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Interim Executive Director
John S. Raff, P.E.

Mailing address:
P. O. Box 13047
Austin, TX 78711-3047
(512) 463-3446
www.tfc.state.tx.us

TO: Commissioners
FROM: Amanda Jenami, Chief Auditor
DATE: June 11, 2018
SUBJECT: Status of Management's Implementation of Audit Recommendations

ACTION REQUESTED

Review and discuss the report on the status of management's implementation of both external and internal audit recommendations as of April 30, 2018, as attached.

BACKGROUND

The Office of Internal Audit's (OIA) procedures require the Chief Auditor, on a semi-annual basis, to submit a report to the Commission on the status of management's implementation of audit recommendations. The objective is to determine the status of the outstanding audit recommendations made by the OIA and by the State Auditor's Office (SAO) since fiscal year 2015.

We accomplished this by requesting a narrative summary of the current status of each recommendation from the individuals identified as being responsible for implementing the recommendations. Additionally, we requested and reviewed documentation supporting the actions taken. We used telephone, face-to-face, and email communication to gain a more complete understanding of the status summary or supporting documentation. Finally, if warranted, we tested the established controls to assure that the original audit issue had been resolved.

KEY ISSUES

As of April 30, 2018, and for the audits since fiscal year 2015, 90% (19 out of 21) of the SAO recommendations and 58% (111 out of 191) of those from OIA have been fully implemented. Of the 80 OIA recommendations that are outstanding, 31 (39%) are older than two years and overdue, while 48 (60%) are not yet due. Attachment 1 shows a status summary by project. Attachment 2 provides status details for each report, by recommendation, with the exception of those for the Review of Building Access (Project #20160102) and Review of Information Security (Project #20170123) both of which were issued under confidential seal.

Attachments:

c: John Raff

Texas Facilities Commission

Physical address: 1711 San Jacinto Blvd, Austin, Texas 78701

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**Texas Facilities Commission (TFC)
Office of Internal Audit (OIA)
Implementation Status Of Audit Recommendations
As of April 30, 2018**

Attachment 1

Item #	Project Name Report #, & Issue Date	Implemented		Pending		Total
External Audits (by the State Auditor's Office (SAO))						
1.	SAO's Review of Selected Contracts at the Texas Facilities Commission (TFC) Report # 15-001) - Issued September 2014	17	100%	0	0%	17
2.	SAO's TFC's Compliance with Requirements Related to the Historically Underutilized Business (HUB) and State Use Programs (Report # 17-030); Issued: April 2017	2	50%	2	50%	4
Internal Audits (by TFC's Office of Internal Audit (OIA))						
1.	Review of Human Resources Management (Report # 20150101) Issued: April 2015	28	76%	9	24%	37
2.	Review of Plant Operations and Building Automation (Report # 20160201) Issued: November 2015	9	41%	13	59%	22
3.	Review of Contract Management (Phase One) (Report # 20160101) Issued: February 2016	21	87%	3	13%	24
4.	Review of Building Access (Report # 20160102) Issued: March 2016	25	81%	6	19%	31
5.	Review of Contract Management (Phase Two) (Report # 20160101-2) Issued: January 2017	11	92%	1	8%	12
6.	Review of Information Security (Report # 20170123) Issued: September 2017	17	26%	48	74%	65

Attachment 2.1

Texas Facilities Commission (TFC)
Office of Internal Audit (OIA)
Outstanding Audit Issues Tracking Matrix
As of April 30, 2018

SAO's Review of Selected Contracts at the Texas Facilities Commission (TFC) Report # 15-001) - Issued September 2014			
Audit Issue Report Reference	Audit Recommendations	Management's Response	Implementation Status April 2017
1.A The Commission Did Not Verify That the Property Management Services Contractor Performed All Required Maintenance or Consistently Managed Physical Access.	(vi) Establish guidelines for its property management services contractor to manage access to its buildings and verify that the property management services contractor follows those guidelines.	The Commission will establish guidelines for the property management services contractor in providing access to the building. Target Implementation Date: 1/31/2015	Implemented
1.D The Commission Should Verify Compliance with Criminal Background Check Requirements.	(iii) Ensure that contracts are clear about which contractor and subcontractor employees must receive criminal background checks, and that processes align with those requirements.	The Commission is implementing procedures to ensure that the requirements for criminal background checks for subcontractors is clear to the property management services contractor. Target Implementation Date: 1/31/2015	Implemented

