Internal Audit Follow-Up Report

Construction Inspection Program

TxDOT Internal Audit Division
Objective
To assess the status of corrective actions for high-risk Management Action Plans (MAPs) previously communicated in the Construction Inspection Program audit report issued May 2017 and the MAP Follow-Up report issued October 2018.

Summary Results
Testing consisted of an evaluation of one MAP to determine if corrective actions were implemented as agreed.

<table>
<thead>
<tr>
<th>MAP Status</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Closed</td>
<td>Corrective actions have been completed.</td>
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Scope
The engagement was conducted during the period from March 8, 2019 to April 25, 2019. The engagement focused on the peer review standard operating procedures (SOP) and pilot of the peer review program performed during Fiscal Year (FY) 2019.

Methodology
The methodology used to complete the objectives of this engagement included:

- Interviewed key personnel within the Materials and Tests Division (MTD) including the Division Director and Transportation Specialist.
- Reviewed the peer review SOP to determine if the scheduled to perform peer reviews had been implemented.
- Reviewed pilot peer review performed at the Brownwood district to understand how results and comments will be applied forward to the next peer reviews performed.

Background
This report is prepared for the Texas Transportation Commission and for the Administration and Management of TxDOT. The report presents the results of the Construction Inspection Program Follow-Up engagement which was conducted as part of the Fiscal Year (FY) 2019 Audit Plan.

The Construction Inspection Program was established by the Construction Division (CST) to maintain the quality of projects within TxDOT and Federal Highway Administration guidelines by means of on-site inspection staff. These inspections are performed by either TxDOT employees or a third-party contractor. Inspections consist of reviewing construction work to assure work meets minimum quality standards as established in the 2004 and 2014 Standard Specifications for Construction and Maintenance of Highways, Streets, and Bridges and notifying the contractor of any deficiencies to be addressed. Inspections also consist of testing materials according to timeframes established within the Guide Schedule of Sampling and Testing to assure quality of the materials used for construction work.

In September 3, 2018, the Materials and Test Section within CST became the Materials and Tests Division (MTD). MTD is responsible for administering the Quality Monitoring and Quality Assurance programs as well as administering district peer reviews as an adjacent review besides the MTD accreditation review process.
We conducted this follow-up engagement in accordance with Generally Accepted Government Auditing Standards and in conformance with the International Standards for the Professional Practice of Internal Auditing. Those standards require that we plan and perform the engagement to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our engagement objective. Recommendations to mitigate risks identified were previously provided to management during the original engagement to assist in the formulation of the management action plans referenced in this report. The Internal Audit Division uses the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework version 2013.
Detailed MAP Follow-Up Status

MAP Status: Closed
Corrective actions have been completed.

<table>
<thead>
<tr>
<th>Original Audit Finding No. 1: Construction Inspector Training</th>
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<tr>
<td><strong>MAP Owner:</strong> Buddy Williams, P.E., Director, Materials and Tests Division</td>
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</table>

**MAP 1.2:** Materials and Tests Division (MTD) will design and implement a process and schedule to conduct district Peer Reviews on a three-year cycle, intermediate to laboratory accreditation reviews, to ensure continual compliance with certification requirements*.

*Note: The portion of the MAP referencing to the schedule of peer reviews will be transferred to a management action plan within the Materials Quality Monitoring/Quality Assurance audit engagement for future follow-up.

**Original Completion Date:** August 15, 2017  
**Revised Completion Date:** January 15, 2019  
**Actual Completion Date:** February 11, 2019

Closing Comments
The results of this MAP Follow-Up engagement were provided to the MTD Director on May 8, 2019. The Internal Audit Division appreciates the cooperation and assistance received from the MTD personnel during this engagement.