



LONG BEACH COMMUNITY COLLEGE DISTRICT

CONSTRUCTION BOND MEASURE E
PERFORMANCE AUDIT REPORT
Fiscal Year Ended June 30, 2008

www.mossadams.com

T 310-477-0450

F 310-477-8424

December 1, 2008

Mr. Eloy Oakley
President, Administrative Services
Long Beach Community College District
4901 E. Carson Street
Long Beach, California 90808

Subject: Construction Bond Measure E Performance Audit Report

Dear Mr. Oakley:

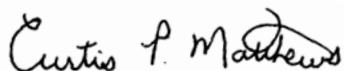
This report summarizes the results of our engagement to provide Measure E performance audit services for the fiscal year ended June 30, 2008. This performance audit evaluated the Long Beach Community College District's (District) compliance with Measure E requirements, and the processes and controls needed to achieve construction program cost, scope and schedule goals. Good practices and improvement opportunities, as identified at the time of report issuance, are identified in this report.

This engagement was performed in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants as outlined in our engagement letter dated October 13, 2004. The scope of this engagement is outlined in the body of our report. Our report was developed based on information from our interviews with District employees and our testing and analysis of facilities construction program documentation.

This report is intended solely for the use of District Administration, the Bond Citizens' Oversight Committee (COC) and the College Board of Trustees (Board). Moss Adams LLP (Moss Adams) does not accept any responsibility to any other party to whom this report may be shown or into whose hands it may come.

We would like to express our appreciation to you and all members of your staff for your cooperation throughout our review. Please call me at (503) 704-6943 if you have any questions regarding this report.

Sincerely,



Curtis Matthews, Partner
for Moss Adams LLP

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EXECUTIVE SUMMARY

The Long Beach Community College District (District) has implemented and continues to improve controls for the use of school construction bond proceeds to comply with Measure E requirements. Total Bond Program fund expenditures were \$36,074,443 from July 1, 2007, through June 30, 2008. Our performance audit tested expenditures for that period totalling \$25,541,537 (70.8%). This testing included 170 sampled transactions. We found no exceptions with the allowable use of Bond Program funds for approved Measure E purposes.

The District's plans for prudent use of Bond Program funds consider both the educational needs of students as well as the need for a safe and secure learning environment. The scope of the Bond Program is currently being defined and communicated to stakeholders through the Facilities Master Plan (FMP). Facilities planning documents, used in developing the Facilities Master Plan, consider classroom space requirements, future growth, and technology needs. A Program Management Plan has been developed to implement and govern the application of good construction practices as identified in our good practices observations in this report.

This report reflects procedural changes and actions taken through June 30, 2008, by the Bond Management Team (BMT) and the District since the last Performance Audit conducted in the prior fiscal year by Moss Adams LLP.

Summary of Key Good Practices

- The District resolved all issues from prior year performance audit reports.
- Reconciliation between PeopleSoft and Expedition is conducted quarterly and at project close-out.
- The 5-year construction plan was completed in July 2008.
- Incentive funding was received from the California Community Colleges Investor Owned Utilities Rebate Program (CCC-IOU) partnership on energy, and savings realized through design and energy partnership funds.

Summary of Key Improvement Opportunities

The District should give specific focus and attention to address non-labor rate charges as well as to address the root causes of the accounting accrual and the invoice payment exceptions identified in our testing. Actions should be taken to ensure projects are properly closed out prior to occupancy.

OBJECTIVES AND SCOPE

This performance audit evaluated the Long Beach Community College District Measure E Bond Program compliance and controls established to assure efficiency and effectiveness of the Construction Program. We have evaluated whether an appropriate control structure has been developed for implementation of the Measure E Construction Bond Program. We have also tested expenditures during the period July 1, 2007, through June 30, 2008, for compliance with Bond Program objectives.

Our performance audit team validated construction program expenditures against Bond Program requirements, contract terms and conditions, and analyzed program level controls. We have conducted over 20 in-depth interviews and reviewed key program documentation including the 2020 Unified Master Plan, District Measure E Bond Program Policies and Procedures, and the Program Management Plan. We have evaluated policies and procedures as put in practice by both the District and the BMT.

A sampling of other Bond Program documents reviewed includes:

- Voter materials and Bond documents
- Facilities planning documentation
- Procurement bid and award documentation
- Contracts
- Payment applications and invoices
- Relevant financial records and transaction support
- Board of Trustees and Bond Citizens' Oversight Committee reports
- Staffing plans

BACKGROUND INFORMATION

The Measure E school construction bond was approved by voters in 2002 to provide \$176 million in improvements to Long Beach Community College District facilities. The original bond was refinanced in 2005, yielding an additional \$5,502,159 in funds available, to total \$181 million for the original Measure E bond. In 2008, a second Measure E bond was approved by voters to provide an additional \$440 million in improvements to Long Beach Community College District facilities, yielding a combined total of \$621.5 million in bond funding for educational facilities construction. The Measure E school construction bond funds are to be used for the renovation, repair and replacement of aging educational facilities. Bond programs of this size and complexity require appropriate financial processes and operational controls to ensure compliance, effectiveness, program cost, schedule, quality and efficiency goals are achieved. This performance audit addresses expenditures related to the \$181 million bond, in effect in 2007.

Below is a summary of total Measure E bond funds, expenditures to date and remaining funds. This summary of Measure E expenditures is based on the District’s books and records and is provided for information purposes only. These amounts are subject to and are pending receipt of the Bond Program comprehensive annual financial reports (CAFR) from the District’s financial auditor, Vicenti, Lloyd & Stutzman LLP. This expenditure summary reflects audited financial totals provided by management.

Total Measure E Bond Program Funds	\$ 181,000,000
Expenditures to Date:	
July 1, 2002 - June 30, 2003	\$ (1,377,121)
July 1, 2003 - June 30, 2004	\$ (4,495,282)
July 1, 2004 - June 30, 2005	\$ (16,039,089)
July 1, 2005 - June 30, 2006	\$ (23,262,129)
July 1, 2006 - June 30, 2007	\$ (32,084,228)
July 1, 2007 - June 30, 2008	<u>\$ (36,074,443)</u>
Remaining Bond Funds as of July 2008	<u>\$ 67,667,708</u>

In January 2003, the District Board of Trustees approved an award of the contract for program management services to Bovis Lend Lease. In February 2006, a new contract for program management services was issued to Cordoba Corporation (Cordoba, or the Bond Management Team), for the period through June 30, 2007, with three one-year options.

Moss Adams was engaged to evaluate construction program controls and provide the required annual Bond Program performance audits.

PREVIOUS AUDIT RECOMMENDATIONS FOLLOW-UP

We interviewed District and BMT personnel to determine the status of resolving open audit issues. Through inquiry and review of documents, we confirmed that all issues identified in past audits have been resolved.

LBCCD Audit Resolution Status

Source	Issues Identified	Issues Resolved
Audit 2007	3	3
Audit 2006	8	8
Audit 2005	21	21
Interim Audit 2004	13	13
Audit 2004	66	66
Total	<u>111</u>	<u>111</u>

Open Recommendations:

All prior year audit issues have been resolved. All prior year improvement opportunities and their status are shown in the appendix.

KEY OBSERVATIONS

The following improvement opportunities have been ranked as high, medium, or low priority based upon our professional experience with respect to potential probability and impact to construction program cost, schedule, and scope. Improvement opportunity prioritization is based on the need to address those items that most strongly align with construction program success drivers.

1. Compliance with Ballot, Bond, State and Other Funding Source Requirements

We evaluated Bond Program financial records and expenditure cost support to verify that funds were used for approved Bond Program purposes as set forth in the Ballot Measure and Bond Documents. In accomplishing this work, we reviewed Bond Program accounting records, contracts, purchase orders, invoices, payment records and other documentation of current expenditures as needed to determine if funds were being used for Bond Program purposes.

We performed a walkthrough of the Bond Expenditure Cycle and sampled supporting documentation for expenditures totalling \$25,541,537 (70.8%) of the total \$36,074,443 of Measure E funds expended between July 1, 2007, and June 30, 2008. We found no exceptions with the use of Bond Program Funds for approved purposes.

