



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

14-05 Annual External Report on Executive Limitation 11—Enterprise Risk Management

March 2014

Purpose

The purpose of this high level review was to determine whether Colorado Springs Utilities and the Chief Executive Officer complied with Executive Limitation (EL) 11 Enterprise Risk Management. In addition to verifying management’s reports dated August 14, 2013, and February 17, 2014, our objectives included assurance that any known violations were reported to the Utilities Board.

Highlights

Based upon our high level review, Colorado Springs Utilities and the Chief Executive Officer were in compliance with EL 11 for the calendar year 2013.

Our audit included a review of the Risk Management Committee minutes and written plans required by EL 11. We interviewed Utilities’ personnel responsible for administering policies and Office of City Auditor staff who attended the Risk Management Committee meetings. We verified the accuracy and reliability of statements made in the monitoring reports prepared by Colorado Springs Utilities for the Utility Board.

The Office of the City Auditor completed external monitoring as directed by City Council acting in its capacity as the Utilities Board under Governance Policy Board-CEO Linkage 5 (BL-5), Monitoring Chief Executive Officer Performance. BL-5 requires “Systematic and rigorous monitoring of CEO performance” be completed within the published schedule.

The audit did not include a review of risks identified and managed by Utilities, or test of controls and systems that ensure policy compliance.

Respectfully,

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

Recommendations

No formal recommendations were made.

Management Response

No response was requested from Colorado Springs Utilities.

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Standards

The audit was conducted in a manner that conforms 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.