



**Texas Department
of Motor Vehicles**
HELPING TEXANS GO. HELPING TEXAS GROW.

An Audit of Oversize/Overweight Permitting
16-05

Internal Audit Division
November 2016

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An Audit of Oversize/Overweight Permitting, 16-05 EXECUTIVE SUMMARY

WHY AND WHAT WAS REVIEWED

Motor carriers and the traveling public rely on the Texas Department of Motor Vehicles (TxDMV), specifically the Motor Carrier Division (MCD), to issue timely and accurate permits and routes for vehicles and loads that exceed Texas legal size or weight limits (Oversize/Overweight).

Timely and accurate permit and route information are crucial to both the motor carriers and the traveling public as Oversize/Overweight loads can present a safety risk to highway and bridge infrastructure. It is estimated that Oversize/Overweight loads that did not obtain appropriate permits or did not follow the permitted routes caused \$9.7 million in infrastructure damage in Texas during a three year period (2010 - 2013).

With Texas issuing more than 800,000 Oversize/Overweight permits in FY2015, it is important that accurate and timely permits and routes are issued.

The audit objective was to determine whether the TxDMV validates, updates, and communicates route restriction information on a timely basis to ensure routes are safe for permitted Oversize/Overweight loads.

WHAT WE RECOMMENDED

No recommendations were included in this report.

WHAT WE DETERMINED

The MCD has processes for issuing Oversize/Overweight permits that are working as intended to provide timely and accurate route restriction updates to the motor carriers and the traveling public. Route restrictions are entered within hours of the restriction request being submitted.

The MCD successfully implemented multiple controls in its Permit Restriction Application process to ensure public safety. These controls included:

- Placing legal restrictions on affected road segments and reviewing restriction parameters prior to allowing vehicles with potential size or weight issues from traveling the restricted road segments.
- Ensuring sufficient bridge and road clearance on any routes issued to Oversize/Overweight loads.
- Ensuring new restriction and restriction updates are processed prior to restriction cancellations, thereby avoiding unnecessary risk to the traveling public and the motor carriers.
- Having multiple staff enter, review, and verify restriction requests, including validating the information into the system used for permit issuance and verify the processed restrictions match the original requests.
- Providing Texas Department of Transportation (TxDOT) district offices with a daily copy of restrictions added or updated within the last 24 hours.
- Notifying Oversize/Overweight permit holders of updated restrictions in a timely manner.

No findings were issued in this audit report.

MANAGEMENT RESPONSE

MCD Management agrees with Internal Audit Division's assessment of MCD's processes for issuing Oversize/Overweight permits, in general, and MCD's Restriction Application processes, in particular. MCD Management appreciates the work and insight of the Internal Audit staff throughout the audit process and looks forward to working with the Internal Audit Division in the future.

Overall Conclusion

Maturity Assessment Rating

5: Refined Process Level – The process was found to be standardized, documented, communicated, and followed as a result of continuous improvement and the use of technology. Information technology is used in an integrated way to automate workflow and to improve quality and effectiveness.

Strengths

The Motor Carrier Division (MCD) has processes for issuing permits to vehicles and loads that exceed Texas legal size or weight limits (Oversize/Overweight). These processes are working as intended to support the safety of the traveling public and to validate, update, and communicate route restrictions on a timely basis. The Internal Audit Division (IAD) reviewed the Permit Restriction Application process, where roadway restrictions are approved and entered into the Texas Permitting and Routing Optimization System (TxPROS). In this review, the IAD identified multiple controls used to ensure public safety and provide timely information to motor carriers and the traveling public:

- Restrictions on affected road segments are entered into the TxPROS on the same day or next business day the restrictions are received. Restrictions from the Texas Department of Transportation (TxDOT) include new restrictions, restriction updates, and restriction cancellations. New restrictions and restriction updates are entered first to ensure road safety, but all restriction are entered. On average, the restrictions were entered into the TxPROS within 5 hours from receiving the restriction application.
- When the restrictions are entered, the MCD staff review the restriction parameters (weight, height, or width) prior to allowing vehicles with potential size or weight issues from traveling in those new restriction segments. Staff also adds a buffer zone to the parameters to ensure the safety of the traveling public.
- Once those restrictions are entered, existing Oversize/Overweight permit holders that are impacted by the restrictions are notified through an automated process. The automated process generates a report for existing permit holders whose loads are in violation of newly entered restriction dimensions. The MCD then notifies the Oversize/Overweight permit holder using the contact information on record with the MCD. The notification is sent through e-mail. 11 of 11 (100%) Oversize/Overweight permit holders tested were notified of restriction changes on the same day the restrictions were entered.
- To verify all restrictions received were appropriately entered, the MCD staff provide TxDOT district offices with a daily copy of restrictions added or updated. The list is automatically generated. In addition, the master list of currently active restrictions is publicly available on the TxDMV's website.

These successful outcomes are a result of the MCD's use of a multi-staff entry and review process in which separate persons receive and confirm Restriction Applications and requested dimensions, enter restrictions into the TxPROS, and verify the processed restrictions match the original requests.

Improvements

The IAD does not have any recommendations for improvement as part of this report.