Attachment 2.2

Texas Facilities Commission (TFC)
Office of Internal Audit (OIA)
Outstanding Audit Issues Tracking Matrix
As of April 30, 2018

SAO's TFC's Compliance with Requirements Related to the Historically Underutilized Business (HUB) and State Use Programs (Report # 17-030); Issued: April 2017			
Audit Issue Report Reference	Audit Recommendations	Management's Response	Implementation Status April 2018
Chapter 1-B The Commission Conducted Its Procurement and Contract Monitoring Program in Compliance with Most HUB-related Statutes and Rules	The Commission should develop and implement a process to help ensure that contractors submit monthly Progress Assessment Reports as required by the Texas Administrative Code.	Texas Comptroller of Public Accounts (CPA), Statewide Procurement Division, has notified TFC's HUB Director that this is one of the items under legal consideration for inclusion in the next update to the Texas Administrative Code (TAC). CPA has informed TFC's HUB Director that it feels confident that the update will effectively address this issue, and an exemption will not be necessary to agencies implementing an effective compliance process for facilitating and maintaining compliance with the HUB Subcontracting Plan. Target Implementation Date: 8/31/2017 Revised Target Implementation Date: Pending Possible Update to Texas Administrative Code	Pending
Chapter 2 The Commission Generally Complied with State Use Program Reporting Requirements; However It lacked a Documented Process to Report Exceptions	The Commission should: <ul style="list-style-type: none"> • Develop and implement a documented process to help ensure that its purchasers check the TIBH Industries catalog for all purchases and procurements prior to purchasing from a non-TIBH Industries vendor. • Develop and implement a process to report all exceptions to purchasing from TIBH Industries to the Comptroller's Office and the Texas Workforce Commission, as required. 	The Commission agrees to develop a more defined process of researching and documenting exception reporting. Target Implementation Date: 6/30/2017	Implemented

**SAO's TFC's Compliance with Requirements Related to the Historically Underutilized
Business (HUB) and State Use Programs (Report # 17-030); Issued: April 2017**

Audit Issue Report Reference	Audit Recommendations	Management's Response	Implementation Status April 2018
Chapter 3 The Commission Should Strengthen Certain Controls Over Its Information Technology Systems	<ul style="list-style-type: none"> Implement a process to review the data entered in its legal contracts database for completeness and accuracy. 	<p>TFC agrees and considers the integrity and accuracy of the data within the legal contracts database to be important and will perform a cost/benefit analysis of implementing a review process or electronic edit checks within the system. Management expects to have the cost/benefit analysis completed and implemented by August 31, 2018.</p> <p>Target Implementation Date: 8/31/2018</p>	Pending

Texas Facilities Commission (TFC)
Office of Internal Audit (OIA)
Outstanding Audit Issues Tracking Matrix
As of April 30, 2018

Review of Human Resources Management (Report # 20150101) Issued: April 2015			
Audit Issue Report Reference	Audit Recommendations	Management's Response	Implementation Status April 2018
1.1 Operational Effectiveness: Human Resources' Staffing	(iii) Working with the Human Resources director, developing and implementing a mission statement, formal goals, performance measures and targets for the Human Resources function.	The Director of Human Resources will report directly to the Executive Director and will be instructed to work with management to develop and implement the appropriate mission statement, formal goals, performance measures and targets for the Human Resources function as well as to adequate staffing levels are maintained to ensure the operational efficiency of the function. Target Implementation Date: 9/1/2015	Pending
1.2 Operational Effectiveness: Work Environment	(iv) Seeking anonymous employee feedback on the work environment through periodic employee engagement surveys.	Management agrees that having the Director of Human Resources report to the Executive Director will facilitate changes that are needed to ensure the sustained level of management and oversight needed to provide adequate controls over and increase confidence in the agency's human resources operations. Management will work with the Director of Human Resources to improve agency-wide communications, to hold agency-wide meetings as appropriate within agency operational constraints, to seek anonymous employee input on the work environment through periodic employee engagement surveys and to continue to encourage and support employee committees in their efforts for agency-wide activities such as fundraising events to provide funds for the Annual Chili Cook-Off and employee recognition events. Target Implementation Date: 4/13/2015	Pending

