



# Audit of Construction Project Management

## Inspector General Department

Gary J. Cooney, Clerk of the Circuit Court & Comptroller  
Audit Report

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**Inspector General**

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**Report No. BCC - 228**  
**February 3, 2025**



**Inspector General Department**

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Board of County Commissioners

The review of the Board of County Commissioners Construction Project Management function as scheduled in the Clerk's Annual Inspector General Audit Plan is complete.

For the most part, controls function as intended based on the testing results. Opportunities for Improvement are included at the end of this report. The IG department will perform random audits of contract files in 2025 as a follow-up to this audit.

We appreciate the cooperation and assistance Wesley Jones, Director, and the Facilities Management staff provided during this audit.

Respectfully submitted,

Terri Freeman  
Inspector General

cc: Gary J. Cooney, Clerk of the Circuit Court & Comptroller  
Denise Bell, Chief Deputy Clerk  
Jennifer Barker, County Manager  
Fred Schneider, Assistant County Manager  
Wesley Jones, Director, Office of Facilities Management  
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# Background

The administrative section of the Office of Facilities Management provides oversight for the various County construction projects, as well as financial, managerial, and architectural support for the Facilities management section, other County Departments, Constitutional Officers, and other groups as directed by the Board of County Commissioners.

## Scope and Objectives

To evaluate whether controls are effectively designed for managing construction projects, interviews were conducted with the Director and Contract Managers in the Office of Facilities Management to understand their processes, risks, and responsibilities. Additionally, the Director of Human Resources was interviewed to review BCC's conflict of interest policy.

To validate control effectiveness, auditors conducted walkthroughs of processes and internal controls, including inquiries, observations, and document reviews for the following contracts:

1. Courthouse Renovation GMP Phases 1E, 2B, 2G, 2H, 3B & 3F
2. Eustis Health Admin
3. Columns project

The first contract was randomly selected, with the remaining two chosen with management's assistance.

This audit did not include reviewing system access and workflow controls in Munis, an integrated ERP solution developed by Tyler Technologies for government agencies, and the Procurement Automation Workflow System (PAWS) developed by County IT staff. Such reviews are conducted as part of IT General Controls and Application Reviews. Munis is used to manage purchase orders and invoice payments. PAWS manages and retains solicitation reviews through affected offices, risk management, and the county attorney's office, as well as award recommendations, contract creation workflow, and reviews, bond reviews, task orders, and change orders.

The audit objective was to assess the design and execution of controls in the following processes.

- Conflicts of Interest Management
  - Personal interests or relationships cannot interfere with professional responsibilities or decisions or compromise objectivity and loyalty.
- Process Management
  - Duties are appropriately segregated to reduce the risk of errors or fraud.
  - Staff understand their responsibilities related to change order procedures, cost management, and price verification to ensure the accuracy of contractor payments and prevent overpayments.
- Change Management
  - Modifications are tracked and approved to promote accountability, ensuring they are justified and aligned with project scope and quality standards. They are evaluated for cost and budget implications and managed following contract requirements.
- Budget and Cost Management
  - Incomplete work and issues are addressed before they become payment concerns.

- Purchase orders, change orders, and invoices are reconciled to reduce the risk of errors or overpayments.
- Contract Management
  - Contracts are detailed, specifying the scope of work, deliverables, payment terms, and conditions for payment.
  - Contracts include clauses for performance standards, pricing terms, and consequences for incomplete or unsatisfactory work.
  - Work is monitored throughout the project to ensure contract requirements are met.
- Documentation and Record Keeping
  - Comprehensive and well-documented records of all transactions, contracts, approvals, and work completion reports are maintained.
  - Clear audit trails exist to support accountability, accuracy, and compliance.
  - Related BCC policies and procedures are complied with.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*. The *Standards* require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the conclusions based on the audit objectives.

# Overall Conclusion

Controls are well-designed, and testing results indicate they primarily function as intended. Opportunities for Improvement are identified at the end of this report.

The following controls are well-designed and function as intended.

