



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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21-22 Colorado Springs Utilities Procurement System Implementation

November 2021

Purpose

The purpose of this audit was to monitor the replacement of the current procurement lifecycle technology and review the adequacy of financial and technical controls over the implementation process. The review included project management, data migration efforts, and system implementation.

Highlights

Based on our review, we conclude that the financial and technical controls surrounding the procurement technology implementation were adequate to ensure effective project management, data conversion, and system implementation. We conclude that all procurement system modules were successfully implemented and sufficiently tested by the vendor and Colorado Springs Utilities (Utilities) staff prior to the final go-live in August 2021.

Utilities Procurement Services Department (Procurement) within Utilities Supply Chain Management Division implemented a procurement lifecycle tool that incorporated the requirements of the organization. Procurement engaged representatives from across the organization in key decision roles to ensure that workflows were implemented with stakeholder involvement. In total, Utilities migrated 17,021 contracts and supporting documents to the new system. Supplier spend for active contracts was approximately \$238M as of September 2021 year-to-date.

We reviewed the original contract, as well as, contract modifications, and confirmed that invoices were properly approved and consistent with contract terms.

We reviewed to ensure migration of all active contracts and related information to the new system was complete and accurate. The project close out process was sufficient to ensure that testing was completed and the system met expectations.

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.