



# OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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

August 2011

### **Purpose**

To review compliance with Executive Limitation 11 (EL-11) and to ensure any known violations had been reported to the Utilities Board. The EL-11 report reviewed included financial data for the period of January through May 2011.

### **Highlights**

This review was accomplished by determining whether policies and procedures related to risk management were in place. We also interviewed personnel and reviewed Risk Management Committee meeting minutes as well as statements made by the Chief Executive Officer of Colorado Springs Utilities in his report dated July 13, 2011.

It was noted that the reporting period for the July EL 11 is semi-annual, however, the due date did not allow sufficient time for staff to prepare the report using final financial data through June. Final data was only available through May and was used to prepare the report.

There is a risk that a significant event occurring in the sixth month would not be reported in a timely manner.

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

Please contact me if you have any questions related to this report. I plan to attend your Utilities Board Meeting on August 17, 2011, when this report should be on the agenda.

Denny Nester  
City Auditor

### **Recommendations**

We recommend Colorado Springs Utilities change the due date of the report covering the first two quarters of the year to allow staff time to prepare the report using six months of financial data.

### **Management Response**

Colorado Springs Utilities management agrees with the recommendation and plan to address the due date at the December planning meeting.

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