Executive Director Response

Thank you for the opportunity to respond to the Audit of Oversize/Overweight Permitting performed by the Internal Audit Division (IAD). The function of permitting and routing motor carriers is critical to the safety of the motor carrier community and the motoring public as well as to the protection of the state highway infrastructure. I am pleased that the IAD review found that the Texas Department of Motor Vehicles' Motor Carrier Division validates, updates and communicates route restrictions in a timely and accurate manner. I commend the IAD for auditing such an important agency function with professionalism and thoroughness.

Background

The TxDMV, specifically the MCD, is responsible for regulating Oversize/Overweight loads. In fiscal year 2015, the MCD issued more than 800,000 Oversize/Overweight permits. The MCD uses the TxPROS, an online permitting & mapping system, to allow customers to apply for and self-issue many permits and obtain safe routing options for each trip. Routes provided to permit applicants are based on load type, load size and weight, and road conditions. Road conditions and restrictions requests due to conditions are provided by TxDOT district offices and updated by four MCD Geographic Information Specialists.

Restriction requests are received with an accompanying MCD Restriction Application form. The Restriction Application form includes information identifying the originating TxDOT district, road segment affected, allowable dimensions, start and end dates, reason for restriction, and any additional clarifying comments as needed. Restrictions request are usually received in advance of when the restriction will occur. The application forms and related email communication chains are maintained in MCD email archives.

This audit was included in the Fiscal Year 2017 Audit Plan. We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards and in conformance with the International Standards for the Professional Practice of Internal Auditing. These 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.

The audit was performed by Stephen Schultz (Special Projects Coordinator), Derrick Miller (Senior Auditor), and Sandra Menjivar-Suddeath (Internal Audit Director).

In accordance with the Texas Internal Auditing Act (Texas Government Code, Chapter 2102) this report is distributed to the Board of the Texas Department of Motor Vehicles, Governor's Office of Budget, Planning, and Policy, Legislative Budget Board, State Auditor's Office, and the Sunset Advisory Commission.

Appendix 1: Objectives, Scope, Methodology, Maturity Assessment

Objectives

The objective of the audit was to determine whether the TxDMV validates, updates, and communicates route restriction information on a timely basis to ensure routes are safe for permitted Oversize/Overweight loads.

Scope and Methodology

The scope of this project included Oversize/Overweight permit issuance processes used by the MCD and the permit transactions completed between February 2, 2016 and July 6, 2016. A sample of permit transactions were selected to test for how timely the restrictions were entered into the TxPROS system and how timely the permit holders were notified of the new restrictions.

Information and documents that we reviewed included the following:

- *2016 Motor Carrier Division Operational Plan*
- *Texas Permitting and Routing Optimization System Narrative on Development and Performance*
- *Texas Administrative Code, Title 43, Part 10, Chapter 219, Subchapter B, Rule §219.11 General Oversize/Overweight Permit Requirements and Procedures*
- *Motor Carrier Division Fiscal Year 2017 Legislative Change Requests*
- *Interagency Contract for Fiscal Year 2015 between Texas Department of Motor Vehicles and Texas Department of Transportation*
- *Restriction Entries and audit logs in the TxPROS Restriction Manager module between February 1, 2016 and July 6, 2016.*
- *Motor Carrier Division Restriction Application archives*
- *Motor Carrier Division daily restriction worklist archives*
- *Motor Carrier Division historical restriction violator reports*
- *Motor Carrier Division email archives*
- *Interviews with Motor Carrier Division director, managers, and staff*
- *Observation of restriction application receipt, entry, and review*

Maturity Assessment Rating Definition

The maturity assessment rating and information were derived from the Control Objectives of Information and Related Technologies (COBIT) 5 IT Governance Framework and Maturity Model and the Enterprise Risk Management (ERM) Maturity Model. The model was adapted for the TxDMV assurance audit purposes and does not provide a guarantee against reporting misstatement and reliability, non-compliance, or operational impacts. Below are the definitions for each rating level.

0 - A rating level of 0, also known as a non-existent process level, is defined as no process has been defined or used.

1 - A rating level of 1, also known as an initial and ad-hoc process level, is defined as a standardized process has not been developed and an ad hoc approach is being used when issues arise.

- 2 - A rating level of a 2, also known as repeatable but intuitive process level, is defined as having developed a process where similar procedures are followed by several employees, but the results may not be consistent. The process is not documented and has not been sufficiently evaluated to address risks.
- 3 - A rating level of a 3, also known as a defined process level, is defined as having a standardized, documented, communicated, and followed process. The process, however, may not detect any deviation due to the process not being sufficiently evaluated to address risks.
- 4 - A rating level of a 4, also known as a managed and measurable process level, is defined as having a standardized, documented, communicated, and followed process. Management monitors and measures compliance with process. Process is under constant improvement and provides good practice. The use of information technology would help automate workflow and improve quality and effectiveness.
- 5 - A rating level of a 5, also known as refined level, is defined as having a good process (e.g., standardized, documented, communicated, and followed process) as a result of continuous improvement and the use of technology. Information technology is used in an integrated way to automate workflow and to improve quality and effectiveness.