

COUNTY AUDITOR'S REPORT

ROAD AND BRIDGE AUDIT

FISCAL YEAR 2022



June 23, 2022

Connie Williams, C.P.A.
Upshur County Auditor

Linda Sikes
Upshur County Assistant Auditor

Greg Dodson
Upshur County Assistant Auditor

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TERRI ROSS
COUNTY CLERK
2022 JUL 15 PM 2:30
BY [Signature]
UPSHUR COUNTY, TX.
DEPUTY

Upshur County Auditor

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Connie Williams

County Auditor
Linda Sikes
Assistant Auditor
Greg Dodson
Assistant Auditor

June 23, 2022

Mr. Andy Jordan
Road and Bridge Administrator
2255 US Hwy 271 N
Gilmer, Texas 75644
RE: Road and Bridge Audit FY 2022

Mr. Jordan;

Pursuant to Texas Local Government Code Section 115, the Upshur County Auditor's Office conducted an internal audit of the Road and Bridge Department for Fiscal Year 2022. A copy of the report will be provided to the Upshur County Commissioners Court.

As part of the procedures performed we:

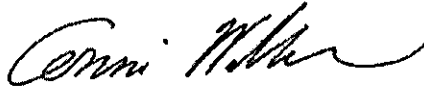
- Conducted a field audit to identify, assess and document prioritized assets including vehicles, equipment and heavy equipment.
- Reviewed a sample invoices from the two highest paid vendors providing materials to the Road and Bridge Department to verify accuracy of invoices and assess procedures for review and acceptance of deliveries.
- Determined whether a process was in place to develop a comprehensive long range plan to assess required rehabilitation or maintenance of county roads.
- Reviewed the established process for recording reported road related complaints and the process for resolving those complaints.
- Reviewed the process for recording Road and Bridge data and information in PubWorks (Work Management Software).
- Performed a surprise cash count.

The enclosed Auditor's Report presents an overview of the Road and Bridge Department, the results of our audit and suggested opportunities for procedural improvements.

Please accept my gratitude and appreciation for the assistance and cooperation we received, from you and your staff, in completing the audit.

Sincerely,

Connie Williams
Upshur County Auditor

A handwritten signature in black ink, appearing to read "Connie Williams", written in a cursive style.

cc: Upshur County Judge Todd Tefteller
Commissioners:

Gene Dolle, Pct 1.
Dustin Nicholson, Pct 2
Michael Ashley, Pct 3
Jay Miller, Pct. 4

BACKGROUND

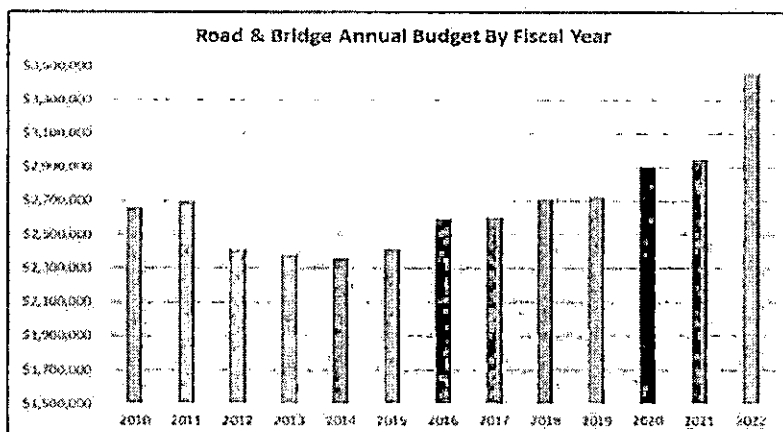
As reported on the most recent Annual Road Report filed on January 22, 2014, at that time there were 668.9 miles of county road segregated by precinct as follows:

- Precinct 1- 153.44 miles (23%)
- Precinct 2- 159.01 miles (24%)
- Precinct 3- 154.60 miles (23%)
- Precinct 4- 201.80 miles (30 %)

To date the number of county road miles has increased to approximately 720.

The Road and Bridge Department (R&B Department) is provided an annual departmental budget to be utilized for the repair and maintenance of county roads and culverts, ditch grading, right-of-way maintenance and vehicle/equipment purchase and maintenance.

