




CITY AUDITOR'S OFFICE

To: Honorable Mayor and Council Members

Cc: Keith Selman, Interim City Manager
Mark Van Vleck, Assistant City Manager
Valerie Gray, Executive Director, Public Works
Jeff Edmonds, Director of Engineering Services
Rebecca Huerta, City Secretary

From: Kimberly L. Houston, Interim City Auditor 

Date: May 14, 2019

Subject: AU18-F02 Public Works, Engineering Services – Street Construction Follow-Up Report

As part of the annual audit plan approved by City Council, we conducted a follow-up of AU15-002 Public Works Department, Engineering Services Department – Street Construction audit dated November 9, 2016. The objective of the original audit was to determine if the Public Works Department performed its due diligence on contractor requests for change orders on the Waldron Road project. The report concluded, in general, that the Public Works Department performed their due diligence; however, procedural recommendations were made in regard to the level of detail in the work performed.

The report recommended improvements in three areas. Those were first, to include more detail in the Daily Activity Reports (DARs) prepared by construction inspectors; more timely supervisory reviews of field inspectors' daily logs; and written accounting procedures for change orders and unanticipated contingency allowance line items. Management accepted the recommendations and agreed to make appropriate changes in their processes and instructions.

On November 2, 2018, management indicated all recommendations had been implemented. We reviewed information submitted and determined that the department has implemented all three recommendations. A complete list of recommendations and current statuses can be seen on page 2.

Management agrees with the conclusions of this report, and we would like to commend them for their assistance during this process.

AU18-F02 PUBLIC WORKS DEPARTMENT, ENGINEERING SERVICES DEPARTMENT AND STREET CONSTRUCTION FOLLOW-UP REPORT

Issue No.	Recommendation/Corrective Action Plan	Management Assertion	Status
A. Change Orders			
1	To allow for more evidence to show that construction work was completed, management should strengthen procedures by requiring more detail of the outcomes in field inspector daily reports.	<i>Implemented</i>	<i>Implemented</i>
2	To detect deficiencies in an inspector's documentation process and allow for additional training, management review of inspector daily logs should be done in a timely manner.	<i>Implemented</i>	<i>Implemented</i>
B. Requests for Progress Payments and Change Order Funding			
3	To provide assurance that budgetary goals are being achieved and provide direction to staff for a consistent work product, management should write accounting procedures for change orders and unanticipated contingency allowance line items.	<i>Implemented</i>	<i>Implemented</i>

Staff Acknowledgement
Mark Estrada, Senior Auditor

Appendix A - Management Response



ENGINEERING SERVICES

May 9, 2019

Kimberly L. Houston
Interim City Auditor
Corpus Christi, Texas

Re: AU18-F02 Public Works, Engineering Services – Street Construction Follow-up Report

Public Works, Engineering Services has reviewed the audit report and provided its comments below. As there are no recommendations for management, no responses are required.

Fully Agree

Do Not Agree

Sincerely,

Jeff Edmonds
Director of Engineering Services

5/10/19

Date

Valerie H. Gray, PE
Executive Director, Public
Works Department

5/10/19

Date

Mark Van Vleck
Assistant City Manager

5/13/19

Date

Keith Selman
Interim City Manager

5/10/19

Date