Observation	Process	Lessens the Following Risk
<p>There is appropriate segregation of duties to reduce the risk of errors or fraud.</p> <p>System access and workflow controls within Munis and PAWS facilitate segregating the initiation, approval, records maintenance, and payment processing responsibilities.</p> <p>Purchase Orders are initiated and electronically routed to authorized staff for approval in the Munis application. Change Orders are initiated through the PAWS software and then electronically routed to the Procurement, Risk Management, and Legal departments for review and approval.</p> <p>The finance department processes invoice payments through the Munis application.</p>	<p>Process Management</p>	<p>A significant error or fraud</p>
<p>The Procurement department issues Purchase Orders (PO) based on signed contracts or quotations obtained by departments. The County utilizes POs to encumber budget funds and ensure compliance with budget constraints. Approved Change Orders on POs are required to manage changes that could impact a project's budget and quality requirements.</p>	<p>Change Management</p>	<p>Unauthorized spending and substandard quality</p>
<p>Contract Managers and the Facilities Management Financial Analyst review invoices to ensure the correct calculations and charges align with contract requirements. Contract Managers compare work invoices with their observations of the completed work.</p>	<p>Budget and Cost Management</p>	<p>Cost overruns and overpayments</p>

<p>An Application and Certification for Payment, signed by the vendor and approved by Facilities Management, along with documentation outlining the work completed, the associated costs, and any previous payments, are provided to the Finance department to process invoice payments.</p>	<p>Documentation and Record Keeping</p>	<p>Unauthorized work and costs, overpayments</p>
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The following control is well-designed; however, management determined it was not operating effectively before this audit.

<b>Observation</b>	<b>Process</b>	<b>Lessens the Following Risk</b>
<p>Contract Managers are responsible for spending time in the field to ensure work meets contract requirements. They conduct walkthroughs with contractors, comparing plans to the actual work performed.</p> <p>Several months ago, management identified craftsmanship issues and project delays, finding that the two Contract Managers were significantly overloaded compared to national averages. As a result, management developed an action plan to outsource architectural and engineering consulting services, which the BCC approved in the adopted FY2025 budget.</p>	<p>Contract Management</p>	<p>Payment for inadequate or incomplete work</p>

# Opportunities for Improvement

1. The Human Resources department addressed the following observations.

Observation	Process	Risk
<p>A. According to Sunbiz.org, a Project Manager in the Office of Facilities Management department is either the Registered Agent or Authorized Person for four outside businesses that were not approved, as is required by the BCC Employment Policy manual, section 2.3, Outside Employment.</p> <p>Two of the four businesses are still active.</p>	<p>Conflict of Interest Management</p>	<p>Employees could commit fraud or be wrongly accused due to perceived impropriety.</p>
<p>B. For one of the businesses above, the Project Manager is listed as an Authorized Person on Sunbiz.org, not the Registered Agent. The Registered Agent of the business shares the same last name as the Project Manager, suggesting they may be related. The Employment Policy manual does not explicitly require staff to disclose if they are an Authorized Person for a business.</p>	<p>Conflict of Interest Management</p>	<p>Employees could think they can circumvent the authorization requirement by listing a relative as the Registered Agent of a business the employee owns.</p>

Human Resources Response:

Completed - The Project Manager submitted the necessary forms to obtain approval for outside employment.

Completed - Human Resources has updated Section 2.3 of the Employment Policy Manual to require staff to report both Registered Agent and Authorized Person status for outside businesses. The BCC approved the updated manual January 7, 2025.

2. The following observation was identified during contract file testing and presented to the Office of Facilities Management.

Observation	Process	Risk
Backup for pay application #3 for an invoice for approximately \$185k outlining the work completed, the associated costs, and any previous payments could not be located in the Courthouse Renovation Phase 1 project file.	Documentation and Record Keeping	Noncompliance with BCC Contract Administration Procedure LC-20, section III General Responsibilities, A, 5, which states that user departments are responsible for maintaining a departmental contract file

Office of Facilities Management Response:

At the time of this project, all pay applications were sent directly to the project manager's email. All physical documents were in the job folder except for this one. Since then, Facilities has created a department-shared email address. All pay applications are required to be submitted to this email address. This allows anyone to search for documents without the need to access any one person's email address.

Auditor Note: The Finance department provided backup for pay application #3, which they maintained to support the payment. The auditor found no issues with the application.