



# OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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## 17-24 2017 Annual Audit Follow-Up

November 2017

### **Purpose**

To determine whether management took appropriate and timely actions as indicated in their response to recommendations in audit reports issued during 2016 along with open recommendations from prior periods.

### **Highlights**

Based on our review, we conclude that 69.4% of the recommendations we reviewed were implemented or adequately addressed by management. The remaining recommendations were either open to be followed up next year (22.4%) or for 8.2% management accepted the risk associated with the current status due to various reasons as noted on the following page.

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 26 reports in 2016. Twelve reports published in 2016 contained no audit issues for follow-up. Recommendations made in 2016 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.

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. In addition, we follow up on recommendations made by other assurance providers.

We reviewed 49 recommendations made by our office to determine whether management had taken action as indicated in their response to recommendations. We found:

- 34 Management responses (69.4%) were accomplished or management's actions adequately addressed the risk identified during our original audit. No further follow-up will be performed.
- 11 Open responses (22.4%) were noted and will be reviewed in the 2018 Annual Audit Follow-up.
- 4 Management responses (8.2%) were considered acceptance of risk by management.

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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# 17-24 2017 Annual Follow-up Report

## Implementation Status of Management Actions

Report Number	Report Title	Implemented	Open	Risk Accepted	Comments
<b>City of Colorado Springs</b>					
13-15	Procurement Audit		1		In progress
14-04	City and Utilities Claim Reserve and Workers' Compensation Funds Audit		1		In progress
14-13	Colorado Springs Data Center Audit	1		1	IT audit*
14-16	Municipal Court Judge Audit			1	Work load and priorities
15-04	Fire Department Follow-up on Pensions	1			
15-17	Mobile Device Bill Accuracy	3			
15-19	Cash Receipts		1		Open pending programming changes
15-31	Urban Renewal Authority	1	1		Staff changes
15-32	Briargate Special Improvement Maintenance District	1			
16-09	Lodgers and Automobile Rental Tax (LART) Review		1		In progress
16-13	Payroll	2			
16-16	Payroll IT Controls	2		1	IT Audit*
<b>Colorado Springs Airport</b>					
16-08	Cash Receipts Accounting Review		1		In progress
16-26	Grant Reimbursement Timeliness	1			
<b>Colorado Springs Utilities</b>					
13-25	Asset Management Application Audit			1	IT Audit*
15-16	Capital Projects Audit	3			
15-18	Purchasing System Review		1		Staff changes
15-25	Metering Audit	2			
16-04	Annual External Report on EL 11 - Enterprise Risk Management	1			
16-07	Annual External Report on EL (4) Asset Protection and (7) Financial Conditions and Activities	2			
16-12	Customer Care and Billing General Controls	2	4		IT Audit*
16-14	Cash Disbursements	1			
16-15	Cell Phone and Other Wireless Devices	2			
16-21	2017 Rate Case Audit	1			
16-22	Payroll and Labor	1			
16-10	Streets Maintenance and Operations Coordination	7			
<b>Totals</b>		<b>34</b>	<b>11</b>	<b>4</b>	
<b>Percentage of Total Recommendations</b>		<b>69.4%</b>	<b>22.4%</b>	<b>8.2%</b>	
*Details of IT audits are not reported due to security risks.					