The below graph provides a comparison of the annual budget provided to R&B Department over the past 13 years and shows an increase in the allocated budget since FY 2014.



In addition to the FY 22 county budget of \$ 3.5 million, the R&B Department was also allocated \$ 2.84 million of grant funding, thus the total budget for FY 22 was \$ 6.34 million.

The R&B Department employs a total of 37 permanent full-time employees and 12 temporary full-time employees in the following positions:

<i>Road Administrator-</i>	<i>1</i>
<i>Administrative Assistants-</i>	<i>2</i>
<i>Shop Foreman-</i>	<i>1</i>
<i>Shop Mechanic-</i>	<i>1</i>
<i>Lube Tech-</i>	<i>1</i>
<i>Area Crew Leader-</i>	<i>4</i>
<i>Light Equipment Operator-</i>	<i>36</i>

The purchase value of County owned or leased equipment for the Road and Bridge Department is \$ 5,753,199. Vehicle and Heavy Equipment Inventory for the Road and Bridge Department includes the following:

Asphalt Machine-	1	Motorgrader-	5
Backhoe-	6	Mower-	2
Boom Axe-	1	Reclaimer-	3
Boom Mower-	1	Roller-	2
Chipper-	3	Scraper-	1
Compactor-	1	Service Truck (w/crane)	1
Dump Truck-	12	Tractor/Tractor Mower	6
Excavator-	3	Tractor Boom Axe	3
Flatbed-	1	Tractor Dozer	1
Fuel Truck-	1	Trailer	11
Haul Truck-	1	Trucks	31
Loaders-	6	Truck Dump Bed	2
Mixer-	1		

OVERVIEW OF FINDINGS

The Auditor's Office noted the following areas of concern related to the overall operations of the Road and Bridge Department which are discussed in detail in the remainder of the report:

- **Citizen Road Complaints-** There were a total of 1,030 open work orders entered into PubWorks dating back to July 2017. Of the total, 215 open work orders dated back to January 1, 2022. We were unable to determine the status of the citizen complaints and noted that several of the complaints were second, third and even fourth repeat complaints.

·Additionally, Road and Bridge does not provide the Precinct Commissioners with a status report of citizen complaints within their precinct.

- **Review and Acceptance of Material Deliveries-** For the twelve (12) months ending June 1, 2022, Upshur County disbursed a total of \$ 2,465,310 to Longview Asphalt in payment of invoices for plant mix asphalt, rip-rap and limestone base. A designated employee of Road and Bridge should be present at all deliveries to confirm type of material and quantity delivered which should be indicated by signature of employee. We were unable to determine that a Road and Bridge employee had confirmed delivery on 75% of the invoices/delivery tickets examined.

- Annual Road Report/Long Range Plan- the most recent road report was filed with Commissioners Court on January 22, 2014 and there has been no updated reports filed since. It is not clear how Commissioners Court is currently being updated on planned annual road maintenance.
- Fixed Assets- Seven (7) items of heavy equipment were located at the “bone yard” at the Pug Mill. These items should be evaluated to determine if they should be auctioned or scrapped for parts. Additionally, eleven (11) items of equipment (requiring registration) had either expired registration or no visible proof of registration.
- PubWorks is currently being used primarily to record work orders and daily activity, however it can also be utilized to maintain a detailed road inventory with custom fields for data such as length, traffic conditions, material, number of culverts, assessed condition, traffic lights/stop signs, etc. Currently Road and Bridge has entered only road name and mileage. If effectively used, reports could be generated from PubWorks for an annual report.

CITIZEN ROAD COMPLAINTS

A work order is entered into PubWorks when a citizen complaint is reported to the Road and Bridge Department. The date and time of complaint, a description of the complaint, the location (road), the Precinct and the contact information for the citizen are all entered into the work order. Each work order is printed, assigned and provided to the Crew Leader of the Precinct.

