

STAR 1 Construction, Audit 05-24

Risk Analysis Work Sheet

June 8, 2005

| <u>Risk</u> | <u>Control</u> | <u>Control In Place</u> | <u>Risk Assessment</u> |
|--|--|-------------------------|--|
| Capital Construction Projects (projects) were not awarded in compliance with applicable rules and regulations. | The bid and award process are documented by independent City entities; e.g. Project Department, Legal, and City Counsel. | Yes | Low; However considered an Objective due to significant expenditures. |
| Contract revisions are not properly approved subsequent to project start. | A change order must be prepared and approved by applicable department personnel and City Council. | Yes | Low; However considered an Objective due to significant expenditures. |
| Capital construction project costs exceed contract award amounts on a routine basis. Although changes to contracts have been approved, planning may not be adequate. | The project module within FAMIS tracks actual costs charged to a project and compares to budgeted amounts. Project engineers monitor progress of project. A purchase order is generated for the contract amount. A change order must be prepared and approved by applicable departmental personnel and City Council. | Yes | Low; However considered an Objective due to significant expenditures. |

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| Contractor payments are not properly approved. | Formal approval process in place, which includes project engineers, department management including Director. Also, payments are approved by City Council. | Yes. | Low; However considered an Objective due to significant expenditures. |