



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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A handwritten signature in black ink, appearing to read "Denny L. Nester".

15-21 City Consulting

July 2015

Purpose

The purpose of this audit was to collect and analyze data related to the cost of using consultants on various City projects. Our review included consulting services in the calendar year 2014.

Highlights

Based on our review, we concluded the City utilized 23 consultants to perform services in 2014. This resulted in \$962,457.41 in payments. Additional detail of consulting services are provided on page 2 of this report.

Auditors reviewed invoices and contracts for consulting. We also asked management why consultants were utilized. We did not opine on the efficiency of using these services for 2014. Auditors determined the utilization of consultants appeared reasonable and the departments did not exceed their Council approved budgets.

We identified the services provided by consultant through review of the consulting services accounting records and through surveying department senior management. Some of the items identified in the accounting records as consulting services could be considered professional services.

Utilization by Department

The majority of the consulting services were charged to the Information Technology (IT) Department. IT utilized consultants for system implementation, electronic document management system design, software upgrades, IT security assessments, IT network services, and IT monitoring services. We found primarily two reasons for using consultants. Either 1) the project required a specialized skill set/expertise that city employees did not have, or 2) staffing levels were not adequate to perform the work.

The table on the next page lists the departments that utilized consulting agreements in 2014. The table shows the nature of the work performed along with the amount spent and the reason the consultant was used.

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15-21 CITY CONSULTING

Department	Nature of Work	Dollars Spent	Reason That a Consultant Was Utilized
City Attorney's Office	Legal services	\$ 16,430.23	1
Fire	Connectivity services	6,607.00	1
Housing and Community Initiatives	2015-2019 Consolidated Plan	76,705.00	1
Human Resources	Employee relations	26,565.00	1
Human Resources	Compensation study	13,200.00	1
Human Resources	Employee benefits consulting	130,000.00	1
Information Technology	Information system implementation	113,211.00	1
Information Technology	Electronic document management system design	6,998.91	1
Information Technology	Information system implementation	12,560.63	1
Information Technology	Website design and development	99,316.75	1
Information Technology	Digital image management system	1,500.00	1
Information Technology	Information system implementation	58,832.09	1
Information Technology	Software upgrade	199,128.75	1
Information Technology	IT security assessment	43,330.60	1
Information Technology	IT network services	1,200.00	1
Information Technology	IT security assessment	89,013.32	1
Information Technology	IT monitoring services	36,000.00	2
Police	Standards development	6,201.00	1
Pikes Peak Regional Communications Network	Management services	15,000.00	1
Pikes Peak Regional Communications Network	Alternative site study	2,250.00	1
Pikes Peak Regional Communications Network	FCC license study	970.63	1
Pikes Peak Regional Communications Network	Audit services	4,584.00	1
Public Works	Surveying services	2,852.50	2
Total amount paid for consulting services		\$ <u>962,457.41</u>	

Reason Codes:

- 1 - The project required a specialized skill set/expertise that city employees did not have.
- 2 - Staffing levels were not adequate to perform the work.

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.