



OFFICE OF THE STATE AUDITOR



December 18, 2019

DIANNE E. RAY, CPA
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STATE AUDITOR

DEPARTMENT OF TRANSPORTATION OPERATIONAL RISK AREAS – STATUS REPORT

Members of the Legislative Audit Committee:

Attached is the status report from the Department of Transportation (Department) on the implementation of recommendations contained in the Office of the State Auditor's (OSA) *Department of Transportation Operational Risk Areas Performance Audit*.

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:

- The Department's Fiscal Year 2021 Proposed Budget Allocation Plan, documentation of the budget planning process, and recent budget amendments.
- Project and budget updates, including budget to actuals reports, provided by the Department to the Transportation Commission.
- Documentation of Department controls related to vendor payments and processes to identify potentially fraudulent payments.
- Department guidance documents related to construction project management, including those for tracking project milestones and compliance with statutory requirements for project closure.
- Documentation of the Department's new project management dashboard

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- Master task order contract templates, recent contracts, and Department guidance regarding contract review and approval.
- The Department's waiver and delegation agreements with the Office of the State Controller.

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



COLORADO

Department of Transportation

Office of the Executive Director

2829 W. Howard Place
Denver, CO 80204-2305

November 8, 2019

Dianne E. Ray, CPA
State Auditor
Colorado Office of the State Auditor
1525 Sherman St., 7th Floor
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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 Operational Risk Areas Performance Audit. The report provides a brief explanation of the actions taken by the Department of Transportation and Transportation Commission to implement each recommendation.

We appreciate the work of the Office of the State Auditor, and take seriously your findings and recommendations. Although work remains, the Department has made significant progress over the last six months in implementing audit recommendations. In particular, the Department has made strides in increasing the transparency of its budget, including:

- Restructuring the budget around core functions to more clearly communicate how the Department uses its resources;
- Instituting a regular, monthly budget amendment process and monthly reporting on budget to actuals
- Revamping the Budget Allocation Plan to more completely address statutory requirements and to improve understandability;
- Incorporating new elements to provide a more complete picture of budget available from prior-years, and anticipated expenditures during the fiscal year;
- Identifying initiatives to support further improvement, including implementation of new budget management and reporting tools, and assessment of additional changes to budget and systems configurations.

CDOT takes its fiscal responsibilities seriously and wants to make sure the general public can access our budget in a way that gives them confidence in our work. The Department appreciates the thorough and productive interactions with the Office of the State Auditor as we continue to make improvements.

If you have any questions about this status report and the Department of Transportation's and Transportation Commission's efforts to implement the audit recommendations, please contact Jeff Sudmeier at 303-757-9063 or Jeffrey.Sudmeier@state.co.us.

Sincerely,

Shoshana M. Lew
Executive Director



AUDIT RECOMMENDATION STATUS REPORT

AUDIT NAME	Operational Risk Areas
AUDIT NUMBER	1750P
AGENCY	Department of Transportation/Transportation Commission
DATE OF STATUS REPORT	December 12, 2019

SECTION I: SUMMARY

REC. NUMBER	AGENCY'S RESPONSE	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION STATUS	CURRENT IMPLEMENTATION DATE
1A	Agree	September 2019	Partially Implemented	July 2020
1B	Agree	September 2019	Implemented	September 2019
1C	Agree	June 2019	Implemented	July 2019
2	Agree	November 2019	Partially Implemented	March 2020
3A	Agree	June 2019	Implemented	June 2019
3B	Agree	September 2019	Implemented	June 2019
3C	Agree	May 2020	Partially Implemented	May 2021
4A	Agree	June 2019	Implemented	June 2019
4B	Agree	September 2019	Implemented	December 2019
4C	Agree	Implemented	Implemented	June 2019
5A	Agree	September 2019	Implemented	December 2019
5B	Agree	September 2019	Implemented	December 2019
5C	Agree	September 2019	Implemented	December 2019
6A	Agree	September 2019	Implemented	October 2019
6B	Agree	September 2019	Implemented	December 2019
6C	Agree	June 2019	Implemented	December 2019
6D	Agree	May 2019	Implemented	May 2019
6E	Agree	June 2019	Implemented	June 2019

