

Deferred Maintenance Audit

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Deferred Maintenance

- Audit Objective and Scope
- Audit Recommendations
- Questions?



Audit Objective & Scope

- Objective: Evaluate actions FPM has taken to reduce the deferred maintenance backlog
- Scope: Deferred maintenance actions FY05 – FY13



Audit Results

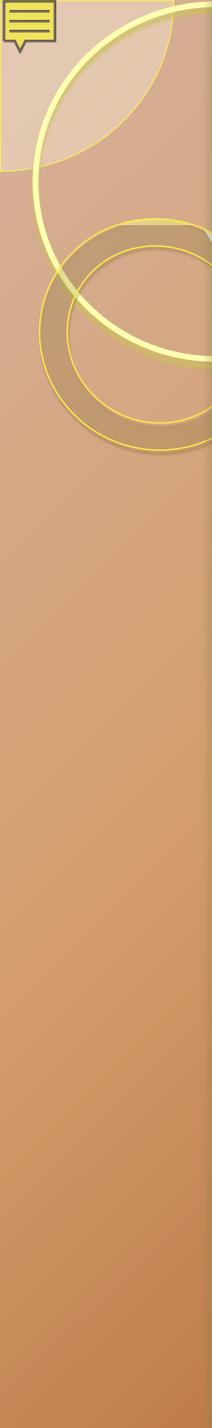
- We could not evaluate actions FPM has taken to reduce the deferred maintenance backlog due to lack of information and clear reporting. We believe reduction was:
 - Disposal of buildings with large amounts of deferred maintenance
 - Spending for maintenance and repairs backlog projects



Audit Recommendations

I. Reporting for projects in the capital projects funds needs improvement.

- (a) Maintenance and repair projects in the capital projects budget and funds should be identified separately from capital projects for new buildings, and for remodeling and improvements.
- Individual projects to repair for a boiler, or repair or replace a roof (maintenance and repair projects) might be better made by FPM.
 - Individual projects to remodel or upgrade a facility (capital projects) should be made by Board .



Audit Recommendations

I. Reporting for projects in the capital projects funds needs improvement.

- (b) Maintenance and repair projects from the deferred maintenance backlog should be identified separately from current maintenance and repair projects.
- (c) The functions of planning and disposition of buildings are necessary and should be identified separately in the capital budget.



Audit Recommendations

2. Reporting the deferred maintenance backlog needs improvement.

- (a) Deferred maintenance on buildings designated for disposal should be identified, especially if the current intention is not to do this work.
- (b) Term “seismic liability” is unclear. Better term might be cost of seismic retrofit with explanation what the estimated retrofit entails.



Audit Recommendations

2. Reporting the deferred maintenance backlog needs improvement.

(c) Additional information should be included in reporting deferred maintenance. (Example in Appendix A of our audit report from federal reporting requirements.)

We don't recommend this additional reporting be part of the capital budget process; but would be internal to FPM and be the basis of their external reporting.

Federal government requires reporting of deferred maintenance in their financial reporting (not required by generally accepted accounting practices for other governments).



Audit Recommendations

3. County policy should be revised.

- (a & b) Capital budget and spending for new facilities and remodeling and improvements in a fund separate from the capital budget and spending for maintenance and repairs.
- (c) Clarify and define the policy criteria so that it can be measured and assessed.



Questions?
