



LOS ANGELES
COMMUNITY COLLEGE DISTRICT

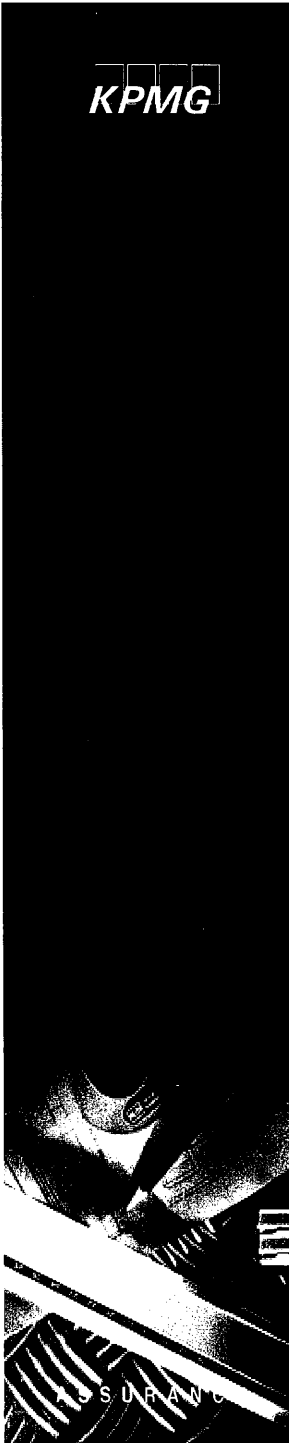
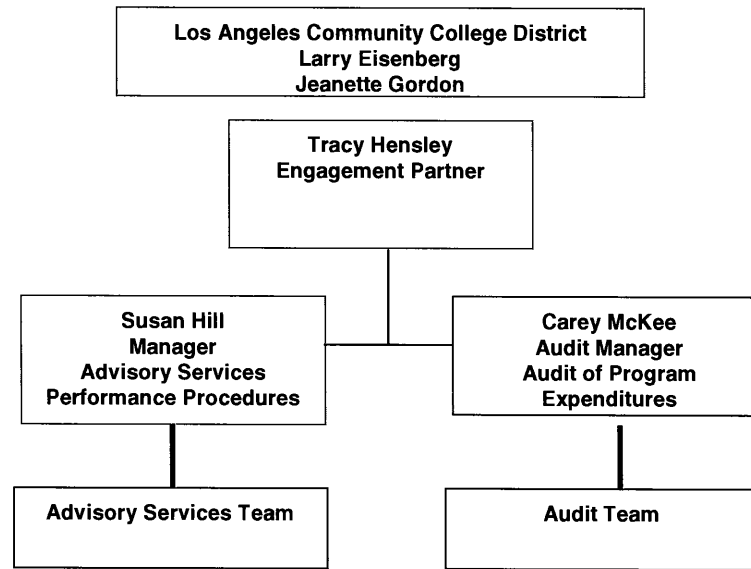


Los Angeles Community College District Proposition A and AA Bond Program 2004

Executive Summary



Our Team





Our Engagement

- **Advisory Assistance** - To provide general advisory assistance to management in the understanding of Bond Program processes and procedures
- **Performance Procedures** – To perform specific procedures requested by management relating to Bond Program processes and procedures and issue a report thereon
- **Audit** – To perform an independent audit of Bond Program expenditures and issue a report thereon



Advisory Assistance

- **At the request of the District, we attended meetings of the following committees on a non-voting basis:**
 - Proposition A Steering Committee
 - Proposition A Real Property Committee
 - Proposition A Legal Committee
 - Weekly DMGM/JGM Program Management Meetings
 - Monthly College Project Manager Meetings, and
 - Proposition A Public Relations Committee
 - Proposition A Board of Trustees Sub-Committee meetings
 - Board Sustainable Building Meetings
 - Citizens Oversight Committee and Public Hearings
 - Board of Trustees Meetings



