

## **Summary Explanation and Background**

The original McGladrey LLP Review of the Office of Facilities and Construction dated June 2012 contained forty-three observations/recommendations. There were three previous Current Status reports performed. This current status update includes the review of the 16 observations/recommendations that were identified as Ongoing in the latest (April 15, 2015) Current Status Report. This report consists of a review of the Current Status responses from management and analysis of the supporting documentation associated with their reported actions to date. The objective of this audit was to review Current Status responses from the OFC and report the results and actions to the Audit Committee and the School Board; Review and analyze actions taken to address the findings and recommendations in the original audit and follow-up report; Review and report on procedural internal control weaknesses identified in the original audit report; Document organizational or procedural changes associated with the previously identified items and report recommendations to the administration, if needed.

The Office of the Chief Auditor (OCA) has identified that of the sixteen observations/recommendations reviewed in this report, fifteen have been completed with the implementation of the CM@Risk contract being used by the District. Observation No. 39 is no longer applicable.

The Current Status Update provides detailed analysis of management's responses to the observations and OCA's conclusions regarding the status of the implementation of each recommendation. Regarding Observation No. 21 related to General Conditions and Labor Negotiations, this observation/recommendation was not adopted by management. Management chose to maintain a lump sum approach to General Conditions, rather than a reimbursable expense. The Office of the Chief Auditor and RSM (formerly McGladrey) recommended the reimbursable method to General Conditions. The District began using the revised CM@Risk contract in November 2016 (see Exhibit A).