Review of Human Resources Management (Report # 20150101) Issued: April 2015

Audit Issue Report Reference	Audit Recommendations	Management's Response	Implementation Status April 2018
1.3 Operational Effectiveness: Succession Planning	Management should develop and implement a formal succession plan.	Management agrees that succession planning is important to ensure continuity of operations when key personnel leave the agency for whatever reason. Management will direct the Director of Human Resources to work with executive management staff and key managers in each program area to develop effective succession plans, including cross training personnel and ensuring adequate documentation of essential procedures to avoid disruption to key functions as a result of the planned or unplanned separation of agency personnel. Target Implementation Date: 11/1/2015	Pending
1.6 Operational Effectiveness: Written Procedures	Human Resources management should develop and implement detailed written procedures to help guide Human Resources and supervisory staff in performing its duties.	Management agrees that written procedures are necessary to ensure effective and consistent operation of the agency's Human Resources functions. Management will direct the Director of Human Resources to develop and implement any additional written procedures necessary to ensure effective and consistent operation of the agency's Human Resources functions. Target Implementation Date: 9/1/2015	Pending
2.4 Hiring Practices: Performance Plans and Probationary Period Evaluations	Management should improve compliance with the initial employment probationary period policy by: (i) Providing supervisors with training (and coaching) on employee performance plans and evaluations.	Management agrees that improvements are needed in the agency's hiring processes related to performance plans and end-of-probationary period evaluations. Management will direct the new Director of Human Resources to develop and implement the necessary training and procedures to ensure compliance with the initial probationary period policy. Target Implementation Date: 6/1/2015	Pending
	(ii) Requiring supervisors to develop and discuss formal performance plans with new employees within 30 calendar days of hire.		Pending
	(iii) Requiring supervisors to provide employees with 6-month end-of-probationary period evaluations.		Pending

Review of Human Resources Management (Report # 20150101) Issued: April 2015

Audit Issue Report Reference	Audit Recommendations	Management's Response	Implementation Status April 2018
3.4 Employee Training: Supervisory Training Program	In consultation with supervisors, management should develop a training program for supervisors. The training should include such areas as hiring, coaching, teambuilding, performance evaluation, customer service and creating performance plans.	Management agrees that improvements are needed in the area of supervisory training for the agency personnel. Management will direct the new Director of Human Resources, in consultation with agency executive staff and agency directors, to develop and implement an effective, comprehensive, and practical training program for all agency staff with supervisory responsibilities. Target Implementation Date: 9/1/2015	Pending
6.1 Policies: Discontinuation of Policies and Practices	Management should consider reinstating the practice of employee performance evaluations and the nepotism data form.	Management agrees that policies should not be discontinued without formal rescindment or suspension of the relevant policy. Management will direct the new Director of Human Resources to ensure that, if the determination is made to discontinue, suspend or revise any policy, all agency personnel will be provided with the appropriate notification, accompanied with properly documented acknowledgement forms signed by each employee and returned to Human Resources. Management further agrees that the practice of employee performance evaluations (both end-of-probationary period and annual) should be reinstated, as previously indicated in responses to 2.4 and 5 above. Management will also direct the new Director of Human Resources, in consultation with the General Counsel, to review and make recommendations concerning an appropriate nepotism policy for the agency. Target Implementation Date: 8/31/2015	Pending

Attachment 2.4

Texas Facilities Commission (TFC)
Office of Internal Audit (OIA)
Outstanding Audit Issues Tracking Matrix
As of April 30, 2018

