

AUDITOR'S REPORT

HARRIS COUNTY CONSTRUCTION CHANGE ORDER & CONTINGENCY



March 25, 2022

**Michael Post, C.P.A., M.B.A.
Harris County Auditor**

Leslie Wilks Garcia, C.P.A., M.Jur.
First Assistant County Auditor

Errika Perkins, C.P.A., C.I.A.
Chief Assistant County Auditor
Audit Division



1001 Preston, Suite 800
Houston, Texas 77002-1817
(832) 927-4600

Fax (713) 755-8932
Help Line (832) 927-4558

MICHAEL POST, C.P.A., M.B.A.
HARRIS COUNTY AUDITOR

March 25, 2022

Dear Dr. Milton Rahman, Executive Director & County Engineer:

The Harris County Auditor's Office Audit Division performed procedures relative to the Construction Change Order & Contingency processes, for completed building projects during the three-year period ended July 31, 2021. The objective of the engagement was to evaluate the design and effectiveness of controls to determine if:

- Change orders impacting the cost of contracts were adequately documented, approved, and monitored.
- The usage of contingency funds was adequately documented, approved, and monitored.

Results

In connection with the procedures performed, no reportable issues were noted. See **Appendix** for an analysis of change orders for completed projects. There were no completed building projects containing contingency funding during the period of review. As such, an analysis over contingencies was not performed.

Accountability

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing ("Standards"). The Standards require that we comply with the Code of Ethics and obtain reasonable assurance that significant risks to the activity are minimized to an acceptable level.

The work performed required our staff to exercise professional judgment in completing the engagement's scope. As the engagement's scope did not include a detailed examination of all transactions, there is a risk that fraud, errors, or omissions were not detected during this engagement. The official, therefore, retains the responsibility for the accuracy and completeness of their financial records, and for ensuring sufficient controls are in place to detect and prevent fraud, errors, or omissions.

We appreciate the time and attention provided by you and your staff during this engagement. Please anticipate an email request to complete the Audit Division's Post Engagement Survey. We look forward to your feedback. If you have any questions, please contact me or Errika Perkins, Chief Assistant County Auditor, 713-274-5673.

Sincerely,



Michael Post
County Auditor

Attachment

cc: District Judges
County Judge Lina Hidalgo
Commissioners:
R. Jack Cagle
Rodney Ellis
Adrian Garcia
Tom Ramsey
Christian Menefee
David Berry

APPENDIX

BUILDING PROJECTS CHANGE ORDER ANALYSIS

Based on 31 projects completed during the three-year period ended July 31, 2021

