



**LIMITED-SCOPE AUDIT OF
THE COMMUNITY DEVELOPMENT
DEPARTMENT**

**FOR THE PERIOD OF
JANUARY 1 – JUNE 30, 2022
(JULY 2020 EFFICIENCY REVIEW)**

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Limited-Scope Audit of the Community Development Department

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EXECUTIVE SUMMARY

The Doña Ana County Community Development Department is comprised of approximately 37 personnel working in the Administration, Advanced Planning, Current Planning (including Codes Enforcement), GIS, and Building Services sections. More information about the department's goals and functions can be found by accessing the following link: [Community Development | Doña Ana County, NM \(donaanacounty.org\)](https://www.donaanacounty.org/Community-Development)

Doña Ana County hired Management Partners (a local government consulting firm) to analyze the Community Development review process, aiming to improve efficiency and customer service. Significant improvements to these services are an organizational priority because Doña Ana County is a gateway for international trade. It serves as a hub in the region for housing, transportation, retail and services. As a result of that development review an Efficiency Review report was produced, identifying 49 recommendations for change and improvement. While several improvements could be made with relatively simple changes, which should result in greater efficiency and better customer service, other improvements would require a sustained effort and more resources in key areas.

As a draft Implementation Action Plan (IAP) was provided to serve as a guide for how to prioritize and proceed with the recommended improvements, the Audit focused on the progress made by Community Development in addressing the Efficiency Review's recommendations found in this draft IAP (Reference the Community Development website's DAC Services Efficiency Review) - [DonaAna_Report_FINAL.pdf \(donaanacounty.org\)](https://www.donaanacounty.org/DonaAna_Report_FINAL.pdf)

While the July 2020 Efficiency Review addressed the areas of greatest inefficiencies within the Building Services and Current Planning Divisions, the Audit also assessed peripheral areas of interest, finding the need for improvement with 1) Standard Operating Procedures (SOPs), 2) vehicle pre-trip inspections, 3) Bureau of Land Management (BLM) grants, and 4) inventory updates.

The internal auditor recognizes the cooperation received from Community Development, and acknowledges appreciation for their patience and professionalism during the audit.

AUDIT SCOPE & OBJECTIVE

The purpose of the audit is to follow up on progress made by Community Development toward addressing the 49 recommendations proposed in a July 2020 Efficiency Review. Other areas of interest include a review of SOPs, grant compliance, inventory updates, and pre-trip vehicle inspection records.

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NOTE: This Audit referenced a February 2022 Programmatic Compliance Review Recap developed by Doña Ana County’s Audit and Compliance Specialist. This Review Recap indicated non-compliance with the following BLM grants - Illegal Dumping Partnership, ID No: IX (9) and ID No: VII (7), for \$20,000.00 and \$25,000.00 respectively.

OPERATING & INTERNAL CONTROL FINDINGS

This report contains no (0) High-Level risks, no (0) Moderate-Level risks, and four (4) Low-Level risks. The report also includes the auditor’s Recommendations, Management Responses, and Auditor Comments (as applicable). The July 2020 Efficiency Review recommendation discrepancies were not considered as findings; however, this audit report addresses both completed and pending completion of the implementation of Efficiency Review recommendations.

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 \(donaanacounty.org\)](https://donaanacounty.org/Audit-Risk-Ratings)

FINDINGS, RECOMMENDATIONS, MANAGEMENT RESPONSES, & AUDITOR COMMENTS

The evidence obtained as a result of interviews, observations, reviews of Community Development SOPs, Regulatory Statutes, 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. **Inconsistent Pre-Trip Safety Inspection Documentation. *Low.***

Condition: Currently the Community Development Department has at least eight vehicles. Meetings with management revealed that vehicle users are responsible for daily vehicle inspections however said inspections are not yet recorded.

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 provided by the user's supervisor. Any safety problems noticed shall be reported immediately

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to the user's supervisor or the fleet manager...”

Cause: *A pre-trip inspection form was never provided to vehicle users by prior supervisors and the Director was not aware of this oversight.*

Recommendation: The Audit recommends that management provide and direct the use of checklists or inspection forms that are filled out by drivers each day before vehicle operation. If management does not currently have such lists/forms, the Fleet Department should have this available.

