

MARYLAND
STATE HIGHWAY ADMINISTRATION
WOODROW WILSON
MEMORIAL BRIDGE PROJECT



MEGA PROJECT
AUDIT OVERSIGHT PRESENTATION
AASHTO CONFERENCE JULY 2007

GEC – Potomac Crossing Consultant – Review Steps

- Amounts are accurate and are properly supported;
- Appropriate approvals are evident for all amounts billed;
- There are no duplicate billings between the two States;
- Proper internal controls are in place throughout the billing process;
- Proper allocation of GEC's management costs to Maryland, Virginia, and DC;
- All equipment purchased for this contract is properly inventoried;
- Proper security of computer system used to generate the States' invoices.

Architectural & Engineering Review Steps

- The procurement of contracts is in compliance with established procurement policies and the Maryland State Highway Administration's Agreement;
- Contracts are properly authorized and approved;
- Invoice charges are valid, reasonable, and accurate and according to contract terms and conditions;
- Invoice payments are accurate;
- Supporting documentation is available for invoice charges;
- DBE/MBE participation is monitored and goals are met;
- Costs are accounted for in FMIS;
- Participating and non-participating costs are identified.

Construction Review Steps

- Verify Construction Contractor payments are properly supported and approved;
- Determine if project records are maintained in accordance with SHA policies and procedures;
- Sample project items (such as drain pipes, stone, concrete, asphalt, etc.) to determine that pay quantities are supported by proper documentation (i.e., Inspectors Daily Reports, Daily Construction Logs, weight tickets, etc.);
- Review change orders for explanation of necessity, price determinations and approvals;
- Test Certified Payrolls and interview sheets for contractor compliance with Davis-Bacon Act (prevailing wage);
- Review material testing documentation for adherence to Maryland State Highway specifications and standards;
- Verify that DBE/MBE work is monitored and documented.

Minimize the Opportunity for Fraud

- Start visiting projects and reviewing records early
- Create good rapport with GEC and field personnel
- Make audit presence known (show up often and everywhere)
- Establish Fraud Hotline and post at project sites
- Continuous Audit Oversight throughout the life of the WWB Project
- Share and compare findings and concerns with VDOT and FHWA through quarterly meetings

Senior Management Reporting

- Weekly Construction Progress Report
- Weekly Financial Project Status
- Status of Ongoing Audit activities

Audit Reports

- Quarterly
 - General Engineering Consultant
 - A & E
 - Construction
- Individual reports will be prepared on as needed basis.
 - Significant findings may warrant a separate report.
 - Special requests

Status/Accomplishments

- A&E
 - Change Orders
 - Pre-Contract Audits
 - Consultant Overhead Audit
 - Overhead Audit Adjustments
 - Audit schedule
- GEC
 - Audited invoicing process.
 - Completed system audit in conjunction with VDOT. Draft report issued to GEC

Status/Accomplishments

- Construction
 - Developed construction audit program and audit schedule
 - As of June 30, 2007 we have audited 9 completed projects and 11 ongoing projects with costs totaling over \$850 million
 - Generally issue 3 - 4 audit reports per year
 - Project Management has quickly and effectively responded to audit findings leading to increased monitoring of project records and MBE/DBE activities
- Quarterly meeting with FHWA representatives, VDOT Audits and SHA Audits.
 - Quarterly meetings will be held for the life of the project.
 - Discuss issues , exchange information, and share resources to increase audit efficiency.
 - Identify and alert each other of potential problems.
 - Invite “Guest Speaker” to discuss lessons learned on mega projects .

The End

....QUESTIONS???