Upon completion of any required corrective action to resolve the complaint, the Crew Leader returns a copy of the work order to the Road and Bridge Administrator with a description of work completed. The work order is then “closed” in the system. A report can be generated, by precinct, of all open work orders that can be sorted by any data field. The Auditor’s Office obtained an open work order report dated 6/8/2022 four each of the four Upshur County Precincts.

Below is a breakdown of open/unresolved work orders reported 01/01/2022 thru 06.08.22.

CY 22 Open Workorders (as of 1.1.22)

	Potholes/Road Condition/Sinkholes	Dead Tree/Hanging Tree	Mowing/Boom Axe	Culverts/Washouts/ Ditching
Precinct 1	64	11	10	25
Precinct 2	36	5	7	18
Precinct 3	5	2	1	14
Precinct 4	6	2	0	9
Total	111	20	18	66

FINDINGS:

- There are an excessive number of open work orders that have either not been addressed by Road and Bridge, not assigned to a Crew Leader or were not reported as resolved. The total open work orders as of the date of the report were as follows:
 - Precinct 1- 521 open work orders dating back to August 2017, of these 110 date back to January 1, 2022.
 - Precinct 2- 384 open work orders dating back to July 2017, of these 66 date back to January 1, 2022.
 - Precinct 3- 69 open work orders dating back to July 2017, of these 22 date back to January 1, 2022.
 - Precinct 4- 56 open work orders dating back to November 2017, of these 17 date back to January 1, 2022.
- The majority of open work orders pertain to potholes, since January 2022, Road and Bridge has received 47 pothole complaints from Precinct 1, 31 pothole complaints from Precinct 2, 3 pothole complaints from Precinct 3 and 4 pothole complaints from Precinct 4. Many of the complaints were second requests made and are still open.
- Currently, the Road and Bridge Department does not provide any work order reporting to the individual Precinct Commissioners or Commissioners Court which would assist them in responding to inquiries from their citizens.

PROPOSED CORRECTIVE ACTION:

The Road and Bridge Department should review how best to clear the excessive number of open work orders that were reported prior to January 1, 2022 so that they may focus on ensuring that all current work orders are addressed and resolved rather than allowing them to remain open with no response documented. Additionally, requests that are second requests by the same person should be highlighted on the work order so that the Crew Leader is aware that there has been a delay and a follow-up call should be made to the citizen indicating an estimated time frame for resolution.

The Road and Bridge Department should consider providing each Precinct Commissioner a report of their outstanding open work orders on a time frame specified by each Commissioner.

MATERIAL INVOICE REVIEW AND APPROVAL

For the twelve (12) months ending June 1, 2022, Upshur County disbursed a total of \$ 2,465,310 to Longview Asphalt in payment of invoices for plant mix asphalt, rip-rap and limestone base. The Auditor's Office examined nine (9) invoices to determine accuracy of invoice amount, agreement of unit price to vendor contract and to determine evidence of review and acceptance of delivery by the Road and Bridge Department.

Invoices should be supported by: (1) a Purchase Order issued by the Auditor's Office, (2) a delivery ticket (pink sheet) which details the type of material, delivery location, number of units (tons), (3) weight master and (4) date and time of delivery. The Crew Leader (or designee) should

be present at delivery to sign the pink sheet and confirm that the material delivered is correct.

The Road Administrator approves all invoices via signature and should examine the pink sheet to ensure proper acceptance.

FINDINGS:

Of the nine (9) invoices and supporting documentation examined, we found seven (7) that there was no clear evidence that a Road and Bridge employee had signed the pink sheet. In fact it appeared that the delivery truck driver had signed as "received by." To ensure that the type and quantity of material delivered agrees with the delivery ticket (pink sheet) and subsequent invoice, a Road and Bridge employee should be present at delivery and indicate acceptance of delivery by signature.

PROPOSED CORRECTIVE ACTION:

A Road and Bridge Crew Leader (or designated employee) should be present at all road material deliveries to inspect the material delivered to ensure agreement to delivery ticket, then sign the delivery ticket (pink sheet) for acceptance and include their employee number.

ANNUAL ROAD REPORT AND LONG-RANGE PLAN

Upshur County adopted a "county road department system "unit system" per Subchapter D of the Texas Department of Transportation Code 252. Per section 252.309 of this code, duties of the County Road Engineer or Road Administrator include: preparation of plans and specifications for county road construction and maintenance and preparation of estimations/specifications for equipment, materials, supplies and labor necessary for the construction and maintenance of county roads.

