

CONTINUATION OF SUMMARY EXPLANATION AND BACKGROUND

The Office of the Chief Auditor (OCA) engages RSM to perform the quality assurance testing of the SMART Bond owner representative (OR) and program manager (PM) under a scope determined by the OCA and re-reviewed quarterly by the Chief Auditor. The Program Management report for the Q2 – 2020 period noted seven findings:

1. Change order supporting documentation and retention in e-Builder
Management recognized that the level of detail was not consistent across change orders and the requirements were not closely adhered to. Management has taken action necessary to meet the recommendation for detailed labor and material breakdowns, inclusive of labor rates.
2. Change order retention in e-builder (repeat finding)
OR-PM responded that document control staff is retroactively migrating change order files into e-Builder.
3. Contract time modification
OR-PM responded that they have put processes to ensure schedule integrity and validation of an approved change order.
4. PM adherence to standard operating procedure (SOP) for change management
OR-PM responded that the SOP will be updated.
5. PM / OR adherence to SOP for project closeout
OR-PM responded that checklists would be required, the SOP would be updated, and documents would be monitored.
6. Project closeout checklist improvement
OR-PM responded that they will add to the checklist.
7. Procurement of Design and Engineering Feasibility Scope of Work Cafeteria Study
Management committed to ensuring that future assignments are within the scope of the current agreement.

Management actions will be verified on the next report by both RSM and the OCA.

Follow-up on prior findings continue to be performed by both RSM and the OCA and noted that one of two remaining findings from prior reports were closed. The remaining open finding regarding construction invoice supporting documentation could not be closed because the control was newly implemented prior to fieldwork and the auditors did not have a sufficient sample to test in order to close the finding.

For the Q2 - 2020 period, also the OCA requested that RSM review the Construction Services Minor Program (CSMP) and documentation related to the upcoming Request For Qualification (RFQ) for the OR and PM. Management and the OR and PM are addressing RSM's comments on both the CSMP and RFQ reviews.