Our sample selection included testing of invoices submitted by the BMT, and other invoices and payment applications submitted by vendors, contractors and service providers based on a random selection. A total of 170 expenditures were sampled. All expenditures were agreed to vendor-submitted invoices and/or payment applications, other supporting documentation, Board approved contracts, billing rates approved in the contracts, types of reimbursements claimed against the allowed reimbursements under the contract, and the types of services submitted for payment for allowable services under Proposition 39. Additionally, we tested the procedures performed by independent consultants in their reviews of the Labor Compliance Program and the BMT's monthly invoice submission. We found no Measure E compliance exceptions.

Good Practices:

- a) The District resolved all issues from prior year performance audit reports.
- b) Reconciliation between the District's PeopleSoft accounting system and the BMT's Expedition project management software was performed monthly, and differences between the two systems were resolved.

Improvement Opportunities:

High Priority

- a) Review of a sample of invoices indicates that for one contract, there were several instances where rates utilized were not specifically stated in the contract. This contract allowed approved overtime. The overtime rate charged was 1.5 times (1.5x) the stated contract hourly rate. Of the \$171,573.87 tested, \$8,112.43 in expenditures was questioned, which was the differential between the rates charged at 1.5x and the hourly rate stated in the contract.

Payments to vendors should be limited to amounts mandated by contractual agreements or documented approval provided for the rate variance. The District should investigate and resolve any potential overpayments and modify future contracts and/or amendments to include all hourly rates.

⇒ Management Response: The District will investigate any identified potential overpayments to vendors and will review the contract to determine if more specificity is needed regarding the rate structure. The District will also include language in future contracts and/or amendments to clarify any changes to rates from original contract specifications.

- b) During review of support for sampled expenditures for three contracts, it was discovered that some timecards were not signed, not attached as support, or not approved.

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Properly signed and approved timecards are important to document claimed hours and resulting labor charges to District projects. Additional controls should be implemented to ensure that supporting documentation is provided for all hours claimed on vendor invoices.

⇒ Management Response: The District has hired an Internal Audit Manager to review bond related invoices to ensure compliance. This item is part of the monthly checklist for invoice review.

Medium Priority

- c) Of 32 accrual transactions tested, one duplicate accrual was identified. The impact of the duplicated accrual was an overstatement of fund 45 (Bond Fund) expenditures by \$5,763.79. Professional standards, ethics rules and Moss Adams performance audit procedures require the reporting of all testing exceptions. Based on Moss Adams performance audit experience, finding any duplicate accruals is unusual.

The duplicate accrual resulted from charging the expenditure to both funds 41 and 45. This was corrected in the next fiscal year. The District should ensure that the same expenditure is not recorded against both funds 41 and 45.

⇒ Management Response: The District has controls in place to prevent or detect duplicate accruals. This item is an exception and was caught and addressed by District personnel. This does not have a material affect on the District's financial statements.

- d) Of 138 invoices tested, one invoice in the amount of \$4,612.10 was paid based on the presence of a Purchase Order created by the District. The item did not appear to have been reviewed and approved by the BMT. Professional standards, ethics rules and Moss Adams performance audit procedures require the reporting of all testing exceptions. Based on Moss Adams performance audit experience, exceptions of this nature are unusual and should be avoided.

The standard process for expenditure approvals should be followed consistently because it provides an important control for bond fund expenditures. The process is in place to ensure that the Bond Management Team reviews all invoices prior to making payment so that only allowable bond fund expenditures are paid using bond funds.

⇒ Management Response: This item is an exception and out of the ordinary. The District has internal controls in place to ensure that the Bond Management Team records are reconciled with District records monthly. In addition all invoices are signed off and approved by the appropriate District manager who has ultimate responsibility over the Bond Management Team.

2. Facilities Programming and Master Plan Approach

We evaluated the processes used to identify facility needs, programming and coordination to comprehensively address site requirements. Coordination with maintenance, user groups, key stakeholders, and Academic Affairs was considered in this analysis, along with the inclusion of appropriate personnel. The Moss Adams team reviewed site assessments, master plans, and relevant reports. We looked for a business justification and indicators of success for each project, including measurable anticipated benefits and the impact of the project on the District's operational performance. We evaluated the Facilities Master Plan activities for consideration of student needs and future receipt of maintenance funds in assessing the equitable and fair use of Bond Program funds.

Good Practices:

- a) The five-year construction plan was completed in July 2008.
- b) Progress was made in defining and updating District-wide and furniture standards.
- c) Facilities condition surveys were recently conducted, and square footage reporting to the State was updated.
- d) The 2020 plan (Unified Master Plan) was tied to the Educational Master Plan.

3. Communication and Fulfilment of Site Expectations

We reviewed the various methods used by the District to communicate Bond Program plans with stakeholders, especially the students, faculty, and the surrounding community. We interviewed the College President, BMT project managers and facilities project managers to better understand the specific types of communication that are occurring on campus and in surrounding communities. This analysis included assessment of whether a constant and adequate level of communication was maintained regarding the projects and program.

The methods to communicate construction plans and impacts to the community were reviewed and compared to good practices. This included the review of published plans and evidence of presentations to user groups including the a) District Citizens' Oversight Committee, b) faculty, c) students, d) community, e) District personnel, f) Bond Management Team Personnel, and g) Board of Trustees. We reviewed responsibility and accountability for site communication of project performance and coordination of site activities.

Good Practices:

- a) The community was kept informed about the status of the Bond Program through the Citizens' Oversight Committee, the Measure E Bond Program website, dedicated construction impact e-mails, "In the Loop" campus e-mails, the campus "Viking News" newspaper, on-campus forums, and special events.
- b) The Measure E Bond Program website provided a means for communication of Bond Program plans to the community and stakeholders.

- c) Construction impact information was posted on the Bond Program website and e-mailed as “Construction Alerts” to the LBCCD onsite and offsite campus communities to warn them of disruptions.

4. Cost, Schedule, and Budgetary Management and Reporting

We reviewed Bond Program reporting to provide current, accurate and complete cost, schedule and budgetary information to Program stakeholders. Based on the interviews and information gathered, analysis was conducted to determine whether there is adequate executive oversight and involvement in each of the audited projects. This analysis also covered cost, schedule and budgetary reporting methodologies.

Good Practice:

- a) Incentive funding was received from the California Community Colleges Investor Owned Utilities Rebate Program (CCC-IOU) partnership on energy, and savings realized through design and energy partnership funds.

5. Change Management and Control

We evaluated District policies, procedures and practices to manage change orders and related costs. Procurement and project controls were evaluated for evidence of change management controls to prevent excessive expenditures.

Good Practices:

- a) Approvals were required for change order processing and adoption.
- b) The District, in conjunction with the BMT, had developed and implemented a formal Budget Management Policy as part of the Program Management Plan.

6. Program Staffing

Through interviews of key operational personnel, review of program work flows, analysis of relevant expenditures, and observation of position and work requirements, we have assessed the assumptions and the basis for Bond Program staffing plans. Bond Program Management needs were compared to staffing required to meet those needs. Our experience with reviewing staffing at other academic capital programs, as well as our assessment of factors unique to the District, formed the basis of this analysis.

Good Practice:

- a) The BMT used sub-consultants and home office resources to fill skills gaps and to address short-term staffing needs.

7. Procurement Controls and Contract Administration

We reviewed District procurement controls for consistency, adherence to District Purchasing Policies and application of competitive and fair subcontracting practices.

Good Practices:

- a) Architectural agreements were updated to include new bond language and the 2007 building code.
- b) The District drafted a Purchasing Manual.

8. Contractor Liens, Claims and Other Close-Out Issues

We evaluated the District's policies, procedures and practices to obtain lien releases, prevent claims and address project close-out issues. This review included analysis of checklists, procedures, retention policies, and contract terms and conditions. The performance audit team looked for implementation of procedures to clearly identify the parameters for contractor performance, and compared the District's close-out procedures to good practices. This included review of the criteria for all relevant parties to determine whether a project is complete. The team also evaluated the processes to verify that there is full and complete release of contractor liens and other claims prior to final payment.

Good Practices:

- a) The District developed Close-out Procedures, which incorporate State Close-out Procedures.
- b) For recent projects, the close-out process started at the beginning of the construction project, which simplified the documentation process.

Improvement Opportunities:

High Priority

- a) Several buildings were occupied, but the projects were not completely closed out. Gathering documentation as it is generated, at the start of the project and during construction, will assist in the timely close-out of projects, resolution of punchlists, and DSA close-out documentation.
 - ⇒ Management Response: The District has created and implemented project close-out procedures in conjunction with the Bond Management Team. These procedures address the close-out process, including DSA approval, which has been the cause of the failure to completely close-out projects in the past. In addition, the BMT and the District have successfully closed out some of the open projects in question and are in the process of closing out the others.

