



King County

Metropolitan King County Council

King County Auditor's Office

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MANAGEMENT LETTER

DATE: September 27, 2011

TO: Metropolitan King County Councilmembers

FROM: Cheryle A. Broom, County Auditor

SUBJECT: Follow-up of 2008 Facilities Management Division (FMD) Capital Programming and Planning Performance Audit Recommendations

This management letter reviews the status of FMD's progress in implementing the 2008 FMD Capital Programming and Planning Performance Audit recommendations. In summary, we determined that FMD made substantial progress in developing the framework and tools necessary to strengthen capital project programming and planning. However, FMD is still in the process of implementing portions of eight recommendations, and the scheduled implementation dates for some audit recommendations extend well into 2012 and 2013.

Background

In February 2008, the King County Auditor's Office released a Facilities Management Division (FMD) Capital Programming and Planning Performance Audit. The 2008 audit found that FMD adhered to best capital project management practices in some areas, but its management of capital project programming and management could be strengthened. The audit offered 11 recommendations to improve its long-term capital planning that are shown in the first column of Attachment A. These recommendations include aligning FMD capital projects with overarching county and individual agencies' goals; developing frameworks for important major capital project components such as alternatives analysis, cost planning and risk analysis; and instituting project management plans and reporting formats to facilitate effective communication with county decision-makers.

Based on our follow-up review and analysis, we determined that FMD has made progress with the full or partial implementation of 10 of 11 audit recommendations. One example of an improvement is the development and County Council adoption of FMD's 2011 Real Property Asset Management Plan that aligns capital project planning with the King County Code, the Comprehensive Plan, the Strategic Plan, and with county agencies' business and operations plans. Consistent with legislative mandates and the County Executive's Capital Project Management Work Group countywide reporting, FMD also developed selection criteria for selecting its major capital projects and acquired a new project management system (e.g., Unifer) to better track and report on the status of its capital projects to county decision-makers.

Additional capital programming and planning improvements are expected to reach fruition by the end of 2011. These include the completion and/or publication of FMD and other county agencies' capital project performance measures and status reporting, and the facilities condition inspections report and final recommendations for establishing a reasonable inspections cycle and updating the major maintenance project work. By mid-2012, FMD also expects to have two new capital project management manuals in place that specify the analysis and reporting requirements for both major and other categories of FMD capital projects, consistent with the Capital Project Management Work Group countywide guidelines for content and organization.

Additional audit follow-up work will be necessary to confirm FMD's progress in implementing the remaining 2008 audit recommendations, and to determine the overall effectiveness of FMD's long-term capital programming and planning improvements. The Auditor's Office plans to recommend a second follow-up review of FMD's progress in implementing the 2008 audit recommendations in its 2012 draft audit work program for County Council approval. Two important criteria in determining FMD's success in improving performance will be whether its capital project budgets, schedules and scopes of work were transparent throughout the life of capital projects, and whether the information provided to county decision-makers on project status was accurate, transparent, reflected industry best practices, and consistent with Executive and legislative mandates for project oversight.

CB:SB:lo

Attachment

cc: Dwight Dively, Director, Office of Performance, Strategy, and Budget (PSB), King County Executive Office (KCEO)
Sid Bender, Budget Supervisor, PSB, KCEO
Mike Morrison, Budget Analyst, PSB, KCEO
Kathy Brown, Director, Facilities Management Division (FMD), Department of Executive Services (DES)
Ameer Faquir, Deputy Director, FMD, DES
Dave Preugschat, Operations Manager, FMD, DES
Glenn Evans, Manager, Capital Planning & Development Section, FMD, DES
Caroline McShane, Deputy Director, Finance & Business Operations Division, DES
Caroline Whalen, King County Administrative Officer and Director, DES
Tom Koney, Deputy Director, DES
Kendall Moore, Policy Staff, King County Council (KCC)
David Layton, Policy Staff, KCC
Mark Melroy, Policy Staff, KCC
Amy Tsai, Policy Staff, KCC