



# OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

Denny L. Nester, City Auditor  
MBA CPA CIA CFE CGFM CGAP

## 18-06 Colorado Springs Utilities Annual External Report on Executive Limitation 11 Enterprise Risk Management

March 2018

### **Purpose**

The purpose of this high level review was to determine whether Colorado Springs Utilities and the Chief Executive Officer complied with Executive Limitation (EL) 11 Enterprise Risk Management. In addition to verifying management's monitoring reports dated August 9, 2017 and February 14, 2018, our objectives included assurance that any known violations were reported to the Utilities Board.

### **Highlights**

Based on our review, we conclude that Colorado Springs Utilities and the Chief Executive Officer were in compliance with EL-11 for the calendar year 2017.

Our audit included a review of the Risk Management Committee minutes and written policies required by EL-11. We interviewed Colorado Springs Utilities personnel responsible for administering policies and Office of the City Auditor staff who attended the Risk Management Committee meetings. We verified the accuracy and reliability of statements made in the monitoring reports prepared by Colorado Springs Utilities for the Utilities Board.

The Office of the City Auditor completed external monitoring as directed by City Council acting in its capacity as the Utilities Board. Under Governance Policy Board-CEO Linkage 5 (BL-5), Monitoring Chief Executive Officer Performance, the Office of the City Auditor is required to monitor compliance with EL-11 enterprise Risk Management annually. This limitation states, "The Chief Executive Officer shall not cause or allow conditions, procedures or decisions which fail to identify, measure, monitor and manage, within established risk tolerances, potential events that may affect achievement of the Ends."

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.ColoradoSprings.gov](http://www.ColoradoSprings.gov)