



**LIMITED-SCOPE AUDIT OF  
THE ENGINEERING/ROADS DEPARTMENT**

**FOR THE PERIODS OF  
JULY 1, 2021 - JUNE 30, 2022**

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# Limited-Scope Audit of the Engineering/Roads Department

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August 30, 2022

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Assistant County Manager  
County Engineer; Roads Superintendent  
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## EXECUTIVE SUMMARY

The Doña Ana County Engineering/Roads Department consists of approximately 57 – engineers, equipment operators, roads foremen, sign technicians, laborers, inspectors, surveyor positions, and administrative office staff. At the time of this audit (8/30/2022) there were approximately 14 vacancies within the department. More details about the department can be found by accessing the following link: [Engineering/Roads | Doña Ana County, NM \(donaanacounty.org\)](https://www.donaanacounty.org/Engineering/Roads)

The Roads Division is an arm of the Doña Ana County Engineering Department. The division is responsible for the maintenance of more than 1,300 miles of existing county roads, as well as construction of new roads within the county's borders.

The Audit reviewed areas deemed to be at greater risk of internal control deficiencies, as well as areas of concern to Engineering/Roads Department leadership. Herein, the Audit reviewed the advertising and hiring process (with Human Resources), the existence of standard operating procedures (SOP), annual reports, the results of bridge and road inspections and analyses, constituent complaints, inventory records, and vehicle inspections.

The deficiencies that indicated the more serious risks pertained to a lack of recorded bridge and pavement maintenance. In addition, the high vacancy rate was of concern and compelled the internal auditor to meet with the Senior Human Resources Administrator to determine the actions being taken to address this matter (see the Management Letter). Discrepancies noted that are common within the County included a lack of SOPs, no recorded Engineering vehicle pre-trip safety inspections, and weaknesses in inventory accountability. While an Infrastructure Management Services (IMS) pavement analysis of DAC roads was available, it is unknown as to what the department has done to address deficiencies noted within the analysis.

## AUDIT SCOPE & OBJECTIVE

The purpose of the audit is to review the Engineering/Roads work processes for adequate internal controls, and to determine if the controls are effective in performing their intended functions of reducing or eliminating applicable risks. This audit focused primarily on Engineering/Roads activities for the period of July 1, 2021 - June 30, 2022, with the following objectives:

1. Review and analyze external bridge and road/pavement reports for deficiencies noted and corrective actions taken;
2. Determine whether Engineering/Roads Department is responsive to constituent concerns;
3. Review SOPs and required reports for existence and completeness; and
4. Assess inventory accountability procedures.

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## OPERATING & INTERNAL CONTROL RISKS

This report contains no (0) High-Level risks, three (3) Moderate-Level risks, and three (3) Low-Level risks. This report also includes the auditor's Recommendations, Management Responses, and Auditor Comments (as applicable).

## DETAIL OF AUDIT FINDINGS

Risk ratings are based on the use of professional judgment to assess the extent to which deficiencies could have an adverse effect on the performance of systems and controls within a process. More details about the risk rating in this report can be found by accessing this link: [Audit Risk Ratings | Doña Ana County, NM \(donaanacounty.org\)](#)

## FINDINGS, RECOMMENDATIONS, MANAGEMENT RESPONSES, & AUDITOR COMMENTS

The evidence obtained as a result of interviews, observations, reviews of Engineering/Road SOPs, Regulatory Ordinances, and tests performed, provide a reasonable basis for the findings and conclusions below. While management responses are included within this report, the Audit takes no responsibility for the sufficiency of said responses, nor for the effective execution of corrective actions taken or to be taken by management. **NOTE:** Manager Responses below are written in *italics*.

### 1. **Lack of Recorded Bridge Maintenance**, *Moderate*.

**Condition:** The internal auditor reviewed a 2018 Bridge Inspection report that indicated deficiencies with 36 bridges within Doña Ana County. The internal auditor was told that this report is issued at least once every three years<sup>1</sup> by NMDOT, and gives feedback to management concerning the condition of bridges within Doña Ana County. The Audit noted the Engineering spreadsheet indicated that deficiencies for only three of the bridges had been addressed. Some of the deficiencies listed appeared to require immediate attention.

**Effect:** If deficiencies are not corrected in a timely manner the condition of the bridges will degrade to the point of being unsafe for public conveyance. In addition, delayed repairs could result in the need for more expensive and extensive repairs. The report gives the indication that the County is not staying current on bridge maintenance.

**Criteria:** The 2018 Bridge Report gave the County a report card on the condition of its bridges. Thus, it can be utilized to prioritize bridge maintenance projects to keep bridges functional and safe.

