



AGENDA MEMORANDUM

Action Item for the Audit Committee Meeting of November 4, 2025

DATE: October 27, 2025
TO: Roland Barrera, Audit Committee Chair
FROM: George Holland, CIA, CISA, CCA, City Auditor
Georgeh3@cctexas.com
(361) 826-3660

**Motion to accept A25-009 Engineering – Oso Wastewater Reclamation Plant
Talsen Audit Report**

CAPTION:

Motion to accept A25-009 Engineering – Oso Wastewater Reclamation Plant Talsen Audit Report.

PURPOSE:

Discuss the audit results for A25-009 Engineering – Oso Wastewater Reclamation Plant Talsen Audit Report.

BACKGROUND:

In accordance with the 2025 Annual Audit Plan, Talsen Solutions LLC (Talsen), an independent construction auditing and advisory firm, conducted a Construction Contract Closeout Audit of the City of Corpus Christi’s (the City) Oso Wastewater Plant (WRP) Project No. 20084A (Project). CSA Construction, Inc. (CSA) is the general contractor under a Lump Sum Agreement (Contract) with an initial value of \$109.9 million. Engineering design services are being provided by Ardurra Group, Inc. (Ardurra).

Audit objectives were to assess CSA’s compliance with contract obligations and deliverables, as well as Ardurra’s and the City’s compliance with construction and engineering management procedures. Audit scope included testing adherence to established processes and alignment to industry best practices for construction management program areas including cost and change order request (COR) management, progress and cost reporting, and overall project administration. The audit focused on the City, CSA, and Ardurra’s activities from commencement through June 2025.

Talsen found that CSA is generally compliant with the terms of the Contract. The City and Ardurra and are sufficiently managing the Project. Communication of Project details and administration of financial controls between the City, CSA, and Ardurra were deemed mostly adequate and transparent. Based on the documentation sampled, there were no significant financial, schedule or contractual risks at the time of the audit nor was any reference to fraud, illegal acts or ethical

violations noted.

The audit did result in two Findings and two Observations. Findings are considered areas of non-compliance to the Contract or established procedures. Observations are noted for areas of potential enhancement to controls or management actions. Although two of the audit results are similar to past audits for the City, enhancement to project controls was noted including project reporting and construction risk management.

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 A25-009 Engineering – Oso Wastewater Reclamation Plant Talson Audit Report.

LIST OF SUPPORTING DOCUMENTS:

- A25-009 Engineering – Oso Wastewater Reclamation Plant Talson Audit Report
- A25-009 Engineering – Oso Wastewater Reclamation Plant Talson Presentation