



**Streets and Maintenance (SAM) –  
Permits Review Audit  
No. A2023-02**

Issued by the  
Internal Audit Office  
July 10, 2023

**City of El Paso**  
**Internal Audit Office**  
**Streets and Maintenance (SAM) – Permits Review Audit A2023-02**

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***EXECUTIVE SUMMARY***

The Internal Audit Office has concluded the Streets and Maintenance (SAM) – Permits Review Audit. Based on the results of the audit, three findings were identified. The findings are considered significant due to internal control breakdowns and violations of City Ordinances.

Listed below is a summary of the findings identified in this report:

1. Streets and Maintenance does not have documented Policies and Procedures specific to the Permitting Function of the department.
2. Streets and Maintenance is not issuing permits to contractors within one (1) working day as required by Chapter 12.30.080 of the City of El Paso Municipal Code. On average, SAM is taking **4 days longer** than as required by City Ordinance.
3. Streets and Maintenance is not consistently conducting inspections on permitted sites before closing out the permit.

For a detailed explanation of the findings, please refer to the body of the Audit Report.

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***BACKGROUND***

Streets and Maintenance (SAM) provides the City of El Paso with street infrastructure maintenance and traffic engineering services designed to enhance and sustain the community's transportation network. SAM patches more than 200,00 square feet of City streets a year which is performed by seven (7) work crews with specialized trucks.

Streets and Maintenance has a Pavement Cut Program that facilitates the use of any excavating, boring, coring, or drilling in any City Right-of-Way (ROW) areas. Pavement cuts are usually performed in order to change, fix, or remove features in order to improve streets and ROWs. Permits are required to be acquired before any work can be conducted. 6,084 Pavement Cut Permits were issued in Fiscal Year 2022. Pavement Cut Permits and Traffic Control/ROW Permits comprise the majority of permits issued by Streets and Maintenance. Inspections must be completed before a Permit can be officially closed out.

Permits are required by City of El Paso Municipal Code, Chapter 12.30 – Temporary Traffic Control. Permit applications are required to be approved at least 48 hours before the proposed commencement of work. Immediate emergency work can be conducted without a Permit in the event that public safety is jeopardized. Public safety is the top concern of Streets and Maintenance as they manage contractors and Permit applications. Working without a permit, violating the terms of the traffic control agreement or working during prohibited hours can result in a misdemeanor offense and/or a fine.

Streets and Maintenance works with entities such as AT&T, Verizon and the El Paso Water Utility on various projects with various time frames and difficulty.

***AUDIT OBJECTIVES***

The objectives of the Streets and Maintenance (SAM) – Permits Review Audit are to determine if Streets and Maintenance:

- Has documented Policies and Procedures for the issuance of Permits,
- Is issuing Permits in a timely manner as required by City Policy or Ordinance,
- Is charging the correct Permit Fees as determined by Schedule C,
- Is properly conducting inspections to close out Permits.

***AUDIT SCOPE***

The audit period covered Fiscal Years 2022-2023.

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***AUDIT METHODOLOGY***

To achieve our audit objectives, we:

- Conducted interviews and observations with Streets and Maintenance (SAM) management and staff.
- Obtained an understanding of the SAM Permitting process.
- Obtained an understanding of the applicable City Ordinances related to the Permitting process.
- Reviewed Permits issued within FY2022 and selected a sample to track the time in working days from request to issuance.
- Used the previously selected sample to:
  - Determine if SAM was properly charging application fees in accordance with Schedule C,
  - Determine if SAM is properly conducting inspections and closing out permits.

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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***SIGNIFICANT FINDINGS, RECOMMENDATIONS,  
AND MANAGEMENT’S RESPONSES***

The definition of a “Significant Finding” is one that has a material effect on the City of El Paso’s financial statements, identifies an internal control breakdown, is a violation of a City procedure, or a violation of a law and/or regulation, which the City is required to follow. Any finding not meeting these criteria will be classified as a “Regular Finding”.

**Finding 1**

**Policies and Procedures**

City of El Paso Strategic Plan:

- Goal 6.4 *Implement leading-edge practices for achieving quality and performance excellence*
- Goal 6.12 *Maintain systems integrity, compliance and business continuity*

*A strong system of internal controls requires that Policies and Procedures be developed that document routine or repetitive activity followed by an organization. The development and use of Policies and Procedures are an integral part of a successful quality system as it provides individuals with the information and guidance to perform a job properly.*

Streets and Maintenance (SAM) does not have documented Policies and Procedures specific to the Permitting Function. SAM follows City Municipal Code: Chapter 12.30 – Temporary Traffic Control, Chapter 13.08 – Excavations and Chapter 15.08 – Street Rentals for guidance. SAM also follows Chapter 6 of the Texas Manual on Uniform Traffic Control Devices (TMUTCD) for guidance.

**Recommendation**

Streets and Maintenance should develop a Policies and Procedures Manual specific to the Permitting Function of the department.

