City of Columbia, Missouri

Capital Project Administration and Project Management Internal Audit

June 2025

RubinBrown®

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

TBD, 2025

Mr. De'Carlon Seawood
City Manager
City of Columbia, Missouri
701 E. Broadway
Columbia, Missouri 65205

Re: Capital Project Administration and Project Management Internal Audit

Dear De'Carlon:

In conjunction with our overall engagement to provide internal audit services to the City of Columbia, Missouri ("Columbia"), we have completed our internal audit of the City of Columbia's Capital Project Administration and Project Management processes. Our services were performed in accordance with the Standards for Consulting Services, as promulgated by the American Institute of Certified Public Accountants (AICPA).

The accompanying report includes an Executive Summary, our Observations and Recommendations, and an Appendix. Because the procedures performed in conjunction with the review are more limited than would be necessary to provide an opinion on the system of internal controls taken as a whole, such an opinion is not expressed. In addition, the engagement did not include a detailed audit of transactions that would be required to discover fraud, defalcations or other irregularities.

This report is intended solely for the information and use of management and the City Council and is not intended to be, and should not be, used by anyone other than the specified parties. Columbia's external auditors may be provided with a copy of this report in connection with fulfilling their responsibilities.

We would like to express our gratitude to all employees involved with this project. Each person involved was accessible and responsive to our requests for information.

Sincerely,

RUBINBROWN LLP

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cc: Matthew Lue

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Executive Summary

Project Overview and Scope

The objectives of the Capital Project Administration and Project Management review for the City of Columbia were to understand the automated and manual processes in place related to the strategy and planning for construction projects, management of construction-in-process budgeted versus actual costs and the recording of capital projects in the general ledger for fixed assets for the City of Columbia. Our review included an evaluation of these processes for operating efficiencies and utilization of best practices.

In order to achieve the objectives above, we performed the following activities:

- Budgeting: Interviews with the Senior Budget Analyst and Budget Analyst, and we obtained examples of related key reporting that included the final budget for the 2024 fiscal year, a ballot list with funded items, and an implementation plan for the Park Sales Tax measure.
- Accounting: Interviews with the Controller leading to the generation of a narrative detailing the process. We obtained a copy of related ordinances and key contacts.
- Public Works: Interviews with the Public Works Superintendent, Assistant to the Public Works Director, and the Senior Administrative Support Assistant leading to the generation of a narrative detailing the process. We obtained examples of reports from Fulcrum and supporting change orders.
- Utilities: Interview with the Assistant Director – Utilities leading to the generation of a narrative detailing the process. We obtained the internal budget to actual comparison documents related to Capital Project Administration and Project Management process and a copy of the Capital Improvement Projects process manual.
- Parks and Recreation: Interview with the Director – Parks and Recreation and the Administrative Supervisor leading to the generation of a narrative detailing the process. We obtained the internal budget to actual comparison documents related to Capital Project Administration and Project Management process.
- IT and Program Management Office: Interview with IT Director, IT Manager, and Program Management Office Manager leading to the generation of a narrative detailing the process. We obtained an example of the prototyped reporting dashboard created by the Program Management Office.

Observations and Recommendations

Based on discussions with management, the following processes are in place at Columbia and represent best practices:

- The City Council provides opportunities for citizens to voice their approval or concerns on the proposed capital budget before final approval.

- Columbia utilizes Tyler Munis as their ERP system which prohibits actual expenses from becoming more than budgeted expenses without authorization in the application functionality.

Observations from our internal audit are noted below:

- In our interviews with the various departments, we noted processes or tools to monitor the current stage of completion or budget versus actual spending for Capital Projects can vary and are not uniform across all departments.
- A consistent process to communicate status of actual versus budgeted capital appending is not in place across all departments to communicate same to the Finance and Accounting department monthly. Instead, quarterly communication is performed which we do not find to be a best practice to ensure timeliness.
- The Program Management Office ("PMO") has created a prototype reporting dashboard to monitor Capital Projects. The reporting dashboard includes a comparison of the following areas:
  - Actual to budget costs
  - A summary of the project's goals and scope
  - A listing of key milestones for the project
  - Visuals depicting the percentage of work complete, budget complete, and on schedule status.

  To date, the dashboard has been completed for less than 1% of the Capital Projects.
- The City of Columbia maintains the online "Capital Improvement Projects Search database" that lists each project's name, status, construction year, ballot issue (if applicable), ward, and division within a tabular and geographical view. The online database does not include any summary of the project's key milestones or helpful visuals of percentage of work complete, budget complete, and actual schedule status.

All observations and recommendations noted during our assessment are further detailed below. Additionally, these items have been communicated to management.

