Another site categorized as a maintenance closure had a note stating, “Sold as self serve.” For 309 of the 2,600 (12 percent) closures, there was no additional information provided other than the closure category selected in the IPAWS drop-down menu to explain the specific reason that the sites were closed. We also identified inconsistencies between the closure categories and text entries for sites that appeared to be closed for similar reasons. Specifically, CPW staff noted in IPAWS that 40 additional closures were for a variety of customer service reasons, yet those closures were listed under six different closure categories:

- 18 “maintenance”
- 10 “general”
- 9 “problem”
- 1 each of “block advance reservation,” “self-serve” and “special event”

Further, we found instances where the closure category selected in IPAWS did not align with notes entered into the system by park staff. For example, for one closure, IPAWS listed the reason for closure as “administrative site,” but park staff’s notes indicated it was because a “reservation showed up a month early,” and in another closure listed as “emergency,” the notes indicated that the site was closed because the camper “will pay in morning, late arrival.”

In total, these 2,600 closures could have brought in up to \$1.9 million in additional state revenue if they had been made available and reserved by the public, as shown in Exhibit 1.6:

Exhibit 1.6
CPW Campsite Closures by Campsite Type
Calendar Year 2021

Campsite Type	Total Number of Nights Closed	Minimum Standard Nightly Fee	Cost of Closure	Percentage of Total
Primitive ¹	3,395	\$18	\$61,110	3%
Basic ²	9,579	\$28	\$268,212	14%
Tent	4,813	\$36	\$173,268	9%
Electric	15,416	\$36	\$554,976	29%
Full Hookup	18,539	\$41	\$760,099	40%
Cabin - Small Standard	874	90	\$78,660	4%
Cabin - 3 Bedroom Premium	1	\$190	\$190	<1%
Cabin - 4 Bedroom Premium	11	250	\$2,750	<1%
Cabin - Large Standard	9	120	\$1,080	<1%
Cabin - Small Premium	8	120	\$960	<1%
Yurt	47	\$90	\$4,230	<1%
Group Camping	363	\$18	\$6,534	<1%
Equestrian	15	\$36	\$540	<1%
Total	53,070		\$1,912,609	

Source: CPW rules and Office of the State Auditor analysis of CPW's campsite reservation data.

Reservation Fees Charged Less Than Standard Rates. We identified the following issues related to the reservation fees charged:

- We identified 136,517 reserved nights across 32 parks in which the parks charged a total of \$836,921 less than what the standard nightly fees for these campsites would have required. To determine the extent to which CPW charged campers less than the standard campsite fees and whether regional managers documented their rationale for approving any fee reductions, we first calculated the total revenue that CPW should have expected to collect for each type of campsite. We calculated total expected revenue by multiplying CPW's standard nightly fees for each type of campsite (i.e., before any fee reductions were applied) by the number of nights that campers stayed in each site type. We then compared the total expected revenue amount to the actual total of campsite fees that CPW collected after any fee reductions were applied. For the reservations we analyzed, we did not find, nor did CPW provide, any evidence that the regional managers documented their reasoning for how lowering campsite reservation fees would encourage occupancy and otherwise increase campground use, which is required by CPW policies. At the same time that CPW charged reduced prices for these campsites, we found evidence of an overall increase in demand and campsite utilization statewide. For example, the CPW performance plans for Fiscal Years 2020 and 2021 reported that park visitation increased 16 percent during this time period, from 17.1 million people in Fiscal Year 2020 to 19.3 million people in Fiscal Year 2021.

Exhibit 1.7 shows a breakdown of the 136,517 nights identified by campsite type, the number of nights reserved at a reduced rate, and the revenue actually collected compared to the amount of revenue that would have been collected if the standard price per night had been charged.

Exhibit 1.7
CPW Campsite Fees Charged, Less Than the Standard Rate per Night
Calendar Year 2021

Campsite Type	Total Number of Nights Reserved	Range of Rates Charged	Actual Total Amount Collected ¹	Standard Rate per Night	Expected Revenue Based on Standard Rate	Difference between Actual and Expected Rates
Primitive	1,016	\$11 - \$14	\$14,188	\$18	\$18,288	\$(4,100)
Basic	32,880	\$0 - \$26.50	\$743,347	\$28	\$920,640	\$(177,293)
Tent/Electric	95,550	\$10 - \$35	\$2,828,334	\$36	\$3,439,800	\$(611,466)
Full Hookup	6,520	\$25 - \$40	\$235,074	\$41	\$267,320	\$(32,246)
Tipi	175	\$35	\$6,125	\$50	\$8,750	\$(2,625)
Small Cabin/ Yurt	332	\$60 - \$85	\$22,134	\$90	\$29,880	\$(7,746)
Small Premium Cabin/ Large Cabin/ Premium Yurt	44	\$90 - \$100	\$3,835	\$120.00	\$5,280	\$(1,445)
Total	136,517		\$3,853,037		\$4,689,958	\$(836,921)

Source: Office of the State Auditor analysis of Colorado Parks and Wildlife data.

