



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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18-16 City of Colorado Springs Ballot Measure 2C Maintenance of Effort Spending (2017)

May 2018

Purpose

The purpose of this audit was to calculate the 2017 General Fund spending on repair and maintenance of roads and streets in order to determine if the 2017 spending met the Ballot 2C Maintenance of Effort (MOE) requirement.

Highlights

The 2017 annual spending for road and street repair and maintenance from the General Fund was \$3,632,204. The 2017 spending exceeded the Ballot 2C MOE requirement by \$933,691.

Maintenance of Effort (MOE): Ballot 2C specified the City maintain spending on repair and maintenance of roads and streets from the General Fund during the term of the temporary sales and use tax increase at an amount equivalent to the average spending from 2012 through 2014. The MOE was calculated by the City Auditor in the amount of \$2.698M. 2017 was the second year 2C revenue was collected and services were provided.

Applicable Spending

	2012 - 2014 Spending	2017 Spending
Labor and Benefits	\$ 3,213,141	\$ 1,991,025
Allocated Operating Expenses	\$ 443,629	\$ 208,881
Capital Improvement Projects-Streets	\$ 2,438,770	\$ 1,432,298
Pothole Road Repairs	\$ 2,000,000	\$ -
Total	\$ 8,095,540	\$ 3,632,204
3 year average Total - MOE Spending Required	\$ 2,698,513	

Management Response:

Management agreed with and has implemented the recommendation.

Opportunity for Improvement:

The work order system used by Streets Operations was not linked to the payroll system, therefore updating of wage information was a manual process and had not been updated for 2017 payroll adjustments. To determine the correct amount for the MOE, the auditors manually reconciled the work order and payroll systems. The differences were insignificant.

Recommendation:

Ideally the two systems should be kept in synch to improve the accuracy of the work order system as a management tool.

Management Action:

Streets Operations immediately corrected the wages in the work order once they were notified of the issue.

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.