



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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16-20 2016 Annual Audit Follow-Up

September 2016

Purpose

To determine whether management took appropriate and timely actions as indicated in their response to recommendations in audit reports issued during 2015 along with open recommendations from prior periods.

Highlights

Based on our review, we conclude that 81% of the recommendations we reviewed were implemented or adequately addressed by management. The remaining 19% were either in the process of being addressed or scheduled to be addressed at a future date.

The City, Colorado Springs Utilities, and the Colorado Springs Airport have continued to make progress towards implementing open audit recommendations. The Office of the City Auditor published 39 reports in 2015. Recommendations made in 2015 and recommendations carried over from prior years are summarized on page two of this report showing the implementation status. Recommendations may be in progress or open due to valid operational and timing reasons. The Office of the City Auditor will continue to monitor audit recommendations that are In Progress or Open until they are resolved.

To comply with audit standards, "The Chief Audit Executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action." The City Auditor developed this follow-up process and reports annually on the results of the process. This report is our eighth annual report related to follow-up.

We reviewed 73 recommendations made by our office and management's actions in response to those recommendations. We found:

- 59 Recommendations (81%) were implemented or management's actions adequately addressed the risk identified during our original audit. No further follow-up will be performed.
- 14 Open recommendations (19%) were noted for various valid reasons. The current status of these recommendations has been included in the Open-Status column on page two.

Summarized information including report number, report title, total number of recommendations, and follow-up status are provided on page two of this report.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing, a part of the Professional Practices Framework promulgated by the Institute of Internal Auditors.

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Implementation Status of Management Actions

Report Number	Report Title	Total Recommendations	Implemented or Risk Addressed	Open	Open—Status
City of Colorado Springs					
13-15	Procurement Audit	4	3	1	In progress
14-04	City and Utilities Claim Reserve and Workers' Compensation Funds Audit	1	0	1	To be reviewed in 2017
14-13	Colorado Springs Data Center Audit	6	4	2	January 2017 planned completion
14-16	Municipal Court Judge Audit	2	1	1	2017 planned completion
14-19	Sales Tax Application Audit	1	1	0	
14-27	TOPS Fund Audit	1	1	0	
15-04	Fire Department Follow-up on Pensions	3	3	0	
15-08	Procurement and Leasing of Information Technology Equipment	1	1	0	
15-14	Review and Monitor Capital Projects Management	3	3	0	
15-17	Mobile Device Bill Accuracy	5	2	3	In progress
15-19	Cash Receipts	3	3	0	
15-30	Utilization of Outside Legal Counsel	2	2	0	
15-31	Urban Renewal Authority	3	1	2	In progress
15-32	Briargate Special Improvement Maintenance District Audit	4	4	0	
15-33	Special Tax Revenue Audit	1	1	0	
Colorado Springs Airport					
14-23	Parking Audit	4	4	0	
Colorado Springs Utilities					
13-17	Rate Competitiveness Audit	1	1	0	
13-25	Maximo Application Audit	1	0	1	2017 projected completion
14-01	Credit and Collection Audit	1	1	0	
15-03	2014 Southern Delivery System Monitoring Report	4	4	0	
15-05	Interest Rate Hedging Program	1	1	0	
15-15	Financial and Human Resource Software Audit	1	1	0	
15-16	Capital Projects Audit	3	3	0	
15-18	Purchasing System Review	4	3	1	2017 planned completion
15-22	Geographic Information System Audit	1	1	0	
15-24	Comparison of Projected to Actual Revenue	2	2	0	
15-25	Metering Audit	2	0	2	In progress
15-29	2016 Rate Case Audit	3	3	0	
15-34	Electric and Gas Cost Adjustments	1	1	0	
15-35	Accrued Revenue	1	1	0	
15-36	Debt Management	1	1	0	
City of Colorado Springs and Colorado Springs Utilities Combined Audit					
15-23	2015 Fleet Audit	2	2	0	
Totals		73	59	14	
Percentages			81%	19%	