

## EXECUTIVE DIGEST

# PROPERTY MANAGEMENT DIVISION

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INTRODUCTION	This report, issued in August 1998, contains the results of our performance audit* of the Property Management Division (PMD), Department of Management and Budget (DMB).
AUDIT PURPOSE	This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness* and efficiency*.
BACKGROUND	<p>PMD's mission* is to provide a safe, healthy, accessible, aesthetically pleasing, and functional environment of Statewide facilities and properties under its jurisdiction.</p> <p>PMD is comprised of the operations and administration sections. The operations section is responsible for trade and tenant services. The administration section is responsible for support programs and engineering.</p> <p>PMD expended approximately \$38 million during fiscal year 1995-96 and, as of July 1997, had 289 employees.</p>
AUDIT OBJECTIVES AND CONCLUSIONS	<b>Audit Objective:</b> To assess PMD's effectiveness and efficiency in conducting preventive maintenance* programs and developing Statewide facility plans* .

**Conclusion:** We concluded that PMD was generally effective and efficient in conducting preventive maintenance programs and developing Statewide facility plans. However, we noted reportable conditions\* related to PMD's process for improving effectiveness and a preventive maintenance and repair\* system (Findings 1 and 2).

**Audit Objective:** To assess PMD's effectiveness and efficiency in administering tenant and building services\*.

**Conclusion:** We concluded that PMD was generally effective and efficient in administering tenant and building services. However, we noted reportable conditions related to safety, contract oversight, and machine-dispensed parking tickets (Findings 3 through 5).

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**AUDIT SCOPE AND  
METHODOLOGY**

Our audit scope was to examine the program and other records of the Property Management Division. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Our audit methodology included examination of PMD's records and activities covering the period October 1994 through July 1997. To accomplish our objectives, we identified PMD's mission, organizational structure, and applicable statutes. We made inquiries of PMD personnel and reviewed property management professional publications to help form effectiveness and efficiency expectations. We examined records, observed activities,

and conducted interviews to provide a basis for assessing PMD's ability to effectively and efficiently conduct preventive maintenance programs, develop Statewide facility plans, and administer tenant and building services.

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**AGENCY RESPONSES  
AND PRIOR AUDIT  
FOLLOW-UP**

Our audit report includes 5 findings and 5 recommendations. DMB concurred with our recommendations and is in the process of implementing them.

PMD complied with or had taken steps to comply with all 12 prior audit recommendations included within the scope of our current audit.