



OFFICE OF CONTRACT COMPLIANCE FOLLOW-UP

PRESENTATION TO FINANCE/EXECUTIVE COMMITTEE

APRIL 27, 2022

AMANDA NOBLE, CITY AUDITOR

STEPHANIE JACKSON, DEPUTY CITY AUDITOR

MYRA HAGLEY, SENIOR PERFORMANCE AUDITOR

LINDSAY KUHN, SENIOR PERFORMANCE AUDITOR

OBJECTIVES

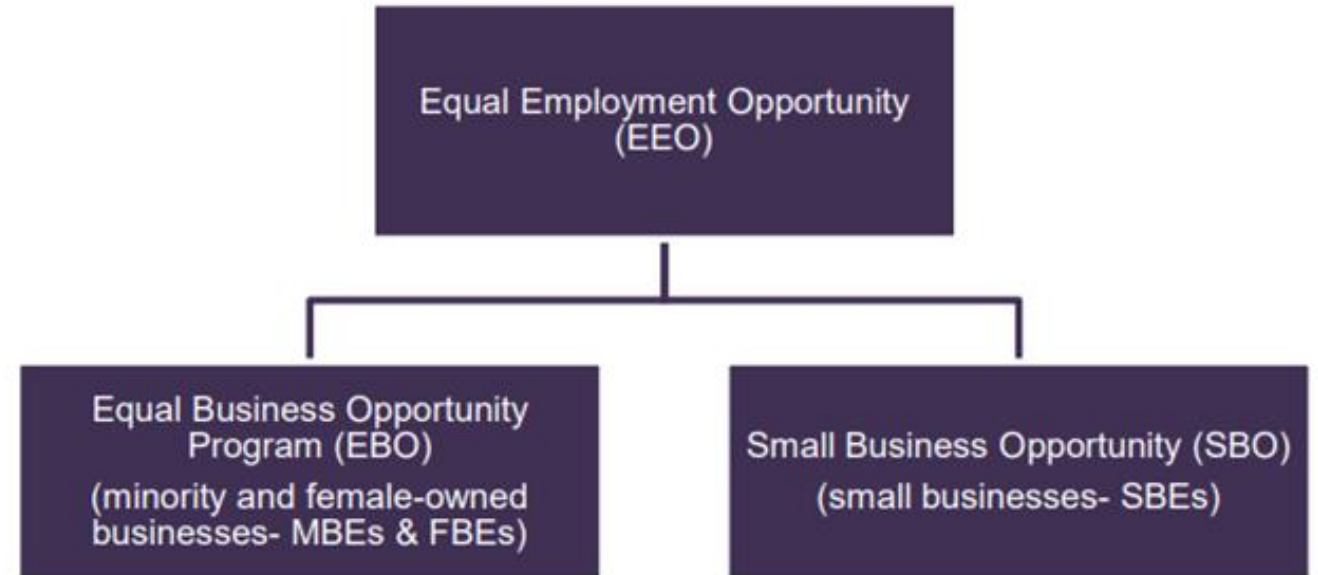
- Does Contract Compliance follow its processes for certification approvals and denials?
- Does Contract Compliance maintain the records and documentation required for contract monitoring?

CONTRACT COMPLIANCE CERTIFIES BUSINESSES AND MONITORS CONTRACTS FOR MINORITY PARTICIPATION

OCC's Mission:

To mitigate the effects of past and present discrimination by ensuring that small, minority-owned, female-owned and disadvantaged businesses participate in city contracts.

Exhibit 1: City Seeks to Promote Inclusion in Contracting Opportunities



Source: City Code Sections 2-1358, Sec. 2-1411, Sec 2-1414(a), Sec 2-1445, and Sec 2-1448(a).

JUNE 2021 AUDIT RESULTS

- Findings
 - OCC incorporated best practices for minority contracting
 - City reported meeting most diversity and small business goals, but some data were inaccurate and incomplete
 - Better resource management could improve data and monitoring
- Implemented several recommendations

FOLLOW-UP OVERVIEW

- Contract Compliance evaluated certification applicants against City Code criteria
- Additional subcontractor supporting documentation will ensure compliance with City Code

CONTRACT COMPLIANCE EVALUATED APPLICANTS AGAINST CITY CODE CRITERIA

- Five criteria listed in City Code
- Tested 23 files
- Contained 99% of required attachments and 98% of required questions
- Automated certification process