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APPENDIX – AUDIT RESOLUTION LOG

No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
08.1.a	FYE June 2008 Audit	Compliance with Ballot, Bond, State and Other Funding Source Requirements	High	Review of a sample of invoices indicates that for one contract, there were several instances where rates utilized were not specifically stated in the contract. This contract allowed approved overtime. The overtime rate charged was 1.5 times (1.5x) the stated contract hourly rate. Of the \$171,573.87 tested, \$8,112.43 in expenditures was questioned, which was the differential between the rates charged at 1.5x and the hourly rate stated in the contract.	Payments to vendors should be limited to amounts mandated by contractual agreements or documented approval provided for the rate variance. The District should investigate and resolve any potential overpayments and modify future contracts and/or amendments to include all hourly rates.	The District will investigate any identified potential overpayments to vendors and will review the contract to determine if more specificity is needed regarding the rate structure. The District is reviewing the contracts in question and will clarify in writing overtime rates for future billings. The District will also include language in future contracts and/or amendments to clarify any changes to rates from original contract specifications.		Open		
08.1.b	FYE June 2008 Audit	Compliance with Ballot, Bond, State and Other Funding Source Requirements	High	During review of support for sampled expenditures for three contracts, it was discovered that some timecards were not signed, not attached as support, or not approved.	Properly signed and approved timecards are important to document claimed hours and resulting labor charges to District projects. Additional controls should be implemented to ensure that supporting documentation is provided for all hours claimed on vendor invoices.	The District has hired an Internal Audit Manager to review bond related invoices to ensure compliance. This item is part of the monthly checklist for invoice review.		Open		
08.1.c	FYE June 2008 Audit	Compliance with Ballot, Bond, State and Other Funding Source Requirements	Medium	One duplicate accrual was identified. The impact of the duplicated accrual was an overstatement of fund 45 (Bond Fund) expenditures by \$5,763.79. Professional standards, ethics rules and Moss Adams performance audit procedures require the reporting of all testing exceptions. Based on Moss Adams performance audit experience, finding any duplicate accruals is unusual.	The duplicate accrual resulted from charging the expenditure to both funds 41 and 45. This was corrected in the next fiscal year. The District should ensure that the same expenditure is not recorded against both funds 41 and 45.	The District has controls in place to prevent or detect duplicate accruals. This item is an exception and was caught and addressed by District personnel. This does not have a material affect on the District's financial statements.		Open		

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
08.1.d	FYE June 2008 Audit	Compliance with Ballot, Bond, State and Other Funding Source Requirements	Medium	One invoice, in the amount of \$4,612.10, was paid based on the presence of a Purchase Order created by the District. The item did not appear to have been reviewed and approved by the Bond Management Team. Professional standards, ethics rules and our performance audit procedures require the reporting of all testing exceptions. Based on our performance audit experience, exceptions of this nature are unusual and should be avoided.	The standard process for expenditure approvals should be followed consistently because it provides an important control for bond fund expenditures. The process is in place to ensure that the Bond Management Team reviews all invoices prior to making payment so that only allowable bond fund expenditures are paid using bond funds.	This item is an exception and out of the ordinary. The District has internal controls in place to ensure that the Bond Management Team records are reconciled with District records monthly. In addition all invoices are signed off and approved by the appropriate District manager who has ultimate responsibility over the Bond Management Team.		Open		
08.8.a	FYE June 2008 Audit	Contractor Liens, Claims and Other Close-out Issues	High	Several buildings were occupied, but the projects were not completely closed out.	Gathering documentation as it is generated, at the start of the project and during construction, will assist in the timely close-out of projects, resolution of punchlists, and DSA close-out documentation.	The District has created and implemented project close-out procedures in conjunction with the Bond Management Team. These procedures address the close-out process, including DSA approval, which has been the cause of the failure to completely close-out projects in the past. In addition, the BMT and the District have successfully closed out some of the open projects in question and are in the process of closing out the others.		Open		

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
07.2.a	June 2007 Audit	Facilities Programming and Master Plan Approach	High	DSA is requiring ADA transition plans for buildings which are undergoing renovation. The District has conducted an architectural barrier survey, but does not have an updated transition plan for buildings that are unfunded.	Completion of Americans with Disabilities Act (ADA) transition plans by appropriate designers may avoid delays in DSA.	The District has presented the Facilities Master Plan to DSA. As new funding is received, all projects will be designed to comply with ADA standards.	BMT	Closed	MA	Oct 2008
07.2.b	June 2007 Audit	Facilities Programming and Master Plan Approach	Medium	The State requires 50% of waste (by weight) to be recycled. Certain construction materials (such as asphalt and concrete) are heavy, and their transfer to recycling plants needs to be monitored. Some contractors are currently providing the tonnage reports, but others are not or are providing them infrequently.	As the construction volume increases, the District and Bond Management Team should work together to ensure that they are maintaining compliance with integrated waste management requirements, by obtaining reports on a regular basis. Contractors should be required to provide monthly tonnage reports.	The District will be including a statement in the General Conditions for Contractors and the Payment Application Checklist, outlining their responsibilities. On programs like this, the General Contractors usually have a disposal company certify the tonnage. It is possible to get a 3rd party report that summarizes the data, the District will endeavor to receive that more frequently and readily.	BMT	Closed	MA	Oct 2008
07.4.a	June 2007 Audit	Cost, Schedule and Budgetary Management and Reporting	Medium	The last schedule baseline was developed in July 2005.	The master schedule should be rebaselined to provide meaningful measurement of progress and comparison to current construction program activities.	Certain projects have been masked, resource codes will be changed, and new projects on the schedule will have more realistic timelines. There will be some crossover between the original Measure E schedule and the new schedule which reflects new funding and new projects.	BMT	Closed	MA	Oct 2008
06.1.a	June 2006 Audit	Compliance with Ballot, Bond, State and Other Funding Source Requirements	High	Bond funds are currently being used to provide "local matching funds" for State-funded projects, a requirement for projects receiving State funding.	As the available Bond funds decrease, the District should identify alternate funding sources for these matching funds, or risk losing State funds for construction projects.	The District is actively pursuing alternate financing mechanisms to support bond projects. Have pursued municipal leases with Sun Leasing for the central plants, and are pursuing an additional Bond, State monies (IPP, FPP), scheduled maintenance. There might not be opportunities for design-build.	LBCCD / BMT	Closed	MA	Apr 2007

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
06.5.a	June 2006 Audit	Cost, Schedule and Budgetary Management and Reporting	High	Costs continue to escalate, which is affecting the expenditure forecast.	More detailed real-time reporting and forecasting of expenditures is needed, including cash flow analysis, for better oversight of project and program status.	Expenditure reports are being submitted on a monthly basis.	BMT David Case	Closed	MA	Sep 2007
06.5.b	June 2006 Audit	Cost, Schedule and Budgetary Management and Reporting	High	The Bond Program procedures are designed to govern the contracting process for large projects, and do not provide a mechanism for oversights and immediate needs. As a result, Facilities Maintenance staff & resources, and Safety resources, are being used to fix construction problems.	We recommend that the District investigate the use of alternative contracting methods (such as job order contracting or task orders) for miscellaneous construction work and services.	The two central plants are being built through sale-leaseback, design-bid-build. Small jobs have been split out and are being run through M&O. Have an IDIQ for misc engineering services, surveying & testing, but on-call contractors cannot be used.	LBCCD	Closed	MA	Sep 2007
06.6.a	June 2006 Audit	Change Management and Control	High	Changes that occur subsequent to design can be a cause of cost impacts to construction projects.	With a new LBCCD president, VP Administration and Facilities Director, the District should ensure that the change in leadership results in only minimal changes to the Facilities Master Plan. The current procedures for initiating, reviewing and approving changes to the Master Plan should be closely monitored by the District during the transition period.	The District concurs with the recommendation and the new leadership will work diligently to ensure that the Master Plan is adhered to.	LBCCD	Closed	MA	Apr 2007
06.7.a	June 2006 Audit	Program Staffing	Medium	Facilities staffing roles & responsibilities do not match the services as currently provided.	With the installation of the new Facilities Director, roles & responsibilities for staff (including the position of Interim Deputy Director) should be revisited.	A new Facilities Director has been hired.	LBCCD	Closed	MA	Apr 2007
06.8.a	June 2006 Audit	Procurement Controls and Contract Administration	Medium	The District has recently reorganized the contracts and procurement departments.	Although flowcharts for these processes are in place, the District should document new Program Management Plan procedures for the contracts and procurement departments.	The BMT met with LBCCD during the reorganization of the Contracts and Procurement Departments. Several processes were modified to reflect the changes. The new procedures are being written up as part of the Policies and Procedures manual.	LBCCD Max Ordonez	Closed	MA	Dec 2007

