

State of Rhode Island and Providence Plantations
Department of Administration
BUREAU OF AUDITS
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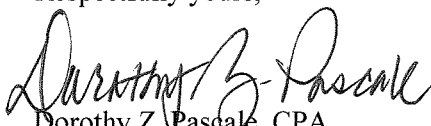
Mr. Joseph K. Alston
Chief of Staff
Office of the Governor
State of Rhode Island
222 State House
Providence, RI 02903

Dear Mr. Alston:

At the request of your Office, the Bureau of Audits has completed a limited scope audit of the design and construction of the Rhode Island National Guard Command Readiness Center located at 645 New London Avenue, Cranston. Our audit scope was limited to procedures designed to determine if the Command Readiness Center construction project was completed in compliance with Division of Purchasing rules and regulations and contractual language. Our audit included both the Architectural and Engineering and Construction phases of the project.

Our audit report is attached for your reference. We did not note any findings or issues that require a management response. Should you have any questions or concerns please contact this office.

Respectfully yours,


Dorothy Z. Pascale, CPA
Chief

c- Richard A. Licht, Director, Department of Administration
Kenneth Kirsch, Deputy Director, Department of Administration
Peter Marino, Director, Office of Management and Budget
Honorable Daniel DaPonte, Chairperson, Senate Committee on Finance
Honorable Raymond Gallison, Chairperson, House Finance Committee
Dennis Hoyle, CPA, Auditor General
Marc A. Leonetti, CPA, State Controller, Department of Administration

Limited Scope Audit of the Command Readiness Center Renovations & Expansion

Executive Summary

The Bureau of Audits conducted a limited scope audit of the Renovations and Expansion of the Command Readiness Center project for compliance with purchasing rules and regulations and contractual language, at the request of the Governor's Office.

Our limited scope audit relied upon project documentation held at the Division of Purchasing and at the administrative office of the Rhode Island National Guard. Our limited scope audit did not reveal violations of the state purchasing rules or regulations. The limited scope audit notes:

- Compliance with contract language.
- Bid solicitations were properly handled.
- Purchase orders were properly awarded and fulfilled.
- Change orders were properly requested, approved and completed.
- Contract requirements were fulfilled.

The review of the project financial records, however, did reveal one immaterial, adjusting journal entry intended to transfer charges to the correct agency which actually doubled the amount charged to this project.

Objective, Scope and Methodology

The objective of this limited audit was to determine whether the renovations and expansion of the Command Readiness Center project complied with all applicable purchasing rules and regulations and contract language.

The scope of this audit was limited to the following documentation:

- Solicitation of Bids for A & E Services
- Purchase Order and Change Orders for A & E Services
- Solicitation of Bids for Construction
- Purchase Order and Change Orders for Construction
- Correspondence between Vendors and the Division of Purchases
- Project files maintained by the Militia of the State
- Project Financial Records from the State accounting system

To attain our objective, we performed the following:

- Reviewed bid documents for the architectural/engineering and construction phases of the project.
- Interviewed staff assigned to the project and visited the site.
- Created a report in Oracle Discoverer showing all RIFANS transactions associated with the renovations to the Command Readiness Center.
- Retrieved purchase order and change order detail from RIFANS.
- Prepared a summary detailing pre-bid estimated costs, approved purchase/change order amounts and actual expenditures.
- Examined documentation supporting additional design work.
- Examined change order documentation supporting additional construction work.

Recommendations for Improved Controls

The Bureau of Audits did not find significant weaknesses in controls over the renovation and expansion of the Command Readiness Center. Our limited scope audit finds adherence to purchasing rules and regulations and contractual language.