



Under the Microscope

How to ensure an audit-proof project

BY DARRYL ROOT, R/W-RAC, JD, MBA

The thought of an audit by a federal agency partner can be intimidating. A bad audit finding not only reflects poorly on the relocation practitioner but also on the public agency itself. A poor audit report can call into question the expertise of both the agency and the consultants it selected to work on the files.

Besides the questions surrounding the expertise of the agency or its consultants, there is an even more painful potential impact of a poor audit - the loss of federal funding, which can be devastating to any project. State and/or local funding would have to make up the difference for any loss of federal funds, and in the current economic times, there simply may not be any local funding to fill the gap.

This is the first in a series of articles on how consultants and public agencies can prepare for an audit of relocation files on federally-funded projects. This article will present sound audit philosophies that can be used to ensure audit compliance. Future articles will discuss specific best audit preparation practices. But before specific practices can be illustrated, practical audit philosophies should be examined.

START EARLY

By maintaining detail-oriented and consistent practices, one can prepare even the most complicated relocation case files for review by the most rigorous auditors. One of the

most important audit philosophies is to start early. Long before the first relocation interview, the public agency, as the recipient of federal funding, should clearly understand what federal monies are funding the project. There can be distinct differences in the relocation requirements of different federal agencies (for example, Federal Highway Administration funding versus U.S. Department of Housing and Urban Development funding). The specific requirements of the federal funding source should be noted in the relocation-planning phase. The agency should focus on how it intends to meet the requirements in a uniform and consistent manner throughout the project.

Sometimes, state laws may conflict with federal regulations. For example, some state laws allow higher reestablishment payments than the \$10,000 currently allowed by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act). The agency should discuss the impact of such conflicts with its federal partner and whether or not the federal agency will participate in the higher benefit amounts or otherwise deal with the conflicts.

If the agency had previous audits on projects using the same federal funding, the agency should carefully review those findings prior to beginning work on any similar projects. How will the agency implement the corrective actions required in the earlier audits? Not repeating the same mistake twice is crucial.

GET ON THE SAME PAGE

After the agency understands what specific federal funding will be used, as well as how any conflicts with state laws will be resolved and how previous audit results will be incorporated into the new project, the agency must decide how it will consistently communicate these findings to the relocation practitioner. No matter whether the agency chooses to use staff or consultants (or a mixture of both), it is imperative that everyone understand the agency's audit preparation procedures.

One way to communicate this important information is by briefing all relocation practitioners before the start of the project. Each should be provided with a copy of the right of way manual or other document that the agency determines will govern the project. Copies of the governing procedures should also be available to future staff or consultants that may work on the project, preferably online. During this briefing, potentially difficult relocations should be highlighted and discussed. In addition, any factual or regulatory questions should be asked and addressed prior to work on any relocation cases.

The agency's quality control/quality assurance (QC/QA) staff should have clear responsibilities and procedures to follow in their internal reviews of files. If consultants are used, the interaction between staff and consultant QC/QA personnel should be clearly defined.

Any job aids, such as checklists, should also be distributed to all the relocation practitioners before any work begins. The use of the job aids and the responsibilities of the individual relocation agent should be clearly defined. As questions develop during the course of the project, the agents should know the procedures to use to get those questions answered. And once a decision has been made that affects the project as a whole, it should be communicated in a clear and uniform manner to all relocation agents. The agents should be familiar with where to look for updates on questions and policies.

Now that the agency has started early and has procedures for getting and keeping everyone on the same page, there are specific best practices that can be employed to ensure successful audit preparation. These best practices will be the subject of the next article in this series. ☺



Darryl Root, R/W-RAC, JD, MBA

Darryl is currently a Program Manager for Overland, Pacific and Cutler, Inc. He has been in the right of way industry for 20 years and previously held the position of Vice President for two major right of way service companies. He also served as Senior Project Manager with the Missouri Department of Transportation.

IRWA CALL FOR AWARDS

The International Nominations and Elections Committee is currently accepting nominations for all award categories!

- ◆ **Frank C. Balfour Professional of the Year**
- ◆ **W. Howard Armstrong Instructor of the Year**
- ◆ **Young Professional of the Year**
- ◆ **Government Employer of the Year**
- ◆ **Employer of the Year**
- ◆ **Chapter of the Year**
- ◆ **Website of the Year**
- ◆ **Newsletter of the Year**
- ◆ **SARPA Scholarship**
- ◆ **CRWEF Scholarship**

SUBMISSION INFORMATION

All forms are available on the IRWA website and submissions will be accepted by email only (hard copies no longer required).

Newsletter and Website of the Year forms should be submitted to INEC Vice Chair Arlene MacKenzie at arlene.mackenzie@gov.ab.ca.

All other submissions should be sent to INEC Chair Kevin Paul at chair.inec.2013@gmail.com with a copy to kevin_paul@cpr.ca.

For more information, please contact Kevin directly, or visit the Awards Forms link under the About Us tab at www.irwaonline.org