EXECUTIVE SUMMARY

DEPARTMENT OF THE TREASURY
DIVISION OF PROPERTY MANAGEMENT AND CONSTRUCTION

Our audit found that General Fund transactions included in our testing were related to construction projects, were reasonable, and were recorded properly in the accounting system. We also found the prequalification and classification process, the bid evaluation and contract award process, and contract management were adequate. In making these determinations, we identified a weakness in the processing of prequalification and classification documents. We also found that documentation of consultant proposal evaluations can be improved.

AUDIT HIGHLIGHTS

- As part of the prequalification and classification process, the DPMC allows firms to directly submit their financial statements which are audited, reviewed, or compiled by independent accountants. The information would be more reliable if received from an independent source and decrease the risk of an unqualified vendor being awarded contracts. We sampled 35 vendors and found one instance where the financial information compiled by the independent accountant appeared altered prior to being submitted to the DPMC. This matter was referred to the Division of Criminal Justice. We also found that some firms took longer than 90 days to provide all required documentation with their prequalification packages. This time delay increases the risk of dated, unnotarized and incorrect information being used by the DPMC to issue a prequalification.

- The DPMC does not have a policy and procedure in place to give consultant proposal evaluators directions on how to complete the evaluation forms. We sampled 15 of 87 projects awarded during the audit period and found 4 projects contained at least one evaluation that did not include comments to justify the evaluator’s grade. Unsuccessful bidders are not able to determine where their bid was flawed or areas for improvement for future bids based on a numerical grade only. This may put unsuccessful bidders at a disadvantage for future bidding opportunities, since they could not determine why their submission was inadequate.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report, click here.