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Audit Report

**Review of the
PUBLIC WORKS CONSTRUCTION
INSPECTION DIVISION**

May 25, 2011

Office of the City Auditor
Austin, Texas

Audit Team

Olga Ovcharenko, Auditor-In-Charge, CGAP, CICA

Kay McAllister, CIA, CGAP

Margot Wilson, CFE, CGAP, CICA, CLEA

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Rachel Snell, CIA, CFE, CICA

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City of Austin



Office of the City Auditor

301 W. 2nd Street, Suite 2130

Austin, Texas 78767-8808

(512) 974-2805, Fax: (512) 974-2078

email: oca_auditor@ci.austin.tx.us

website: <http://www.ci.austin.tx.us/auditor>

Date: May 25, 2011

To: Mayor and Council

From: Kenneth J. Mory, City Auditor

Subject: Review of the Public Works Construction Inspection Division

I am pleased to present this memo on our audit of the Construction Inspection Division (CID) in the Public Works Department. CID performs contract compliance and quality assurance of assigned City sponsored construction projects. Our audit objective was to conduct a risk assessment in order to identify the highest risks within the department.

We determined that the areas of concern we identified are being addressed by management. Management actions include:

- Updates and revisions to policies, procedures and forms
- Computer purchases to increase the efficiency and timeliness of work outputs
- Enhanced training programs and identification of new training opportunities
- Ensuring accuracy and usability of performance measures
- Improved oversight of construction site security
- Increased coordination and communication with other City departments

As a result of management actions preceding the audit, we are not issuing any recommendations. We appreciate the cooperation and assistance received from Public Works staff during this audit.

cc: City Manager
Assistant City Managers
Public Works Director
Public Information Officer

BACKGROUND

The Public Works Construction Inspection Division (CID) performs contract compliance and quality assurance of assigned City sponsored construction projects. Inspectors are usually assigned to one or two projects at a time, and they spend most of their time on project sites. Some of the key areas of responsibility include:

- Detect and prevent errors during, prior, and after project construction;
- Ensure identified errors are corrected;
- Verify that all materials used on the Project meet specifications and applicable policies and procedures;
- Obtain a thorough knowledge of the contract documents, specifications, and drawings of assigned projects;
- Monitor all scheduled project testing and project progress and attend all project related meetings;

OBJECTIVES, SCOPE, AND METHODOLOGY

The Review of the CID was conducted as part of the Office of City Auditor's FY 11 Service Plan.

Objectives

Our audit objective was to conduct a risk assessment in order to identify the highest risks within the department.

Scope

The review focused on current CID policies, procedures and practices.

Methodology

To accomplish our audit objectives, we performed the following steps:

- Reviewed Policies & Procedures;
- Reviewed and analyzed other documentation;
- Interviewed key personnel;
- Surveyed the inspectors; and
- Observed inspectors on construction sites.

We conducted this review in accordance with Generally Accepted Government Auditing Standards (GAGAS). 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.

AUDIT RESULTS

During the planning phase of the audit we conducted a review in order to identify the highest risks within the department¹. We determined that the areas of concern we identified are being addressed by management. Management actions include:

- Updates and revisions to policies, procedures and forms
- Computer purchases to increase the efficiency and timeliness of work outputs
- Enhanced training programs and identification of new training opportunities
- Ensuring accuracy and usability of performance measures
- Improved oversight of construction site security
- Increased coordination and communication with other City departments

At this time, we are not issuing any recommendations.

¹ The initial objective was modified at the Entrance Conference based on the input from management regarding actual objectives and operations of the Division.