



# OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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## 16-01 Colorado Springs Utilities State Grants Management

January 2016

### Purpose

The purpose of this audit was to verify that state funds received for various grants are appropriately tracked and accounted for by Colorado Springs Utilities (Utilities). This audit reviewed state grants that had been initiated by or closed out during 2012 through 2015.

### Highlights

We concluded adequate controls were in place surrounding state grants management, and processes were well documented and controlled by the Treasury and Finance (TAF) Department. No procedural improvements or findings were noted.

At the time of this audit, Utilities had been awarded 20 different federal, state, or privately funded grants totaling \$11 million since 2012. Of this amount, 7 grants totaling \$2.8 million had been awarded from state programs. In 2015, \$2.6 million was awarded including \$500,000 from state programs.

State grants were used for various projects including water quality improvements, construction of a compressed natural gas fueling station, and the construction of a fish ladder.

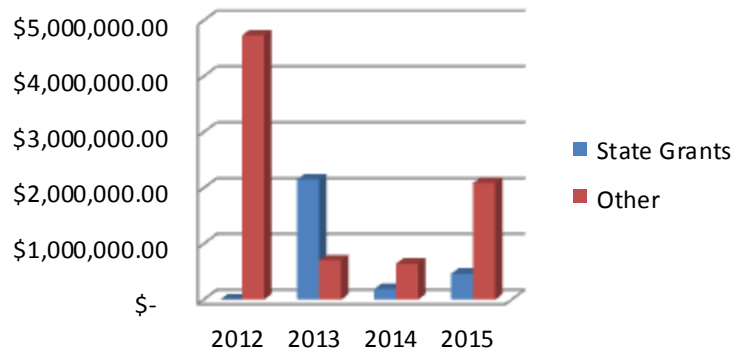
To receive a grant, Utilities must identify grants available, apply, and be awarded the grant.

Typically, monies are received after expenditures have been made and requests for reimbursements have been approved by the Grantor.

The Office of the City Auditor (OCA) has audited TAF department functions in the past, but this audit is the first audit of the grants function. For this audit, the OCA confirmed controls were in place for the TAF activities surrounding state grants. We reviewed policies and procedures and selected a sample of state grants. Auditors verified all grants within the sample were being managed in accordance with the policies and procedures. We also verified all expenditures and reimbursements were properly supported.

We would like to thank Colorado Springs Utilities TAF personnel who assisted us with this audit.

### Grants Awarded 2012-2015



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.