Management’s Response: *The County Building Official will prepare a form and distribute to employees by the end of September 2022.*

Auditor Comments: 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 vehicle fire extinguisher tags could be a monthly check, checking oil levels may be conducted on a weekly basis, while ensuring the proper operation of signals and lighting could be a daily check. **NOTE:** These are only examples.

2. **Prior Audit Finding of Non-Compliance – BLM Grant. Low.**

Condition: A February 15, 2022, Programmatic Compliance Review for Bureau of Land Management (BLM), Illegal Dumping Partnership grants IX (9) & VII (7), resulted in a rating of Non-Compliant for both grants. Areas of deficiency included 1) a lack of supporting documentation, 2) incorrect approval to extend grant due date, 3) a lack of timely reporting, 4) acting upon a grant before acquiring a fully executed agreement, and 5) a significant time delay in project implementation. The grant award amounts were \$20,000.00 for Grant ID No: IX (9) and \$25,000.00 for Grant ID No: VII (7).

Effect: Non-compliance with agreed-upon grant terms can place the County at risk of losing funding or having funding suspended or withheld. In the case of advanced allotments, funding can be reverted. The County could also be at risk of having to return unused funding.

Criteria: Each grant is subject to its regulations, internal policies, and agreements made between the Grantor and Grantee. Per the Programmatic Compliance Review Recap, “Governance is provided by the U.S. Office of Management and Budget and can be found in 2 CFR, Grants and Agreements.”

Cause: *The former GIS Administrator was tasked with managing the BLM grants. He was made aware of the non-compliance issues prior to his resignation from the County in June [2022].*

Recommendation: As the Audit Compliance Specialist (for Grants) who conducted the

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compliance review has scheduled a 6-month follow-up review, it is recommended that management take the corrective actions necessary to become compliant with the terms of Illegal Dumping Partnership grants IX (9) & VII (7). If there is confusion about how to address a particular deficiency appropriately, management should consult with the Audit Compliance Specialist.

Management's Response: *The former GIS Administrator was tasked with managing the BLM grants. He was made aware of the non-compliance issues prior to his resignation from the County in June [2022]. The Director is following up with these grants to verify that the non-compliance issues were addressed. Any outstanding items will be addressed by mid-October 2022.*

Auditor Comments: The internal auditor followed up on a finding that was already cited by the Audit Compliance Specialist. Upon learning that the discrepancies had yet to be corrected, it was decided to enter the finding into this audit report. However, the internal auditor acknowledges and credits the particulars of this finding to the review conducted by the Audit Compliance Specialist, Finance Department.

Reference: Budget Office – Grants Administration, Programmatic Compliance Review Recap dated February 15, 2022.

3. **Lack of SOPs. Low.**

Condition: Meetings with the Community Development Director and four Section Leaders revealed that some SOPs were either lacking or pending updates. While staff understands their perspective duties, there remains a lack of written SOPs for some of their numerous job functions.

Effect: Standard Operating Procedures not only set standards for conducting daily procedures, but also chronicle pertinent job knowledge that could otherwise be lost when experienced staff retires 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 regarding the necessary steps to be 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: *Developing SOP's for the various department tasks has been an ongoing effort that is accomplished as time allows. Staff turnover and workload have prevented the completion of some SOP's.*

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 on the risk level of the tasks at hand.

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Management's Response: *Staff will continue to create and update SOP's as time allows. More staff time is being devoted to this effort in anticipation of the software project and due to changes that have been made to increase efficiency. Any remaining SOP's will be completed by the end of October 2022.*

4. **Lack of Inventory Accountability. Low.**

Condition: Upon requesting a copy of the latest inventory listings, the Audit noted no tools, radios, or walkie-talkie type items on the listing. When inquiring about them, the internal auditor was told that these items had not yet been added to the inventory listing and that this was the inventory data from last year.

Effect: Annually, inventory listings are requested from the Finance Department, as Finance has general responsibility for managing Capital Assets Policies & Procedures. Thus, Finance has set a July 15th 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). 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

“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: *Staff has not transferred assets in the Codes Division to the Community Development inventory due to workload and other department priorities.*

Recommendation: The Audit recommends that management take the necessary steps to ensure that staff is aware of Capital Outlay (Fixed Assets) policies and procedures so that 1) inventory listings are remitted to Finance by the required deadline, and 2) equipment, to include sensitive items, are accounted for properly. As Codes Enforcement was recently added to the Community Development Department, their inventory items should also be included on the inventory listing.