SECTION II: NARRATIVE DETAIL

RECOMMENDATION 1A			
<p>The Transportation Commission (Commission) and Department of Transportation (Department) should ensure that the Budget Allocation Plan (Budget Plan) provides complete and transparent information about the Department’s annual budget by ensuring that all statutorily required information is clearly reflected in the Budget Plan, as well as any additional information the Commission needs to fulfill its budgeting responsibilities.</p>			
CURRENT IMPLEMENTATION STATUS	Partially Implemented	CURRENT IMPLEMENTATION DATE	July 2020
AGENCY UPDATE			
<p>Statutory requirements relating to the Department’s Spending Plan and budget to actuals reporting are addressed under Recommendations 2 and 3. With respect to all other statutory requirements, the Department reports partial implementation. The proposed Fiscal Year 2020-21 Budget Allocation Plan, currently in development, has been restructured and updated to comply with all statutory requirements. However, the Commission won’t adopt the final budget until March 2020 and portions of the budget, including an annual spending plan with forecasted expenditures on land acquisitions, will not be finalized and included until then. In addition, roll forward amounts from the prior year are not known until the end of the Fiscal Year and therefore cannot be included in the budget until July 2020. Nonetheless, while the Department has initially addressed the majority of statutory requirements in the Proposed Fiscal Year 2020-21 Budget Allocation Plan, there are additional multi-year efforts underway to further improve the structure and transparency of the CDOT budget over an extended period of time. These include implementation of a new budget management and reporting platform, assessment of the current ERP system, and a decision to either invest in additional upgrades and reconfigurations, or to implement a new ERP system. Either approach will entail additional structural changes to the CDOT budget. Additionally, and as noted under the update for recommendation 3B, the Department and the Transportation Commission continue to consider the need for statutory changes where statutory requirements are outdated or impractical to implement.</p>			

RECOMMENDATION 1B

The Transportation Commission (Commission) and Department of Transportation (Department) should ensure that the Budget Allocation Plan (Budget Plan) provides complete and transparent information about the Department’s annual budget by determining what project-specific information the Commission would find useful to have as part of the budget and implementing a process to provide that information. This process should include the Department and the Commission assessing whether to seek statutory changes to align statutory requirements with the information needs of the Commission.

CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	September 2019
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AGENCY UPDATE

The Department’s staff received direction on what useful project-specific information the Commission would want to see as part of the budget. In response, the Department now includes links in the Budget Allocation Plan containing information on open projects and planned projects, both of which will be updated regularly. Additionally, recent discussions with the Commission have ensured that the Department’s staff are providing the level of reporting they require. This includes reporting on progress towards achieving program level expenditures targets and detailed level review on the status of major projects. This information is being provided to the Commission on a monthly basis. A new agenda item was added to the monthly Commission meeting on “Dashboard of Major Projects and Notification of Developments/Variiances.” Each month, staff are now presenting status on major projects, and explaining significant variances from planned expenditures, both in aggregate and with respect to major projects. This additional agenda item is a proactive measure intended to provide the Commission with greater visibility on project expenditures.

RECOMMENDATION 1C

The Transportation Commission (Commission) and Department of Transportation (Department) should ensure that the Budget Allocation Plan (Budget Plan) provides complete and transparent information about the Department’s annual budget by developing a process to periodically amend the Budget Plan throughout each fiscal year so it reflects the most current revenue and budget data.

CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	July 2019
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AGENCY UPDATE

The Department implemented a new budget amendment process with the start of the new Fiscal Year in July 2019. The budget is now amended monthly with the review and oversight of the Commission as needed to reflect all changes within the budget occurring during the year. Since July 2019 the budget has been amended in July, August, and September, with the next amendment planned for November.

