



# OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

## 15-28 Annual Audit Follow-Up Report

October 2015

### ***Purpose***

To determine whether management took appropriate and timely actions as indicated in their response to recommendations in audit reports issued during 2014 along with open recommendations from prior periods.

### ***Highlights***

Based on our review, we conclude that 71% of the recommendations we reviewed were implemented or adequately addressed by management. The remaining 29% 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 33 reports in 2014. Recommendations made in 2014 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 seventh annual report related to follow-up.

We reviewed 75 recommendations made by our office and management's actions in response to those recommendations. We found:

- 53 Recommendations (71%) were implemented or management's actions adequately addressed the risk identified during our original audit. No further follow-up will be performed.
- 22 Open recommendations (29%) 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
<b>City of Colorado Springs</b>					
13-15	Procurement Audit	4	0	4	Leadership change; We will review in 2016 audit
13-18	Database Security Audit	4	4	0	
14-04	City and Utilities Claim Reserve and Workers' Compensation Funds Audit	5	4	1	
14-06	Housing Development Division Audit	8	8	0	
14-07	City Council Travel Reimbursement Audit	1	1	0	
14-13	Colorado Springs Data Center Audit	7	1	6	In progress
14-15	Municipal Court Fine Audit	3	3	0	
14-16	Municipal Court Judge Audit	5	3	2	2016 projected completion
14-19	Sales Tax Application Audit	3	2	1	2016 projected completion
14-27	TOPS Fund Audit	2	1	1	In progress
14-32	Development Review Enterprise Audit	1	1	0	
<b>Colorado Springs Airport</b>					
12-25	Fixed Assets Audit	1	1	0	
13-16	Network Review Audit	1	1	0	
14-21	Food Vendor Contract Compliance Audit	1	1	0	
14-23	Parking Audit	8	4	4	In progress
<b>Colorado Springs Utilities</b>					
12-13	Multiyear Water Rate Case	1	1	0	
13-17	Rate Competitiveness Audit	1	0	1	2016 projected completion
13-25	Maximo Application Audit	1	0	1	2017 projected completion
14-01	Credit and Collection Audit	3	2	1	2016 projected completion
14-03	2013 SDS Monitoring Report	4	4	0	
14-09	Drake Scrubber Audit	2	2	0	
14-18	Allocation and Load Study Audit	3	3	0	
14-24	Nixon SO <sup>2</sup> Scrubber Procurement Audit	2	2	0	
14-29	Drake Scrubber Audit	4	4	0	
<b>Totals</b>		<b>75</b>	<b>53</b>	<b>22</b>	
<b>Percentages</b>			<b>71%</b>	<b>29%</b>	