



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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

18-25 2018 Annual Follow-up

October 2018

Purpose

To determine whether management took appropriate and timely actions as indicated in their response to recommendations in audit reports issued during 2017 along with open recommendations from prior periods.

Highlights

Based on our review, we conclude that 61% of the recommendations we reviewed were implemented or adequately addressed by management. The remaining recommendations were either open to be followed up next year (31%), or for (8%) management accepted the risk associated with the current status due to various reasons as noted on the following page.

The City of Colorado Springs and Colorado Springs Utilities, and the Colorado Springs Airport have continued to make progress towards implementing open audit recommendations. The Office of the City Auditor published 33 reports in 2017. Nineteen reports published in 2017 contained no audit issues for follow-up. Recommendations made in 2017 and recommendations carried over from prior years are summarized on page two of this report showing the implementation status. Recommendations may be in progress or open due to valid operational and timing reasons.

To comply with audit standards, "The Chief Audit Executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action." The City Auditor developed this follow-up process and reports annually on the results of the process. In addition, we follow up on recommendations made by other assurance providers.

We reviewed 61 recommendations made by our office to determine whether management had taken action as indicated in their response to recommendations. We found:

- 37 Management responses (61%) were accomplished or management's actions adequately addressed the risk identified during our original audit. No further follow-up will be performed.
- 19 Open responses (31%) were noted and will be reviewed in the 2019 Annual Audit Follow-up.
- 5 Management responses (8%) were considered acceptance of risk by management.

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

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Implementation Status of Management Actions

Report Number	Report Title	Implemented	Open	Risk Accepted	Comments
City of Colorado Springs					
15-19	Cash Receipts		1		In Progress
15-31	Urban Renewal Authority	1			
16-09	Lodgers and Automobile Rental Tax (LART) Review	1			
17-01	Parks, Recreation and Cultural Services Cash Receipts	4	1		In Progress
17-04	Information Technology Contractors Holiday Payments	2			
17-05	Cash Disbursements	3	1		Open item in Progress
17-10	Monitoring of City Information Technology Governance & Outsourcing	1			
17-14	Liability Claims and Workers' Compensation Reserve Fund	1	2	2	Open items in Progress
17-22	Procurement Audit	2	1		In Progress
17-23	Security of Fire Department Electronic	3	6		* IT Audit
Colorado Springs Airport					
16-08	Cash Receipts Accounting Review	1			
Colorado Springs Utilities					
15-18	Purchasing System Review		1		In Progress
16-12	Customer Care and Billing General Controls	3		1	* IT Audit
17-08	Annual External Report on Executive Limitation 11- Enterprise Risk Management	1			
17-13	Pole Attachments		2		In Progress
17-16	Energy Trading & Risk Management Application	4		1	* IT Audit
17-20	Information Technology Change Management	5	2	1	* IT Audit
17-28	Purchasing Cards	2			
17-29	Cybersecurity	1			
City of Colorado Springs and Colorado Springs Utilities					
17-31	Fleet Savings Verification	2	2		City Status; Implemented Utilities Status; In Progress
Totals		37	19	5	
Percentage of Total Recommendations		61%	31%	8%	
*Details of Information Technology audits are not reported due to security risks.					