¹This is the amount originally charged for the reservation, prior to any refunds.

- We identified an additional almost 4,000 nights reserved by campers identified in CPW’s data as holding Aspen Leaf or Columbine passes, which are for customers 64 years or older. CPW policy allows campers with these passes to receive a discount of \$3 per night on their campsite reservations. We calculated the average nightly rate that these campers paid and found that, even after senior discounts were applied, these campers paid another \$15,200 less in reservation fees than the senior discount rate would have required. On average, these campers received a total discount of \$7 per night, which included a \$4 per night discount, in addition to the \$3 per night senior discount.

Refunds in Excess of and/or for Reasons Outside of Stated Policy. We analyzed IPAWS data for 3,923 reservations that were cancelled between January 1 and September 7, 2021, to determine if more than \$104,600 in refunds issued by CPW outside of stated policy were for allowable reasons. Specifically, we reviewed a notes field in IPAWS where an explanation of the refund should be documented, and we assessed whether the stated rationale aligned with allowable reasons for granting refunds. We found that CPW refunded almost \$12,500 for 268 cancelled reservations for reasons that did not align with policy (e.g., “construction at park,” “site too small,” “weather issues,” and “water access restrictions”). In addition, we could not determine whether CPW refunded the

appropriate amount for another 853 reservations, or more than \$21,100 worth of refunds. For these reservations, either CPW staff did not enter any notes into the IPAWS field where staff are supposed to document the reason for a refund, or the notes were too vague (e.g., some notes stated only “Approved Refund”). For the remaining 2,802 reservations we analyzed, or almost \$71,000 worth of refunds, the notes specified allowable reasons for refunds (e.g., medical issues). Although CPW reported that contextual information that could help explain why a customer received a refund might be documented elsewhere in IPAWS, our analysis was based on analyzing the field that is designated for documenting notes about refunds.

Campsites Remaining Vacant Due to No Shows. We reviewed a random sample of 25 campsite reservations made between January 1 and September 7, 2021, and found three (12 percent) instances where the campers did not show up at their reservation start time and they did not notify park staff that they would be late or would not be able to fulfill the reservation. IPAWS data showed that CPW representatives checked in one camper, while the other two were checked in by the system. Depending on how the campground is managed, campers are either checked in by a campsite host or automatically by the IPAWS system at 11 p.m. on the expected night of arrival. If a camper does not show up by 11 p.m. on the expected night of arrival, and does not notify park staff that they will arrive late, the IPAWS system automatically checks the camper in at 11 p.m. Two campers were checked in and out after their originally scheduled departure date, and one camper was checked in 2 days after their originally-scheduled arrival date. Although IPAWS data did not show that these three campers received a refund, park staff did not cancel any of the reservations in IPAWS to make the campsites available for rebooking, which means that the campsites remained vacant.

Why did these problems occur?

Campsite Closures. CPW management grants park managers, staff, and volunteers discretion when selecting the quantity of sites to close and the reasons for those closures in IPAWS. According to IPAWS data permissions, volunteer camp hosts may be granted the same IPAWS user permissions as CPW staff, which includes the ability to close campsites, because some parks rely heavily on volunteers to help manage site use. At the same time, CPW does not require supervisors to approve site closures. CPW staff stated that they do not review the data about site closures available in IPAWS to know how many and how often campsites are closed statewide, or to identify any inconsistencies or concerns with the validity of the data. Further, CPW management and staff cannot monitor the extent to which individuals use closed sites on a night-to-night basis, because park staff do not document those details in IPAWS, but rather via a manual tracking method, such as pen and paper or a white board, at the park. Of the 29 park managers responding to our survey questions about the use and purpose of closed sites:

- 11 park managers indicated that there is a risk that closed campsites are misused to benefit family and/or friends of park staff. One respondent stated, “I’ve seen staff do this frequently for friends,” while another respondent stated, “There is definitely a risk that an employee could close a site for personal gain.” Another stated, “I think this is always a possibility. I think

inappropriate use of [closed] sites by staff for themselves/family/friends is more likely to occur compared to actually reserving sites.” In 2008, the Office of the State Auditor conducted the *Division of Parks and Outdoor Recreation* performance audit, which recommended that CPW adopt a policy for the appropriate use of park amenities, including establishing a list of staff authorized to grant complimentary stays; describing the appropriate circumstances under which complimentary stays may be granted; the required documentation and authorizations; and developing guidelines for employee reservations of park facilities and amenities. However, the anecdotal evidence we obtained from survey respondents suggests that CPW has not implemented effective policies to mitigate the risk that staff could take advantage of their ability to use closed sites.