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Management's Response: *Staff has obtained clarification on assets that should be inventoried and will complete the cataloging of all items by November 30, 2022.*

Auditor Comments: The Information Technology Department has encouraged County departments to transition to the Asset Panda system for more accuracy and ease of accountability. One of the facets of this new system is that it allows for photos of inventoried items for accuracy of recognition, and scan-able tags for ease of accountability. To their credit, the Community Development Department has already begun incorporating their inventory into the Asset Panda system.

Efficiency Review Report Recommendations - Incomplete.

Condition: The Efficiency Review Report put forth 49 recommendations, 41 of which the Community Development Department reported as having been addressed. The Audit reviewed in detail the actions that have been implemented/completed by Community Development, noting the following discrepancies -

- A. **Efficiency Review recommendation #1:** Create a land-use and development portal that includes general information, regulations, fees, forms, frequently asked questions, process diagrams, and related information.

Actions Taken: Upon review of the website, the Audit did not find a 'frequently asked questions' section.

Recommendation: If management intends to add the missing section, the implementation should be stated as 'incomplete' until the data has been added. If management does not intend to add the missing section, then the language of actions implemented should be adjusted to only address actions taken.

Management's Response: *The frequently asked questions section was not incorporated sooner due to the website update. Staff will proceed with publishing the FAQ's by [the] end of October 2022. The spreadsheet will be updated to reflect this status.*

- B. **Efficiency Review recommendation #12:** Provide cycle time estimates, by review process type, on the County website, and in applicable handouts.

Actions Taken: None.

Recommendation: If management intends to add the cycle time estimates on the County website, the implementation should be stated as 'incomplete' until the data has been added. If management does not intend to add the missing data, then the language of actions implemented should be adjusted to only address actions taken, if any.

Management's Response: *The cycle times section was not incorporated sooner due to*

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the website update. Staff will proceed with publishing the cycle times by [the] end of September 2022. The spreadsheet will be updated to reflect this status.

- C. **Efficiency Review recommendation #15:** Institute concurrent review of projects by all departments and agencies.

Implementation Steps: Increase the number of paper plan sets to accomplish concurrent reviews.

Actions Taken: The number of plans stayed the same for commercial permits but decreased for residential permits.

Recommendation: As management decides which steps to implement to satisfy the recommendation, the Audit recommends that management adjust this bullet/step to more accurately reflect actions taken, or remove this particular bullet/step from the Implementation Steps.

Management's Response: *There was no need to increase the plan sets for commercial, since concurrent review had already been established with the increase of 3 commercial plan set to 4. The number of residential plan sets was reduced because the County Clerk was no longer requiring a hard copy. Instead they were given access to iWorQ where a scanned copy of the plans is stored.*

- D. **Efficiency Review recommendation #16:** Establish a 10- to 21-day target for the first cycle of plan review.

Implementation Steps: Publish building plan review turnaround times on the department's website.

Actions Taken: The above Implementation Step has not yet been completed.

Recommendation: As management decides which steps to implement to satisfy the recommendation, the Audit recommends that management adjust this bullet/step to more accurately reflect actions taken, or remove this particular bullet/step from the Implementation Steps.

Management's Response: *The cycle times section was not incorporated sooner due to the website update. Staff will proceed with publishing the cycle times as soon as possible. The spreadsheet will be updated to reflect this status.*

- E. **Efficiency Review recommendation #17:** Establish a ten- to fifteen-day target for the second and subsequent review cycles.

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Implementation Steps: Publish building plan review turnaround times on the department's website.

Actions Taken: The above Implementation Step has not yet been completed.

Recommendation: As management decides which steps to implement in order to satisfy the recommendation, the Audit recommends that management adjust this bullet/step to more accurately reflect actions taken, or remove this particular bullet/step from the Implementation Steps.

Management's Response: *The cycle times section was not incorporated sooner due to the website update. Staff will proceed with publishing the cycle times by end of September 2022. The spreadsheet will be updated to reflect this status.*

- F. **Efficiency Review recommendation #20:** Establish a schedule and firm deadlines for DRC meetings.

Implementation Steps: Establish up to three metrics to track DRC performance.