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
06.8.b	June 2006 Audit	Procurement Controls and Contract Administration	High	Bond funds are currently being used in the interim for State-funded projects, and reimbursement to the Bond Program is made when State funds are received.	The District should document policies & procedures for this practice, which include reporting and approval for the use of funds.	This occurs when there are matching funds, and there are few instances where this is occurring at this time.	LBCCD	Closed	MA	Apr 2007
06.9.a	June 2006 Audit	Contractor Liens, Claims and Other Close-out Issues	High	Construction projects remain open even though the District has assumed occupancy.	Timely closeout and completion of construction projects, with handover to the District, will enable prompt payment of contractors and prevent further incurred costs for projects which are already District occupied.	BMT concurs with the findings and will review close-out procedures with staff to assure compliance and speedy turnover of projects. BMT is identifying barriers to close-out. There is a closeout checklist that is utilized and tracked in Expedition.	BMT	Closed	MA	Aug 2008
05.A.1	June 2005 Audit	Procurement Controls and Contract Administration	Medium	District Handbook of Purchasing Regulations and Procedures has not yet been updated	The District should conduct training for employees and perform implementation	The District concurs with the recommendation and will conduct training once the handbook has been updated. Procedural flowcharts are being developed.	LBCCD	Closed	MA	Nov 2006
05.A.2	June 2005 Audit	Procurement Controls and Contract Administration	Medium	District Measure E Bond Program Policies and Procedures Manual has not yet been updated	The District should conduct training for employees	The District concurs with the recommendation and will conduct training once the policies & procedures have been updated	LBCCD	Closed	MA	Nov 2006
05.A.3	June 2005 Audit	Compliance with Ballot, Bond, State and Other Funding Source Requirements	High	PMP does not include any special procedures for projects with multiple funding sources	Internal control and reporting procedures over projects with multiple funding sources should be developed and implemented by the District and incorporated into the Program Management Plan (PMP).	Project budgets are split across the various funding sources. The PMP is being updated, and the procedure that has been put into practice has recently been added as a paragraph.	BMT David Case, Max Ordonez	Closed	MA	Dec 2007

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
05.A.4	June 2005 Audit	Regulatory Compliance	High	Hazard communication plan and evacuation plans have not yet been updated	The District should continue with efforts to update and publicize the hazard communication plan and evacuation plans.	The Hazard Communication Plan was updated shortly after the initial performance audit and training was conducted in March of 2005. Additional training is being conducted, and will be scheduled annually there after. The building evacuation plans have been reviewed and those in need have been updated. It is anticipated that the plans will be posted in each building by June 2007.	LBCCD	Closed	MA	Sep 2006
05.A.5	June 2005 Audit	Regulatory Compliance	High	Security does not have access to construction sites, and theft of small tools has been occurring	The Bond Management Team should work with the District, to enable security access to the construction sites. This would include safety orientation for the security personnel regarding conduct onsite.	District padlocks have been placed at all construction site enclosures and the Campus Police have been provided the key. The Campus Police have been requested to complete patrol checks of the sites daily on an on going basis.	LBCCD	Closed	MA	Sep 2006
05.A.6	June 2005 Audit	Communication and Fulfillment of Site Expectations	Medium	Recording and sharing of lessons learned is performed with varying degrees of success by the Bond Management Team.	Centralized recording of lessons learned should be performed by the Bond Management Team and observations should be captured from the construction meetings. Lessons learned should be shared with the District Administration and Facilities Management.	Lessons learned are discussed in the weekly construction manager's meetings and will be documented in a formal process.	LBCCD / BMT	Closed	MA	Apr 2007
05.A.7	June 2005 Audit	Communication and Fulfillment of Site Expectations	Medium	There are several mediums for communication used by the District and the Bond Management Team, such as newsletters, e-mail blasts, and on-campus meetings.	As construction activity increases, the District and the Bond Management Team should examine and increase its communication related to construction, safety, obstructions, way-finding and parking alternatives.	Temporary construction signage was installed throughout the LAC campus. Similar signs will be posted at PCC in August. Safety and emergency contact signs have been designed and approved by the District and will be posted at each jobsite.	LBCCD / BMT	Closed	MA	Sep 2006

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
05.A.8	June 2005 Audit	Communication and Fulfillment of Site Expectations	Medium	Signage is inadequate	Additional signage should be available at all of the construction sites on the campuses, containing such information as noise and hazard advisory, and clearly visible emergency contact information (including contact name and telephone number for both 411 and the Bond Management Team).	Temporary construction signage was installed throughout the LAC campus. Similar signs will be posted at PCC in August. Safety and emergency contact signs have been designed and approved by the District and will be posted at each jobsite.	LBCCD / BMT	Closed	MA	Sep 2006
05.A.9	June 2005 Audit	Facilities Programming and Master Plan Approach	High	Funding of operations and maintenance staff and capital costs, after construction of the expanded facilities are completed, has been identified as a risk to the District.	The District should project maintenance costs after Bond Program construction and ensure there is sufficient funding to adequately maintain all facilities, especially those which are new and modernized.	The District concurs with the recommendation and continues to be in contact with the Chancellor's office in an effort to identify funding sources for the maintenance of new and existing facilities.	LBCCD	Closed	MA	Jan 2006
05.A.10	June 2005 Audit	Facilities Programming and Master Plan Approach	High	A facilities condition assessment was conducted at each campus at the start of the Bond Program. This assessment used industry averages to project facilities conditions and needs through 2012.	The District should update its existing facilities condition assessment periodically based on walk-throughs and reviews by facilities engineers to ensure that, at a minimum, health, safety and code compliance requirements are met.	The District concurs with the recommendation and will work with the BMT to update the conditions assessment when practicable as part of scheduled maintenance. The overall Master Program is under review for changes and will address changes in escalation and scope. This should be complete in the May/June 2007 timeframe in preparation for a new Bond.	LBCCD / BMT	Closed	MA	Apr 2007
05.A.11	June 2005 Audit	Procurement Controls and Contract Administration	High	The District has a certified list of signatures for those authorized to sign orders for payment and contracts.	The Program Management Plan should contain detailed contract approval procedures, including a limited list of authorized individuals who have signature authority for Bond Program contracts, with not-to-exceed dollar limits.	New procedural flow charts have been developed and will be incorporated into the updated PMP. Each process identifies authority and approval milestones.	LBCCD / BMT	Closed	MA	Nov 2006

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
05.A.12	June 2005 Audit	Procurement Controls and Contract Administration	High	Contract documents and contract file checklist is not used consistently	The District has a "contract documents and contract file checklist" which should be used more consistently to improve complete documentation of the procurement process and to prepare contract files.	The District has reorganized and created a Contracts unit within the Risk Services Department, and contract file audits are currently underway.	LBCCD	Closed	MA	Sep 2006
05.A.13	June 2005 Audit	Procurement Controls and Contract Administration	Medium	The Program Management Plan currently requires contractor evaluation at Program completion.	District Purchasing procedures covering the evaluation of professional service contracts, vendors, and general contractors should be documented in more detail. The contractor evaluation should be required at contract close-out to ensure that feedback is timely and appropriate.	The BMT is currently documenting contractor evaluations for completed projects.	LBCCD / BMT	Closed	MA	Nov 2006
05.A.14	June 2005 Audit	Contractor Liens, Claims and Other Close-out Issues	High	Facilities does not use a closeout checklist	A District facilities close-out checklist should be developed to facilitate user acceptance and close-out.	The checklist is complete and is currently being used to close out projects.	LBCCD / BMT	Closed	MA	Nov 2006
05.A.15	June 2005 Audit	Contractor Liens, Claims and Other Close-out Issues	Low	Auditor cannot determine whether or not contracts are closed	The District's close-out process for design, engineering and consulting services should be amended in the Program Management Plan to require a notation in the contract file that the contract is closed, all documents have been received, and final payment has been made.	The District concurs with the recommendation and will work with the BMT to amend the PMP. The Board action will be used to flag completed projects when available, and the District is aggressively pursuing notices of completion.	LBCCD Margie Padron / BMT Angel Alvarez	Closed	MA	Sep 2006
05.A.16	June 2005 Audit	Cost, Schedule and Budgetary Management and Reporting	High	Timeline for State funding requests is not clearly communicated	State and other funding sources should be carefully managed, and the timeline for funding requests should be clearly defined and communicated. This could be better achieved by adding critical dates to the construction schedule as milestones.	Critical milestone dates are being added as schedules are updated.	LBCCD / BMT	Closed	MA	Sep 2006

