

**Animal Services Center  
Construction Contract Follow-Up Audit  
August 2009**

Patrice Randle, City Auditor  
Craig Terrell, Assistant City Auditor  
Lee Hagelstein, Internal Auditor



City Auditor's Office

August 28, 2009

Honorable Mayor and Members of the City Council:

I am pleased to present the City Auditor's Office's follow-up on the Animal Services Center Construction Contract report released in March 2009. The purpose of the follow-up was to determine the implementation status of prior audit recommendations.

Our follow-up audit results indicate that management has fully implemented both recommendations made in the previous audit report.

We would like to thank the Public Works and Transportation Department for assisting the City Auditor's Office during this project.

A handwritten signature in cursive script that reads "Patrice Randle".

Patrice Randle, CPA  
City Auditor

- c: Jim Holgersson, City Manager
- Fiona Allen, Deputy City Manager
- Bob Byrd, Deputy City Manager
- Gilbert Perales, Deputy City Manager
- Trey Yelverton, Deputy City Manager
- Bob Lowry, Public Works and Transportation Director

**Animal Services Center  
Construction Contract Follow-Up Audit  
Table of Contents**

	<u>Page</u>
Executive Summary .....	1
Audit Scope and Methodology .....	1
Status of Prior Audit Recommendations .....	2



# Animal Services Center Construction Contract Follow-Up Audit

Office of the City Auditor

Patrice Randle, CPA  
City Auditor

Project #09-15

August 28, 2009

## ***Executive Summary***

***Both prior audit  
recommendations were fully  
implemented***

### ***Fully Implemented***

- ***Procedures are in place to ensure retention of documentation relating to vendor selection***
- ***Conflict of Interest Disclosure Statement is included in bid/proposal documents***

The City Auditor's Office has completed a follow-up to the March 2009 Animal Services Center Construction Contract Audit. The follow-up audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The objective of the follow-up was to determine the implementation status of prior audit recommendations.

There were two recommendations included in the initial audit report. Management concurred with both of the recommendations presented and both have been fully implemented.

Procedures have been put in place to ensure that documentation relating to vendor selections is retained.

A Conflict of Interest Questionnaire has been added to the standard contract bid/proposal packet and the Standard Operating Procedures have been updated to ensure that conflict of interest information is obtained from vendors for each construction project.

---

## ***Audit Scope and Methodology***

The City Auditor's Office reviewed various documents relating to this follow-up audit. The following methodology was used in completing the audit.

- Reviewed Construction Management's Standard Operating Procedures.
- Reviewed the standard bid/proposal packet.
- Reviewed project files.

## *Status of Prior Audit Recommendations*

### **Recommendation:**

In future construction projects, the Public Works Director should ensure that the Construction Manager retains adequate documentation to support steps taken in selecting vendors for City projects.

### **Management's Response:**

*Concur. Adequate procedures have been in place since August 2007 to ensure adequate documentation regarding vendor selection is maintained.*

*Target Date: Complete*

*Responsibility: Director of Public Works and Transportation*

### **Implementation Status:**

Fully Implemented. The City Auditor's Office reviewed the Standard Operating Procedures which include a checklist of information required when selecting an architect for a project. The retention of this information was also verified within project files.

---

### **Recommendation:**

To avoid unnecessary scrutiny by government authorities or members of the public and to ensure compliance with applicable law, the Public Works Director should ensure that the Construction Manager includes a Conflict of Interest Questionnaire as a standard form within the bid/proposal documents.

### **Management's Response:**

*Concur. A Conflict of Interest Disclosure Statement has been added to the standard contract (bid/proposal) documents, and standard operating procedures have been modified to ensure architects doing work for the City include that statement when preparing bid/proposal documents on behalf of the City.*

*Target Date: Complete*

*Responsibility: Director of Public Works and Transportation*

### **Implementation Status:**

Fully Implemented. The Standard Operating Procedures have been revised to include the Conflict of Interest Questionnaire in the bid/proposal packet that is given to architects and/or contractors that want to do business with the City. Various project manuals were reviewed and each one included conflict of interest information.