



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

14-28 Annual Follow-Up Report

November 2014

Purpose

To determine whether management took appropriate and timely actions as indicated in their response to recommendations in audit reports issued during 2013 along with open recommendations from prior periods.

Highlights

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.” We have developed a follow-up process and annual report on our results. This report is our sixth annual report related to the follow-up process.

We reviewed 89 management actions and found:

- 58 (65%) management actions were implemented or risk was accepted
- 17 (19%) management actions were partially implemented
- 14 (16%) were open and subject to retesting or additional follow-up in the next annual report.

Our review identified four recommendations scheduled for 2014 follow-up, which were excluded from the summary results above. These audit recommendations had not occurred due to uncommon situations. For example, three of these recommendations were related to the Natural Gas Hedging Program, which has been suspended. One recommendation from the Solar Garden Expansion Tariff Report was open pending future applicable program activity.

Overall, management actions were appropriate and timely. Our follow-up results indicated planned actions were either fully or partially implemented within a reasonable amount of time for 75 (84%) of the management actions.

Detailed results of this review by audit report are included on the following page.

Respectfully,

Denny L. Nester, MBA CPA CIA CFE CGFM CGAP

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.

City Council's Office of the City Auditor
City Hall, 107 North Nevada Ave. Suite 205, Mail Code 1542, Colorado Springs CO 80901-1575
Tel 719-385-5991 Fax 719-385-5699 Reporting Hotline 719-385-2387
www.SpringsGov.com/OCA

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Implementation Status of Management Actions					
Report Number	Report Title	Total Recommendations Accepted by Management	Fully Implemented or Risk Accepted	Partially Implemented	Open
City of Colorado Springs					
13-10	Police Evidence	14	7	7	0
13-15	City Procurement Audit	5	1	0	4
13-18	City Database Security Audit	7	2	1	4
13-19	ARAMARK Contract Review	3	1	2	0
13-26	City Purchasing Card Audit	2	2	0	0
12-05	City Cash Receipt 2013 Open Follow-up Items	7	7	0	0
12-10	Convention & Visitor's Bureau	1	1	0	0
12-17	Claims Reserve/Workman's Comp	1	0	0	1
12-20	City Payroll	1	1	0	0
Colorado Springs Airport					
13-16	Airport Network Review	3	2	0	1
12-25	Airport Fixed Assets	4	2	1	1
Colorado Springs Utilities					
13-01	Utilities Debt Management Audit	1	1	0	0
13-02	Community Solar Garden	7	6	1	0
13-04	Drought Response Tariff	1	1	0	0
13-06	Utilities Payroll Audit	4	2	2	0
13-07	Annual External Report EL4 and EL7	1	1	0	0
13-08	Proposed Community Solar Garden Tariff	1	1	0	0
13-11	2012 SDS Monitoring Report	7	7	0	0
13-12	Natural Gas Hedging Program Performance Audit	2	2	0	0
13-14	Utilities Billing Audit	3	3	0	0
13-17	Utilities Rate Competitiveness Audit	3	2	0	1
13-21	2014 Electric and Gas Rate Review	2	2	0	0
13-23	E-Commerce Review	1	1	0	0
13-25	Maximo Application Audit	3	1	1	1
12-09	CSU Purchasing System (Procurement Audit)	1	0	1	0
12-24	Data Center Review	3	2	1	0
12-13	Multiyear Water Rate Case	1	0	0	1
Totals		89	58	17	14
Percentages			65.17%	19.10%	15.73%