



Facilities Maintenance Program Follow-Up Audit A2019-13

Issued by the
Internal Audit Office
December 19, 2019

**City of El Paso
Internal Audit Office
Facilities Maintenance Program Follow-Up A2019-13**

EXECUTIVE SUMMARY

The Internal Audit Office conducted a Follow-Up Audit of Facilities Maintenance Program Audit Report dated January 22, 2018. The original Audit Report contained two findings. Upon completion of the audit fieldwork, we have determined the status of the recommendation for each audit finding as outlined in the table below:

Finding No.	Description of Original Findings	Status
1	The Streets and Maintenance Department does not have sufficient funding to address current needs.	Implemented
2	The Facilities Maintenance Division of the Streets and Maintenance Department does not have documented Policies and Procedures regarding the following: <ul style="list-style-type: none">• Facility inspections,• Facility evaluations,• Facility assessments.	Implemented

For a detailed explanation of the current observations please refer to the appropriate finding contained in the body of this Audit Report.

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BACKGROUND

The *Generally Accepted Government Auditing Standards* (Standard 8.30) states that auditors should evaluate whether the audited entity has taken appropriate corrective action to address findings and recommendations from previous engagements. The *International Standards for the Professional Practice of Internal Auditing* (Performance Standard 2500.A1) require that the chief audit executive establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.

AUDIT OBJECTIVES

The audit objective was to ensure that corrective action was taken by management to address the recommendations identified in the original Audit Report dated January 22, 2018.

AUDIT SCOPE

The audit period covered Streets and Maintenance operations during Fiscal Years 2019 and 2020.

AUDIT METHODOLOGY

To achieve our audit objectives, we:

- Reviewed Streets and Maintenance Department facility maintenance priority listings,
- Reviewed Streets and Maintenance Department supplemental budget requests,
- Reviewed Facilities Maintenance Division Policies and Procedures,
- Reviewed City Council agenda support documentation.

We conducted this audit in accordance with *Generally Accepted Government Auditing Standards* and the *International Standards for the Professional Practice of Internal Auditing*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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CURRENT OBSERVATION AND STATUS

Based on the follow-up audit results, each original finding recommendation will be designated with one of the following four status categories:

<i>Implemented</i>	The finding has been addressed by implementing the original corrective action or an alternative corrective action.
<i>In Progress</i>	The corrective action has been initiated but is not complete.
<i>Not Applicable</i>	The recommendation is no longer applicable due to changes in procedures or changes in technology.
<i>Not Implemented</i>	The recommendation was ignored, there were changes in staffing levels, or management has decided to assume the risk.

Finding 1

Current Observation

The Streets and Maintenance Department established a Facility Maintenance Fund on April 15, 2019 to handle the high priority projects.

Supplemental Budget Requests were submitted by the Streets and Maintenance Department on May 6, 2019 to increase funding for their daily maintenance operations. A total of \$1.5 million was awarded to Building Facility Maintenance for facility repairs and maintenance for Fiscal Year 2019-2020.

A City of El Paso Public Safety Bond election was approved by the voters for \$413 million on November 5, 2019. The bond includes “major maintenance” and renovations to existing Police and Fire facilities. The bond also covers the building of new Police and Fire facilities.

Capital Improvement Department presented a revised “Most Critical Facility Maintenance Problems” listing to City Council on November 12, 2019. The Management Update included estimated costs for each priority project and was approved in the amount of \$3 million.

Status

Implemented

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Finding 2

Current Observation

The Facility Maintenance Division has created Policies and Procedures that include flowcharts for Facility Assessments, Facility Evaluations, and Facility Inspections. The Policies and Procedures detail how the Facilities Maintenance Division handles both Preventative and Corrective Maintenance.

The Policies and Procedures were approved by the Streets and Maintenance Department Director, effective December 9, 2019.

Status

Implemented

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INHERENT LIMITATIONS

Because of the inherent limitations of internal controls, errors or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control structure to future periods beyond the Audit Report date are subject to the risk that procedures may become inadequate due to changes in conditions, management override of internal controls, or that the degree of compliance with the procedures may deteriorate. This was a limited scope audit which only reviewed the areas stated in the Audit Objectives during the Audit Scope period. No representations of assurance are made to other areas or periods not covered by this audit.

CONCLUSION

We have concluded our audit work on the objectives of the Facilities Maintenance Program Follow-Up Audit. The audit evidence used in the analysis is sufficient and appropriate for addressing the objectives and supporting the observations and conclusion. In accordance with *Generally Accepted Government Auditing Standards*, we are required to conclude on whether the Streets and Maintenance Department met the objectives of this Follow-Up Audit. Based on our audit work, we have determined that the Streets and Maintenance Department met the audit objectives in the following areas:

- The Streets and Maintenance Department developed a Facility Maintenance Fund and identified high priority projects in April 2019.
- Supplemental Budget Requests were made leading to an award of \$1.5 million for facility maintenance needs for FY 2020 on May 6, 2019.
- High priority projects were identified in the FY2020 Capital Plan resulting in approval over \$3 million to fund the identified projects.
- Policies and Procedures were developed to include facility inspections, facility evaluations and facility assessments, effective December 9, 2019.

In addition, the voters of the City of El Paso approved the 2019 Public Safety Bond on November 5, 2019 which included funding for maintenance and renovation of Public Safety facilities.

We wish to thank Streets and Maintenance Department management and staff for their assistance and courtesies extended during the completion of this Follow-Up Audit.

Signature on File
Edmundo S. Calderon, CIA, CGAP, CRMA. MBA
Chief Internal Auditor

Signature on File
Sergio Carrillo, MBA
Auditor I

Signature on File
Miguel Montiel, CIA, CGAP
Auditor IV

Distribution:
Financial Oversight and Audit Committee
Tomas Gonzalez, City Manager
Ted Marquez, Deputy City Manager of Public Works
Richard Bristol, Director Streets and Maintenance