



**MV Transportation Follow-Up Audit
No. A2023-04**

Issued by the
Internal Audit Office
March 16, 2023

**City of El Paso
Internal Audit Office
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EXECUTIVE SUMMARY

The Internal Audit Office conducted a Follow-Up Audit of MV Transportation Audit Report dated April 18, 2022. The original Audit Report contained three (3) 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	<p>The Quarterly Performance Averages reported to the Mass Transit Board for the 4th Quarter of FY 2021 and the 1st Quarter of FY 2022 were not reported accurately.</p> <ul style="list-style-type: none"> • The 4th Quarter FY 2021 Paratransit Service Report had two reporting errors. • The 1st Quarter FY 2022 Paratransit Service Report had five reporting errors. • The 1st Quarter FY 2022 Paratransit Service Report had the expected values for <i>Customer Complaints per 10K Passengers</i> and <i>Passenger Incidents per 10K transposed</i>. 	Implemented
2	<p>Sun Metro has not replaced 64 LIFT vehicles as contractually required:</p> <ol style="list-style-type: none"> 1. None of the 32 replacement LIFT vehicles scheduled for calendar year 2020 were delivered. 2. None of the 32 replacement LIFT vehicles scheduled for calendar year 2021 were delivered. 3. Due to the COVID-19 Pandemic challenges, Sun Metro Management has been working with MV Transportation, Inc. by paying for required engine and transmission repairs on LIFT Revenue Vehicles that were scheduled for replacement. These LIFT Revenue Vehicles have exceeded their useful lives and are requiring major repairs to keep them operational. Also, Sun Metro has ordered and expects 10 replacement vehicles to be delivered in June 2022. 	In Progress
3	<p>For the period reviewed, the City's LIFT Contract Manager was unable to make a random selection of 400 unique ADA-eligible passenger trips to survey each month. Since the COVID-19 Pandemic began in March 2020, the number of passengers has decreased to the point that The LIFT does not receive 400 unique passengers to survey each month. Instead, the monthly Customer Trip Rating is calculated by taking the average of all LIFT passenger trip surveys collected for the month.</p> <p>The same passenger was selected for a trip survey more than once each month an average of 41.95% of the time for the 4th Quarter of Fiscal Year 2021 and 39.89% of the time for the 1st Quarter of 2022. When the same passenger was selected for a survey it was for a different trip each time.</p>	In Progress

For a detailed explanation of the current observations please refer to the appropriate Findings 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 April 18, 2022.

AUDIT SCOPE

The audit period covered the MV Transportation Program operations for Fiscal Year 2022 and 2023.

AUDIT METHODOLOGY

To achieve our audit objectives, we:

- Interviewed the Assistant Director of Operations for Sun Metro.
- Interviewed the Contract Compliance Manager for Sun Metro.
- Interviewed the General Manager from MV Transportation.
- Reviewed the *LIFT Performance Measures* spreadsheet that is maintained by the Contract Compliance Manager.
- Compared Performance Measures from the Quarterly Paratransit Service Reports from the 3rd Quarter of FY2022 to the 1st Quarter of FY2023 that were presented to the Mass Transit Board.
- Verified Purchase Orders/Receipts for Vehicles that Sun Metro will receive.
- Verified the procedures to conduct the Customer Satisfaction Survey.

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

Sun Metro staff are reviewing the Quarterly Performance Measures contained in the Quarterly Paratransit Service Reports to ensure the accuracy of the reports.

The Internal Audit Office reviewed procedures used by Sun Metro staff to report Performance Measures to the Mass Transit Board:

- The Contract Compliance Manager and the Assistant Director of Transit Operations are both reviewing Performance Measures data before being presented to the Mass Transit Board.
- The Contract Compliance Manager maintains a spreadsheet to track monthly statistics that are used in the presentations to the Mass Transit Board.

The Internal Audit Office reviewed the spreadsheet maintained by the Contract Compliance Manager and compared the data to what was presented to the Mass Transit Board. The Internal Audit Office noted that there were noticeable accuracy improvements from the 3rd Quarter of FY2022 to the 1st Quarter of FY2023.

