



AGENDA MEMORANDUM

Action Item for the Audit Committee Meeting of November 12, 2024

DATE: October 18, 2024
TO: Gil Hernandez, Audit Committee Chair
FROM: George Holland, City Auditor
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AU24 - 006 Engineering – Police Training Academy Talson Audit Report

CAPTION:

Motion to accept AU24 – 006 Engineering – Police Training Academy Talson Audit Report.

PURPOSE:

Discuss audit results and recommendations for AU24 – 006 Engineering – Police Training Academy Talson Audit Report.

BACKGROUND:

In accordance with the 2024 Annual Audit Plan, Talson Solutions, LLC (Talson), an independent construction auditing and advisory firm, conducted a Construction Contract Closeout Audit of the City of Corpus Christi’s (the City) Police Training Academy Project No. 21086 (Project).

Fulton Coastcon General Contractors (Fulton) is the general contractor under a lump sum agreement (Contract) with a current value of \$21.4 million. Engineering design and construction administration services are being provided by Turner Ramirez & Associates, Inc. (TRA).

The closeout audit primarily focused on contractual compliance by Fulton but also included assessing the City’s construction and engineering management of capital program areas including construction cost and change management, project administration, progress status, and cost reporting. Talson’s audit objectives were to verify Fulton’s compliance with the Contract, adherence to established controls and procedures, and assess the completeness and allowability of construction costs. The audit focused on the City, Fulton, and TRA’s activities from Project commencement through August 2024.

Talson utilized a comprehensive risk-based approach to assess compliance with contract provisions and identify any risks to successful Project completion, specifically within budget and on-time. Talson assessed Project Management's (e.g., City, general contractor, designers, and subcontractors) alignment with industry best practices throughout the engagement, facilitated knowledge-sharing discussions, and collaborated with the project teams to ensure transparency of the audit work but also maintained independence.

Talson conducted the audit in alignment with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. Those standards require planning and performing the audit to obtain satisfactory and appropriate evidence to provide a reasonable basis for observations and conclusions within a detailed audit plan based on the audit objectives. Talson believes that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

ALTERNATIVES:

The Audit Committee may reject all or part of this audit report as presented.

FINANCIAL IMPACT:

The fiscal impact for this audit project is \$55,040.00, with funding from Police Bond 2020.

FUNDING DETAIL:

Fund:	Police Bond 2020
Organization/Activity:	21086-3344-EXP
Department:	Police (29)
Project #:	21086 – Police Training Academy
Account:	520002 – General & Administrative Costs
Amount:	\$55,040.00

RECOMMENDATION:

Staff recommends that the Audit Committee accept the AU24 – 006 Engineering – Police Training Academy Talson Audit Report.

LIST OF SUPPORTING DOCUMENTS:

- AU24 – 006 Engineering – Police Training Academy Talson Audit Report