



COLORADO

Office of Economic Development
& International Trade

1625 Broadway, Suite 2700
Denver, CO 80202 USA

7/3/2018

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 October 2017 *Regional Tourism Act* performance audit. The report provides a brief explanation of the actions taken by the Office of Economic Development & International Trade (OEDIT) to implement each recommendation. As of July 2nd, the changes outlined in the status report have been fully implemented.

If you have any questions about this status report and OEDIT's efforts to implement the audit recommendations, please contact Jeff Kraft at (303) 892-3845 or Jeff.Kraft@state.co.us.

Sincerely,

A handwritten signature in black ink that reads "Jeff Kraft".

Jeff Kraft
OEDIT Business Funding & Incentives Division Director

cc: Vickie Heller, Legislative Performance Auditor
Stephanie Copeland, OEDIT Executive Director
Carrie Schiff, Economic Development Commission Chairman
Eloise Hirsch, OEDIT Legislative Liaison
Ken Jensen, OEDIT Program Manager
Che Sheehan, OEDIT Program Analyst



AUDIT RECOMMENDATION STATUS REPORT

AUDIT NAME	Regional Tourism Act
AUDIT NUMBER	1683P
AGENCY	Colorado Governor's Office of Economic Development & International Trade (OEDIT) and Economic Development Commission (Commission)
DATE OF STATUS REPORT	July 3, 2018

SECTION I: SUMMARY

REC. NUMBER	AGENCY'S RESPONSE	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION STATUS	CURRENT IMPLEMENTATION DATE
1-a	Agree	June 2018	Implemented and ongoing	June 21, 2018
1-b	Agree	June 2018	Implemented and ongoing	June 21, 2018
1-c	Agree	June 2018	Implemented and ongoing	July 2, 2018

SECTION II: NARRATIVE DETAIL

RECOMMENDATION 1-A

The Governor's Office of Economic Development and International Trade (OEDIT) should work with the Economic Development Commission (Commission) to implement written monitoring policies and procedures for projects approved for financing under the Regional Tourism Act (RTA) by:

A. Establishing what OEDIT's monitoring activities for RTA projects should include. This should include guidance on the purpose of and the specific actions to take when reviewing required reports, holding required meetings, and conducting any other activities, as well as establishing how to assess whether a project has met the 5-year deadline for commencing substantial work.

CURRENT IMPLEMENTATION STATUS	Implemented and Ongoing	CURRENT IMPLEMENTATION DATE	June 21, 2018
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AGENCY UPDATE

OEDIT has developed Program Guidelines, Policies, Procedures and Controls which details the purpose of the reports, how the program will be monitored, and specific action to be taken when reviewing reports. Furthermore, this document describes how the EDC will establish that a project has met the deadline for commencing substantial work. To accomplish this goal OEDIT has worked closely with the EDC and the Attorney General's office providing multiple versions for review and comment. Much of this work has been accomplished by the new RTA Analyst, hired March 1, 2018.

As part of its monitoring, OEDIT has developed a monthly "red, yellow, green" Scorecard which summarizes key issues and is provided to the EDC each month. The Scorecard will drive follow up actions.

RECOMMENDATION 1-B			
OEDIT should work with the Economic Development Commission to implement written monitoring policies and procedures for projects approved for financing under the RTA by:			
B. Establishing what actions OEDIT staff should take when RTA project information is not submitted or is incomplete, or when staff or Commission members identify delays or other problems with a project through monitoring efforts.			
CURRENT IMPLEMENTATION STATUS	Implemented and Ongoing	CURRENT IMPLEMENTATION DATE	June 21, 2018
AGENCY UPDATE			
<i>This is addressed in the project issues section in the Program Guidelines, Policies, Procedures and Controls. OEDIT will be following up on issues with the projects and will bring an issue to the EDC if it cannot be resolved through OEDIT efforts alone. Furthermore, as part of the audit report (p. 38), the Auditor interpreted the Colorado Springs RTA Resolution to prohibit RTA funds being used for element specific administrative costs before certain requirements are met. To clarify the EDC's original intent that the project be permitted to spend funds on element specific administrative costs immediately after the resolution was approved, the EDC adopted Amendment to Resolution No. 3 on May 17, 2018.</i>			

RECOMMENDATION 1-C			
OEDIT should work with the Economic Development Commission to implement written monitoring policies and procedures for projects approved for financing under the RTA by:			
C. Establishing how OEDIT should document monitoring activities, including their receipt and review of reports, meetings and other discussions, and any instances where project issues are identified including how issues are resolved.			
CURRENT IMPLEMENTATION STATUS	Implemented and Ongoing	CURRENT IMPLEMENTATION DATE	July 2, 2018
AGENCY UPDATE			
<i>OEDIT is keeping digital files that document summaries of quarterly meetings, quarterly report reviews, and semi-annual meetings. OEDIT is working to transition this documentation to Salesforce as the system of record for all RTA related monitoring. OEDIT is also working with project awardees so they can submit their quarterly and annual reports via Salesforce to facilitate ease of tracking. Additionally, OEDIT has started recording all required quarterly meetings with the projects.</i>			