Review of Plant Operations and Building Automation (Report # 20160201) Issued: November 2015			
Audit Issue Report Reference	Audit Recommendations	Management's Response	Implementation Status April 2017
1.1 Accountability Framework - Planning	(i) SMART goals to focus program activities and ensure accomplishment of the mission.	Within existing funding and staffing constraints, management will develop and implement a formalized accountability framework for this program that will enable and facilitate development and establishment of SMART goals, key performance indicators, and other tools such as periodic reports, for measuring performance and guiding management decisions for the program as well as agency-wide throughout and across programs and functions. Target Implementation Date: 8/31/2016 Revised Target Implementation Date: 12/31/2018	Pending
	(iii) A set of key performance indicators and targets to assist with keeping track of accomplishment of program goals.	Establishment of applicable energy conservation goals for the Plant Operations and Building Automation programs will be formalized in conjunction with overall agency energy conservation goals developed by the agency's Office of Energy Management working cooperatively with Plant Operations management and staff. Target Implementation Date: 8/31/2016	Implemented

Review of Plant Operations and Building Automation (Report # 20160201) Issued: November 2015

Audit Issue Report Reference	Audit Recommendations	Management's Response	Implementation Status April 2017
1.1 Accountability Framework - Planning (Continued)	(iv) Providing agency management with periodic reports showing variances between actual and target performance.	Weekly reports are now being generated containing relevant data. However, a sustained effort is required before being ready to test. Target Implementation Date: 8/31/2016 Revised Target Implementation Date: 12/31/2018	Pending
	(v) Formal customer satisfaction feedback from property managers to assist with meeting stakeholder expectations.	Management will query property managers regarding satisfaction to assist with meeting stakeholder expectations. Target Implementation Date: 4/30/2016 Revised Target Implementation Date: 12/31/2018	Pending
1.2 Accountability Framework - Communication and Coordination	Improve operational efficiency by streamlining (as much as possible) the agency's organizational structure, fostering more interdivisional team cohesiveness, and implementing thematic collaborative strategic goals that bring operating units together.	Executive management continues to analyze this initiative from both an accountability framework perspective (understanding the roles of personnel involved) and strategic re-structuring of the agency for higher efficiency and improved performance. Goals and strategic objectives developed for this program area will inform its revised organization to provide the best solution. Target Implementation Date: 4/30/2016 Revised Target Implementation Date: 12/31/2018	Pending

Review of Plant Operations and Building Automation (Report # 20160201) Issued: November 2015

Audit Issue Report Reference	Audit Recommendations	Management's Response	Implementation Status April 2017
1.3 Accountability Framework - Integrated Computerized Information Management System	(i) In the short-term, working closely with the agency's Information Technology (IT) division to integrate (as much as possible) current databases to reduce data redundancy.	This response will require somewhat of a reset so the Interim Executive Director can understand where the inefficiencies lie in the processes and what opportunities exist for short term solutions. As potential opportunities are identified, specific project requests will be developed for IT as well as formal processes for extracting data from one system to be utilized in a second system. The goal being to reconcile data between disparate systems and gain efficiencies where possible. Target Implementation Date: 4/30/2016 Revised Implementation Date: 12/31/2018	Pending

Review of Plant Operations and Building Automation (Report # 20160201) Issued: November 2015

Audit Issue Report Reference	Audit Recommendations	Management's Response	Implementation Status April 2017
1.3 Accountability Framework - Integrated Computerized Information Management System (Continued)	(ii) In the long term, implementing an integrated workplace management system.	TFC has consistently included funding requests for an IWMS in the last three funding cycles, each time with no success. Current management recognizes the benefit in integrating systems at some level but this needs to be weighed against the quality of performance provided to the program areas by multifaceted software programs available in the market place. Additionally, IWMS means different things to different program areas. There is integration between finance and human resources, there is integration between maintenance & management (CMMS) and procurement, there is integration between maintenance & management and capitol projects. Current management's assessment is that State procurement processes, State contract management practices, specific statutory reporting requirements and necessary transparency for State government require unique software solutions not available from multifaceted software solutions. The government processes must drive the software solution as opposed to the converse approach. A better solution lies in "integrating software" that couples the best software solutions for each program area. Management will explore this type of solution through a strategic planning initiative with more scalable and effective solutions that allow program	<p>Pending</p>