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<sup>1</sup> A discussion with Management revealed that no 2021 inspection report was available most likely due to COVID.  
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**Cause:** *[The] Engineering department does not currently have a program in place.*

**Recommendation:** The Audit recommends that deficiencies noted in the 2018 Bridge Report are addressed in order of greatest to least amount of risk. As some of the deficiencies were more serious than others, management should prioritize correcting the most serious discrepancies first. In matters wherein public safety is in question, management should immediately bring this to the attention of upper management so that proper funding can be allocated and/or bridge usage can be prevented until maintenance has been completed.

**Management's Response:** *We are currently looking into different programs with the capabilities needed for tracking and prioritizing work that is needed on county bridges. This program will be implemented in Six months.*

**Auditor Comments:** A means of prioritizing corrective actions needed as well as tracking corrective actions taken, could be extremely beneficial in this matter. Per the management's response, such a means should be implemented by March 31, 2023.

2. **Missing Annual Reports. Moderate.**

**Condition:** The internal auditor requested but did not receive the last two copies of Annual Reports that are required to be submitted to the Environmental Protection Agency (EPA).

**Effect:** The Audit could neither verify the existence of the required annual EPA reports, nor determine if the reports were actually remitted to the EPA.

**Criteria:** Per the Doña Ana County Storm Water Management Program (SWMP, June 2009), 5.0 GENERAL PERMIT REQUIREMENTS, 5.1 ANNUAL REPORTS, purports the following:

Part 5.8 of the MS4 General Permit requires Doña Ana County to submit an Annual Report to the EPA by October 1st of each year starting in 2008. The report should cover all SWMP activities for the prior permit year of July 1st to June 30th. The County is also required to provide public notice and make available for public comment a draft of the Annual Report for at least thirty (30) days. All public input and any resulting changes to the SWMP must be addressed in the Final Annual Report that is submitted to EPA.

**Cause:** *This is under investigation, as [to] why this was not performed.*

**Recommendation:** It is recommended that management adhere to the requirement in the *Criteria* section above. As a matter of sound recordkeeping, the annual reports should be catalogued and made readily available.

**Management's Response:** *We will correct the deficiencies. The deficiencies will be corrected by October 31, 2022.*

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3. **Lack of SOPs. Moderate.**

**Condition:** Interviews were conducted with the Engineering leadership and staff, revealing no department created SOPs to guide daily duties. While all interviewees were able to explain their duties in detail, there remains a lack of written SOPs for their numerous job functions.

**Effect:** Standard Operating Procedures not only set standards for conducting daily procedures, they also chronicle pertinent job knowledge that could otherwise be lost when experienced staff retire from the County. While it is not practical to have written procedures for every task, well written SOPs can greatly stem the learning curve of oncoming staff when it comes to the necessary steps taken when conducting certain tasks.

**Criteria:** Standard Operating Procedures particular to a department/section and its job functions serve to preserve the knowledge of not only how to most efficiently and effectively perform a function, but also set a standard by which such performance may be measured.

**Cause:** *[The] Engineering department has never had SOP's in place.*

**Recommendation:** It is recommended that management ensure that each section has written procedures in the form of SOP guidance, for applicable duties/tasks. The amount of detail in each SOP may be based upon the risk level of the tasks at hand, as higher risks may dictate more detailed SOPs.

**Management's Response:** *Engineering dept. is in the process of rewriting the SOP's to include Engineering and Road dept. The work will be completed in 6 months. However, some SOP's are being developed as the time of this report.*

**Auditor Comments:** The Audit notes that per management's response SOPs should be completed by March 31, 2023.

4. **Inconsistent Pre-Trip Safety Inspections – Engineering. Low.**

**Condition:** Interviews were conducted with the County Engineer and staff about vehicle inspections. These interviews revealed that many conduct a brief visual vehicle inspection on a daily or weekly basis before operating their vehicles, but do not record the results of said inspections.

**Effect:** Documentation serves to substantiate actions taken. When consistent recordkeeping is lacking, it may be difficult to verify that proper preventive maintenance checks and services were completed.

**Criteria:** Per Human Resources Policies and Procedures 2-13. USE OF PUBLIC PROPERTY. J. Requirements for Users of County Vehicles  
“Users of County vehicles shall conduct and record a pre-trip safety inspection on forms

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provided by the user's supervisor. Any safety problems noticed shall be reported immediately to the user's supervisor or the fleet manager..."

**Cause:** *Engineering employees have been inspecting county vehicles prior to being used for the work day however, they were just not documenting the inspection.*

**Recommendation:** The Audit recommends that management provide and direct the use of check lists or inspection forms that are filled out by drivers each day before vehicle operation.

**Management's Response:** *We now have "Driver's Truck Condition Report" booklets and will have all Engineering employees fill out and turn in to the office on a daily basis.*

**Auditor Comment:** While daily inspections are required by policy, the supervisor can tailor the extent of inspections (the number of items checked) for daily, weekly, and monthly items. For example, the checking and initialing of the fire extinguisher tags could be a monthly check, checking oil levels may be conducted on a weekly basis, while ensuring the operation of brakes and lighting could be a daily check. **NOTE:** These are only examples.

