



November 27, 2023

Disaster Emergency Fund – Status Report

Members of the Legislative Audit Committee:

Attached is the status report from the Department of Public Safety (Department) on the implementation of recommendations contained in the Office of the State Auditor's (OSA) *Disaster Emergency Fund Performance Audit*.

OSA Review of Documentation

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

- The Department's *Disaster Emergency Fund Management Process Guide*, that it implemented on June 6, 2023. It includes what the Department considers to be a completed disaster with requirements for accounting staff to verify with program staff that Department spending on the disaster is complete, and to notify the Governor's Office within 30 days of the confirmation.
- The Department's memo to the Governor's Office of State Planning and Budgeting (OSPB), dated December 1, 2022, notifying OSPB that Department spending on the disaster was complete for 9 of the 17 completed disasters identified in our audit.
- The Department's memo to the Governor's Office of State Planning and Budgeting (OSPB), dated June 21, 2023, notifying OSPB that the Department spending on the disaster was complete for the final 8 of the 17 completed disasters identified in our audit.

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



COLORADO
Department of Public Safety
Executive Director's Office

August 31, 2023

Kerri L. Hunter, CPA
State Auditor
Colorado Office of the State Auditor
1525 Sherman St., 7th Floor
Denver, CO 80203

Dear Auditor Hunter:

In response to your request, we have prepared the attached status report on the implementation status of audit recommendations contained in the Disaster Emergency Fund performance audit. The report provides a brief explanation of the actions taken by the Department of Public Safety to implement each recommendation.

The Colorado Department of Public Safety appreciates the thorough and objective review conducted by the Office of the State Auditor. We have fully implemented recommendations outlined in the performance audit and will continue to operate within the improvements of our internal processes. We believe emergency response and mitigation is critical to the safety and well-being of the citizens across Colorado and equally understand that appropriate utilization of those funds disbursed in ensuring our communities thrive in spite of potential emergency disaster events is of paramount importance to public trust.

If you have any questions about this status report and the Department of Public Safety's efforts to implement the audit recommendations, please contact Susan Redmond, Chief Compliance Officer at 720-415-0467 or susan.redmond@state.co.us.

Sincerely,

Stan Hilkey,
Executive Director, CDPS



Audit Recommendation Status Report

Audit Name:	The Disaster Emergency Fund Performance Audit
Audit Number:	2163P
Agency:	Department of Public Safety
Date of Status Report:	August 23, 2023

Section I: Summary				
Rec. Number	Response from Audit Report	Original Implementation Date	Current Implementation Status	Current Implementation Date
1A	Agree	June 2023	Implemented	June 6, 2023
1B	Agree	June 2023	Implemented	June 21, 2023

Section II: Narrative Detail

Recommendation 1A

The Department of Public Safety should ensure that money in the Disaster Emergency Fund is used efficiently and that information provided on the Disaster Emergency Fund is accurate by revising the *Disaster Emergency Fund Management Process Guide* draft (*Draft Guide*) to include a definition of and process for assessing when a disaster is complete and should be closed; specific timelines for disaster closure after it is complete; and a requirement for notification to the Governor’s Office of State Planning and Budgeting when closure is complete—then implementing all of the processes included in the *Draft Guide*.

Current Implementation Status	Implemented
--------------------------------------	-------------

Current Implementation Date	June 6, 2023
------------------------------------	--------------

Status Update Narrative	The <i>Division of Homeland Security & Emergency Management_Division of Fire Prevention & Control Management Process Guide</i> was updated after collecting feedback from various stakeholders involved in the process. The final guide was implemented on June 6, 2023. In this guide, the following close out instructions are provided. A disaster is considered complete and closed once the Executive Order expires and all known transactions have been accounted for, unless deemed appropriate to close sooner by the Department and in consultation with the Governor’s Office. The program staff in Division of Homeland Security & Emergency Management and Division of Fire Prevention & Control will notify Executive Director’s Office accounting within 60 days of when they determine an Executive Order meets the requirement for closure. Executive Director’s Office accounting will complete the Certification of Closed Disaster for Executive Orders and submit to the Governor’s Office and OSPB within 30 days of receiving the request for closure from the program. Once all coordination with the Governor’s office is complete, spending authority will be reduced in the State Financial System for both departments.
--------------------------------	--

Recommendation 1B

The Department of Public Safety should ensure that money in the Disaster Emergency Fund is used efficiently and that information provided on the Disaster Emergency Fund is accurate by closing all open disasters identified in the audit where spending reimbursements are complete.