Review of Plant Operations and Building Automation (Report # 20160201) Issued: November 2015

Audit Issue Report Reference	Audit Recommendations	Management's Response	Implementation Status April 2017
1.3 Accountability Framework - Integrated	(ii) In the long term, implementing an integrated workplace management system. (Continued)	served with the best programs available for their mission. Report of findings to be produced. Target Implementation Date: 5/31/2016 Revised Target Implementation Date: 12/31/2018	Pending
Computerized Information Management System (Continued)	(iii) Designing and providing management with robust dash-board type reports for periodic monitoring.	Has been put on hold pending appointment of Executive Director, however, the weekly reports received (1.1 above) contain the pertinent information minus graphics to make effective monitoring decisions by management. When 1.1 is tested, this also can be tested. Target Implementation Date: 4/30/2016 Revised Target Implementation Date: 12/31/2018	Pending

Review of Plant Operations and Building Automation (Report # 20160201) Issued: November 2015

Audit Issue Report Reference	Audit Recommendations	Management's Response	Implementation Status April 2017
1.4 Accountability Framework - Human Resources	(i) Increasing staffing levels within the program. Knowledge transfer, stewardship delegation (to Team Leads) accompanied by strong accountability controls could yield much better results.	Improved staffing targets have been established (7-8 personnel per shift). Postings are ongoing, and interviews are conducted when sufficient applicants exist. Target Implementation Date: 5/31/2016 Revised Target Implementation Date: 11/30/2018	Pending
	(vii) Holding regular team meetings.	Entire team meetings cannot be held in this area due to 24 hour operations. Shift meetings are conducted daily at each shift change when two shifts are present. Recommend revising recommendation to accommodate the unique schedule of Plant Operations. Target Implementation Date: 5/31/2016 Revised Target Implementation Date: 11/30/2018	Pending
	(viii) Whenever possible, performing teambuilding exercises for an improved team environment.	Again, staffing considerations hamper this recommendation implementation. As we near full staffing, we will fully implement the recommendation. Target Implementation Date: 5/31/2016 Revised Target Implementation Date: 11/30/2018	Pending

Review of Plant Operations and Building Automation (Report # 20160201) Issued: November 2015

Audit Issue Report Reference	Audit Recommendations	Management's Response	Implementation Status April 2017
3 Operational Efficiency - Disaster Recovery Planning	Improve disaster recovery planning by bringing the disaster recovery plan up to date and clarifying roles and responsibilities.	Our disaster recovery plan is housed in Risk Management. The revision process is a never ending process. The last revisions were in August, 2017 consisting of changes to contact information of key players. Target Implementation Dates: Disaster Recovery Update: 12/1/2015 Update of Continuity of Operations Plan: 5/31/2016 Revised Target Implementation Date: 8/30/2018	Pending
4 Operational Efficiency - Control Room Processes	(i) Streamlining control room and field technician routines.	Staffing is currently the obstacle to implementation of this and many other goals. Turnover rates have been reduced dramatically, but we are still short between 3 and 5 operators per shift. Target Implementation Date: 3/1/2016 Revised Target Implementation Date: 11/30/2018	Pending
	(ii) Automating the collection and recording of temperature (and other) data with the use of hand-held digital scanners would free up time which would allow the operators to focus on the more critical task of monitoring and responding to alarms.	IT is testing several tablet-based systems. Target Implementation Date: 3/1/2016 Revised Target Implementation Date: 11/30/2018 or when systems are approved by IT.	Pending

**Texas Facilities Commission (TFC)
Office of Internal Audit (OIA)
Outstanding Audit Issues Tracking Matrix
As of April 30, 2018**