RECOMMENDATION 2			
<p>The Transportation Commission should ensure that the Department of Transportation's (Department) annual budget adheres to statutory requirements by only approving annual Budget Allocation Plans that show how much money the Department plans to spend on each budget category based on all available funding.</p>			
CURRENT IMPLEMENTATION STATUS	Partially Implemented	CURRENT IMPLEMENTATION DATE	March 2020
AGENCY UPDATE			
<p>The Fiscal Year 2019-20 Budget Allocation Plan, adopted by the Commission in March 2019, partially addressed this recommendation by incorporating forecasted expenditures. The Department is working on a further enhancement in the Fiscal Year 2020-21 Budget Allocation Plan that will take the form of a Spending Plan that complements the Revenue Allocation Plan. The Spending Plan will provide a forecast of anticipated expenditures in the Fiscal Year. A draft Spending Plan will be included in the Final Budget Allocation Plan, scheduled for adoption in March 2020. Due to timing associated with transitioning between fiscal years and closing projects, the Spending Plan will be updated and finalized at the end of the fiscal year in July 2020.</p>			

RECOMMENDATION 3A			
<p>The Department of Transportation (Department) should implement controls to ensure that its spending during each fiscal year does not exceed the budget for each line item in the Budget Allocation Plan (Budget Plan) by establishing a process to conduct ongoing budget-to-actuals analyses based on the Budget Plan categories, which could include establishing new Systems, Applications and Products (SAP) controls and reporting that perform this analysis automatically and/or developing a crosswalk that correlates budget and expense data the Department tracks internally to the Budget Plan categories.</p>			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	June 2019
AGENCY UPDATE			
<p>The Department implemented monthly reporting of budget to actuals in February 2019. This information is posted on the website monthly and included in the Commission packet quarterly. Monthly reporting relies on a first in first out assignment methodology to assign project expenditures by budget program and manual crosswalks to report actuals against budget categories. Project expenditures are assigned to programs based on the timing of those budget actions, expending the earliest budgeted funding until exhausted and then moving in sequence until all funding has been expended. The Department improved the assignment methodology and is currently in the process of testing and transitioning to a pro-rated allocation methodology. Additionally, the Department developed new documentation outlining the assignment methodology and the development of the monthly budget to actuals report. The Department is currently working to automate this process; with plans to improve the process itself as part of the additional efforts described under Recommendation 1A relating to implementation of a new budget management and reporting platform, and changes to the Department's ERP.</p>			

RECOMMENDATION 3B			
The Department of Transportation (Department) should implement controls to ensure that its spending during each fiscal year does not exceed the budget for each line item in the Budget Allocation Plan (Budget Plan) by routinely reporting to the Transportation Commission the results of ongoing budget-to-actuals analyses established in response to PART A.			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	June 2019
AGENCY UPDATE			
The Department implemented monthly reporting of budget to actuals in February 2019, and has worked over the last several months to further document and improve upon this process. Beginning with the FY 2020-21 Budget, budget to actuals reporting will be paired with the Spending Plan described under Recommendation 2 to provide reporting demonstrating that expenditures do not exceed the total amount of budget available.			

RECOMMENDATION 3C			
The Department of Transportation (Department) should implement controls to ensure that its spending during each fiscal year does not exceed the budget for each line item in the Budget Allocation Plan (Budget Plan) by either (1) working with the Office of the State Controller to identify the intent of monthly budget-to-actuals reporting and establish a process to comply with the requirement or (2) working with the General Assembly to change the statutory requirement.			
CURRENT IMPLEMENTATION STATUS	Partially Implemented	CURRENT IMPLEMENTATION DATE	May 2021
AGENCY UPDATE			
The Department has consulted with the Office of the State Controller, which indicated they are unable to utilize or validate budget to actuals reporting in the format of the annual budget. The Department is not as of yet pursuing statutory changes as it continues to assess potential long term structural changes to its budget format that may affect the form of reporting in the future. The Department is working on altering budget reporting processes to comply with the spirit of the statute and continues to work on a broader assessment of long term structural changes that may in the future result in additional statutory change requests. The Commission intends to undertake discussion on the need for statutory changes at the appropriate time. If statutory changes are needed, they would need to be addressed during the 2021 legislative session, and therefore the anticipated implementation date is May 2021.			