- 14 park managers stated that if prospective campers arrive without a reservation, staff will either use a closed site or close a site in IPAWS and then let campers use the site, rather than entering a reservation into IPAWS. Staff said this approach is easier than entering customer information and a new reservation into IPAWS because the system is cumbersome and not intuitive to use. Additionally, one park manager stated that their understanding is that when park staff allow campers to use sites without a reservation, the park can only charge campers a generic campsite fee, regardless of site types, because IPAWS requires a reservation to charge a specific campsite fee. However, based on our analysis of IPAWS data, we could not determine if or how much parks charged per closed site since that data is not tracked in the system. CPW staff do not analyze aggregate data related to closed sites to monitor how those sites are used or ensure that all revenue generated from the use of those sites is properly submitted and accounted for in IPAWS and the State’s accounting system.
- 28 park managers stated that staff will close sites for staff use or in anticipation of customer service challenges (e.g., people camping at the wrong site, campers showing up on the wrong day, or campers wanting to stay longer). However, according to 27 of the 29 park managers responding to our survey, these practices do not align with the intention of CPW policies, which is that closed sites be used for staff and volunteers on work trips, and medical and mechanical emergencies.
- Park managers stated that staff often may not charge a fee when customer service issues occur in parks and will allow campers to use closed campsites. Survey respondents cited examples such as people mistakenly or illegally camping at reserved sites, campers arriving on the wrong date or at the wrong location, or campsite neighbors not getting along as reasons why park staff might allow campers to use closed sites. All of these situations cause any fees to remain uncollected because the campsite that was originally booked is occupied by a person who did not pay for its use, the campsite remains vacant, or the reservation gets cancelled.

Campsite Reservation Fees and Refunds. CPW did not limit staff and volunteers’ ability to use discretion when entering price reductions (i.e., reduction schedules, fee adjustments, and no charges), refunds, and discounts for customers into IPAWS. CPW staff reported that as of January

2022, when individuals could start reserving campsites for the 2022 camping season, IPAWS system settings were disabled so that only management can make price adjustments and authorize lower charges. Even though regional managers are allowed discretion per CPW policy to authorize price reductions only to encourage occupancy or otherwise increase use, documentation that CPW provided to substantiate these approvals included regional managers' signatures, but not reasons for the price reductions. Therefore, we could not verify that the reductions were allowable, given that regional managers approved price reductions at the same time that campsite reservations increased by 31 percent from January 2019 through September 2021.

No-Show Reservations. IPAWS includes a no-show function that would allow CPW staff to indicate that a camper did not show up for their reservation and did not notify the park in order to request a refund. Using this function would allow staff to enforce a no-show policy that CPW published on its website, at least as far back as the 2015 camping season, which stated that park staff can resell sites if customers with the original reservation do not show up. However, CPW disabled the no-show function in IPAWS because CPW does not consider its publicly stated policies to be enforceable because they are not regulatory documents. Nonetheless, CPW has other publicly stated policies that are not regulations, which they do enforce, such as that reservation fees must be paid in full at the time a reservation is made. As a result, when no shows occur, staff must cancel the reservation and release the site for other customers to reserve. However, 27 park managers who responded to our survey stated that they do not release sites in IPAWS when no shows occur. Instead, to prevent customer service challenges, park staff leave the sites empty in case the campers do show up before the end of their reservation.



Pearl Lake State Park
Photo Credit: Nina Frant

In November 2021, CPW implemented a regulation [CPW Rule 707(4)] with the same provisions that CPW previously published on its website. However, CPW staff told us that they have elected to keep the no-show functionality disabled for the 2022 camping season, as well, unless regional managers request that the function be enabled. According to CPW staff, regional managers have not requested to have the no-show functionality enabled, and CPW staff told us that they have not asked if regional managers want the functionality. Based on CPW's reasoning that only formal requirements can be enforced, CPW has an opportunity to leverage the no-show functionality in IPAWS to manage no shows more effectively and increase access to state parks.