Review of Contract Management (Phase One) (Report # 20160101) Issued: February 2016			
Audit Issue Report Reference	Audit Recommendations	Management's Response	Implementation Status April 2018
1.3 Regulatory Compliance – HUB Utilization and Reporting	(vi) Merging the completed HUB Subcontracting Plan with the official contract file.	HUB and Legal are developing language to incorporate the initial and subsequent revisions (if required) to HUB plans. The language will follow the pattern of Professional Services Schedules in A/E contracts where the Schedules, when revised, "shall become, without further notice or action, the effective [Schedules]." Because doing so may require template changes, the new language will be used starting 9-1-2018. Target Implementation Date: 8/31/2016 Revised Target Implementation Date: 9/1/2018	Pending
2.2 Operational Efficiency – Unintegrated Information Systems	Improve operational efficiency by implementing the following short-term solutions: (i) Merging the purple folder process with APS.	IT analyzed and discussed current processes with stakeholders and determined that integrating a new CRF system into the existing APS code base would incur more risk and be less effective than developing an electronic process outside of APS. Many contracts originate from records not contained in APS, so an integrated CRF process does not meet all stakeholder needs. Instead, IT has purchased licenses for DocuSign in order to rapidly deploy a pilot project that automates the Contract request tracking process. Target Implementation Date: 8/2016 Revised Implementation Date: 6/30/2019	Pending
	(ii) Creating a mechanism to seamlessly merge data from IMPACT into APS.	The agency does not have access to modify the IMPACT database, and we are unable to develop a process to automatically transfer data from it to our internally hosted APS database. Target Implementation Date: 8/2016	Closed

Review of Contract Management (Phase One) (Report # 20160101) Issued: February 2016

Audit Issue Report Reference	Audit Recommendations	Management's Response	Implementation Status April 2018
2.2 Operational Efficiency – Unintegrated Information Systems (Continued)	<p>(iii) Creating a mechanism to seamlessly merge data from APS into GFAS.</p> <p>For the long term, continue to include the agency's system integration initiative in the agency's Legislative Appropriations Request.</p>	<p>Developing new features in GFAS is not feasible due to resource constraints. The GFAS code base is a complex, mature software platform supported by non-agency contractors. Changes to the code base are inherently risky and would incur significant contract programming costs. Agency IT staff worked to create a request for funds to acquire and implement an Integrated Workplace Management System (IWMS) in the agency's LAR for FY2018-2019, but funding was not approved by the legislature. The agency HUB division has implemented a B2GNow platform that uses data extracted from the GFAS system to greatly improve vendor and subcontractor payment compliance.</p> <p>Target Implementation Date: Ongoing</p>	Closed
2.3 Operational Efficiency – Timeliness of Processes	<p>Improve operational efficiency by:</p> <p>(i) Eliminating the purple folder.</p>	<p>IT analyzed and discussed current processes with stakeholders and determined that integrating a new CRF system into the existing APS code base would incur more risk and be less effective than developing an electronic process outside of APS. Many contracts originate from records not contained in APS, so an integrated CRF process does not meet all stakeholder needs. Instead, IT has purchased licenses for DocuSign in order to create a pilot project to automate the Contract request tracking process (the purple folder). Once the pilot project is successful, IT plans to expand it agency wide to replace the purple folder process.</p> <p>Target Implementation Date: 9/2016 Revised Implementation Date: 6/30/2019</p>	Pending
3.2 Communication and Collaboration	<p>(ii) Implementing a contract specialist position within FDC.</p>	<p>Management agrees with the recommendation to implement a new contract specialist position in FDC as described below. Management hopes to identify the needed resources within the agency's current funding and FTE count limits to authorize this position for FDC in the near future.</p> <p>Target Implementation Date: 7/2016</p>	Implemented

**Texas Facilities Commission (TFC)
Office of Internal Audit (OIA)
Outstanding Audit Issues Tracking Matrix
As of April 30, 2018**

