HOUSING & HOSPITALITY SERVICES

CONSTRUCTION

AUDIT REPORT #18-2202

Audit & Advisory Services

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# Background

In accordance with the UCLA Administration fiscal year 2017-18 audit plan, Audit & Advisory Services (A&AS) conducted an audit of internal controls over construction activities that are managed by the Physical Plant & Project Management department within Housing & Hospitality Services (H&HS). The Physical Plant & Project Management department is the result of a February 2018 reorganization that combined the units of UCLA Housing Maintenance with Project Management. The Project Management unit of the new department is responsible for administering the department’s construction program, including project management, construction management, interior design, and architectural services. As of July 2017, the Project Management unit was comprised of 11 staff members, and headed by a Director. The department is overseen by a Senior Director who reports to the Assistant Vice Chancellor of H&HS.

The Project Management unit assists with the planning, design, and construction management of new and renovated H&HS facilities, both on and off campus. The department is comprised of architects, designers, and construction managers. The department has two primary missions: to assist with the planning, scheduling, budgeting, and development of new facilities for H&HS; and to maintain the quality and performance of existing facilities through regularly scheduled renovation and refurbishment.

For fiscal year 2016-17, H&HS reported 10 construction projects as completed with total construction costs of approximately $28.7 million. Currently eight construction projects are in process. (See Table 1)

Table 1

H&HS Construction Projects

Fiscal Year 2016-17

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Project Name** | **Notice to Proceed Date** (a) | **Project Status** | **Final Construction Cost** | **Certificate of Occupancy Date** (b) |
|
|
| Sproul Hall Finish Refurbishment | 7/25/2016 | Completed | $2,443,836 | 9/8/2016 |
| Venice Barry Apartment Units Renovation | 10/12/2016 | Completed | $4,075,374 | 2/17/2017 |
| N/A | 8/16/2017 |
| Sproul Complex Emergency Generator Reconfiguration | 12/15/2016 | Completed | $184,595 | 7/7/2017 |
| LACC (Lake Arrowhead Conference Center) Main Lodge HVAC | 1/17/2017 | Completed | $553,181 | 11/27/2017 |
| Sproul First Floor Laundry and Office Renovation | 2/9/2017 | Completed | $878,255 | 7/17/2017 |
| Venice Barry Apartment Roof Replacement  | 9/18/2017 | Completed(c) | $647,005 | 11/8/2017 |
| Rieber Hall Finish Refurbishment-Central Laundry | 11/20/2017 | Ongoing  | N/A | N/A |
| Keystone Mentone Apartment Units Renovation, Step 4 | 12/18/2017 | Ongoing  | N/A | N/A |
| LACC Vintage Cottage Bathroom Renovations | 1/2/2018 | Ongoing  | N/A | 4/3/2018 |
| LACC Violet Window Replacement | 1/16/2018 | Ongoing  | N/A | 4/27/2018 |
| DeNeve Chiller Replacement  | 2/1/2018 | Ongoing  | N/A | N/A |
| Rieber Hall Finish Refurbishment-Finishes | 3/19/2018 | Ongoing  | N/A | N/A |
| Keystone Mentone Apartments - Step 2 | 11/2/2015 | Completed | $3,343,521 | 8/2/2016 |
|
| Hedrick Hall Dining/Study Renovation | 12/21/2015 | Completed | $7,388,917 | 2/28/2017 |
|
| Bradley Hall Commissary Renovation | 11/03/16 | Completed | $6,119,897 | 11/30/2017 |
| Keystone Mentone Apartment - Step 3 | 12/1/2016 | Completed | $3,059,978 | 8/29/2017 |
|
| DeNeve Bakery and Kitchen Renovation | 11/01/17 | Ongoing  | N/A | N/A |
| Margan Apartments Redevelopment Study - Phase 1 | 06/08/16 (PH-1) | Completed | N/A | N/A |
| Margan Apartments Redevelopment - Phase 2 | 07/12/17 (PH-2) | Ongoing  | N/A | N/A |
| **Total** |  |  | $28,694,559 |  |
| Notes:1. Notice to Proceed Date – indicates the date when the contractor can begin work at the job site. Date is issued to the contractor by the UCLA Capital Programs department.
2. Certificate of Occupancy Date – indicates the date the project has been certified as ready for occupancy by the UCLA Campus Building Official, UCLA Fire Marshal, UCLA Building Inspector, and other project team members.
3. Notice of Completion pending.
 |

Purpose and Scope

The primary purpose of the review was to ensure that the H&HS Physical Plant & Project Management department’s organizational structure and controls related to construction management practices are conducive to accomplishing its business objectives. Where applicable, compliance with campus and University policies and procedures, including the University of California (UC) Facilities Manual, were also evaluated.The UC Facilities Manual provides campuses access to important policies, procedures, and guidelines for the management and operation of University facilities. The UC Facilities Manual is based on Regents' policy, federal and state laws, regulations, case law, and results from past disputes involving the UC.