CPW does not provide sufficient IPAWS training opportunities. In response to our survey, 15 park managers stated that they never received training on how to use IPAWS, and 24 park managers stated that individuals have never received training on IPAWS when they volunteer as camp hosts. According to CPW staff, training was offered to park managers and staff when IPAWS was rolled out in 2018, and CPW offers online training materials and manuals for staff to utilize, although they are not required to do so. CPW staff reported that these trainings are interactive, and include “recorded videos, slide shows, step by step walkthroughs, manuals, and tutorials.” Additionally, while CPW stated that new park managers and park staff receive training through the onboarding process, CPW management has not required formal training on updated versions of IPAWS since campsites became “reservation only” in 2019, nor have they offered refresher trainings to staff.

Anecdotal evidence we obtained also suggests that a lack of training contributed to some of the problems we found. For example, 6 park managers who responded to our survey stated staff at their park do not have consistent wireless Internet connectivity to use IPAWS at individual campsites, but have not been fully trained on how to leverage other IPAWS functionality when they cannot access the system directly. For example, when issues arise with reservations (e.g., perceived double bookings, campers settling in the wrong sites) that can result in the use of closed sites, park staff should still be able to view a record of reservations in IPAWS even when Internet connectivity gets interrupted, so long as they are able to access mobile networks through a smart device. Alternatively, park managers and staff also have the ability to print off and share a list of reservation records with staff that show which campsites have been reserved and by whom.

Why do these problems matter?

In 2021, CPW collected about \$14.7 million in revenue from campsite reservations. However, the issues that we identified related to campsite closures, campsite fees reduced below standard rates, campsite reservation refunds in excess of stated policies, and staff not releasing campsites when no shows occur resulted in CPW collecting up to \$2.8 million less in revenue from campsite reservations than expected. In 2018, CPW estimated that there would be an overall state park budget shortfall of \$11 million annually by 2025 if CPW is to ensure that the people of Colorado continue to have access to hunting, fishing, and outdoor recreational opportunities as the State’s population grows. Reasons for the estimated budget shortfalls include renewing existing public and private land leases, developing a new Colorado state park, and reducing the \$44.8 million maintenance and repair backlog by 50 percent. These shortfalls were expected despite the fact that between Fiscal Years 2019 and 2021, CPW reported that park visits statewide increased 31 percent, and campsite revenue increased 27 percent. If CPW had collected the additional \$2.8 million in campsite reservation fees that we identified, this revenue would have covered over 25 percent of the projected budget shortfall.

At the same time, there is a risk of fraud or abuse related to the use of closed sites. Since park staff do not consistently track the night-to-night use of closed sites, and since some campers may pay cash for use of those sites, there is a risk that park staff could fraudulently obtain cash payments from campers in exchange for providing a campsite by failing to record the payments in IPAWS and

submit the payments to CPW. This risk is further increased because, according to CPW staff, neither volunteers nor staff undergo background checks. In addition, CPW staff and management do not analyze reports containing aggregate reservation data to monitor the use of closed sites as well as refund payments made for cancelled reservations, ensure that fees collected for closed sites are tracked and accounted for appropriately, identify suspicious patterns or variations in expected versus actual revenues, or improve overall controls as needed.

In addition, when CPW allows park staff and volunteers to close a large percentage of state campsites altogether, or for extended periods of time, in a given year—and disable functionality that would allow park staff to release sites when campers are no shows—this reduces the public’s ability to access campgrounds at state parks, which is one of CPW’s core statutory responsibilities. Maximizing access to public lands is also important since demand for campsites on public lands has been increasing. The Center for Western Policies reported that between 2014 and 2020, there was a 64 percent increase in reservable campsite occupancy in Colorado, and stated that the COVID-19 pandemic is suspected to have driven a 20-percent increase in demand and occupancy between 2019 and 2020. Further, when park staff do not consistently apply CPW policies related to campsite reservation fees and refunds, members of the public are not being treated equitably.

Recommendation 1

Colorado Parks and Wildlife (CPW), within the Department of Natural Resources, should improve its management of campsite reservations by:

- A. Implementing policies to ensure prudent use of site “closures” and price reductions across all state parks, which should include provisions that define limits and appropriate reasons for closures in state parks and provide guidance on when occupancy rates might warrant a reduction in campsite fees to increase demand.
- B. Implementing system controls in IPAWS that would require supervisors to enter approvals into IPAWS for site closures.
- C. Requiring regional managers to document their rationale for approving reduced campsite fees, including details about how actual occupancy rates at parks relate to the occupancy thresholds specified in the policies implemented in response to Part A.
- D. Enforcing reservation policies related to what should happen with a campsite when a camper does not show up for their reservation and does not notify the park.
- E. Implementing ongoing oversight and monitoring activities by CPW management to ensure that campsite closures, rate discounting, and refunding practices align with CPW policies, and to identify risks of potential fraud or abuse. This monitoring could include routinely analyzing diagnostic/analytic reports containing campsite closure and payment data to identify suspicious

patterns, such as higher rates of closures at certain parks or different amounts of revenue than projected; investigating any unusual patterns or anomalies; and making necessary control improvements.

