

# **Design and Engineering Services Department Follow Up**

## **SUMMARY**

The Office of the Auditor General has conducted a follow-up review of the Design and Engineering Services Department (DES) performance audit (Report No. 98-08), issued on May 1, 1998. Our follow up objective was to determine whether the findings reported in audit report 98-08 have been resolved. The follow-up review found DES resolved five of the ten findings, leaving five findings unresolved.

### **DES Implemented Key Tasks to Resolve Five Findings**

DES completed several key tasks to resolve several of the prior audit findings. To familiarize clients with the department's services and the construction management process, DES provides brochures and conducts presentations for clients on a routine basis. In addition, DES has strengthened project documentation by instituting standardized forms for construction contracts. The standardized documentation also expedites the bidding process for construction work, and the review process of construction contracts thru the 164 review process.

DES also established a buyer position to ensure quality building materials are obtained for construction work. By expanding the use of private contractors to build Navajo Nation facilities, DES has eliminated the detailed accounting of in-house labor costs. DES management was further strengthened by hiring a director who has the technical skills and experience needed for a program such as DES. In resolving these audit findings, DES ensures that clients are better informed of its services, contracts are executed in a timely manner and labor resources are used more efficiently.

### **DES Still Needs to Address the Remaining Five Audit Findings**

Although DES has made improvements, other findings from the prior audit remain unresolved. DES project files are incomplete with key documents missing such as project budgets, schedules, operation manuals, insurance notifications and closeout records. Other documents such as blueprints/drawings for facilities were not provided despite our repeated requests. Of the 19 DES constructed facilities identified in the previous audit, only one facility was properly closed out. However, the lack of proper close out did not prevent the owners from occupying and using the facilities.

DES does not have an independent inspector to conduct objective inspections. Currently, DES is relying on its professional staff (registered architect, licensed general contractor and certified electrician) to perform building inspections. Another audit deficiency from the prior audit was the lack of systematic communication within DES about projects and the department's short and long term goals. Although DES has established short and long term goals, the department could not provide adequate documentation of its efforts in meeting these goals.

DES is acknowledged for resolving five of the ten findings from the prior audit. However, DES needs to fully implement the audit recommendations to resolve the remaining audit findings. By resolving the audit findings, DES can provide reasonable assurance that it can effectively and efficiently meet its goals and objectives, and properly account for its resources and activities.