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
05.A.17	June 2005 Audit	Cost, Schedule and Budgetary Management and Reporting	High	District does not conduct final contract review for large contracts	The District or the Bond Management Team should conduct a close-out cost audit of all large contracts prior to release of retention.	The District concurs with the recommendation and the BMT will consult with the Facilities, Contracts and Procurement, and Fiscal Operations Departments to develop a comprehensive close-out cost audit. This will be amended in the PMP.	LBCCD Max Ordonez	Closed	MA	Dec 2007
05.A.18	June 2005 Audit	Program Staffing	High	As construction volume increases, District staffing appears to be inadequate to oversee Program Management personnel and to respond to Bond Program needs.	The District should continue efforts to identify qualified support for the District Contracting and Procurement Department.	The District concurs with the recommendation and will continue to seek ways to adequately support the needs of the construction program.	LBCCD	Closed	MA	Sep 2006
05.A.19	June 2005 Audit	Program Staffing	Low	High turnover of BMT staff	Procedures should be put into place by the Bond Management Team to ensure that responsibilities are documented and knowledge transfer is properly planned to maintain institutional memory when turnover of key Bond Program personnel occurs.	The District concurs with the recommendation and the BMT will develop a formal project transfer procedure. A regular project managers' meeting is currently held to keep all project managers and assistant project managers up to date on all project issues. Procedures will be included in the updated PMP.	LBCCD / BMT	Closed	MA	Sep 2006
05.A.20	June 2005 Audit	Change Management and Control	High	The Program Management Plan should include change control processes which address amendments to the Facilities Master Plan and their impact on the prior certified EIR.	These change control processes should require review by legal counsel and approval by the District prior to adoption of any Facilities Master Plan amendments by the District Board of Trustees.	The District concurs with the recommendation. To date, Program changes affecting the completed environmental clearances have been addressed via a formal amendment to the report or through an administrative action submitted and approved by the Board of Trustees.	LBCCD / BMT	Closed	MA	Nov 2006

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
05.A.21	June 2005 Audit	Change Management and Control	High	The Program Management Plan contains basic change order procedures and signature authority up to 10% of the contract value for both the District Executive Director for Facilities Planning and Development and the District Director for Facilities Planning and Development.	The PMP states that signature authority for the College Program Manager is yet to be determined. The Bond Management Team should create a limited list of authorized individuals who have signature authority for change orders with not-to-exceed dollar limits.	The PMP will be updated to reflect the current procedure, which requires the BMT CM, Program Controls, Program Director, LBCC Facilities, and Eloy Oakley to sign all change orders regardless of the amount.	LBCCD / BMT	Closed	MA	Sep 2006
04.IA.1	2004 Interim Audit	Compliance with Ballot, Bond, State and Other Funding Source Requirements	High	The Bond Program Budget and Schedule have not yet been approved	Approval of the Bond Program Budget and development of the Bond Program Schedule should be expedited	July 2005 Updated Master Program Budget has been issued, and all projects cost-loaded in the schedule.	MIAA, BMT	Closed	MA	Jul 2005
04.IA.2	2004 Interim Audit	Communication and Fulfillment of Site Expectations	Medium	Distributed information regarding construction impacts is inadequate	LBCCD students should be sent summary-level information on a quarterly basis, to keep them informed regarding shutdowns, noise, parking lot closures, alternate routes, and potentially hazardous areas to avoid.	Bond website has been updated, and construction alerts are distributed campus-wide	BMT / LBCCD	Closed	MA	Dec 2005
04.IA.3	2004 Interim Audit	Facilities Programming and Master Plan Approach	Medium	Growth projections may be overstated, which would affect facilities use and maintenance funds income.	In prioritizing Bond construction projects, the District should consider the California Legislative Analyst's Office February 2004 analysis of the Chancellor's Office growth projections and the growth trend line for enrolment, and the status of AB318	The FMP identified an overall growth near 2% per annum. Proposition 98 established formulas and methodology to provide funding to the community college system. The California Legislative Analyst's Office suggests potential reductions in funding if Proposition 76 is passed in the November Special Statewide Election, however, it is not clear to what degree education will be impacted.	LBCCD	Closed	MA	Dec 2005

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
04.IA.4	2004 Interim Audit	Regulatory Compliance	High	The DSA approval process is difficult	The District should remain aware of the California Community Colleges Chancellors' Office progress with the State Architect on improving the DSA approval process for building projects (AB162).	BMT and LBCCD communicate regularly with the DSA's Regional Director, Jack Bruce, to prioritize LBCCD projects. The District has met with the California Department of General Services to remain aware of issues that may affect the plan approval process.	BMT / LBCCD	Closed	MA	Dec 2005
04.IA.5	2004 Interim Audit	Regulatory Compliance	Low	The LBCCD IIP was last revised in 1991	The Long Beach Community College Injury Prevention Program Manual is being revised. The final version of this manual should be fully communicated and integrated in the Bond Program.	The District's IIPP has been updated, and training / implementation have begun.	BMT / LBCCD	Closed	MA	Dec 2005
04.IA.6	2004 Interim Audit	Regulatory Compliance	Low	CCCCO governance has an impact on LBCCD	The District needs to remain aware of developments with the California Community Colleges' Strategic Plan (expected to be completed in January 2006).	The District is monitoring the progress of the California Community Colleges' Strategic Plan.	LBCCD	Closed	MA	Dec 2005
04.IA.7	2004 Interim Audit	Cost, Schedule and Budgetary Management and Reporting	Low	Fiscal Operations has recently implemented a new PeopleSoft system.	The District should ensure that the RMUG develop policies and procedures specific to the PeopleSoft system	The PeopleSoft system and related procedures have been in place since 2001-2002.	LBCCD	Closed	MA	Apr 2007
04.IA.8	2004 Interim Audit	Procurement Controls and Contract Administration	Low	District Measure E Bond Program District Policies and Procedures are being updated	New District purchasing procedures should incorporate a program to procure furniture, fixtures and equipment for Measure E projects.	District will be using refurbished furniture, have just approved the RFP.	LBCCD	Closed	MA	Apr 2007
04.IA.9	2004 Interim Audit	Change Management and Control	Medium	The program does not do formal cost & schedule risk management	A construction risk analysis should be conducted, specific risks identified, and a mitigation plan implemented as part of the Bond program change management plan.	The Change Management Procedure is currently being used to address project risk.	BMT	Closed	MA	Dec 2005
04.IA.10	2004 Interim Audit	Procurement Controls and Contract Administration	Low	Contracts and purchase orders are evolving, there does not seem to be a standard	Standard terms and conditions improvements should be reflected in the District Handbook of Purchasing Regulations and Procedures.	Revised General Conditions and revised professional services agreements are in place.	LBCCD	Closed	MA	Dec 2005

