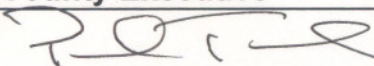




Title  <b>AUDITS OF CONSTRUCTION MANAGEMENT PRACTICES</b>	Document Code No.  <b>FIN <u>15-2-1</u> (AEP)</b>
Department/Issuing Agency <b>King County Executive</b>	Effective Date. October 1, 2000
Approved 	

**1.0 SUBJECT TITLE: Audits of Construction Management Practices**

- 1.1. EFFECTIVE DATE: October 1, 2000.
- 1.2. TYPE OF ACTION: SUPERCEDING FIN 15-2 (AEP).
- 1.3. KEY WORDS: SEE APPENDIX A TO CON 7-13 (AEP).

**2.0 PURPOSE:**

- 2.1 To establish requirements for audit of construction management practices and CAPITAL PROJECTS.

**3.0 ORGANIZATIONS AFFECTED:**

- 3.1 All Executive Departments, Offices and Agencies.

**4.0 REFERENCES:**

- 4.1 CON 7-13 (AEP) Introduction to Construction Management Policies and Procedures.
- 4.2 CON 7-9-1 (AEP) Capital Project Planning and Management.
- 4.3 CON 7-7-1 (AEP) Procurement for Capital Projects.
- 4.4 CON 7-8-1 (AEP) Change Order/Amendment Administration.
- 4.5 CON 7-14 (AEP) Design Management.
- 4.6 CON 7-10-1 (AEP) Project Control Officer.
- 4.7 CON 7-5-1 (AEP) Project Closeout.

**5.0 DEFINITIONS:**

- 5.1 See CON 7-13 (AEP) Appendix A "P&P Defined Terminology".

**6.0 POLICIES:**

- 6.1 It is the policy of the King County Executive that all Executive Departments, Offices and Agencies will comply with the requirements of the P&Ps to ensure that adequate internal controls are in place and being followed for the efficient and effective management of public works projects, and to enhance the overall fiscal accountability

- 6.2 for the capital program. Accordingly, all CAPITAL PROJECTS and the construction management practices of all Executive Departments, Offices and Agencies are subject to audit,
- 6.3 It is the Executive's intent that all large CAPITAL PROJECTS (\$10 million or greater in estimated cost exclusive of land acquisition costs) will be audited by EAS.
- 6.4 IAs shall provide sufficient funding for audits of CAPITAL PROJECTS. Agency management shall work collaboratively with EAS to establish budgets.
- 6.5 EAS shall coordinate all Executive Branch audits of construction management practices and CAPITAL PROJECTS. EAS shall coordinate with the County Auditor to ensure against duplication of audit effort. EAS shall include audits of construction management practices and CAPITAL PROJECTS in its annual work plan consistent with the requirements of the P&Ps and available resources.

## 7.0 PROCEDURES:

<u>Action By</u>	<u>Action</u>
Executive Departments Offices & Agencies	7.1 Maintain a current inventory and status of CAPITAL PROJECTS.
Executive Departments Offices & Agencies	7.2 Maintain current DOCUMENTATION of the P&Ps.
EAS	7.3 Provide or arrange for audit coverage of all large CAPITAL PROJECTS, as appropriate. Coordinate audit coverage of large projects with the County Auditor.
EAS	7.4 Establish a plan to audit small CAPITAL PROJECTS, those less than \$10 million. The plan shall consider relative risk, and shall establish an audit cycle that captures the construction management practices of Departments, Offices, and Agencies engaged in CAPITAL PROJECT management.
EAS	7.5 Monitor and coordinate the work of outside auditors engaged in Executive-initiated audits of construction management practices or CAPITAL PROJECTS.
	8.1.1 Allocate sufficient resources within CAPITAL PROJECT budgets to ensure adequate audit coverage.

- 8.1.2 Ensure communication of, and compliance with, the adopted construction management policies, procedures and practices among IA staff.
- 8.1.3 Cooperate fully with EAS in audits of construction management practices and CAPITAL PROJECTS.
- 8.1.4 Inform EAS and EAC regarding actions taken or planned in response to audit findings and recommendations.

8.2 EAS is responsible to:

- 8.2.1 Provide adequate audit coverage of construction management practices and CAPITAL PROJECTS in accordance with EAS's adopted annual work plan.
- 8.2.2 Provide support to the EAC in accordance with FIN 15-1 (AEP).

9.0 **APPENDICES:** None.