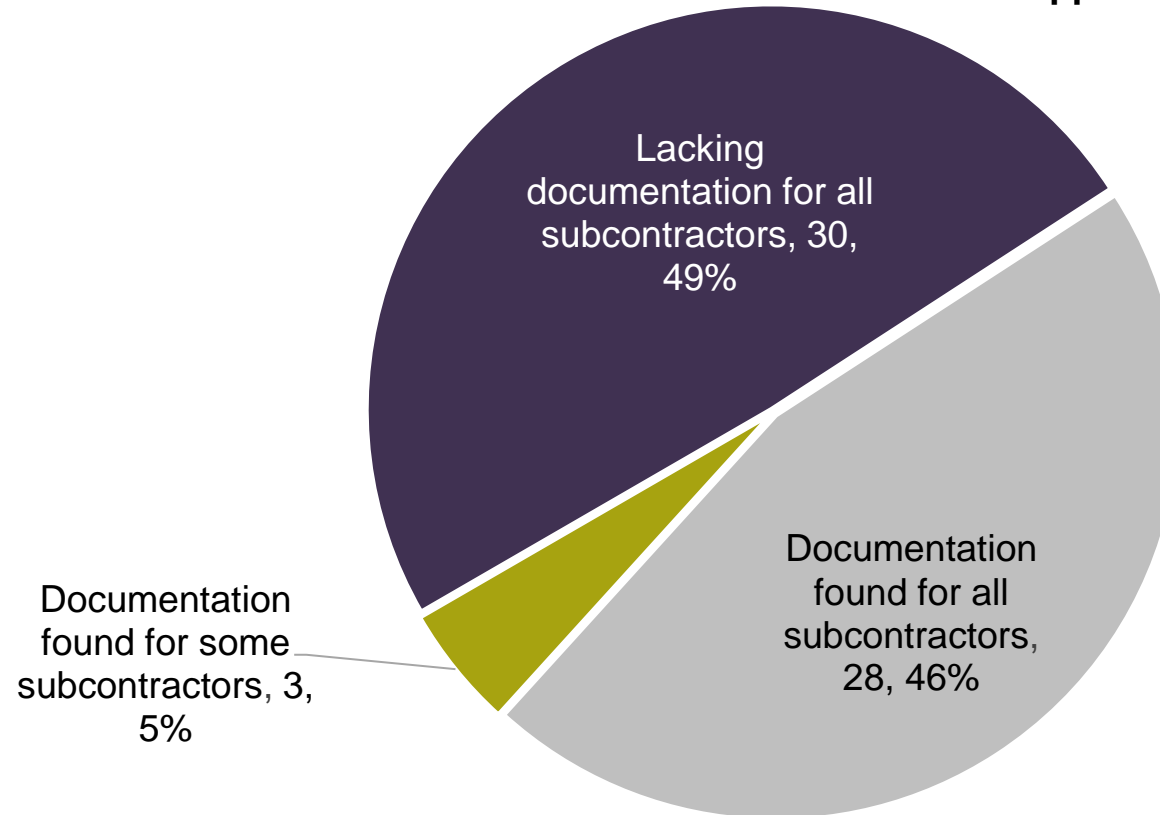
ADDITIONAL SUBCONTRACTOR SUPPORTING DOCUMENTATION WILL ENSURE COMPLIANCE WITH CITY CODE

- Per code, office must approve changes to original subcontractor plan in writing for some awards
- Files often didn't contain original plan
- Primes add (not replace) subcontractors via an information form
- No signature or other approval on information form

ADDITIONAL SUBCONTRACTOR SUPPORTING DOCUMENTATION WILL ENSURE COMPLIANCE WITH CITY CODE

Exhibit 1: About 46% of Files Contained Subcontractor Supporting Documentation

- Contract and Task Order files test
 - Initial audit sample 61 files
 - Follow-up audit ample of 47 files
 - Code requirement to approve subcontractor plan changes



Source: Auditor analysis based on sample contract and task order files review

RECOMMENDATIONS

1. The contract compliance director should document approval of changes (including additions) to the subcontractor plan, consistent with City Code requirements.
2. The Office of the Inspector General should periodically review post-award subcontractor usage to ensure fairness in subcontractor participation and to mitigate the risk of political involvement in subcontracting.

QUESTIONS?

FULL MEMO:

[CONTRACT COMPLIANCE FOLLOW-UP TESTING - APRIL 2022 \(ATLAUDIT.ORG\)](https://atlaudit.org)