

TLHCD Tower Construction Committee

Agenda Item

Committee Meeting Date

July 13, 2021

Title to Appear on Agenda:

Developing Policies and Procedures to Submit in Response to 2018 State Audit Recommendations

Brief Description:

Policies and procedures need to be developed and documented to demonstrate the District has established processes in response to the State Auditor's recommendations following its 2018 audit.

Background and Details:

The State Auditor concluded its audit of the District in 2018 and provided recommendations related to the construction of the District's hospital tower. All but three of those recommendations have been fully implemented. Documentation to support full implementation of the remaining three is to be submitted by June 2022. Exhibit below provides those recommendations.

Exhibit:

2018 State Audit recommendations numbers 1, 2 and 8:

- 1. To ensure that the district can demonstrate that its decisions for selecting contractors are justified and are in the best interest of the district's residents, by April 2019 the district should establish formal procedures designed to ensure that it follows a rigorous and appropriate evaluation and contract awarding process.
- 2. To ensure that the district pays only reasonable and appropriate contract administrative costs, before the district signs any future management contract, it should prepare estimates of the costs for all proposed contract terms related to compensation.
- 8. To ensure that it uses bond proceeds for allowable purposes and improves its consistency and accountability in processing payments from bond proceeds, by April 2019 the district should formalize and document policies and procedures for verifying that it uses bond proceeds for allowable purposes and for approving expenditures paid from general obligation bond proceeds.

Recommended Action:

Identify specific committee members to work with District staff to develop policies and procedures that demonstrate full implementation of state auditor recommendations numbers 1, 2 and 8 in its 2018 audit.