- **We delivered the following progress letters, reports and listings:**
 - Quarterly DMJM/JGM Report Comments
 - Construction Management Regional Benchmark Study
 - College Project Manager Evaluation Study
 - Federal Transit Allocation Observation
 - Construction Utility Charges Study
 - Community College Bond Program
- **Other assignments included the observation of:**
 - Revised program manual plan
 - District contraction agreements
 - Bond accounting methodology



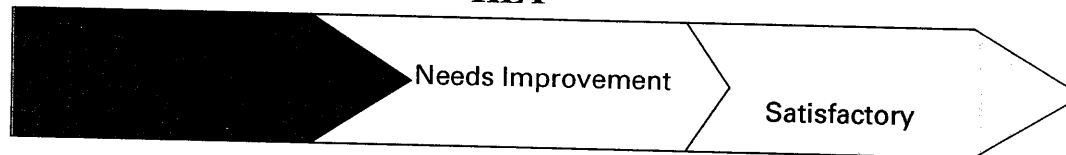
- **We performed certain procedures as requested by management over the following 12 Areas:**
 - **Rebaseline Process**
 - **Hard versus Soft Costs Goals**
 - **College Project Managers' Fee Guideline**
 - **Project Eligibility based on Ballot Language**
 - **Program Manual**
 - **Approved Master Plan & EIR Retention Procedure**
 - **College Project Managers' 90 days staffing plans**
 - **DMGM/JGM Staffing Plan**
 - **Communication**
 - **Close Out Process**
 - **Bidding Process**
 - **Accounts Payable Timing Issues**



Our summary assessment of the areas reviewed is shown below.

Key Process	Assessment of Controls
Hard Costs versus Soft Costs Goals	Satisfactory
College Project Managers' Fee Guideline	Satisfactory
Project Eligibility based on Ballot Language	Satisfactory
College Project Managers' 90 staffing Plans	Satisfactory
DMGM/JGM Staffing Plan	Satisfactory
Accounts Payable Timing Issues	Satisfactory
Rebaseline Process	Needs Improvement
Program Manual	Needs Improvement
Communication	Needs Improvement
Approved Master Plan & EIR Retention Procedure	Needs Improvement
Close Out Process	Needs Improvement
Bidding Process	Needs Improvement

KEY





Specific Findings

Key Process	Specific Findings
Rebaseline Process	Inconsistencies among Colleges pertaining to hard costs and funding sources, and the monitoring of budgets
Program Manual	Access of Intranet Directory and Maintenance of current Updates Inconsistent
Communication	CPM's believe there is insufficient feedback from Program Manager
Approved Master Plan & EIR Retention Procedure	Files are not centralized and changes are not being documented
Close Out Process	No projects have been closed out to DSA. Incomplete documentation of bidding files due to use of older approved and non-approved versions of the Program Manual Volume III.
Bidding Process	Incomplete documentation of bidding files due to use of older approved and non-approved versions of the Program Manual Volume III.



Prior Year Follow-up Items	Status as of December 31, 2004
Complete all EIR and Master Plans	Unchanged
Revisit the senior management reporting package	Completed
Revise contracts to allow for multi-funded projects.	Unchanged
Investigate the usage of additional Web-based systems for improved communications.	Completed
Set up a cost tracking system that improves the possibility of obtaining the soft cost goals.	Unchanged
Re-establish projects' budget baselines to allow for the multi-funded projects.	Completed
Change the budget transfer policy to require additional approvals.	Completed
Revise the Outreach Program to improve reporting and monitoring of the District's progress with the Board's directive.	To be addressed in the 2005 Performance Procedures.
Investigate changes in the CPM briefings to allow for "best practices" and "benchmarking."	Completed
Finalize the policy and procedures surrounding the CPM review process and verify that reviews are performed accordingly.	Completed



Audit of Bond Program Expenditures

- **In Process**

- **Pending**
 - **Complete line-item budget for Proposition AA Bonds, which includes DMJM managed expenditures and District managed expenditures**

 - **Allocation of approximately \$3 million of Proposition A self-insurance costs to respective campuses**

 - **Allocation of approximately \$3.5 million of Proposition AA costs to respective campuses (pending approval of allocation methodology)**