**Management’s Response**

Streets and Maintenance is currently completing its final evaluation of consultant recommendations of the ROW permitting process improvements. This evaluation will allow the department to develop a comprehensive Policies and Procedures Manual.

**Responsible Party**

Randy Garcia

**Implementation Date**

March 2024

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**Finding 2**

**Permit Issuance**

City of El Paso Strategic Plan:

- Goal 6.5 *Deliver services timely and effectively with focus on continual improvement*
- Goal 6.7 *Deliver effective and efficient processes to maximize value in obtaining goods and services*

City of El Paso Municipal Code:

- Chapter 12.30.080 – *Approval or denial of temporary traffic control plan states that “the permit official shall approve or deny a completed application within **one city working day** of the permit official’s receipt of the completed application for permit.*

A sample of 25 permits issued within FY 2022 were selected for review. The sample was selected using a random number generator.

- Six (6) out of 25 (24%) permits selected were extensions on previously issued permits. The Internal Audit Office tracked the time from request to issuance of initial permit.
- Eight (8) out of 25 (32%) permit applications did not have an application date. The Internal Audit Office used the date of document upload on Accela to determine request date.

Streets and Maintenance issued 25 permits to contractors at an average of 5 working days per permit. On average, SAM is taking **4 days longer** than as required by City Municipal Code.

- Ten (10) permits were issued within one city working day as required by City Ordinance.
- The remaining 15 permits issuance ranged from 2 working days to 23 working days.

<b>Working Days from Request to Issuance</b>	<b># of Permits</b>
0-1 days	10
2-5 days	8
6-9 days	2
10-14 days	1
15+ days	4

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**Recommendation**

Streets and Maintenance (SAM) should work to revise the City Ordinance to better reflect SAM operations.

**Management's Response**

Streets and Maintenance is beginning the process to revise the City Ordinances related to ROW permits based on the recommendations, specifically the process diagrams, provided by the outside consultants ROW permitting process improvement report.

**Responsible Party**

Randy Garcia

**Implementation Date**

October 2024

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**Finding 3**

**Permit Inspections**

City of El Paso Strategic Plan:

- Goal 6.3 *Implement programs to reduce organizational risk*

City of El Paso Municipal Code:

- Chapter 13.08.030 Subsection F – *“Permittees shall request appointments for inspections by city inspectors for backfill, two sack, asphalt or concrete placement by calling the permit official. Requests shall be made on or before the city work day prior to the day the permittee wishes the inspection to take place. Appointments shall be made subject to the availability of the city inspectors. Inspections not performed during normal city work hours shall be subject to the after hours inspection fee in Section 13.08.040.”*

A sample of 25 permits issued within FY 2022 were selected for review. The sample was selected using a random number generator.

- Ten (10) out of 25 (40%) permits selected had inspection documentation entered into Accela.
- Nine (9) out of 25 (36%) permits selected did not have any record of Inspections on Accela. Comments included in the emails noted that the contractors did not contact SAM to schedule inspections.
  - All 9 permits selected without inspection documentation were listed as “Closed” on Accela.
    - Backfill inspections for EPTC22-03192 did not occur as they were eliminated by the previous Transportation Manager to reduce the volume of pending inspections.
    - EPTC22-01325 did not have a final or other inspections conducted. Only a pre-construction inspection was conducted.
- Four (4) Traffic Control Permits selected did not have a corresponding Paving Cut Permit, therefore did not require inspections.
- Two (2) permits selected were under the Capital Improvement Department (CID). CID handles their own inspections.

**Recommendation**

Streets and Maintenance should develop inspection Policies and Procedures and an Aging schedule based on Permit Issuance Dates in order to keep track of sites that require inspections.



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**Management's Response**

Streets and Maintenance developed a ROW permit application and inspection checklist in conjunction with the outside consultants ROW permitting process improvement report. Upon implementation of Policies and Procedures Manual and adoption of the recommended ordinance changes the Department will begin to utilize the checklist. The Department is currently working with the City's IT department to develop a dashboard or report that tracks the aging of ROW permits.

**Responsible Party**

Randy Garcia

**Implementation Date**

October 2024

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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 work on the objectives of the Streets and Maintenance (SAM) – Permits Review Audit. The audit evidence used in the analysis is sufficient and appropriate for addressing the objectives and supporting the findings and conclusion. In accordance with Generally Accepted Government Auditing Standards, we are required to conclude on whether Streets and Maintenance met the objectives of this audit. Based on our audit work, we have determined that:

1. Streets and Maintenance meet the audit objectives in the following areas:
  - Properly charging permit application fees in accordance with Schedule C.
2. Streets and Maintenance did not meet the audit objectives in the following areas:
  - Having documented Policies and Procedures specific to the Permitting function.
  - Issuing permits to contractors within one (1) working day as required by City of El Paso Municipal Code.
  - Having permittees schedule inspections on permit sites before closing them.

We wish to thank Streets and Maintenance Staff for their assistance and numerous courtesies extended during the completion of this audit.

Signature on File  
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Chief Internal Auditor

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