



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

Jacqueline M. Rowland
City Auditor, CPA CFE PMP

24-22 Annual Follow-up

October 2024

Purpose

The purpose of the annual follow-up is to determine whether management took appropriate and timely actions based upon their response to audit recommendations. Our scope includes audit report recommendations issued during 2023 along with open recommendations from prior periods.

Highlights

Based on our review, we conclude that 76.2% of the 2023 audit report recommendations or prior period open recommendations were implemented or risk accepted by management. The remaining 23.8% of recommendations remained open and will be followed up next year. Page two of this report presents the detailed results of our Annual Follow-up.

The Office of the City Auditor published 23 reports in 2023. Recommendations made in 2023 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.

We reviewed 42 recommendations made by our office to determine whether management had taken action as indicated in their response to recommendations. We found:

- 31 Management responses (73.8%) were accomplished or management's actions adequately addressed the risk identified during our original audit. No further follow-up will be performed.
- 1 Management accepted the risk of not implementing the recommendation (2.4%). No further follow-up will be performed.
- 10 Open responses (23.8%) were noted and will be reviewed in the 2024 Annual Audit Follow-up

We would like to thank the staff from City of Colorado Springs, Colorado Springs Utilities, and other enterprises who assisted us in the audit.

24-22 Annual Follow-up

Implementation Status of Management Actions

| Report Number | Report Title | Implemented | Open | Risk Accepted |
|--|---|--------------|--------------|---------------|
| City of Colorado Springs | | | | |
| 21-14 | City Ethics Policies and Practices | 1 | | |
| 22-08 | City Parks, Recreation, and Cultural Services Cash and Funds Receipts Internal Control Review | 1 | | |
| 22-18 | Community and Public Health CARES Program | | 1 | |
| 22-16 | Parking System Enterprise Internal Control Review | 1 | 2 | |
| 23-02 | Pikes Peak - America's Mountain Cash Receipts | 1 | | |
| 23-04 | City Procurement Card Monitoring 2022 | 3 | | |
| 23-09 | Information Technology Account Management | 5 | | |
| 23-14 | Colorado Springs Fire Department Sworn Overtime Trends | 1 | | |
| 23-23 | City Sales Tax Application | 3 | 2 | |
| Colorado Springs Utilities | | | | |
| 23-01 | Enterprise Resource Planning System Implementation | 5 | | |
| 23-03 | Resource Management User Access | 4 | | |
| 23-06 | Utilities Board Instruction 4, Risk Management | 1 | | |
| 23-12 | Enterprise Balanced Scorecard | | | 1 |
| 23-18 | 2024 Electric and Gas Rate Case | 1 | | |
| 23-22 | Information Technology Account Management | 2 | 3 | |
| Colorado Springs Airport | | | | |
| 23-07 | Airport Contract Administration | 2 | 1 | |
| 23-21 | Airport Peak Innovation Business Park | | 1 | |
| Totals | | 31 | 10 | 1 |
| Percentage of Total Recommendations | | 73.8% | 23.8% | 2.4% |

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.