

# **Final Audit Follow up**

**As of March 31, 2003**



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City Auditor

## **“Procurement of Asphalt” (Report #0220, Issued May 23, 2002)**

**Report #0315**

**May 13, 2003**

### **Summary**

***The Streets and Drainage Division of the Public Works Department has completed all action plan steps included in our previously issued report #0220, Procurement of Asphalt.***

In audit report #0220 issued in May of 2002, we identified several areas where improvements could be made in the procurement of asphalt. Streets and Drainage was receptive to the issues raised in the audit and has taken steps to implement all of the action items included in the report. One item, to improve the bid award process, has not been completed, but steps have been taken to change the bid evaluation process when the bids are evaluated this August.

### **Scope, Objectives, and Methodology**

The audit and this subsequent follow up were conducted in accordance with Generally Accepted Government Auditing Standards and Standards for the Professional Practice of Internal Auditing, as applicable. We conducted tests of the records and other auditing procedures as were considered necessary.

### **Report #0220**

The scope of Report #0220 was to determine whether:

- The City used a reasonable selection methodology during the Request for Bids (RFB) process;
- The contractor provided quality materials in a timely manner;
- The City made accurate and timely payments to the contractor; and
- Streets and Drainage used a reasonable allocation methodology to distribute costs to other departments.

### **Report #0315**

This audit follow up focuses on the action plan steps that Streets and Drainage has implemented. We reviewed the documentation provided by Streets and Drainage.

### **Previous Conditions and Current Status**

In Report #0220, we identified four areas that needed improvement. Table 1 summarizes all conditions identified in Report #0220 and shows their current status.

**Table 1**  
**Conditions Identified in Report #0220 and Current Status**

| Previous Conditions   | Current Status   |
|---|--|
| <ul style="list-style-type: none"> <li>Streets and Drainage should modify vendor performance forms to add additional standards for the periodic evaluation of vendors and conduct periodic vendor performance evaluations.</li> </ul> | <ul style="list-style-type: none"> <li>✓ We noted the development of vendor specific evaluation forms and the completion of periodic vendor performance evaluations.</li> </ul>  |
| <ul style="list-style-type: none"> <li>The bid award process, including the bid evaluation process, needs improvement by specifically identifying in the RFB the items to be considered in the bid evaluation process.</li> </ul>     | <ul style="list-style-type: none"> <li>✓ Streets and Drainage developed in concert with Procurement Services a Request for Quotes (RFQ) to be used in 2002 but elected to extend the current contract for one year. The Superintendent of Streets and Drainage indicated that the proposed RFQ would be used in 2003 for the new contract. The revised RFQ specifically indicated the items to be used in the evaluation and the weights each will receive in the evaluation.</li> </ul> |
| <ul style="list-style-type: none"> <li>Develop policies and procedures to ensure the timeliness of the reclassification of the cost of asphalt materials charged to other departments.</li> </ul>                                     | <ul style="list-style-type: none"> <li>✓ Procedures have been developed, including the assignment of primary and back-up responsibilities, for each of the steps in processing invoices for payment and in reclassifying charges for assignment to other departments.</li> </ul>   |
| <ul style="list-style-type: none"> <li>Develop policies and procedures to ensure the timely review and approval of vendor invoices for payment.</li> </ul>  |  |

**Table Legend:**    ● Issue addressed in the original audit    ✓ Issue addressed and resolved

We appreciate the cooperation of the Streets and Drainage Division and the assistance provided in this Audit Follow Up.

**Appointed Official Response**

**City Manager’s Response:**

I appreciate the recommendations made by the City Auditor's staff. We have either accomplished or provided timelines for implementation of the recommendations.

Copies of this Final Audit Follow Up or audit report #0220 may be obtained from the City Auditor’s web site (<http://talgov.com/citytlh/auditing/index.html>), via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail (dooleym@talgov.com).

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