The scope of the audit focused on the following areas:

* Inspections
* Field and Change Orders
* Payment Applications
* Selecting Design Professionals
* Capitalization of Expenses
* Management Reports

The review was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* and included interviews, tests, and other procedures considered necessary to achieve the objective.

Summary Opinion

Based on the results of the work performed within the scope of the audit, the H&HS Physical Plant & Project Management department’s organizational structure and controls are generally conducive to accomplishing its business objectives related to construction management practices. However, controls and business practices could be further strengthened by implementing the following:

* Management should ensure that Physical Plant & Project Management staff maintain meeting minutes or similar documentation that adequately supports any related discussions and deliberations that take place during the bidding and selection process when hiring executive design professionals through Executive Design Professional Agreements (EDPAs).
* Management should ensure that summary reports regarding H&HS construction projects are readily available for review. Standardized project status reports should be generated on a periodic basis for all H&HS construction projects to ensure that management and any key stakeholders are provided information on the current status (both financial and schedule) of any ongoing projects.

The audit results and corresponding recommendations are detailed in the following sections of this report.

Audit Results and Recommendations

A&AS selected a judgmental sample of capital construction and maintenance projects managed by H&HS for audit testing from the population of projects shown above in Table 1 of this report. The projects selected for testing were completed during fiscal year 2016-17. (See Table 2) These projects were used as the basis for discussion in the following sections of the audit report: Inspections, Field and Change Orders, and Payment Applications.

Table 2

H&HS Construction Projects Selected for Testing

Fiscal Year 2016-17

|  |  |  |
| --- | --- | --- |
| **Project Number** | **Project Name** | **Final Construction Cost** |
| 946253.01 | Sproul Hall Finish Refurbishment | $2,443,836 |
| YC09 | Sproul Complex Emergency Generator Reconfiguration | $184,595 |
| 946255.01 | Sproul First Floor Laundry and Office Renovation | $878,255 |
| 946273.01 | Keystone Mentone Apartments – Step 2 | $3,343,521 |
| 946266.01 | Bradley Hall Commissary Renovation | $6,119,897 |

Source: FY16-17 H&HS Construction Projects Listing

Inspections

Various inspections are required for any major construction or renovation project and occur throughout key phases of the projects. At a high-level, there are two categories of inspections: (1) fire and life safety, and compliance with building codes; and (2) quality assurance inspections to ensure the work and materials used are in accordance with contract specifications. Inspections may include the following building elements: fire alarm systems and sprinklers, structural, welding, concrete, framing, electrical, plumbing, and soil. Inspections are performed by a variety of personnel including:

* UCLA Capital Programs Inspectors – primarily focused on life safety and compliance with building and construction code. There are also inspectors that specialize in specific trades such as plumbing or electrical.
* UCLA Fire Marshal – responsible for fire safety related inspections.
* Outside Inspectors – hired for particular inspection tasks that require continuous monitoring such as welding or concrete and rebar work. Additionally, outside inspectors perform other specialties such as soil testing for hazardous materials. These outside vendors are hired through professional service agreements.

Interviews were conducted with Physical Plant & Project Management personnel to obtain an overview of the inspection process, including the key role that inspectors have in any construction project. Using the judgmental sample of five projects from fiscal year 2016-17 noted earlier, A&AS reviewed inspection documentation to assess the following:

* Inspections were properly documented.
* All applicable fire and life safety inspections were performed and passed before buildings were occupied.
* Final inspections were completed and all punch list items were fully addressed before the contract was closed out.

The following were noted:

1. Fire and Life Safety Inspections

Based on test work performed, all Certificate of Occupancy forms were properly completed with approval signatures of the appropriate personnel, including the Fire Marshal attesting that fire and life safety elements were in compliance with applicable requirements.

There were no significant control weaknesses noted in this area.

