

Auditing Capital Projects in King County



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Capital Projects = Big Bucks

- In 2006, capital projects amounted to almost \$800 million in King County
- Largest: Brightwater Wastewater Treatment Plant
 - Approx. \$2 billion total cost (est.)
 - Almost half of annual capital budget



Range of Capital Projects

- Facilities (offices, storage, etc.)
- Wastewater treatment and conveyance systems
- Transit
- Roads
- Quasi-capital: Accountable Business Transformation
 - Financial & HR systems



Typical Problems

- Data and information lapses and inconsistencies
- Contingency money absorbed
- Delays and change orders
- Cost escalation and overruns
- Schedule extensions
- Scope creep

The background of the slide features a light blue gradient with a faint, semi-transparent image of classical architectural columns on the left side. The columns are white with detailed capitals and are set against a darker blue background. The entire slide is framed by a thin white border and a thicker brown border.

Developing Problems

Trust and Credibility

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New Approach

- Establish an independent Capital Projects Oversight Program
 - On a pilot basis
 - Within the KC Auditor's Office
 - Funding for consultants and staffing provided
- Initial focus on
 - Brightwater wastewater treatment facility
 - Jail Integrated Security Project (security)
 - Harborview 9th & Jefferson Building (parking)
 - Accountable Business Transformation
 - Procurement and Contracting Practices



Approach to New Mandate

- Phase I
 - Continue existing oversight & QA
 - Hire consultant to design independent oversight process
- Phase II
 - Transition oversight to new audit staff
 - Engage consultants as needed to provide oversight on specific projects