Review of Contract Management (Phase Two) (Report # 20160101-2) Issued: January 2017			
Audit Issue Report Reference	Audit Recommendations	Management's Response	Implementation Status April 2018
1.1 Protecting State Funds	Management should improve construction contract management processes by developing a framework to monitor vendor charges on projects and their compliance with the rebates, refunds, and discounts provision by: (i) Developing a risk model for use in determining the SOV items on which to perform desktop reviews.	FDC Management will collaborate with TFC's Fiscal division to develop a risk assessment model to yield an achievable level of desk reviews of Construction Manager-at-Risk costs that present the highest potential for recoverable savings. Additionally, desk review procedures and training will be developed and implemented. The performance and prospective frequency of these reviews shall reflect a justifiable business case for the additional staffing hours required either from current staff or potentially unidentified additional staff.	Implemented
	(ii) Developing desktop review procedures, including a checklist for use by staff.		Implemented
	(iii) Providing staff with the necessary training.	FDC will collaborate with executive management, Legal Division, Internal Audit and Procurement to develop a procurement method for Recovery Audit services either through A/E professional service contracts or Interagency Cooperation Contracts with SAO or the Comptroller while also ensuring compliance with the General Appropriations Act Article IX Sec. 6.20 Use of Appropriations to Contract for Audits. Target Implementation Date: 4/1/2017	Implemented
	(iv) Exercising the agency's "right to audit" by using the above risk model and performing recovery audits on some of the projects.		Implemented

Review of Contract Management (Phase Two) (Report # 20160101-2) Issued: January 2017

Audit Issue Report Reference	Audit Recommendations	Management's Response	Implementation Status April 2018
1.2 Communication Processes	(iii) Requiring the project team, as part of the debriefing process, to formally document and discuss “lessons learned” and best practices.	Legislative reporting on construction contract completion within schedule and within construction budget as a key performance measure provides a logical milestone for FDC management to conduct a debriefing for lessons learned and best practices. FDC management will incorporate this activity into the project process as well as	Implemented
	(iv) Sharing the “lessons learned” and best practices with the rest of FDC’s project management staff.	regular reports/training sessions with project management staff to disseminate these findings. On December 5, 2016, training was conducted on use of the “Lessons Learned” tab of the Project Execution Plan while conveying the requirement to utilize this tab through the course of every project. Target Implementation Date: 4/1/2017	Implemented
	(v) In collaboration with FDC, developing, documenting and communicating formal criteria indicating when amendments are necessary.	Due to personnel changes- we will have to take a second look. FDC will be working with legal. Target Implementation Date: 4/1/2017 Revised Target Implementation Date: 7/18/2018	Pending
2.2 Timely Completion and Closeout	FDC leadership should hold the contractors accountable by including timely project delivery as one of the key considerations in the vendor performance evaluation.	FDC will collaborate with the procurement division to devise an internal reporting mechanism for vendor performance on complex and uniquely scoped services supporting capital improvements that, for the short term, will translate to the existing CPA system and for the long term, help formulate a better statewide system. Timely completion of construction will be a key measure of performance. Target Implementation Date: 4/1/2017	Implemented

Review of Contract Management (Phase Two) (Report # 20160101-2) Issued: January 2017

Audit Issue Report Reference	Audit Recommendations	Management's Response	Implementation Status April 2018
3.1 Vendor Performance Reporting	<p>The Procurement Division, in collaboration with FDC management, should improve the current process for collecting vendor performance information at the end of each construction project as required. This could include revising the TFC form (currently used to capture performance information on the other agency contracts) so that it is better suited for construction projects.</p> <p>Once the process improvements are in place, FDC management should provide project managers with training on meeting the requirements.</p> <p>The Procurement Division, or a delegated program designee, should report vendor performance to the CPA, as required.</p>	<p>FDC will collaborate with the procurement division to devise an internal reporting mechanism for vendor performance on complex and uniquely scoped services supporting capital improvements that, for the short term, will translate to the existing CPA system and for the long term, help formulate a better statewide system. Timely completion of construction will be a key measure of performance. FDC management will implement training on the performance reporting system and ensure final payment approval is a milestone for this documentation.</p> <p>Target Implementation Date: 4/1/2017</p>	Implemented