City of San Antonio

Agenda Memorandum

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In Control: Audit and Accountability Committee

AUDIT COMMITTEE SUMMARY
May 15, 2018
Audit of Finance Department Purchasing Catalog Management System
Report Issued March 18, 2018

Audit Objective

Determine if the Catalog Management System, Vroozi, is effective in support of the City's procurement process and functioning in accordance with City Administrative policies.

Background

The Purchasing Division (Purchasing) of the Finance Department provides support to all City departments on every aspect of procurements, from the development of solicitation documents to contract administration.

To accomplish procurement workflow, Purchasing uses an electronic catalog system in conjunction with its electronic procurement system. Electronic catalogs increase visibility of contract items which in turn increases the use of established contracts that reflect volume pricing. In April 2016, a contract was authorized with Vroozi, Inc. to provide the City with an integrated vendor hosted electronic catalog management system solution for an amount not to exceed $994,000.

In December 2016, the City implemented the Vroozi system and made it available for use by all City employees involved with procurement of goods. The Vroozi system provides City staff with a universal catalog content view of all goods and services. Vroozi leverages the City's investment in the SAP software platform and creates a more efficient catalog solution for both the City and its suppliers and eliminates the need for voluminous paper catalogs. Currently, Vroozi system maintains four vendor catalogs with approximately 152,000 items and 608 purchasing catalogs with 226,353 items. These catalogs are maintained by Buyers and Procurement Managers who are responsible for populating and monitoring items in the system.

Audit Scope and Methodology

The audit scope included December 2016 through October 2017. We reviewed the operational processes and controls in place related to the Vroozi system. We reviewed catalog pricing for accuracy and controls related to price changes. We reviewed training for Vroozi users. Finally, we tested invoices from Vroozi for accuracy and

proper approval.

Audit Conclusions

The Catalog Management System, Vroozi, is effective in support of the City's procurement process and functioning in accordance with City Administrative policies. Purchasing had controls in place to ensure catalog pricing was accurate and adequate training was provided to staff. In addition, user access within the Vroozi system was adequate and the system data was properly secured.

However, we did note one area that needs improvement. Purchasing did not have adequate controls in place to ensure Vroozi Inc. invoices were accurate which resulted in duplicate payments in 2 out of 10 monthly invoices reviewed.

We made a recommendation to address this issue. Management concurred with the recommendation and developed a positive corrective action plan.