1. Quality Assurance Inspections

Audit testing of the five projects included an examination of supporting documentation that final inspections occurred, all required approvals were present, and that the final punch list items were satisfactorily addressed before the contract was closed out.

There were no significant control weaknesses noted in this area.

Field and Change Orders

The UC Facilities Manual describes contract modifications as changes to the work required during construction, which can be accomplished through a change order or field order. Specifically, per Volume 5, Chapter 13, Contract Modifications, a change order "is a post-award modification to the contract. A change order may revise, add to, or delete previous requirements of the work, adjust the contract sum, or adjust the contract time." A field order is “used only when (1) emergency conditions exist where life or property are endangered, (2) the extent of the work cannot be determined due to unknown conditions, or (3) a delay in proceeding with the work would affect the critical path and cause a delay to the entire project. Field orders are not to be issued when the scope of the work and an estimated cost can be determined. A change order or a directed change order must be used instead.”

A&AS reviewed applicable sections of the UC Facilities Manual and conducted interviews with key Physical Plant & Project Management personnel to develop a more in-depth understanding of departmental processes, procedures, and controls over the contract modification process. The following were noted:

1. Field Orders

Pursuant to the UC Facilities Manual, Volume 5, Chapter 13, Contract Modifications, a field order may be issued by the University, with or without the contractor’s agreement, if a change in work must be accomplished before the University and contractor agree upon all terms of the change. When the contractor is directed by a field order to perform work, they are required to promptly proceed.

In general, most change order work begins before a formal change order has been documented, signed by all relevant parties, and is issued. According to Physical Plant & Project Management staff, this occurs because tight project deadlines do not allow sufficient time to wait for the formal change order to be circulated, reviewed, potentially revised, and circulated again for approval from all parties. Obtaining firm cost proposals from contractors before work commences would be ideal; however, with building renovations there are often unforeseen conditions for which the extent of additional work cannot be determined in advance.

Physical Plant & Project Management staff do not maintain a field order log that would list all field orders issued for every project. According to the two construction managers that assisted throughout the audit, their perspective is that change orders and field orders essentially serve the same purpose and, therefore, a separate log is not necessary to differentiate between them. Furthermore, changes in work scope were directed by the construction manager verbally, through email, documented responses to the contractors’ Request for Information (RFI), Requests for Estimate (RFE), bulletins issued by the University, or field orders. In discussions with UCLA Capital Programs staff, an RFI is issued by the general contractor to the University to obtain written clarity on construction requirements, specifications, materials, etc. An RFE is issued by the University to the general contractor to request a quotation for a desired change in work scope. If all parties agree to move forward after the exchange of information via RFIs and RFEs, the change in work scope culminates into a Change Order Request (COR) completed by the general contractor.

Prior to issuing a field order, due diligence is performed by the construction managers and meetings are held with the necessary parties. Additionally, the construction managers indicated that they typically avoid locking in a “not-to-exceed” cost figure with the contractors because these figures are oftentimes very high with the contractor adding all risks into the price. The daily time tickets (for labor charges) and materials will be reviewed and signed off by the contractor, and will become a part of the cost proposal package to determine the actual cost of work.

There were no significant control weaknesses noted in this area.

1. Change Orders

One finalized change order from each sample project was judgmentally selected for detailed audit testing (See Table 3). A&AS obtained and reviewed supporting documents for each change order including CORs, cost proposals, and material costing documents, where applicable. The UC Facilities Manual, Volume 5, Chapter 13, requires that change orders exceeding $100,000 (“additive” change orders), be advertised for competitive bidding. Otherwise, justification in support of the decision not to competitively bid must be documented.

Table 3

Change Orders Selected for Testing

Fiscal Year 2016-17

|  |  |  |
| --- | --- | --- |
| **Project Name** | **CO Number** | **Change Order Cost** |
| Sproul Hall Finish Refurbishment | 1 | $452,163 |
| Sproul Complex Emergency Generator Reconfiguration | 1 | $24,695 |
| Sproul First Floor Laundry and Office Renovation | 5 | $17,254 |
| Keystone Mentone Apartments – Step 2 | 2  | $64,741 |
| Bradley Hall Commissary Renovation | 11 |  $86,034 |

Based on the audit testing performed, A&AS noted the following:

* The first change order listed in Table 3 (Sproul Hall Finish Refurbishment) exceeded $100,000, and, therefore was subject to the competitive bidding requirement. Upon review of project-related documents, the reason for the change order and justification to not competitively bid was appropriately documented through a record of facts and conditions.
* Detailed documentation supporting costs and pricing for all the change orders were appropriate and properly maintained, and provided by the contractor.
* Change orders represented a legitimate change in scope.
* Change orders were reviewed and approved by all applicable University personnel.
* Change order costs were properly calculated and agreed with supporting documentation.

