



OFFICE OF THE CITY AUDITOR

COLORADO SPRINGS, COLORADO

14-21 Airport Food Vendor Contract Compliance

August 2014

Purpose: The purpose of this audit was to evaluate whether the Food and Beverage Concession Agreement vendor and the Colorado Springs Airport were abiding by the terms and conditions of the contract for services.

Conclusion:

Based on our review, we conclude that the food vendor and the Airport were generally abiding by the terms and conditions of the contract.

We performed a review of the Food and Beverage Concession Agreement between the Colorado Springs Airport (Airport) and SSP America, Inc., to ensure compliance with contract terms. The contract term was December 1, 2004, through December 1, 2014. We verified compliance with key contract terms which included revenue payments, insurance verification, and capital improvement requirements.

We observed one area for improvement in contract management. Airport management did not clearly assign responsibility for monitoring the contract to ensure vendors are fulfilling their obligations. Airport management was aware of this situation and was in the process of defining departmental roles to ensure contract oversight.

Airport management performed monthly and annual analysis of the receipts received from the food vendor. This analysis helped ensure the Airport was receiving the proper amounts as it relates to the terms of the contract.

Respectfully,

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

Recommendation

Airport management should assign responsibility for monitoring the contract to ensure compliance by both the Airport and the Vendor.

Management's Response

We generally agree with the recommendation. We are in the process of defining departmental roles to ensure contract oversight.

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.