



# OAG

Office of the Auditor General

## Report Summary

### *Performance Audit*

### *Design and Construction Division (DCD)*

### *Department of Technology, Management, and Budget*

**Report Number:**  
071-0125-16

**Released:**  
November 2017

DCD administers the State's capital outlay, special maintenance, and miscellaneous operating projects. DCD provides professional management and direction for new facility construction, additions, renovations, and environmental cleanup projects. DCD approved 694 State agency projects with estimated costs of \$156.7 million from February 1, 2015 through January 6, 2017. DCD expended \$4.8 million through August 31, 2017 to administer these projects and had 46 employees.

Audit Objective			Conclusion
Objective: To assess the effectiveness of DCD's monitoring of State agency projects.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
DCD did not have procedures to ensure that project files contained complete documentation and were properly maintained. We noted missing and inaccurate information in the files for 12 projects with costs of \$64.5 million ( <a href="#">Finding #1</a> ).		X	Agrees
DCD could improve its process to ensure the propriety of service fees charged to user State agencies. We identified potential undercharges of \$55,393 ( <a href="#">Finding #2</a> ).		X	Partially agrees
DCD could improve its process to identify and select indefinite scope, indefinite delivery (ISID) contractors used to provide professional services to user State agencies. The current practice could allow for favoritism when using ISID contractors ( <a href="#">Finding #3</a> ).		X	Agrees

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