

Introduction

The audit of the Phillips Road Project (Project) was selected based on the Office of Public Integrity's (OPI's) risk assessment for Monroe County. OPI performed a limited-scope audit of this Project, with a focus on MWBE compliance.

Background

On February 13, 2018, the Monroe County Legislature adopted Resolution 36-2018 to enter into a contract with Zoladz Construction Co., Inc. for \$4,867,440.81 for construction services for the Phillips Road Project in the Town of Webster.

The total budgeted cost of the Project is \$5,944,541.36 with \$0 (0%) funded by Federal and State Aid.

Framework for Audit

OPI's audits are based on the following 5 Control Objectives:

- Compliance with laws, regulations, and contracts
- Accomplishment of goals and objectives
- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations
- Safeguarding of assets

Based on OPI's 5 Control Objectives, audit plans are developed to assess whether:

- All eligible customers are being served
- Revenues are maximized
- Receivables are collected
- Expenditures are proper and authorized
- Assets are safeguarded
- Employees are trained and competent
- Liabilities are minimized and laws are complied with
- Financial and operational reports are timely, relevant and accurate

Risks to Monroe County

Based on our preliminary research and discussions, we determined that the Project poses the following potential risks to the County:

- a) The County may not have followed its procurement policies and procedures
- b) Expenditures to prime contractors and subcontractors may be unallowable, unauthorized, unnecessary, or for services that were not actually provided.
- c) Subcontractors may not adequately complete their portions of the construction, thus delaying the completion date and/or putting residents at risk of accidents.
- d) Traffic control may not be adequate to prevent accidents from occurring.
- e) Prime and subcontractors may not adhere to contractual requirements, including MWDBE areas.
- f) Revenues from State and Federal grants may not be maximized or collected.

Audit Objectives

Our objectives were to:

- a) Confirm that the County followed its procurement policies and procedures.
- b) Review and test the controls to ensure that expenditures to the prime and subcontractors were for expenses that are allowable, authorized, necessary, and for services actually provided.
- c) Confirm that traffic control was adequate.
- d) Confirm that contractors completed their portions of construction and complied with contractual requirements, including MWDBE efforts.
- e) Confirm that State and Federal funding was maximized and collected.

Scope and Methodology

OPI performed a limited-scope audit of this Project, with a focus on MWBE compliance. Thus, please note the procedures that OPI did perform and did not perform.

To meet our objectives, OPI performed the following:

- Reviewed the documents related to the contract process, including, but not limited to, legislative referrals and resolutions, the executed contract, insurance certificates, and debarment certifications.
- Reviewed the documents related to M/WBE compliance, including the public bid, proposals, contracts, and monthly M/WBE reports.
- Reviewed payment applications.

OPI did NOT perform the following:

- Review the documents related to the selection process, including, but not limited to, the public bid, the project specifications, the vendors' proposals, the vendor scoring sheet, and the Contract Approval form.
- Attend various subcontractor meetings.
- Review meeting minutes.
- Review progress reports.
- Conduct construction-site visits.
- Make inquiries to management as to certain procedures and outstanding issues.

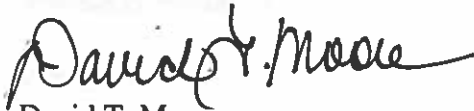
OPI's scope included all prime and subcontractors related to the Project.

Findings, Recommendations and Management Response

Based on our procedures, we do not have any reportable findings. Accordingly, we do not have any recommendations at this time, and a management response is not required.

Final Note

We would like to thank Henry Herdzyk, Transportation Project Manager for the Monroe County Department of Transportation, for his assistance during our audit.



David T. Moore
Director, Inspector General

To report fraud, waste, or abuse, or to comment on this report, please contact the Monroe County Office of Public Integrity.

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