5. **Lack of Inventory Accountability. Low.**

**Condition:** Upon requesting a copy of the latest inventory listing, the Engineering Administrative Assistant was able to complete and deliver an inventory listing to the internal auditor on July 27, 2022. Upon reviewing the listing the internal auditor did not note any tools such as would be commonly found in a truck's tool box. In addition, 76 of the listed 201 items were labeled as not having a DAC Inventory Tag.

**NOTE:** An earlier FY22 audit of the Roads Division inventory revealed similar discrepancies.

**Effect:** Annually, inventory listings are requested from the Finance Department, as Finance has general responsibility for the management of Capital Assets Policies & Procedures. Thus, Finance has set a July 15<sup>th</sup> deadline for inventory accountability, to which all County departments are expected to adhere or be in violation of policy. Sensitive items, such as tools should also be accounted for (even though departments are not required to share that listing with the Finance Department), and part of that accountability involves placing DAC Inventory Tags on such items.

**Criteria:** Per the Capital Outlay (Fixed Assets) policies and procedures,  
2.1 Internal Control Requirements, B. Custodial Responsibility

"It shall be the responsibility of the Using Department that all capital assets ...are tagged, and recorded in accordance with the provisions of these policies and procedures."

"Once capital assets are received, they must be safeguarded and accurately accounted for."

"A physical inventory of all capital assets is to be conducted yearly..."

2.19 Sensitive Items

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“Sensitive items below the capitalization threshold of \$5,000.00 shall be tagged, inventoried, and safeguarded at the Using Department level. The Using Department shall maintain an inventory list of sensitive items.”

4. Departmental Inventory Procedures. “The departmental inventory lists will contain all assets as of June 30 and will be due on July 15.”

**Cause:** *The 76 items that are not tagged on the Engineering inventory list is because those were items such as, desks, chairs, tables, etc., that were given to the dept. from the “Old Court House” back in 2008 when Engineering first moved to the government center. The depts. that had items before did not have them tagged. Every item that has been purchased with Engineering – Road funding, has been properly tagged per Capital Outlay (fixed assets) policy and procedures guidelines and the Finance dept.*

*We are scheduled by IT department to have access to Asset Panda System; this will ensure our reports will not be delayed in the future.*

**Recommendation:** The Audit recommends that management make staff aware of Capital Outlay (Fixed Assets) policies and procedures so that 1) inventory listings are remitted to Finance by the required deadline, 2) equipment (to include sensitive items) are properly accounted for, and 3) and inventory items are properly tagged.

**Management’s Response:** *Everything that was bought with Engineering and Road department budget, is and has been proper tagged. A meeting with IT will be conducted in thirty days, and all the reporting will be completed in 60 days after that.*

**Auditor Comments:** The Audit notes that management’s response indicates a completion date of November 30, 2022.

6. **Unknown Road Conditions. Low.**

**Condition:** In 2018 Doña Ana County (DAC) contracted the services of Infrastructure Management Services (IMS) to develop a pavement analysis of DAC roads. IMS is a full service consulting firm performing pavement condition surveys, right of way asset surveys, and creating pavement rehabilitation plans. Per the pavement analysis approximately 7% of DAC’s road network was rated as Poor or Very Poor, requiring surface replacement or full construction respectively.

While IMS proposed seven recommendations and comments, the internal auditor requested but did not receive 1) a status update on which recommendations had been addressed nor 2) the current status of the roads that were rated as Poor or Very Poor.

**Effect:** A major audit purpose is to confirm via testing, as in obtaining objective evidence, actions taken by management to address known deficiencies. However this involves cooperation from the Auditee. Thus, the Audit cannot attest to the status of areas that remain

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untested.

**Criteria:** To be effective as a DAC team member, the internal auditor must have management buy-in for both condition recognition and recommendation application. The Human Resources Policy Manual states that “Failure to cooperate with or providing false information during any investigation or audit may lead to discipline...”

**Cause:** *Road Department has a new superintendent, and we will implement a better tracking system.*

**Recommendation:** The Audit recommends that management review, update, and record its progress on addressing the discrepancies noted in the pavement analysis. Management should also provide a copy of this record to the internal auditor as requested, for review.

**Management’s Response:** *This plan needs to be shared with road foremen, so they know why and what road needs to be fixed next. The implementation will be done by January 2023.*

**Auditor Comments:** A means of prioritizing corrective actions needed as well as tracking corrective actions taken, could be extremely beneficial in this matter.

*Ernest Harvin* \_\_\_\_\_ *30 August 2022*  
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