Current Implementation Status	Implemented
--------------------------------------	-------------

Current Implementation Date	June 21, 2023
------------------------------------	---------------

Status Update Narrative	All open disasters identified in the audit (17) have been properly closed.
--------------------------------	--



November 27, 2023

Disaster Emergency Fund – Status Report

Members of the Legislative Audit Committee:

Attached is the status report from the Governor’s Office of State Planning and Budgeting (OSPB) on the implementation of recommendations contained in the Office of the State Auditor’s (OSA) *Disaster Emergency Fund Performance Audit*.

OSA Review of Documentation

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

- OSPB’s *Disaster Emergency Fund Report Process Guide*, that it implemented in June 2023, and updated in September and October 2023.
- OSPB’s public reports on the Disaster Emergency Fund dated March and September 2023.
- An updated version of sections of the September 2023 report that OSPB created using its October 2023 revised guide.

Based on our review, the supporting documentation substantiates OSPB’s reported implementation status.



COLORADO
Office of State Planning
& Budgeting

111 State Capitol
Denver, Colorado 80203

October 27, 2023

Kerri L. Hunter, CPA
State Auditor
Colorado Office of the State Auditor
1525 Sherman St., 7th Floor
Denver, CO 80203

Dear Auditor Hunter:

In response to your request, we have prepared the attached status report on the implementation status of audit recommendations contained in the Disaster Emergency Fund performance audit. The report provides a brief explanation of the actions taken by the Office of State Planning and Budgeting to implement each recommendation.

OSP completed implementation of all audit recommendations contained in the Disaster Emergency Fund performance audit.

If you have any questions about this status report and the Office of State Planning and Budgeting's efforts to implement the audit recommendations, please contact me or Sherry Wolfe at (773) -703 - 3403 or sherry.wolfe@state.co.us.

Sincerely,

Mark Ferrandino
Director

Audit Recommendation Status Report

Audit Name:	The Disaster Emergency Fund Performance Audit
Audit Number:	2163
Agency:	Office of State Planning and Budgeting
Date of Status Report:	October 27, 2023

Section I: Summary				
Rec. Number	Response from Audit Report	Original Implementation Date	Current Implementation Status	Current Implementation Date
2A	Agree	June 2023	Implemented	October 2023
2B	Agree	June 2023	Implemented	October 2023

Section II: Narrative Detail

Recommendation 2A

The Governor’s Office of State Planning and Budgeting should improve the accuracy, completeness, clarity, and usefulness of its quarterly reports on the Disaster Emergency Fund by establishing and implementing policies and procedures over the Disaster Emergency Fund reporting process, which should include a specific methodology for what data will be used to prepare the reports and how the amounts reported will be calculated, and a quality control process that verifies that the data used and calculations are complete, reliable, and accurate, and that it maintains documentation of the actual data and methodology.

Current Implementation Status	Implemented
--------------------------------------	-------------

Current Implementation Date	October 25, 2023
------------------------------------	------------------

Status Update Narrative	The Governor’s Office of State Planning and Budgeting <i>Disaster Emergency Fund Report Process Guide</i> published to OSPB’s website, in June 2023 includes the specific methodology for what data will be used to prepare the reports and how the amounts reported will be calculated, and a quality control process that verifies that the data used and calculations are complete, reliable, and accurate. The <i>Disaster Emergency Fund Report Process Guide</i> , updated October 25, 2023 and published to OSPB’s website in October 2023, reflects updates to the process made during implementation of Recommendation 2B.
--------------------------------	---

Recommendation 2B

The Governor’s Office of State Planning and Budgeting should improve the accuracy, completeness, clarity, and usefulness of its quarterly reports on the Disaster Emergency Fund by establishing a consistent report format that includes using disaster naming conventions, summing total expenditures by disaster, and providing historical revenue and expenditure totals by disaster in each quarterly report.

Current Implementation Status	Implemented
--------------------------------------	-------------

Current Implementation Date	October 25, 2023
------------------------------------	------------------

Status Update Narrative	The Governor’s Office of State Planning and Budgeting improved the accuracy, completeness, clarity, and usefulness of its quarterly reports on the Disaster Emergency Fund by: <ul style="list-style-type: none"> ● Establishing a consistent report format that includes disaster naming conventions (implemented in the report submitted to the JBC on September 20, 2023 and reflected for disasters since 2020 in the Executive Orders section of OSPB’s website). ● Summing total expenditures by disaster, rather than department (implemented in the report submitted to the JBC on March 20, 2023). ● Reporting cumulative prior spending by disaster (implemented in the report submitted to the JBC on September 20, 2023).
--------------------------------	--

- | | |
|--|--|
| | <ul style="list-style-type: none">● Providing historical revenue and expenditure totals recorded in the state accounting system since 2015 by disaster (implemented in the report submitted to the JBC on September 20, 2023). |
|--|--|