



AGENDA MEMORANDUM

Action Item for the Audit Committee Meeting of March 19, 2025

DATE: March 4, 2025
TO: Roland Barrera, Audit Committee Chair
FROM: George Holland, City Auditor
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Motion to accept AU24 – F2 Engineering and Utilities – Greenwood Wastewater Treatment Plant (WWTP) Electrical Improvements Follow-Up Report

CAPTION:

Motion to accept AU24 - F2 Engineering and Utilities - Greenwood Wastewater Treatment Plant (WWTP) Electrical Improvements Follow-Up Report.

PURPOSE:

Discuss audit results and recommendations for AU24 - F2 Engineering and Utilities - Greenwood Wastewater Treatment Plant (WWTP) Electrical Improvements Follow-Up Report.

BACKGROUND:

In accordance with the City Auditor’s Office 2025 Draft Proposed Annual Audit Plan, we conducted a follow-up review of AU23 – 003 Closeout Audit of Greenwood Wastewater Treatment Plan (WWTP) Electrical Improvements.

The original closeout audit primarily focused on contractual compliance by CSA Construction but also included assessing the City’s construction and engineering management of capital program areas, including construction cost and change management, claims/disputes, project administration, progress status and cost reporting, and final closeout. Talson’s audit objectives were to verify 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, CSA, and LAN’s activities from Project commencement through October 2023.

Talson observed compliance to financial controls and cost management procedures. However, the audit resulted in the identification of opportunities to enhance communications within the City and externally with CSA and LAN that would allow for final project closeout. Talson noted open administrative and operational activities, which, coupled with areas of contractual non-compliance,

have led to delays in fully commissioning the facility, uncertainty in the determination of partial utilization and Substantial Completion, closing out CSA's contract, and proper conveyance to the City's Wastewater Operations team.

ALTERNATIVES:

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

FINANCIAL IMPACT:

N/A

FUNDING DETAIL:

N/A

RECOMMENDATION:

Staff recommends that the Audit Committee accept the AU24 - F2 Engineering and Utilities - Greenwood Wastewater Treatment Plant (WWTP) Electrical Improvements Follow-Up Report.

LIST OF SUPPORTING DOCUMENTS:

- AU24 - F2 Engineering and Utilities - Greenwood Wastewater Treatment Plant (WWTP) Electrical Improvements Follow-Up Report.