RECOMMENDATION 4A			
<p>The Department of Transportation (Department) should strengthen its controls and processes to deter and detect occupational fraud schemes using the Department’s payment system, as well as errors, by implementing system controls in SAP to ensure that all federal taxpayer identification numbers align with Internal Revenue Service requirements.</p>			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	June 2019
AGENCY UPDATE			
<p>An SAP system enhancement was completed mid-February 2019. The enhancement changed SAP configuration of the vendor master data record to be IRS-compliant by requiring that the FEIN field be a length of nine for domestic vendors. Supporting documentation is available on the system specification change order, system test results validating the change, and approval by the CDOT Deputy Controller to move this change to the SAP production environment. Part 2 of the CDOT response included establishing a process to handle exceptions for vendors without an FEIN (i.e., foreign vendors), and for those Right of Way vendors for whom CDOT is unable to obtain a taxpayer identification number. For these latter vendors, an exception authorization form subject to approval by the CDOT Controller has been developed and is attached to the vendor master data record.</p>			

RECOMMENDATION 4B			
<p>The Department of Transportation (Department) should strengthen its controls and processes to deter and detect occupational fraud schemes using the Department’s payment system, as well as errors, by implementing policies and processes to (1) routinely analyze its vendor and payment data, which could include searching for duplicate records; conducting statistical analysis using Benford’s Law; and identifying suspicious patterns, such as payments that occur prior to invoice dates or that are processed outside of normal business hours; and (2) investigate any unusual patterns or anomalies that could indicate potential fraud based on these analyses, and make necessary control improvements.</p>			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	December 2019
AGENCY UPDATE			
<p>The Department has made a significant new investment in automating these specific monitoring and detective controls in accounting operations by purchasing and deploying licenses of ACL/Galvanize Highbond, a risk and control analytics software platform. The Department has assigned a project manager to help with the implementation and roll out of ACL/Galvanize by the end of December 2019. There is also an assigned part-time staff member dedicated to developing and implementing a continuous fraud detection process. This will focus on routinely monitoring and analyzing vendor and payment data by conducting and reviewing results across eight specific tests: duplicate vendor name/address, incomplete vendor address, multiple vendor with same EIN, vendor/employee address match, non-compliant EIN, Benford payment analysis, round invoice amounts, and potential duplicate payments. The Department has completed the development of these tests and has received product training. The project was completed as planned in the first week of December 2019, and is currently in production.</p>			

RECOMMENDATION 4C			
The Department of Transportation (Department) should strengthen its controls and processes to deter and detect occupational fraud schemes using the Department’s payment system, as well as errors, by investigating the suspicious payments and vendor records the audit identified and taking appropriate action if any appear to be illegitimate.			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	June 2019
AGENCY UPDATE			
The Department investigated the payments and vendor records identified by the audit and did not find any instances of fraud or suspicious payment activity.			

RECOMMENDATION 5A			
The Department of Transportation (Department) should maximize its current and future construction funding through timely closure of construction projects and release of unused project funds by developing Systems, Applications and Products (SAP) reports that enable the Department to easily evaluate the timeliness of the final review process, project phase closure, release of unused funds, and project closure.			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	December 2019
AGENCY UPDATE			
Reporting elements have been created through a newly launched Power BI dashboard using SAP data. This reporting supports the tracking of state advertised projects from substantial completion through closure. The information includes acceptance dates, remaining budget, and number of days to close. The dashboard was finalized in November and rolled out to engineering and business staff with responsibility for project closure and debudget in December 2019. The project closure dashboard will be supplemented by a series of other dashboards, some already deployed, some currently in development, intended to provide greater visibility of project-level data to appropriate staff. Reporting from the project closure dashboard will also be provided to management, as outlined in the guidance described below.			