Actions Taken: The three metrics have yet to be established (in writing) and tracked.

Recommendation: As management decides which steps to implement in order to satisfy the recommendation, the Audit recommends that management establish at least three written metrics to track DRC performance, or remove this particular bullet/step from the Implementation Steps.

Management's Response: *The implementation steps will be amended to delete this step, since it was determined to be infeasible and unnecessary.*

- G. **Efficiency Review recommendation #24:** Establish procedures to ensure revised plans are not accepted for processing before all departments and agencies have completed their review of the prior plan sets.

Implementation Steps: Incorporate this change in public handouts and on the County's website.

Actions Taken: Revised plans are still accepted for processing before all departments and agencies have completed their review. Also, the change has not yet been added to the website.

Recommendation: If recommendation #24 is not practical to fully implement, then management should state the alternate actions that they have taken in response to this recommendation, if any.

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If management intends to add this change to the County's website, the implementation should be stated as 'incomplete' until the data has been added. If management does not intend to add this change to the County's website, then the language of actions implemented should be adjusted to only address actions taken, if any.

Management's Response: *This recommendation was attempted, but it was determined that accepting revised plans prior to all comments from reviewers was more efficient with a few modifications in the workflow. This was, the revision go[es] to the department that issued the comments instead of sending a complete plan set to all reviewers each time revisions are made. The recommendation will be edited to reflect this change.*

- H. **Efficiency Review recommendation #28:** Establish a dialogue with the New Mexico Construction Industries Division (CID) to determine if there are protocols under which virtual inspections or self-certifications for specified permit types could be acceptable.

Implementation Steps: Determine which projects would likely qualify for virtual inspections or self-certification.
Discuss requirements and protocols with, and seek approval from, state CID officials.

Actions Taken: None.

Recommendation: If recommendation #28 is currently implausible to implement, then management should state the alternate actions that they have taken or intend to take in response to this recommendation, if any.

Management's Response: *Actions have been taken regarding this recommendation. A conversation with CID occurred in 2020 at the beginning of the COVID pandemic and then again in May of 2021. CID stated that virtual inspections are not allowed generally, but may be allowed on a case-by-case basis for re-inspections or small projects at the inspector's discretion. Self-certification for permits is not allowed by CID.*

- I. **Efficiency Review recommendation #30:** Prepare updated handouts and informational materials regarding fire and life safety requirements and distribute these materials early in the development review process.

Actions Taken: The estimated completion date for this recommendation was 5/30/2022. However, the new Fire Plan Reviewer has not prepared the 'handouts' portion of the informational materials regarding fire and life safety requirements.

Recommendation: The Audit recommends that the Fire Plan Reviewer establish an estimated completion date for the handouts portion of Recommendation #30, and produce for distribution the handouts by the updated completion date.

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Management's Response: *The new completion date will be entered into the spreadsheet to reflect when this action is scheduled to be completed.*

- J. **Efficiency Review recommendation #35:** Identify a range of projects that can be reasonably reviewed and processed at the counter.

Actions Taken: None.

Recommendation: If recommendation #35 is implausible to implement fully, then management should state the alternate actions that they have taken in response to this recommendation, if any.

Management's Response: *A list has been compiled of permits that can be issued over the counter, however, no further action was taken while the County Building Official position was vacant.*

- K. **Efficiency Review recommendation #37:** Provide cross-training for all development technicians to expand over-the-counter reviews.

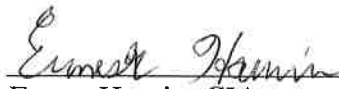
Implementation Steps: Create a cross-training plan that would help ensure development technicians could conduct various types of reviews over the counter, with assistance from the appropriate review staff.

Actions Taken: None.

Recommendation: If recommendation #37 is implausible to implement fully, then management should state the alternate actions that they have taken in response to this recommendation, if any.

Management's Response: *The recommendation will be amended to reflect that a new timeline will be established to train counter staff as well as plans examiners on over-the-counter permits. This action was delayed while the County Building Official position was vacant. The goal is to complete training by the end of November 2022.*

Auditor's Note: The July 2020 Efficiency Review Report recommendations– 10, 11, 19, 36, 42, 46, 47, & 49, are still pending implementation. However, the Community Development Department has put forth time estimates for completing each of these recommendations.

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