There were no significant control weaknesses noted in this area.

Payment Applications

A detailed breakdown of all anticipated costs by division/trade for construction costs must be provided by the general contractor at the beginning of the project. This cost breakdown is the primary document used by the general contractor to report their percentage of work completed per division/trade, and supports their request for payment throughout the project. Payment applications are typically submitted on a monthly basis.

As the University representative, the construction manager within Physical Plant & Project Management is the primary reviewer of each payment application. Because the construction manager is primarily responsible for overseeing the general contractor and the progress on the construction project, they are in the best position to verify the accuracy of the percentage of work completed as reported in the payment application. Through regular status meetings with the construction project team, frequent visits to the job sites, and overall experience, the construction manager can assess the reasonableness of the information provided on the payment application. Upon completing the review, the construction manager will sign the payment application and forward it to the project manager for final review and approval. After the project manager has approved, the payment application is sent to the UCLA Capital Programs accounting unit for processing.

General contractors and their subcontractors must complete and sign waivers indicating they have received progress payments and release their rights to file liens, stop notices, and bond rights specific to the amount of the progress payment. The construction manager is responsible for verifying that these waivers are completed and submitted to the University by the general contractors and all subcontractors working on the project. Test work indicated the following:

1. Payment Application Testing

One payment application from each of the five construction projects sampled was selected for detailed audit testing. A&AS obtained and reviewed supporting documents for each payment application and noted the following:

* All payment applications tested were reviewed and approved by appropriate personnel – the construction manager and project manager assigned to the project.
* All amounts claimed and paid via the payment application were properly justified and supported. As part of the audit testing, A&AS mathematically verified the amounts paid out as accurate, including recalculating the 5% retention amount that is held back.

There were no significant control weaknesses noted in this area.

1. Waiver and Release Upon Progress Payment

Project documentation was examined to verify whether Waiver and Release Upon Progress Payment forms were properly completed and subsequently obtained from the general contractor for each payment application. Subcontractor names and corresponding work activity on each Waiver and Release form were reviewed to verify whether all listed subcontractors performed work related to the payment application. Documentation for all five payment applications tested included, Waiver and Release Upon Progress Payment forms from the general contractor.

There were no significant control weaknesses noted in this area.

Selecting Design Professionals

Per UC Facilities Manual, Volume 3, Chapter 2, Section 2.2 “Procedures for Consultant Selection,” A Facility may advertise specially for consultants for any project, regardless of project cost. However, advertising is mandatory for a consultant contract with a sum of fees plus reimbursables reasonably anticipated to be over $100,000 for covered services, which include: architectural, landscape architectural, engineering (structural, civil, mechanical, and electrical), and land surveying services. Advertisements must be posted at least two weeks prior to any deadline for submittal of documents. The Screening Committee shall then develop a list of at least three consultants who appear to be the most qualified to provide services; this list is then sent to the Selection Committee. The Selection Committee notifies candidate firms about their selection and their responsibility to submit a Qualification Packet; submitted materials are then reviewed and discussions are held with the firms. A list is created in order of ranked qualifications based on selection criteria, which is then sent to the administrator in charge of the project.

For consultant contacts with a contract sum reasonably anticipated to be under $100,000 and if the type of project and type of services required were identified in the Annual Announcement (University placed advertisement to solicit pool of interested consultants for specified services), the Facility administrator with delegated authority to approve selection of construction-related consultant services may select a consultant from the Applicant Pool and/or any other source they wish to use.

Volume 3, Chapter 2, Section 2.8, of the UC Facilities Manual “Design Professional Appointment Procedures,” defines the term "executive" as the primary design professional on a project and the one responsible for the overall design. An executive design professional shall be retained using an EDPA for all phases of project design, including schematic design.

A&AS met with the Physical Plant & Project Management Architectural Design Manager to obtain an overview of the consultant selection process used to award construction contacts to external design professionals. It was noted that one drawback of the advertisement and bidding process is time consuming and potentially delays the construction schedule.