Sun Metro is in the process of hiring a new Accessibility LIFT Compliance Officer. This employee will take over the duties of reviewing accuracy of the monthly Performance Measure data.

- Sun Metro tried a recruitment for this position in June 2022 but did not fill it. Sun Metro had another recruitment for the position and conducted interviews for the position starting on December 12, 2022.
- Interviews were completed as of February 16, 2023.
- Sun Metro anticipates hiring for this position in the beginning of Calendar Year 2023.

Status

Implemented

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Finding 2

Current Observation

The Internal Audit Office interviewed Sun Metro staff to inquire about the LIFT Revenue Vehicle replacement schedule outlined by the *LIFT Paratransit Services Contract 2019-607R Attachment B-1 City of El Paso Furnished LIFT Revenue Vehicle Replacement Schedule*.

- The Sun Metro Department has a vehicle replacement plan in place. MV Transportation was informed of the vehicle replacement plan.

Vehicle manufacturers continue to experience delays in fulfilling vehicle orders.

- Sun Metro received 10 Cutaway vehicles in June 2022.
- Sun Metro has another 20 Ford Transit vans currently on order. The vans were scheduled to be received by March 2023.
- Sun Metro is currently working with the Purchasing Department to order an additional 10 Cutaway vehicles by November 2023. Sun Metro does not yet have a Purchase Order for the 10 additional vehicles.

In addition, Sun Metro is working to add 50 electric Ford Transit vans to the Paratransit LIFT Fleet. This is a result of a recent Federal Transit Administration grant award of \$8.8 million for Low or No Emission Vehicles. MV Transportation was informed of the plan to add electric vehicles to the LIFT Fleet. The delivery dates for the vans have not been established.

Status

In Progress – Sun Metro Department Management will assume the risk of replacing the LIFT Revenue Vehicles. No further Follow-Up will be necessary.

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Finding 3

Current Observation

The Internal Audit Office reviewed the process used to conduct the monthly passenger trip Surveys:

- Monthly Ridership is currently being monitored by the Contract Compliance Manager and the Assistant Director of Transit Operations at Sun Metro.
- Sun Metro is not making the random selection of 400 unique ADA-eligible passenger trips to survey each month as required by the *LIFT Paratransit Services Contract #2019-607R Section 6.0 Performance Standards – Standard 6.8 – Customer Trip Rating*.
- The trip survey results are used to determine the Customer Trip Rating Performance Standards as required by the *LIFT Paratransit Services Contract #2019-607R*.
- Ridership is about 14,000 trips per month which is lower than it was before the COVID-19 Pandemic. Once Sun Metro hires an Accessibility LIFT Compliance Officer, that position will resume the random selection of trips to survey.
- The monthly Customer Trip Ratings are currently calculated by taking the average of all LIFT passenger trip surveys collected by MV Transportation for the month.
- Sun Metro plans to develop and document an alternate survey method during the second quarter of FY2023 to comply with the Customer Trip Rating Requirement.

Status

In Progress – Sun Metro Department Management will assume the risk of complying with the Customer Trip Rating Requirement of contract #2019-607R. No further Follow-Up will be necessary.

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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 MV Transportation 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 Sun Metro met the objectives of this Follow-Up Audit. Based on our audit work, we have determined that:

1. Sun Metro met the audit objectives in the following areas:
 - Reviewing Performance Measures before presenting it to the Mass Transit Board ensuring the data is accurate.
2. Sun Metro did not meet the audit objectives in the following areas:
 - Replacing LIFT Revenue Vehicles as required by *LIFT Paratransit Services Contract 2019-607R Attachment B-1 City of El Paso Furnished LIFT Revenue Vehicle Replacement Schedule*. Supply chain issues continue affecting the delivery of Paratransit Vehicles.
 - Randomly selecting 400 unique ADA-eligible passenger trips to survey each month and complying with the Customer Trip Rating Requirement as required by the *LIFT Paratransit Services Contract #2019-607R Section 6.0 Performance Standards – Standard 6.8 – Customer Trip Rating*. Paratransit ridership levels continue to improve but are still below Pre-Pandemic Levels.

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



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