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
04.IA.1 1	2004 Interim Audit	Contractor Liens, Claims and Other Close-out Issues	Medium	The closeout & user acceptance processes are being established	The District should ensure that systems training for end users of the facilities is included in the formal closeout process.	Formal training is included in the Contract Documents for each project and have been successfully implemented.	BMT / LBCCD	Closed	MA	Dec 2005
04.IA.1 2	2004 Interim Audit	Facilities Programming and Master Plan Approach	High	Funding of operations and maintenance staff and capital costs for the new facilities has been identified as a risk to the District.	The District should conduct a proactive budgeting examination to forecast the anticipated budget/costs.	Approval of the Bond Master Budget and Schedule, and data entered into the Expedition project management system has enabled estimate-to-complete forecasting	BMT	Closed	MA	Dec 2005
04.IA.1 3	2004 Interim Audit	Facilities Programming and Master Plan Approach	High	Funding of maintenance costs for the new facilities has been identified as a risk to the District.	The District should remain aware of the California Community Colleges Chancellors' Office efforts to address the issue of finding a long-term solution for funding the maintenance of all new Prop 39 buildings.	The District will continue to communicate with the State Chancellor's Office in their efforts to secure funding for additional support.	LBCCD	Closed	MA	Dec 2005
04.A.1	June 2004 Audit	Compliance with Ballot, Bond, State and Other Funding Source Requirements	High	Policies have not been established for processing expenditures	LBCCD needs to create a policy for processing Bond Program Expenditures	Procedures for bond program are addressed in the PMP. The draft PMP was submitted on November 1, 2004.	BMT / LBCCD	Closed	MA	Jun 2005
04.A.2	June 2004 Audit	Compliance with Ballot, Bond, State and Other Funding Source Requirements	Medium	Projects cannot be clearly identified as part of the Bond program	Draft a justification for each project, referencing Bond ballot language.	The Bond ballot language is included in the planned project descriptions in the Facilities Master Plan.	MIAA	Closed	MA	Jun 2005
04.A.3	June 2004 Audit	Facilities Programming and Master Plan Approach	High	Project spending is occurring prior to approval of the Facilities Master Plan.	Spending needs to be carefully monitored to ensure that it is appropriate for the Bond program.	The Facilities Planning Manual was finalized and approved in June 2005.	MIAA	Closed	MA	Jun 2005
04.A.4	June 2004 Audit	Facilities Programming and Master Plan Approach	High	Requirements are not in place to ensure that spending is not permitted outside the Facilities Master Plan.	FMP needs to be finalized & approved.	The Facilities Planning Manual was completed in June 2005.	MIAA	Closed	MA	Jun 2005

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
04.A.5	June 2004 Audit	Facilities Programming and Master Plan Approach	Medium	District policies and procedures should require change control processes to address modifications to the Facilities Master Plan.	LBCCD needs to create a policy for changes to the FMP.	All changes to the overall Master Program Budget and/or a project budget are executed via a formal Budget Modification Procedure. These are reviewed at the bi-weekly client coordination meetings.	BMT	Closed	MA	Dec 2005
04.A.6	June 2004 Audit	Facilities Programming and Master Plan Approach	High	Delivery of the Facilities Planning Manual has been substantially delayed	FMP needs to be finalized & approved.	The Facilities Planning Manual was completed in June 2005.	MIAA	Closed	MA	Jun 2005
04.A.7	June 2004 Audit	Facilities Programming and Master Plan Approach	High	The District has not established design standards and specifications	District design standards and specifications need to be developed	Design technical standards were developed and are now complete.	BMT / LBCCD	Closed	MA	Jun 2005
04.A.8	June 2004 Audit	Facilities Programming and Master Plan Approach	High	The District has not established a formal user acceptance process	A user acceptance process needs to be developed, incorporating checklists and walk-throughs	A formal closeout procedure is included in the PMP	BMT / LBCCD	Closed	MA	Jun 2005
04.A.9	June 2004 Audit	Facilities Programming and Master Plan Approach	Medium	Costs continue to escalate, which is affecting the number of buildings which can be achieved with the available Bond funds.	A formal value engineering workshop should be performed at an appropriate phase of design for each project	A limited tech review is conducted by BMT to identify constructability, value engineering, and interdisciplinary design issues at the major design submittal milestones.	BMT	Closed	MA	Jun 2005
04.A.10	June 2004 Audit	Communication and Fulfillment of Site Expectations	High	Posted emergency information for the community is inadequate	Additional safety information needs to be available, such as noise and hazard advisory, emergency contacts and procedures, and area evacuation plans.	BMT includes safety information in the periodic newsletter that is disseminated to the LBCCD community via email and the bond program website.	BMT / LBCCD	Closed	MA	Dec 2005
04.A.11	June 2004 Audit	Communication and Fulfillment of Site Expectations	High	Posted information regarding construction impacts is inadequate	Construction impacts should be communicated in more detail, including alternate routes, parking recommendations, and hours and weekdays of onsite construction.	Bond website has been updated, and construction alerts are distributed campus-wide	BMT / LBCCD	Closed	MA	Dec 2005

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
04.A.12	June 2004 Audit	Communication and Fulfillment of Site Expectations	High	Costs continue to escalate, which is affecting the number of buildings which can be achieved with the available Bond funds.	It is evident that District has more facilities needs than can be achieved through the use of Bond funds, this gap should be fully communicated to District Stakeholders.	Means of communicating the "gap" include: budget progress and informational reporting on the website; communiques via the campus-wide Viking newspaper and/or Bond newsletter; presentations to staff, faculty, students, and administration; progress reports to the Board of Trustees.	BMT / LBCCD	Closed	MA	Dec 2005
04.A.13	June 2004 Audit	Facilities Programming and Master Plan Approach	High	Delays in the completion of the FMP is having a domino-effect impact on all planning, design, and construction activities and deliverables.	FMP needs to be finalized & approved.	The Facilities Planning Manual was completed in June 2005.	MIAA	Closed	MA	Jun 2005
04.A.14	June 2004 Audit	Facilities Programming and Master Plan Approach	Medium	Growth projections for the campuses may be overstated, which would affect maintenance funds income.	Growth projections should be reviewed periodically for accuracy, and updated.	The FMP is re-validated by the Master Programmer at key intervals, and at each project start the Master Programmer verifies that program needs have not changed. Likewise, as the District's 5 Year Construction Plan is updated (via physical space surveys and program changes) the Master Programmer will investigate potential changes required for future projects and budget modifications thereto.	LBCCD, MIAA	Closed	MA	Dec 2005
04.A.15	June 2004 Audit	Facilities Programming and Master Plan Approach	Low	The Facilities Maintenance and Operations plan has not been updated in recent years.	The Facilities Maintenance and Operations plan needs to be updated and priorities reviewed.	Scheduled maintenance is established on a 5-year plan, and reviewed annually to realign the needs based on urgency and cost.	LBCCD	Closed	MA	Jun 2005

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
04.A.16	June 2004 Audit	Facilities Programming and Master Plan Approach	Medium	Costs continue to escalate, which is affecting the number of buildings which can be achieved with the available Bond funds.	Peer review methodologies could be used to catch design errors and omissions, and identify areas for improvement	A limited tech review is conducted by BMT to identify constructability, value engineering, and interdisciplinary design issues at the major design submittal milestones.	BMT	Closed	MA	Jun 2005
04.A.17	June 2004 Audit	Facilities Programming and Master Plan Approach	High	Cash flow projections for the Bond were not available	A quarterly cash flow projection needs to be developed for the use of Bond funds.	The Bond Master Schedule has been cost loaded and is used for cash flow projections.	BMT	Closed	MA	Dec 2005
04.A.18	June 2004 Audit	Facilities Programming and Master Plan Approach	Medium	The District has not established design standards and specifications	District design standards and specifications need to be developed	Design technical standards were developed and are now complete.	BMT / LBCCD	Closed	MA	Jun 2005
04.A.19	June 2004 Audit	Facilities Programming and Master Plan Approach	Medium	Curriculum needs may change over time, and the facilities need to be able to address those changes	The education requirements by department and growth projections should be reviewed closely for flexibility	The FMP is re-validated by the Master Programmer at key intervals, and at each project start the Master Programmer verifies that program needs have not changed. Likewise, as the District's 5 Year Construction Plan is updated (via physical space surveys and program changes) the Master Programmer will investigate potential changes required for future projects and budget modifications thereto.	LBCCD, MIAA	Closed	MA	Dec 2005
04.A.20	June 2004 Audit	Facilities Programming and Master Plan Approach	Medium	Costs continue to escalate, which is affecting the number of buildings which can be achieved with the available Bond funds.	A contingency plan needs to be developed, to address potential cost and schedule overruns.	The District and BMT are aggressively soliciting State funding of several major projects to augment available Measure E funds. The BMT is working with A/E teams in an ongoing effort to value engineer all projects in design. The Master Planner is working with District stakeholders and the BMT to identify reductions.	BMT	Closed	MA	Sep 2006