#	Observation	Recommendation	Management Response
1	A) In interviews with the Utilities, Public Works, Parks and Recreation, and IT departments, we noted processes or tools to monitor the current stage of completion or budget versus actual spending for Capital Projects can vary and are not uniform across all departments. We have included a summary of these processes in the Appendix to this report. For example, the Utilities and Parks and Recreation departments perform their budget to actual analyses on a monthly basis while the Public Works department performs their budget to actual analysis on a quarterly basis. B) A consistent process to communicate status of actual versus budgeted capital spending to the Finance and Accounting department is not in place monthly. Instead, quarterly communication is performed.	1) Update the frequency of analysis to be monthly for the Public Works departments. 2) Meet with the Director of Finance, Finance Department, and Accounting Department to determine if the reports currently generated meet the needs of the Finance department and staff. 3) Generate and distribute monthly reporting to all impacted areas including Director of Finance, Finance Department, and Accounting Department.	Departments that conduct capital improvement projects will transition to conducting project status and financial analysis on a monthly basis. This change aligns with best practices and will improve project oversight, facilitate early identification of issues, and better support cross-departmental coordination. Management will schedule a meeting with the Director of Finance and key Finance staff to review existing capital project reports. The purpose will be to evaluate whether current reporting formats and content meet the operational and financial oversight needs of these departments. Following the review and any necessary revisions to reporting content and structure, monthly reports will be distributed to all impacted departments, including City Manager's Office, Finance, and Public Works. This will ensure alignment across functions and support the City's financial planning, monitoring, and compliance responsibilities.

#	Observation	Recommendation	Management Response
2	The Program Management Office has created a prototype reporting dashboard to monitor Capital Projects. The reporting dashboard includes a comparison of the following areas: • Actual to budget costs • A summary of the project's goals and scope • A listing of key milestones for the project • Visuals depicting the percentage of work complete, budget complete, and on schedule status. To date, the dashboard has been completed for less than 1% of the Capital Projects.	Management should evaluate the feasibility of completing the reporting dashboard for all departments and establishing this as key reporting distributed to relevant departments, including the Finance and Accounting Department monthly. Based upon our discussions with the PMO, there would be minimal process change necessary. For example, including a member of the PMO in the management meetings to discuss status of projects would facilitate completion of the dashboards for all projects.	Management agrees with the recommendation to evaluate the feasibility of completing the reporting dashboard for all departments and distributing this information monthly to relevant departments, including Finance and Accounting. The City's Project Management Office (PMO) has already taken steps toward standardized reporting and has developed preliminary dashboard formats. We agree that incorporating PMO representatives into regular departmental or project management meetings could further support timely data collection and dashboard completion with minimal disruption to existing processes. In fiscal year 2026, management will work collaboratively with the PMO and key departments to assess resource needs, identify reporting gaps, and determine an implementation timeline for full dashboard coverage. A formal implementation plan, will be developed and shared with relevant stakeholders by May 2026.

#	Observation	Recommendation	Management Response
3	The City of Columbia maintains the online "Capital Improvement Projects Search database" that lists each project's name, status, construction year, ballot issue (if applicable), ward, and division within a tabular and geographical view. The online database does not include any summary of the project's key milestones or helpful visuals of percentage of work complete, budget complete, and actual schedule status.	Create consistency between the PMO's Capital Projects dashboard by including the project's key milestones or helpful visuals of percentage of work complete, budget complete, and actual schedule status within the online searchable database.	Management agrees with the recommendation to enhance the consistency and clarity of the PMO's Capital Projects dashboard by incorporating key project milestones and visual indicators such as percentage of work complete, budget status, and schedule progress. The PMO will review the current dashboard design and identify enhancements that incorporate standardized metrics and visuals across all projects. As part of this effort, the PMO will work with the IT Department and relevant project managers to ensure that data inputs are accurate, timely, and capable of supporting automated visual updates. The online searchable database will be updated to reflect these changes, with a focus on user-friendly, accessible information that clearly conveys project status. A phased implementation approach will begin in fiscal year 2026. Full rollout across all active capital projects is anticipated by August 2026.

Appendix:

The following refers to Observation 1 and summarizes a comparison of capital practices to monitor budgeted to actual costs together with stage of completion by departments named:

Description	Utilities	Public Works	Parks and Recreation
Budget Source Data	Tyler Munis	Tyler Munis	Tyler Munis
Source of Actual Data	Tyler Munis	Tyler Munis	Tyler Munis
Output from Analysis	"Project Area" CIP Excel Spreadsheet	TRS Report from Tyler Munis	TRS Report from Tyler Munis; Tracked internally via Google Spreadsheet
Frequency of Analysis	Monthly	Quarterly	Monthly; Department meeting for review every 2 weeks
Output Distribution	Utilities Department	Public Works Department	Parks and Recreation Department
Analysis Shared with Finance and Accounting	Shared at quarterly meeting	Shared at quarterly meeting	Shared at quarterly meeting