- F. Requiring training for all park managers and any other relevant staff and volunteers on CPW policies and how to use IPAWS.

Response

Colorado Parks and Wildlife

- A. Agree

Implementation Date: December 2022

Colorado Parks and Wildlife agrees that implementing policies on site closures would be beneficial to reduce potential misuse. Guidelines in those future policies will include defining when closures are appropriate, limiting what positions in the agency can make closures in the system, and requiring notes in the system to articulate the need for the closure. Reservation staff will be responsible for auditing closures on at least a quarterly basis to ensure closures follow approved policies.

As far as price reductions, regulations and policies are already in place that define when Regional Managers may approve site discounts and put limits on those discounts up to 50%. The goal of increasing occupancy rates is a defining factor in those existing policies and regulations. CPW will provide guidance on when occupancy rates might warrant a reduction in campsite fees to increase demand based on a regional or site specific approach. Requiring Regional Managers to note and articulate on the approved fee schedule what criteria they used to justify approving a discount each year would be acceptable to the agency to increase transparency.

- B. Agree

Implementation Date: June 2023

Colorado Parks and Wildlife agrees that implementing policies on site closures would be beneficial to reduce potential misuse. As previously stated, closure guidelines in those policies will include defining when closures are appropriate, limiting what positions in the agency can make closures in the system, and requiring notes in the system to articulate the need for the closure. The agency would be agreeable to limit closure permissions to full time park supervisors and requiring notes to be made in the system with sufficient information as to why the closure was necessary.

This requested change would require IPAWS reprogramming to restructure permissions and create a new park supervisor permission category. Our IPAWS vendor is currently completing a

large project to implement Keep Colorado Wild legislation and due to current workloads, would likely not be able to complete all this required programming until next summer.

C. Agree

Implementation Date: June 2022

Colorado Parks and Wildlife is agreeable to tightening our requirements for documented notes and ask that all Region Managers clearly articulate their reasoning for the approved fee schedule and what criteria they used to justify approving a discount each year to increase transparency. These reasons will adhere to approved criteria listed in CPW regulations and price reduction policies and include appropriate justification such as references to occupancy rates/trends as well as lodging rates of similar amenities in the area.

D. Agree

Implementation Date: June 2022

Colorado Parks and Wildlife agrees with this recommendation. As of November 2021, the agency now has a no show regulation in place that is enforceable. There is also a no show feature available in IPAWS that allows CPW staff to indicate that a camper did not show up for their reservation and did not notify the park in order to request a refund. CPW has already turned this feature on within the IPAWS system and direction has been provided to staff on how to use the new feature. Fully utilizing this feature will allow other customers the opportunity to occupy those sites.

E. Agree

Implementation Date: June 2022

Colorado Parks and Wildlife created a new Reservation Coordinator position in May of 2021, delegating all reservation duties to a specific full-time employee who could focus on that aspect of the IPAWS system and the related policies and regulations. The individual who was hired for that position in May 2021 left the agency in September of 2021, requiring the position to be refilled. Now that a new Reservation Coordinator has been in place since November 2021 and has been trained on the position, they can dedicate more time and energy into overseeing the program and all the associated activities, including refunds, closures, and discounts. Colorado Parks and Wildlife is committed to quarterly monitoring of campsite closures, rate discounting, and refunding practices to ensure they align with CPW policies. The Reservation Coordinator will provide a quarterly memo to the Leadership Team, summarizing and flagging any concerns or patterns of misuse identified during their monitoring for Regional Managers to address with their staff.

F. Agree

Implementation Date: December 2022

Colorado Parks and Wildlife agrees with the recommendation and will be discussing either hiring a new staff member or utilizing existing staff to provide this necessary training to all permanent and seasonal staff. All existing staff and new staff will receive an extensive IPAWS training, appropriate to their positions. New staff will be trained within 2 months of being hired. We will begin developing this training immediately to reach all current staff, but this will also be a year round and on-going process to accommodate the hiring of new staff throughout the year.



State Forest State Park
Photo Credit: Greg Fugate



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