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
04.A.21	June 2004 Audit	Regulatory Compliance	High	The DSA approval process is difficult	Architects should meet with the DSA as early as possible during design so as to avoid costly & time consuming revisions	BMT encourages A/E's to conduct a preliminary design review meeting at the end of the design development phase. The District and BMT met with DSA to discuss methods to streamline the plan check process. An open line of communication now exists between BMT and DSA and updated project schedules will be submitted and reviewed periodically with DSA.	BMT	Closed	MA	Jun 2005
04.A.22	June 2004 Audit	Regulatory Compliance	High	There is evidence that the State is considering adoption of the NFPA 5000 Building Code and the NFPA 1 Uniform Fire Code in April 2007	Architects should remain aware of potential building code changes so that designs created in later phases of the Bond	A/E contract agreements (Section 1.8) require A/E's to design to applicable laws and current codes. The preliminary review meeting with DSA will assist in identifying code issues particular to DSA.	BMT	Closed	MA	Jun 2005
04.A.23	June 2004 Audit	Regulatory Compliance	High	Community safety and program safety need to be a top priority	BMT' onsite practices should be periodically reviewed for compliance with BMT safety program requirements	Safety procedures are be updated periodically in the PMP. Safety is discussed at each weekly staff meeting and disseminated accordingly via the website, newsletters, communiqués, construction alerts, etc.	BMT	Closed	MA	Oct 2008
04.A.24	June 2004 Audit	Regulatory Compliance	Medium	The Long Beach Community College Injury Prevention Program Manual is being updated	The final version of this manual should be fully communicated and integrated in the Bond Program.	The District's IIPP has been updated, and training / implementation have begun.	BMT / LBCCD	Closed	MA	Dec 2005
04.A.25	June 2004 Audit	Cost, Schedule and Budgetary Management and Reporting	High	Bond Program reporting appears to be inadequate	Bond Program performance against cost, schedule, scope and safety goals should be reported quarterly	Approval of the Bond Master Budget and Schedule, and data entered into the Expedition project management system has enabled real-time reporting	BMT	Closed	MA	Dec 2005

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
04.A.26	June 2004 Audit	Cost, Schedule and Budgetary Management and Reporting	Medium	New software and systems are being implemented	The Bond reporting effectiveness should be reviewed, once the Expedition, PeopleSoft and the Simpson and Simpson budget database software and systems are fully implemented.	Reconciliations between PeopleSoft and Expedition are performed and reported to BMT and the District on a monthly basis by the Financial Analysis position. This supersedes and replaces the Simpson & Simpson reporting.	BMT / LBCCD	Closed	MA	Sep 2006
04.A.27	June 2004 Audit	Cost, Schedule and Budgetary Management and Reporting	High	The detailed construction schedule has not yet been developed	Development and adoption of a detailed construction schedule, with baseline, is needed immediately.	The Bond Master Schedule was revised based on the completed Facilities Planning Manual.	BMT	Closed	MA	Dec 2005
04.A.28	June 2004 Audit	Cost, Schedule and Budgetary Management and Reporting	Medium	The detailed construction schedule has not yet been developed	It is advisable for BMT to review each contractor's schedule carefully	A detailed resource-loaded critical path method schedule is required to be submitted and approved at the onset of each project. Key milestones are provided in the bid documents and are to be incorporated in the construction schedules. Approval of the contractor's schedule is a requirement of payment application approval.	BMT	Closed	MA	Dec 2005
04.A.29	June 2004 Audit	Cost, Schedule and Budgetary Management and Reporting	Medium	New software and systems are being implemented - Simpson & Simpson	The functionality of the Simpson and Simpson master program budget tool should be reviewed; the District needs to ensure that all costs tracked in PeopleSoft are also reported in the new budget tool.	Reconciliations between PeopleSoft and Expedition are performed and reported to BMT and the District on a monthly basis by the Financial Analysis position. This supersedes and replaces the Simpson & Simpson reporting.	BMT / LBCCD	Closed	MA	Sep 2006

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
04.A.30	June 2004 Audit	Cost, Schedule and Budgetary Management and Reporting	Low	New software and systems are being implemented - Expedition	The functionality of the Expedition project management system should be reviewed upon implementation.	Reconciliations between PeopleSoft and Expedition are performed and reported to BMT and the District on a monthly basis by the Financial Analysis position. This supersedes and replaces the Simpson & Simpson reporting.	BMT	Closed	MA	Sep 2006
04.A.31	June 2004 Audit	Cost, Schedule and Budgetary Management and Reporting	High	The detailed construction schedule has not yet been developed	Schedule review should be done every two weeks, at a minimum.	Project schedules are reviewed and updated internally weekly and are published monthly. Impacts and deviations are brought to the attention of LBCCD forthwith and look ahead and progress is discussed weekly.	BMT	Closed	MA	Jun 2005
04.A.32	June 2004 Audit	Cost, Schedule and Budgetary Management and Reporting	High	The Bond program is progressing from the design phase into construction	We advise that close attention be paid to variance reporting and justification	A formal budget modification process has been implemented and is supplemented with various reports. Process requires resolution of budgetary modifications (transfers, augmentation, etc.)	BMT	Closed	MA	Jul 2005
04.A.33	June 2004 Audit	Cost, Schedule and Budgetary Management and Reporting	Medium	Fiscal Operations has recently implemented a new PeopleSoft system.	The District needs to develop policies and procedures specific to the PeopleSoft system	As the testing between the PeopleSoft and BMT's controls is tested and debugged, BMT will work with the District to prepare accounting and reporting policies and procedures.	LBCCD	Closed	MA	Apr 2006
04.A.34	June 2004 Audit	Procurement Controls and Contract Administration	High	The procurement process appears to be shortchanged by limited advertisement, a succinct supplier list, or a short turnaround time.	The District needs to take advantage of competition in the procurement of professional services	The Contractor/Vendor Outreach Program, Contractor database, eBidboard, Blue Book, and various professional associations are consulted in an effort to expand procurement efforts.	LBCCD	Closed	MA	Dec 2005

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
04.A.35	June 2004 Audit	Procurement Controls and Contract Administration	High	Procurement records are incomplete	Both BMT and the District need to take greater care in documenting the procurement process.	Procedures are being developed and documented for the bidding and procurement process, and include the use of checklists.	BMT / LBCCD	Closed	MA	Dec 2005
04.A.36	June 2004 Audit	Procurement Controls and Contract Administration	High	Contract files are incomplete	Both BMT and District documentation need to be complete for all contract files	Procedures are being developed and documented for the contract process, and include the use of checklists.	BMT / LBCCD	Closed	MA	Dec 2005
04.A.37	June 2004 Audit	Procurement Controls and Contract Administration	Medium	Contract closeout methodologies and evaluation are not well defined	District procedures covering the evaluation of professional service contracts should be documented	The District Handbook of Purchasing Regulations and Procedures is being updated to include these comments.	LBCCD	Closed	MA	Nov 2006
04.A.38	June 2004 Audit	Procurement Controls and Contract Administration	Medium	District Measure E Bond Program District Policies and Procedures are being updated	RMA (District contractor) review of District purchasing procedures needs to be completed	The District Measure E Bond Program Policies & Procedures were updated to incorporate refurbished furniture fixtures and equipment for Measure E projects.	LBCCD Max Ordonez	Closed	MA	Sep 2007
04.A.39	June 2004 Audit	Procurement Controls and Contract Administration	High	District purchase orders do not clearly contain a relationship justification to the Bond Program.	District purchase orders need to contain a relationship justification to the Bond Program.	Each purchase order contains the account string which specifically identifies each bond project. Additionally each purchase order contains the description which provides language clearly identifying the items or services relating to bond projects.	LBCCD	Closed	MA	Jun 2005
04.A.40	June 2004 Audit	Procurement Controls and Contract Administration	Low	The District Handbook of Purchasing Regulations and Procedures was last updated in 1983	The District Handbook of Purchasing Regulations and Procedures needs to include current District practices	The District Handbook of Purchasing Regulations and Procedures is being updated.	LBCCD	Closed	MA	Aug 2008