FINDINGS:

The last Annual Road Report that the Auditor's Office was able to locate was filed on January 31, 2014. The following information was included in the report:

- Surface Type definitions (Asphalt, Rock, Dirt, Other)
- Rating Criteria
 - (0)- Closed
 - (1) Pavement disintegrated- needs complete rebuild
 - (2) Visible defects including severe cracking/rutting.
 - (3) Visible defects including moderate cracking.
 - (4) Relatively new surface showing signs of wear.
 - (5) New pavement (free of cracks).
- Road Rating Summary by Precinct which included total miles in each precinct categorized by surface type and condition. Note that a degradation value was added for those roads with oil field traffic.

- Road Inventory- A detailed road inventory of each road by Precinct with assigned road condition rating.
- Number of traffic control devices in the precinct defaced or torn down.
- Any new roads that should be open.
- Amount of funding necessary for maintenance of precinct roads.

The Auditor's Office was not able to locate any annual report submitted to Commissioners Court for any subsequent year.

PROPOSED CORRECTIVE ACTION:

The Road and Bridge Administrator should consider filing an annual report with Commissioners Court including some or all of the information previously reported as well as a breakdown of planned maintenance work by Precinct with associated cost.

FIXED ASSETS

The Auditor's Office maintains a list of all Road and Bridge equipment at a purchase cost of greater than \$ 5,000 and with the assistance of road and bridge employees we attempted to: physically examine the equipment, determine (if possible the condition), and determined registration status, if applicable.

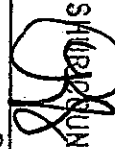
FINDINGS:

- The following equipment was located at the "bone yard" at the pug mill and likely not in use:
 - 1995 CAT Reclaimer SS 250 – cost \$ 45,000, condition "does not run"
 - 1997 John Deere Motor Grader- cost \$ 88,082, condition "does not run"
 - John Deere 762B Scraper- cost \$ 14,500, condition "does not run"
 - John Deere Wheel Loader- cost \$ 64,945, condition "fair"
 - Bo Mag Mixer/Model 1 MPH 5100- cost \$ 30,000, condition "does not run"
 - 1999 Badger Excavator Model 1085D-cost \$ 22,000, condition "does not run"
 - CAT Reclaimer (located at Main Barn)- cost 260,500, condition "does not run"
- Eleven pieces of equipment had either no registration or expired registration and included:
 - Three (3) trailers
 - 2000 International Haul Truck
 - 2007 Dodge 3500 Flatbed
 - 2004 Ford 350 4WD Diesel
 - 544 J Wheel Loader
 - 1999 Ford 1.5 Ton Pickup
 - 1995 Chevy Pickup
 - 1994 White Chevy 3500 Pickup
 - 1996 International w new 6-8 yd bed

- The following two (2) pieces of equipment could not be located:
 - 1985 Olmens ST 35 Trailer
 - 2003 Big Tex 18 ft. trailer
- We were unable to determine the condition of 30 pieces of equipment located in one of the barns. The Ferguson Steel Roller, located in Precinct 2 Barn was in poor condition and two dump trucks and one pickup truck were located in the shop. In the initial meeting with Auditor's Office, the Shop Leader stressed the necessity of hiring an experienced heavy duty equipment mechanic. Currently, Road and Bridge has one open mechanic position at a salary level below market.

PROPOSED CORRECTIVE ACTION:

- Consideration should be given to combining the current budget for the open mechanic position with one of the three vacant equipment operator positions to allow for a competitive salary level to hire an experienced mechanic. With over \$ 5 million invested in Road and Bridge Equipment and it would be to the County's benefit to properly maintain all equipment.
- The Fleet Maintenance module of the current software PubWorks and provides the ability for users to record all work performed on vehicles/equipment, has a preventative maintenance schedule to track required maintenance, record equipment inventory, track registration and maintain a parts inventory. Consideration should be given to purchase this additional module at a one-time cost of \$ 9,000.

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