



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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City Auditor, CPA CFE PMP

A handwritten signature in blue ink that reads "Jacqueline M. Rowland".

23-23 City of Colorado Springs Sales Tax Application Audit

November 2023

Purpose

The purpose of this audit was to assess the internal controls within the sales tax application to include segregation of duties and user access.

Highlights

Based on our review, we concluded that user account management processes and controls could be improved to further protect the organization for purposes of securing the City's Information Technology (IT) assets and critical functions. Management agreed with our recommendations. Management also provided responses. We will follow up to ensure corrective actions are implemented in a timely manner.

In 2022, 55% of the revenue for the City of Colorado Springs was generated from sales and other taxes. The services provided by the Sales Tax department includes collecting sales and use tax from taxpayers and register applicants for new sales and use tax licenses. The Sales Tax department implemented a sales tax filing system to enable local businesses to file and gain account information online. Additionally, the system provides online capabilities for filing and payment.

We are not including details concerning any potential vulnerabilities (or strengths) related to the security of those Colorado Springs facilities and functions. Disclosure of this information to the public would be contrary to the public interest in improving or maintaining secure information technology systems for the City of Colorado Springs. The details of this audit are not required to be released to the public per C.R.S. § 24-72-204(2)(a)(VIII)(A).

We would like to thank the Sales Tax department for their support and cooperation during this audit.

Management Response

Management has agreed to address the issues. We will follow up on management's actions in future reports.

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.