



OFFICE OF THE CITY AUDITOR

COLORADO SPRINGS, COLORADO

11-03: Semi-Annual External Report on Executive Limitation (EL) 11—Enterprise Risk Management

February 2011

Purpose

The purpose of the review was to perform a high level review of compliance with the Executive Limitation and to ensure any known violations had been reported to the Utilities Board.

Recommendations

No formal recommendations were made.

Highlights

Based on our review of the operations and activities of the Risk Management Committee and Utilities staff, I believe that Colorado Springs Utilities and therefore the Chief Executive Officer have policies and procedures in place that should ensure material compliance with all components of EL-11 Enterprise Risk Management.

The Office of the City Auditor completed the external monitoring as directed by City Council acting in its capacity as the Utilities Board under Governance Policy BL-5, Monitoring Chief Executive Officer Performance. This review covered Policy EL-11 Enterprise Risk Management for the period of July 1, 2010 through December 31, 2010.

This review was accomplished by determining whether policies and procedures related to risk management were in place. We also conducted interviews of key personnel responsible for administering policies. Additionally, a member of the City Auditor's staff attended the Risk Management Committee meetings, and we reviewed Risk Management Committee meeting minutes. Our review did not include detailed tests of controls and systems that ensure policy compliance.

(Continued on page 2)

Management Response

No response was requested from Colorado Springs Utilities.

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(Highlights continued from page 1)

Please contact me if you have any questions related to this report. I plan to attend your Utilities Board Meeting on February 16, 2011 when this report should be on the agenda.

Respectfully,



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