When Physical Plant & Project Management staff determine that an external design team should be hired, which is typically done because there is insufficient internal staff to handle the design aspect, the advertising process begins with UCLA Capital Programs; along with the design team’s professional input in screening the professionals and subsequently interviewing them. The selection of an external designer is based mainly on their qualifications and professional experience, rather than a particular bid amount for the project. Because the selection process is more subjective in nature for contracts anticipated to be under $100,000, there could be a tendency to pick one designer over another because of a positive prior experience. However, Physical Plant & Project Management staff indicated that active efforts are being made to diversify the design professionals selected.

A&AS obtained and reviewed a listing of EDPAs awarded over the past three fiscal years, 2013-14 through 2016-17 from UCLA Capital Programs and noted the following about the selection outcomes: (See Table 4)

Table 4

Top 3 EDPA Consultants Used

By Contract Amount and Number of Contracts Awarded

Fiscal Years 2013-14 through 2016-17

|  |
| --- |
| **Top 3 Vendors by Total Contract Amount** |
| **Vendor** | **Contract Amount** | **% of Total** |
| RBB Architects, Inc. | $1,511,206 | 39% |
| Johnson Favaro, LLP | $ 942,125 | 24% |
| Synergos, Inc. | $ 708,820 | 18% |
|  |  |  |
| Sub-total of Top 3 Vendors | $ 3,162,151 |  |
| Total Dollars of EDPA Contracts Awarded | $ 3,871,426 |  |
| Top 3 Vendors as % of Total |  | 82% |
|  |  |  |
| **Top 3 Vendors by Number of Contracts Awarded** |
| **Vendor** | **Number of Contracts** | **% of Total** |
| Synergos, Inc. | 14  | 30% |
| C & T Structural Engineering Consultants |  8  | 17% |
| Berg Power Engineers, Inc. |  3  | 7% |
|  |  |  |
| Sub-total of Top 3 Vendors | 25 |  |
| Total Number of EDPA Contracts Awarded | 46 |  |
| Top 3 Vendors as % of Total |  | 54% |
|  |  |  |

As Table 4 shows, of the approximately $3.9 million in EDPA contracts awarded during the three-year period, one firm (RBB Architects, Inc.) received about $1.5 million (39%) of the consultant work awarded. In terms of contract dollars awarded, the top three vendors accounted for 82% of the total. During the three fiscal years reviewed, 46 EDPA contracts were awarded to 17 different vendors. One vendor (Synergos, Inc.) was awarded 14 contracts (30% of the total). The top three vendors, in terms of the number of contracts awarded, received 25 of the consulting contracts (52% of the total).

Selection Process Documentation

Based on test work performed, the Physical Plant & Project Management design team does not maintain meeting minutes or similar documentation to substantiate the discussions and deliberations that would occur during the bidding and selection process. For the EDPAs below $100,000 that were tested, Physical Plant & Project Management staff indicated that no other vendors bid on those particular projects. Without supporting documentation, A&AS (or other stakeholders) could not determine the extent to which the existing bidding and selection process complies with the UC Facilities Manual. In addition, for the sample EDPA contract tested that exceeded $100,000, a copy of the bid package and any accompanying technical drawings that would have been a part of the bidding documents could not be located or provided by Physical Plant & Project Management staff.

Recommendation: As a public institution, it is a good business practice to be as transparent as possible in the bidding and selection process. Management should ensure that Physical Plant & Project Management staff maintain meeting minutes or similar documentation that adequately supports any related discussions and deliberations that take place during the bidding and selection process when hiring executive design professionals through EDPAs. Furthermore, for any EDPA contract that exceeds the $100,000 threshold for competitive bidding, a copy of the complete bid package submitted by the vendor that was awarded the design contract, should be maintained and readily available for management or key stakeholders to review.

Response: We concur that documentation should be kept as a resource to refer to in the event the request for qualifications/request for proposals process is challenged. We will maintain digital copies of these bid packages and as well as notes from the selection interviews/meetings to be readily available for management’s review.

Capitalization of Expenses

The financial services unit of UCLA Capital Programs primarily controls the decision process regarding the capitalization of expenses for H&HS construction projects that have estimated construction costs exceeding $750,000. These major capital projects are tracked through University plant accounts. The H&HS Finance and Budget office does not participate in this process. Through a request process in which the scope of work and budget are presented to Capital Programs, plant accounts are typically created at the beginning of the project if the estimated project cost is above $750,000.

