



*State of Colorado*

LEGISLATIVE AUDIT COMMITTEE  
 Legislative Services Building - Second Floor  
 200 East 14<sup>th</sup> Avenue  
 Denver, Colorado 80203

LOIS TOCHTROP, CHAIR  
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 CINDY ACREE, VICE CHAIR  
 Representative  
 DEB GARDNER  
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 Senator

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 Senator  
 JOE MIKLOSI  
 Representative  
 SCOTT RENFROE  
 Senator

January 3, 2012

Senator Evie Hudak, Chair  
 Senate Transportation Committee

Dear Senator Hudak:

The Legislative Audit Committee is concerned about departments not implementing audit recommendations that they had agreed to implement. The State Auditor and her staff have developed a database to track recommendations and produce reports identifying those not fully implemented. We are providing this report for your consideration as you meet with the Department.

Attached you will find information regarding the following recommendations:

<b>Department of Transportation</b>		
<u>Number of Recommendations</u>	<u>Audit of Origination</u>	<u>Audit Date</u>
6	State of Colorado Statewide Single Audit	FY2008 and FY2009

Thank you for integrating this into your discussions.

Sincerely,

*Senator Lois Tochtrop*

Senator Lois Tochtrop, Chair  
 Legislative Audit Committee

Office of the State Auditor Recommendations  
Financial Recommendations Not Entirely Implemented As of Fiscal Year Ending June 30, 2010

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Disposition of Prior Recommendation or Current Recommendation			Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994			Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970			Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901		
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Transportation	Strengthen its controls over local agency receivables, revenue, and deferred revenue by: (a) ensuring that supervisory reviews of accounts receivable are adequate to identify and correct errors in a timely manner.	51a	Deficiency in Internal Control	Partially Implemented	September 2011	51a	Significant Deficiency	N/A	Partially agree - original implementation date is June 2010				
Department of Transportation	Strengthen its controls over local agency receivables, revenue, and deferred revenue by: (b) completing the research on the seven confirmations from local agencies who disputed their account balances and making adjustments as appropriate.	51b	Deficiency in Internal Control	Partially Implemented	September 2011	51b	Significant Deficiency	N/A	Partially agree - original implementation date is June 2010				
Department of Transportation	Strengthen its controls over local agency receivables, revenue, and deferred revenue by: (c) following up with local agencies on a regular and timely basis regarding outstanding balances owed to the State and providing sufficient detail to the local agencies that supports the outstanding	51c	Deficiency in Internal Control	Partially Implemented	September 2011	51c	Significant Deficiency	N/A	Partially agree - original implementation date is June 2010				
Department of Transportation	Strengthen its controls over local agency receivables, revenue, and deferred revenue by: (d) considering the need for an allowance for outstanding balances that are 60 days or more in arrears.	51d	Deficiency in Internal Control	Partially Implemented	September 2011	51d	Significant Deficiency	N/A	Partially agree - original implementation date is June 2010				
Department of Transportation	Strengthen its controls over local agency receivables, revenue, and deferred revenue by: (e) ensuring that SAP operations as intended when processing transactions related to accounts receivable and that all	51e	Deficiency in Internal Control	Partially Implemented	September 2011	51e	Significant Deficiency	N/A	Partially agree - original implementation date is June 2010				
Department of Transportation	Track subscriber activity based on payments made to subscribers in each current year and obtain audits from subscribers that have \$500,000 or more in federal funds as required by OMB Circular A-133.	108	Significant Deficiency	Partially Implemented	September 2011	150	Significant Deficiency	Deferred	December 2009	109	Significant Deficiency	N/A	Agree - original implementation date is December 2009