

Office of the County Internal Auditor

Facilities Department Courthouse Audit

Original audit published
9/18/24



October 10, 2025

Background

County Courthouse



1940



1977



Conceptual Drawing

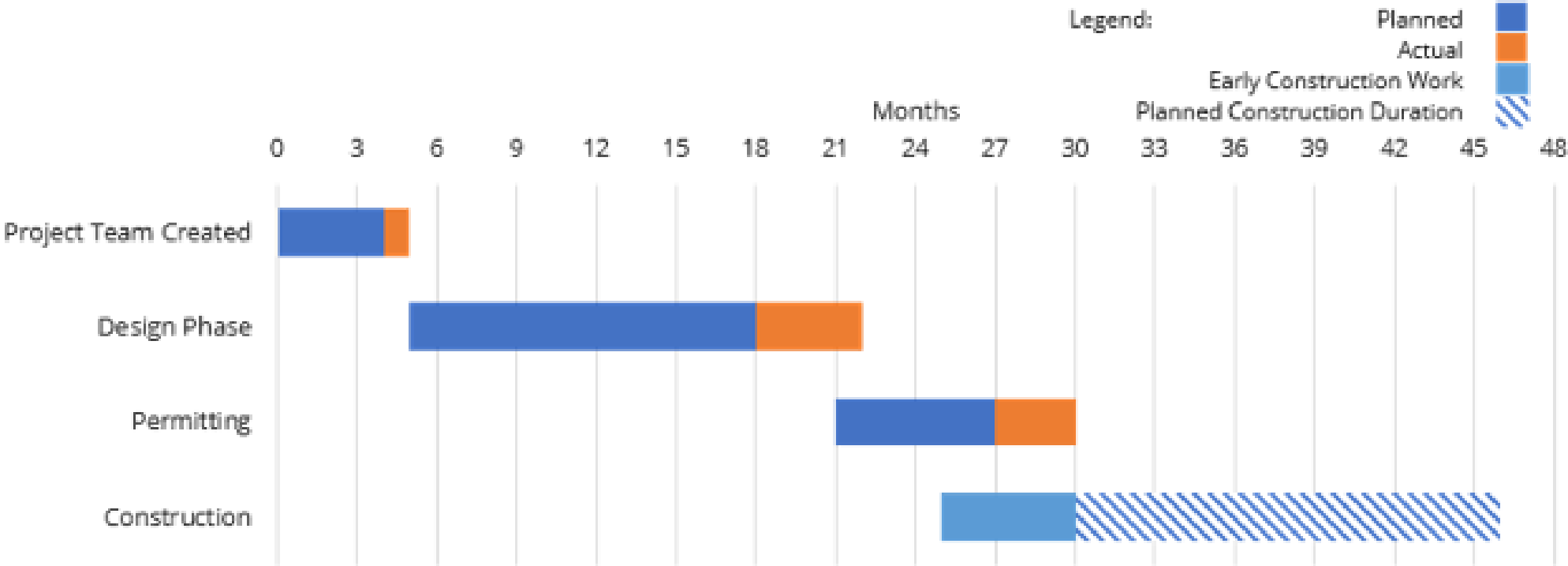


Timing, Initial Cost, and Project Teams

Project Team	Contract Effective Date	Initial Contract Amount
Owner's Representative: Cumming Management Group	December 27, 2021	\$401,220
Architect/Engineer: LRS Architects	June 30, 2022	\$2,500,397
Construction Manager/General Contractor: Pence Contractors LLC	July 25, 2022	\$62,040



Construction Schedule (as of summer 2024)



Source: County Financial Information

Initial schedule had construction completed in 37 months.



Funding Sources

State Commitment	
2022 Oregon Judicial Department Allocation	\$2,000,000
2023 State Legislative Allocation	\$15,000,000
County Commitment	
2023 American Rescue Plan Act Allocation	\$5,000,000
2023 Bond Issuance	\$20,500,000
Interest income	TBD
Campus Improvement Fund Reserves	Est. \$1,500,000
Total	\$44,000,000



Recommendation Updates

Improved Procedures for Risk Assessment and Oversight



3

Resolved

*Management addressed risk.
Auditors will no longer monitor.*



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In Process

*Recommendations are in
progress. Auditors will continue
to monitor.*



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Accept Risk

*Management accepted the risk of
not implementing the
recommendation.*



Risk management framework adopted.

Resolved



We Found

Delays due to project complexity. Risks could have been identified, assessed, and mitigated using a risk register.

We Recommended

A comprehensive pre-construction planning and risk management framework.

Update

Developed a Construction Management Manual. Includes assessing risk, creating a risk register, and addressing risks.



Clearer roles will improve oversight.

Resolved



We Found

No formally assigned roles and responsibilities allowing for overlaps, conflicts, and potential miscommunication within the project team.

We Recommended

Comprehensive policies and procedures to strengthen guidelines and oversight for capital projects.

Update

Construction Management Manual directs staff to assemble a construction team with assigned roles and clear expectations.



Staff research will result in improved contract language.

Resolved



We Found

Unclear contract language exposed the County to significant risks, including potential overpricing and reduced value.

We Recommended

A construction manager/general contractor contract and general conditions template with enhanced cost controls and consistent equity support.

Update

Staff researched other contracts from several Oregon public entities and planned to use them as a starting point for a new template.



Next Steps

With all recommendations implemented we will no longer follow-up on this audit.

We are planning to conduct a post-construction audit of the courthouse project after its anticipated completion in the Summer of 2026.



Questions and Comments?

