



MULTNOMAH COUNTY

AGENDA PLACEMENT REQUEST

(Revised: Feb. 2017)

Board Clerk Use Only

Meeting Date: _____
Agenda Item #: R _____
Est. Start Time: _____
Date Submitted: _____

Agenda Title: **Audit of the Joint Office of Homeless Services**

Requested

Meeting Date: April 17, 2018 **Time Needed:** 30 minutes

Department: Non-D **Division:** Auditor's Office

Contact(s): Fran Davison - Mark Ulanowicz/Steve March

Phone: 503-988-4395 **Ext.** 84395 **Email:** Mark.D.Ulanowicz@multco.us

Presenters: Steve March, County Auditor; Fran Davison & Mark Ulanowicz staff auditors

General Information

1. What action are you requesting from the Board?

Board briefing of completed audit of the Central Courthouse and Gladys McCoy Health Department Headquarters construction projects

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer(s) this action affects and how it impacts the results.

This audit is the second in a series of audits on the construction of the new Gladys McCoy Health Department Headquarters and Central Courthouse. The audits focus on the area(s) of greatest risk at a particular phase of the project. The first audit addressed risk in the planning phase and this audit addresses the greatest risk at the construction phase: construction costs.

We found that the two projects met many best practices for controlling construction costs, but lagged in others. In some cases, like the construction contracts themselves and in substantiating the actual costs of construction work, the County was able to make improvements on the fly. In other cases, the projects did not meet best cost control practices. The hot construction economy in the Pacific Northwest certainly played a role in the lack of available competition in the subcontractor buyout process and the subcontracts signed.

While we were able to test many aspects of monthly pay application processes, the volume and complexity of the data involved prevented us from completing a full battery of construction audit tests. As a result, we recommend that the Department of County Assets hire a specialist construction auditor to help provide greater assurance that the County is only paying for appropriate charges.

We would like to thank the staffs of both projects as well as staff from the Department of County Assets and the County Attorney's Office for their assistance in completion of this audit.

3. Explain the fiscal impact (current year and ongoing).

Audit recommends hiring a specialist construction auditor to review charges on the two projects.

4. Explain any legal and/or policy issues involved.

The two construction contracts allow for audits of all books and records

5. Explain any citizen and/or other government participation that has or will take place.

N/A

Required Signature

Elected
Official or
Department
Director:

Steve March

Date:

1/3/2017