RECOMMENDATION 5B

The Department of Transportation (Department) should maximize its current and future construction funding through timely closure of construction projects and release of unused project funds by implementing written policies and processes for management to routinely review; the SAP reports developed in PART A to ensure that the final review process, project phase closure, release of unused funds, and project closure occur in accordance with timeliness requirements in statute and Department policy. The policies and processes should also address what actions management will take to ensure that projects are closed and unused funds are released for other purposes.

CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	December 2019
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AGENCY UPDATE

A final draft of the Department’s guidance document is complete and will be presented and distributed at meetings of various relevant groups in January (i.e. Business Managers meeting, RTD meeting, PMO TAC and Governance meetings). The guidance document includes policies and processes for management review of the final review process, project phase closure, and release of unused funds. Management review will include aggregate reporting in order to assess performance and trends, reporting on exceptions (i.e. projects with a documented reason necessitating a delay in closure and debudget), and reporting on projects without an exception that are nearing or exceeding one year from final acceptance. The guidance will also identify appropriate escalation actions for projects that do not have a documented exception and which exceed one year from final acceptance without release of unused funds and closure.

RECOMMENDATION 5C

The Department of Transportation (Department) should maximize its current and future construction funding through timely closure of construction projects and release of unused project funds by implementing written policies and procedures to comply with statutory requirements under Senate Bill 16-122, including defining substantial completion.

	Implemented	CURRENT IMPLEMENTATION DATE	December 2019
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AGENCY UPDATE

A final draft of the Department’s guidance document is complete and will be presented and distributed at meetings of various relevant groups in January (i.e. Business Managers meeting, RTD meeting, PMO TAC and Governance meetings). The guidance defines substantial completion, establishes a standard timeline of closure steps, and includes information on how reporting will be updated, reviewed, and used to ensure compliance with Senate Bill 16-122. The guidance includes an outline of the steps in the closure process (including a timeline), who is responsible for each step, and a brief description. The guidance document will include embedded links to supporting documentation providing more detailed information on processes and requirements, for example, the CDOT Construction Manual.

Additionally, the Department is also assessing opportunities to accelerate the project closure and debudget process. One such example has already been implemented and includes a new process to facilitate closure of projects with minor landscape scope once roadway work is complete and initial landscape components installed (primarily seeding). In the past, the Department had waited to start the project closure process until seeding was fully established, which was often as long as 12 months after roadway work completion. Landscaping needs during the establishment period are now planned to be provided by a combination of Department maintenance and specialty contractor forces.

RECOMMENDATION 6A

The Department of Transportation (Department) should ensure that it has effective controls over the cost, duration, and scope of work in master task order contracts by ensuring that contract scopes of work (1) conform with the Office of the State Controller’s policy regarding when master task order contracts should be used and (2) include discrete categories of project deliverables so that potential contractors have an opportunity to compete for these contracts.

CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	October 2019
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AGENCY UPDATE

In the summer of 2017, the Center for Procurement & Contract Services (CPCS) developed a guide for preparing scopes of work (SOW), new SOW templates, and Task Order Proposal templates, and initiated training on the same. The CPCS training curriculum was updated in 2019 and now includes a stand-alone SOW module, first delivered for CDOT internal customers in October 2019. The guide and training provide instruction on appropriate level of detail for SOWs, required elements, and appropriate description of project deliverables. Additionally, guidance was updated within the CDOT Procurement Manual to ensure customers and stakeholders have a good understanding of all contract types, how or when a specific contract type will be used, and the procurement process as a whole (i.e. solicitation to contract execution). All contract templates have been reviewed to ensure that the Department has the current version of the OSC approved template on file.

RECOMMENDATION 6B

The Department of Transportation (Department) should ensure that it has effective controls over the cost, duration, and scope of work in master task order contracts by ensuring that (1) supervisors review all contracts and task orders to ensure compliance with all applicable requirements and (2) staff with authority to sign the contracts and task orders perform a secondary review before executing those documents.

CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	December 2019
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AGENCY UPDATE

In February 2019, an interim “Clearance Process” was initiated by the Executive Office, the Center for Procurement and Contract Services (CPCS) and Engineering Contracts to review consultant contract scopes of work over \$150,000 to ensure alignment with Department objectives. Subsequently, CPCS, Engineering Contracts, and the Attorney General’s Office collaborated in developing a more robust clearance process that identifies different levels of review and approval for scopes of work by type of good/service and dollar amount. This new Clearance Process was finalized in November, and rolled out internally the second week of December. The Clearance Process includes: an elevated review (Supervisors, Division Directors, Executive Management and AG’s Office, etc.) and approval of SOW, procurement/contracting method, and authorization to proceed. Beginning January 1, 2020, all “shopping carts” (the business process which initiates a procurement process) will require a signed Clearance Process form and/or other pre-identified documentation substantiating that the SOW has been subject to the required level of review and approval.

Additionally, Fiscal Rule 3.3, Section 8.3 outlines that the State Controller or delegate shall review all expenditure contracts to determine if the contract complies with Fiscal Rule 3-1, Section 3. In addition to the Controller signature, the Chief Engineer (for CDOT and the Bridge Enterprise), the Director of the High Performance Transportation Enterprise (for HPTE), and the Director of Aeronautics (for Division of Aeronautics) sign expenditure and non-expenditure contracts. A CFO memo was issued to signatories in December outlining responsibilities for review and approval of contracts. The memo outlines the use of a cover sheet from CPCS, Engineering Contracts or the State Architects Office, verifying that the contract has been thoroughly vetted for risk to the Department. The cover sheet verifies that Supervisors and Project/Program Managers, as well as appropriate CPCS, Engineering Contracts, or State Architect staff, have reviewed the contract prior to submittal for signature by the Controller, Chief Engineer, Director of the HPTE, or Director of Aeronautics. The memo also stipulates that neither the Chief Engineer or Director of the HPTE or Director of Aeronautics should sign any contract that does not include such a cover sheet.

RECOMMENDATION 6C			
The Department of Transportation (Department) should ensure that it has effective controls over the cost, duration, and scope of work in master task order contracts by requiring staff to document preapproval of additions or changes to consultant and subcontractor rates through either (1) formal amendments to the contract or task orders, or (2) incorporating Master Pricing Agreements into the contracts and referencing those documents as the authoritative source of rate amounts.			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	December 2019
AGENCY UPDATE			
The Engineering Contracts Unit began incorporating references to the consultant’s Master Pricing Agreement in new master task order contracts and task orders in September 2019. New contracts and task orders now reference the authoritative price agreement. Additionally, documentation of required staff preapproval of additions or changes to consultant or subcontractor staff rates are now being incorporated into the Master Pricing Agreements.			

RECOMMENDATION 6D			
The Department of Transportation (Department) should ensure that it has effective controls over the cost, duration, and scope of work in master task order contracts by updating the template for master task order contracts used to obtain professional services to ensure that the contracts specify an exact end date.			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	May 2019
AGENCY UPDATE			
The Engineering Contracts Unit now requires all professional services master task order contracts to establish a specific end date at the time the contract is awarded.			

RECOMMENDATION 6E

The Department of Transportation (Department) should ensure that it has effective controls over the cost, duration, and scope of work in master task order contracts by updating the Department’s delegation agreement with the State Controller to specify which staff have authority to sign high-risk contracts, which include master task order contracts and related task orders.

CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	June 2019
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AGENCY UPDATE

The Current Delegation of State Controller’s Authority Agreement specifies the scope of delegation for each staff regarding contract approval and signature authority. This agreement was most recently updated on November 17, 2017.

The waiver to execute Master Task Order Contracts and task orders issued under those contracts for non-high risk types of contracts was granted by the Office of State Controller (OSC) in December of 2018.

The Department approached the OSC regarding the incorporation of this waiver into the Current Delegation Agreement. The OSC responded on July 31, 2019 indicating that it is not possible to incorporate Fiscal Rule Waivers into the Controller Delegation Agreement, noting different purposes and requirements. The Department was instructed to use the agreed-upon delegation agreement for CDOT's controller and handle exceptions to fiscal rules through the fiscal rule waiver process.