



CHAMBERS COUNTY AUDITOR

Tony Sims

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July 21, 2015

The Honorable Judge Jimmy Sylvia and
Members of the Commissioners' Court

RE: Internal Progress Audit
Hurricane Ike/Dolly Round 2.2 Critical Infrastructure Project
Contract No. 13-388-000-7785 Project No. P21442
Trinity Bay Conservation District Salt Water Barrier Structures

The purpose of this progress audit is to bring to your attention instances of non-compliance with County Policy, not adhering to signed agreements and incomplete project controls documentation. The following is a detailed list along with corrective recommendations:

Violation of Chambers County Purchasing Policy:

1. Project Vendor Seabreeze Culvert was proceeding without a Chambers County Purchase Order issued to encumber the account in the amount of \$ 882,000.00. This issue was resolved after we notified the Chambers County Economic Development office.
2. No purchase order has been issued to date to Trinity Bay Conservation District who is performing the work.

Violation of Interlocal Agreement between Chambers County and Trinity Bay Conservation District dated February 28, 2012:

Article 2 requires that "COUNTY may request DISTRICT to perform any project or provide any materials or supplies within the scope of this agreement by use of a written purchase order issued by COUNTY...." As noted above, to date no purchase order has been issued to Trinity Bay Conservation District.

Incomplete Project Controls Documentation:

A Texas General Land Office Disaster Recovery Construction Contract Change Order Form, in the amount of \$ 7,168.00 for a contract increase for project vendor Seabreeze Culvert was submitted to Chambers County by Carroll & Blackmon, Inc. without the required contractor approval signature. This issue was resolved after we notified project administrator Vivian Ballou of Griffith Moseley Johnson & Associates (GMJ).

Recommendations:

1. Chambers County should assign a qualified county project administrator to assure that project documentation is compliant with all federal, state, and local requirements, and that the project is compliant with Chambers County internal controls.
2. All construction project vendors should receive a copy of the approved Chambers County Purchasing Policy. We provided a copy to TBCD and GMJ.
3. The Chambers County Purchasing Department should take a more formal role with project and contract administration and assure that all bids approved in Commissioners' Court are issued a purchase order.
4. Chambers County should supplement the generic Interlocal Agreement with project specific requirements in accordance with GLO requirements to protect the county's interest in the project.

Follow Up:

Additional audits will be provided. In the meantime, if you have any questions or need more information, please contact me at your convenience.

Respectfully,



Tony Sims