



AGENDA MEMORANDUM

Action Item for the Audit Committee Meeting of January 13, 2026

DATE: January 7, 2026

TO: Roland Barrera, Audit Committee Chair

FROM: George Holland, CIA, CISA, CCA, City Auditor
georgeh3@cctexas.com
(361) 826-3660

<p>Motion to accept F25-011 Engineering Services – Construction Closeout Audit of Terminal Building Rehabilitation Phase II Follow-Up Report</p>

CAPTION:

Motion to accept F25-011 Engineering Services – Construction Closeout Audit of Terminal Building Rehabilitation Phase II Follow-Up Report

PURPOSE:

Discuss the follow-up results for F25-011 Engineering Services – Construction Closeout Audit of Terminal Building Rehabilitation Phase II Follow-Up Report

BACKGROUND:

As part of our annual audit plan, we followed up on the AU25-001 Engineering Services – Construction Closeout Audit of Terminal Building Rehabilitation Phase II Audit Report dated February 28, 2025. The primary objective of the follow-up review is to verify that management has taken effective action to address the findings and recommendations from the original audit.

The original audit made one observation for improvement across four areas for department management. The four areas included construction cost and change management, project administration, progress status, and cost reporting.

In December 2025, Auditors reviewed the information submitted by the Management and found that part A.1-1 of the recommendation is in progress, and part A.1-2 of the recommendation is not implemented.

ALTERNATIVES:

The Audit Committee may reject all or part of this follow-up report as presented.

FISCAL IMPACT:

N/A

FUNDING DETAIL:

N/A

RECOMMENDATION:

Staff recommends that the Audit Committee accept F25-011 Engineering Services – Construction Closeout Audit of Terminal Building Rehabilitation Phase II

LIST OF SUPPORTING DOCUMENTS:

- F25-011 Engineering Services – Construction Closeout Audit of Terminal Building Rehabilitation Phase II Follow-Up Report