If a project is complete and a Certificate of Occupancy or Notice of Completion has been issued, expenses in the associated plant account will be capitalized. In association with UCLA Corporate Financial Services (CFS), Capital Programs reviews projects that are at 90% completion or above and may be eligible for capitalization. If the Certificate of Occupancy or Notice of Completion has not been issued, Capital Programs will typically communicate with the construction manager of the particular project to inquire about the status; this response will be shared with CFS so that a decision can be made about the appropriateness of capitalizing project expenses at that particular time. The following were noted:

1. Cost Coding and Approval

The proper and consistent capitalization of expenditures are important to accurately capture University capital assets for financial reporting purposes. The majority of project costs recorded by Capital Programs in plant accounts are capitalized into asset groups; however, certain types of expenditures are noncapital, and must be coded accordingly.Every financial entry made to an expenditure account must have a subaccount and an object code (sub object code) that appropriately identifies the nature of the cost incurred. Departments must utilize object codes in a consistent manner and exercise care that expenditures are recorded to the code that most accurately describes the charge. Ultimately, sub object codes used to record financial entries to plant accounts determine whether the transactions are treated as capital costs or expenditures.

Capital Programs Financial Services staff are responsible for coding cost items when purchase orders are created, and for receiving invoices into BruinBuy, UCLA’s online purchasing application, after they are reviewed and approved by the contract manager and project manager.

One expenditure transaction was judgmentally selected from each of the four sampled projects capitalized in fiscal year 2016-17 for audit testing. A&AS obtained and reviewed the campus general ledger and supporting documents for each transaction and noted the following:

* All transactions had invoices that were properly reviewed and approved by the construction manager and project manager for each project.
* Costs were properly coded and recorded in the correct categories.
* Costs were applied to the appropriate project plant account.

Based on the work performed, internal controls over cost coding practices appear to be adequate and functioning as intended for cost capitalization purposes.

There were no significant control weaknesses noted in this area.

1. Cost Classification

For a judgmental sample of four plant accounts with combined costs of $7.2 million,530 expenditure transactions from the campus general ledger were reviewed to identify any inconsistencies in cost classification that could impact the capitalization of the projects.

Data analytics was used to examine and test all general ledger transactions from inception-to-date by grouping payee names together and determining whether the expenditures in each group were consistently treated for capitalization purposes based on the assigned sub object codes. Further analysis was done for any transactions that were inconsistently coded to determine whether the expenditures were misclassified and if the overall impact on the capitalization of the project could be significant. Based on the work performed, A&AS determined that transactions were consistently recorded to accurately reflect capital costs of the projects tested.

There were no significant control weaknesses noted in this area.

Management Reports

A&AS conducted interviews with Physical Plant & Project Management personnel to obtain an overview of the types and frequency of any routine reports generated and provided to management for each construction project to enable their monitoring and oversight of the project, both for financial activity and scheduling purposes.

According to Physical Plant & Project Management staff, there are no routine reports that are produced on a periodic basis to facilitate management oversight. However, each construction manager maintains weekly project meeting minutes, change order logs, and other documents to help monitor and keep track of the status of each project. Physical Plant & Project Management staff also indicated that these documents are saved in a shared folder, which is accessible to management at their discretion. Furthermore, staff and management have independent access to several sites, including:

* The UCLA Capital Programs inspection website (which keeps track of inspection requests and the status of requests for every project);
* CapSTAR (a proprietary Capital Programs application used to track budget and actual costs);
* Primavera (used for meeting minutes, schedules, and change orders);
* LCP Tracker (used for certified payroll); and
* SharePoint (a collaborative platform for multiple internal parties involved on a project).

A&AS noted at the beginning of the audit, that a request for a current listing of H&HS construction projects in-progress and completed during fiscal year 2016-17 that would include such basic details as the project name, plant account number (if applicable), project status, assigned personnel, Notice to Proceed date, Notice of Completion date, budget, and actual costs incurred could not be readily provided. This information had to be compiled by A&AS thorough correspondence with individual construction managers.

Recommendation: Management should consider generating standardized project status reports on a periodic basis for all H&HS construction projects to ensure that management and any key stakeholders are provided information on the current status (both financial and schedule) of any ongoing projects.

Response: We concur that this report should be developed and maintained. Ultimately, we will want to get this in our Project Management Information System, but we are evaluating an upgrade since our current instance of Primavera Contract Manager is no longer supported by Primavera. In the meantime we will track this information via Excel or similar database.

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REP