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
04.A.41	June 2004 Audit	Change Management and Control	High	Contract change orders are written to define the job scope and set the contract price, after the initial contract is established as a placeholder.	District contracts should be written only after the job scope is well defined	District-issued contracts are now written after the scope is defined, resulting in a substantial reduction in contract change orders.	BMT / LBCCD	Closed	MA	Dec 2005
04.A.42	June 2004 Audit	Change Management and Control	High	The District does not have a formal change management plan.	The District needs to develop a formal change management plan	The District in conjunction with BMT has developed and implemented a formal change management policy and is described in Part 2-B Design Management of the PMP.	BMT / LBCCD	Closed	MA	Jun 2005
04.A.43	June 2004 Audit	Change Management and Control	High	The Bond Program does not have a formal change management plan.	A formal change management plan needs to be developed for the Bond Program	The District in conjunction with BMT has developed and implemented a formal change management policy and is described in Part 2-B Design Management of the PMP.	BMT / LBCCD	Closed	MA	Jun 2005
04.A.44	June 2004 Audit	Change Management and Control	Medium	The Bond Program does not have a formal budget modification procedure	A controls methodology should be developed and implemented for budget modification.	Procedures provided in Part 1-G Budget Management Plan of the PMP.	BMT / LBCCD	Closed	MA	Jun 2005
04.A.45	June 2004 Audit	Change Management and Control	High	Change orders are estimated in-house	Change order cost estimates for change orders should be performed by an independent third party	All potential change order estimates are reviewed by BMT (Saylor Consulting) prior to executing a change order.	BMT	Closed	MA	Jun 2005
04.A.46	June 2004 Audit	Cost, Schedule and Budgetary Management and Reporting	High	A formal procedure needs to be developed for the review and approval of expenditures	Procedures should be properly defined for review and approval of contractor payment applications	BMT met with LBCCD to develop a formal procedure to review and accept contractor payment applications. Costs are reviewed against available budgets during the initial review process and prior to submitting to the Fiscal Department for payment. A checklist and payment summary (budget accounts) is attached to payment applications to communicate items reviewed and approved.	BMT / LBCCD	Closed	MA	Jun 2005

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
04.A.47	June 2004 Audit	Cost, Schedule and Budgetary Management and Reporting	High	Payment applications are based on % complete	Percentage of completion should be reviewed and approved to prevent early payments for work not performed	Payment applications are reviewed in the field with the architect, inspector of record, and contractor typically a week prior to its submission at the end of the month.	BMT	Closed	MA	Jun 2005
04.A.48	June 2004 Audit	Cost, Schedule and Budgetary Management and Reporting	Low	Invoices need to be compared to contract hourly rates and reimbursable expenses	More careful review of consultant invoices is needed, with respect to contract terms	Consultant invoices are reviewed by the BMT Project Accountant, BMT Project Manager, BMT Senior Program Manager, BMT Program Director, District Facilities Department and District Administrative Services.	BMT / LBCCD	Closed	MA	Dec 2005
04.A.49	June 2004 Audit	Cost, Schedule and Budgetary Management and Reporting	High	The District does not have adequate staff to review BMT invoices in detail.	The District should procure services from an independent third party to perform pay application review.	The district is assigning an accounting technician effective immediately to handle the basic accounting functions of the bond program and will conduct pay application reviews of the BMT invoices.	LBCCD	Closed	MA	Sep 2006
04.A.50	June 2004 Audit	Cost, Schedule and Budgetary Management and Reporting	Medium	Accounting is unclear for multi-funded projects	BMT should indicate, in a summary format on the Payment Application letter, the distribution of labor between funds	The payment application now contains a fund distribution summary.	BMT	Closed	MA	Jan 2005
04.A.51	June 2004 Audit	Cost, Schedule and Budgetary Management and Reporting	High	There is no consistency in suppliers for BMT reimbursable expenses	There may be an opportunity for cost savings by establishing preferred District sources for reimbursable expenses	BMT utilizes BMT Lend Lease National Accounts for preferred pricing. BMT also works closely with C&P for piggyback purchasing opportunities and educational discounts when purchasing office equipment, software, phone systems, and for bond office trailers.	BMT	Closed	MA	Jun 2005
04.A.52	June 2004 Audit	Cost, Schedule and Budgetary Management and Reporting	Medium	No explanation is included for reimbursable expenses	A justification for reimbursable expenses needs to be provided with contractor invoices.	Per contract, consultants and contractors are required to secure prior written approval of all reimbursable expenses.	BMT	Closed	MA	Dec 2005

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
04.A.53	June 2004 Audit	Procurement Controls and Contract Administration	Low	Contracts and purchase orders vary, there does not seem to be a standard	The standard contract and procurement forms should be updated.	Contract templates, bid documents and RFP/Q packages were all updated. These forms are continuously modified to reflect regulation changes as well as to incorporate lessons learned.	LBCCD	Closed	MA	Jun 2005
04.A.54	June 2004 Audit	Procurement Controls and Contract Administration	High	Contract closeout methodologies and evaluation are not well defined	District procedures covering the evaluation of professional service contracts should be documented	The District has reorganized and created a Contracts unit within the Risk Services Department, and procedures to evaluate professional services are being developed. Have it for contractors, not yet for vendors.	BMT	Closed	MA	Aug 2008
04.A.55	June 2004 Audit	Procurement Controls and Contract Administration	Medium	Contracts and purchase orders vary, there does not seem to be a standard	The District Support Services Office, or insurance broker, should have the opportunity to review contracts from a risk management perspective prior to acceptance.	Contracts terms and conditions which are set forth in bid documents and RFP/Qs have been reviewed by Keenan and Associates.	LBCCD	Closed	MA	Jun 2005
04.A.56	June 2004 Audit	Procurement Controls and Contract Administration	High	Contract files are incomplete	Certificates of insurance need to be obtained from all subconsultants.	Under the Owner Controlled Insurance Program (OCIP), administered by Keenan and Associates, subcontractors' insurance requirements and eligibility to perform are verified.	LBCCD	Closed	MA	Dec 2005
04.A.57	June 2004 Audit	Procurement Controls and Contract Administration	High	Work is completed before the contract or contract amendment is authorized	Contract and amendment approval needs to be performed in a timely fashion and completed before consultant invoices are received for work performed	A streamlined procedure to secure timely approval (by the Board or Administrative Services) of contract amendments was developed and included in the Bond PMP.	BMT / LBCCD	Closed	MA	Dec 2005
04.A.58	June 2004 Audit	Contractor Liens, Claims and Other Close-out Issues	High	Contract closeout methodologies and evaluation are not well defined	A formal contract closeout process needs to be developed by the District	The District has reorganized and created a Contracts unit within the Risk Services Department, and a closeout process is being developed.	BMT	Closed	MA	Aug 2008

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No.	Source	Category	Priority Rating	Issue	Recommendation	Management Response	Owner	Status of Resolution	Confirmed By	Planned Resolution Date
04.A.59	June 2004 Audit	Contractor Liens, Claims and Other Close-out Issues	High	The District has not established a formal user acceptance process	A user acceptance process needs to be developed, incorporating checklists and walk-throughs	A formal closeout procedure is included in the PMP	BMT / LBCCD	Closed	MA	Jun 2005
04.A.60	June 2004 Audit	Contractor Liens, Claims and Other Close-out Issues	Medium	The District has not established a formal dispute and claims management process	A formal dispute and claims management process needs to be developed by the District	A formal close-out procedure is included in Part 3-D Contract Completion/Close-Out Phase of the PMP.	BMT / LBCCD	Closed	MA	Jun 2005
04.A.61	June 2004 Audit	Contractor Liens, Claims and Other Close-out Issues	Low	Lessons learned are not being recorded	A lessons-learned methodology and project closeout procedure should be developed by the District	Lessons learned are discussed in the CM meeting on Fridays.	BMT Mike Soto	Closed	MA	Sep 2007
04.A.62	June 2004 Audit	Program Staffing	High	Current Facilities Construction staffing levels are inadequate to properly control the Bond construction program	Additional District management-level staffing is needed to oversee program management and to respond to Bond program needs	The District has reorganized the Facilities department and has recruited additional staff.	LBCCD	Closed	MA	Dec 2005
04.A.63	June 2004 Audit	Program Staffing	High	District responsibility is distributed between finance, administration, and facilities, and stakeholders need to go to several places to get approvals & information	One qualified District person should be identified as a single full-time point of contact for Bond program stakeholders	Steve Medley, Deputy Director for the Bond Program, has been identified as the primary contract.	LBCCD	Closed	MA	Dec 2005
04.A.64	June 2004 Audit	Program Staffing	High	Current Facilities Construction staffing levels are inadequate to properly control the Bond construction program	The District should establish a staffing plan for the Bond program	Staffing needs in Facilities and Purchasing have been identified.	LBCCD	Closed	MA	Dec 2005
04.A.65	June 2004 Audit	Program Staffing	High	Maintenance staffing appears to be inadequate to service the new Bond facilities	Permanent Facilities Department staffing levels should be evaluated, with a focus on maintenance staff	Staffing needs have been identified	LBCCD	Closed	MA	Jun 2005
04.A.66	June 2004 Audit	Program Staffing	Medium	The District does not use facilities management software	The acquisition and implementation of facilities management software will improve efficiency in the Facilities Department	When a budget becomes available, a new software plan will be implemented.	LBCCD	Closed	MA	Nov 2006