



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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06-15

June 27, 2019

Ms. Veronica Myers  
El Paso County Parks and Recreation Director  
6900 Delta Dr.  
El Paso, Texas 79905

Dear Mrs. Myers:

The County Auditor's Internal Audit division performed an audit of the Ascarate Toll Booth and Rental financial records to determine if internal controls are adequate to ensure proper preparation of the Ascarate Toll Booth and Rental financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating, compliant and efficient.

The audit report is attached. We tested six financial controls and two operating controls with a total of 132 samples. There was one finding noted as a result of the audit procedures. We wish to thank the management and staff of Ascarate Park for their assistance and courtesies extended during this audit.

Because of certain statutory duties required of the County Auditor, this office is not independent in regard to your office, as defined by AICPA professional standards. However, our audit was performed with objectivity and due professional care.

Respectfully,

Edward A. Dion  
County Auditor

cc: Mrs. Betsy Keller, Chief Administrator  
Mrs. Norma R. Palacios, Public Works Director



## Ascarate Toll Booth and Rentals



### FINDINGS AND ACTION PLANS

#### BACKGROUND

The Ascarate Toll Booth collects gate entrance fees for Ascarate Park. The park is open every day but only charges on Saturdays and Sundays. It charges a \$2 fee on weekends and a \$5 fee for any scheduled special event or holiday. A sequential ticketing system is used as receipts for customers and on the following Monday collections for each day are entered as an individual RecWare receipt. Ascarate Park rentals include soccer and baseball fields, the pavilion, the San Elizario Placita, picnic shelters, and hosting special events. The park office is responsible for booking and recording payment of all rentals. Financial reports are generated from RecWare showing daily collections for each month and are accounted for in the County's financial accounting system, Munis. Ascarate Park did not host the Sun City Music Festival and Sun City Fair in FY18, resulting in decreased collections. Collections for 2016, 2017, and 2018 are illustrated below.



Source: Munis

The audit was performed by Hadi Medina, internal auditor. The most recent audit report was issued on May 23, 2018, with a scope of March 2017 to March 2018.

#### AUDIT OBJECTIVES

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to the Ascarate Toll Booth and Rental's financial reports. Following are the business objectives and related control assessments.

Business Objective	Control Assessment
1. Management of contracts in accordance with agreed terms and conditions	Satisfactory
2. Accurate posting in RecWare of revenue collected	Satisfactory
3. Timely deposits of collections in accordance with <i>Local Government Code 113.022</i>	Satisfactory
4. Functioning appropriate cash controls	Satisfactory
5. Adherence to approved fee schedule by Commissioners Court	Needs Improvement
6. Functioning appropriate purchasing controls	Satisfactory
7. Adherence to documented policies and procedures	Satisfactory
8. Adequate non-financial security and operational measures	Satisfactory

#### SCOPE

The scope of the audit is April 2018 through March 2019.



## Ascarate Toll Booth and Rentals



### FINDINGS AND ACTION PLANS

#### METHODOLOGY

To achieve the audit objectives we:

- Interviewed staff to gain an understanding of their current policies and procedures over contracts, rentals, toll booth collections, and overall Ascarate Park operations.
- Reviewed a sample of Facilities-Special Events Agreements for compliance of agreed terms and approved fee schedule.
- Identified designated special events and holidays during the scope of the audit and verified appropriate entrance fees were collected.
- Tested a sample of RecWare receipts to determine accurate system entry.
- Performed a surprise cash count in accordance with *Local Government Code (LGC) §115.0035*.
- Tested a sample of deposits slips and cash count sheets for completeness, accuracy and timely posting in accordance with *LGC §113.022*.
- Reviewed a sample of special event contracts to determine proper adherence to contractual terms and fee collections.
- Observed current security and operational processes and controls.

#### RESULTS

Listed below are controls and findings summaries, with findings listed from highest to lowest risk. Please see the *Findings and Action Plans* section of this report for the status of the prior audit report findings, and related details and management action plans for the current findings.

Controls Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> <li>• Management of Contract Agreements (Obj. 1)</li> <li>• Revenue receipt controls (Obj. 2)</li> <li>• Timely deposit controls (Obj. 3)</li> <li>• Cash handling controls (Obj. 4)</li> <li>• Purchasing controls (Obj. 6)</li> <li>• Maintain and follow department policies and procedures (Obj. 7)</li> <li>• Non-financial security and operational controls (Obj. 8)</li> </ul>	<ul style="list-style-type: none"> <li>• Adherence to approved Fee Schedule (Obj. 5)</li> </ul>
Findings Summary	
<ol style="list-style-type: none"> <li>1. An incorrect amount was charged on a field rental.</li> </ol>	

#### INHERENT LIMITATIONS

This financial review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the County's assets from misrepresentation, loss, theft, or misuse. The County's internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of implementing the controls should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires the use of estimates and judgment by management. Because of the inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected.

#### CONCLUSION

The Toll Booth has implemented improvements in their operations and met seven of the eight audit objectives. Implementation of the recommendations provided in this report should assist the Toll Booth in producing complete and accurate financial reports by strengthening their internal control structure.



## Ascarate Toll Booth and Rentals

### FINDINGS AND ACTION PLANS



#### Prior Audit Findings Summarized with Current Status

- M Closed** 1. **Finding:** 84 of 180 daily cash count sheets reviewed included either an overage or shortage. Although the overages and shortages are a small percentage of total collections, it is important to emphasize on cashier training to avoid the risk of a larger loss of county funds.  
**Recommendation:** Due care should be exercised by Toll Booth staff when performing cashiering duties to avoid overages or shortages of funds.  
**Action Plan:** Management will continue to monitor and stress importance of cash handling procedures with staff. Cashiering training will be arranged with Inter National Bank staff for new and current staff as needed.
- M Closed** 2. **Finding:** Two cashiers with overages were not disciplined in accordance with established policies and procedures. Policy and procedures state “For purposes of handling overages and shortages, the assigned supervisor and manager shall apply the policy for purposes of providing discipline.”  
**Recommendation:** When overages or shortages occur, policies and procedures should be followed and additional cashiering training provided as needed.  
**Action Plan:** Manager will enforce department and County policies consistently and impartially. Manager will also be verbally warned by director.

#### Current Audit Findings & Action Plans

Finding #1	Risk Level <b>M</b>
<p><i>Ascarate Park fee schedule:</i> A sample of 30 agreements were reviewed to ensure proper entry, payment of security deposits (if applicable), and accurate payment in accordance with approved fee schedule. The rentals included sports fields, the San Elizario Placita, food truck permits, picnic shelters, and the pavilion. A field rental was charged two hours less than what the permit stated. Rental agreement fees should be collected accurately to minimized County revenue loss.</p>	
<b>Recommendation</b>	
Due care should be exercised by Ascarate Park staff when applying fees on all rental agreements.	
<b>Action Plan</b>	
<b>Person Responsible</b>	<b>El Paso County Parks and Recreation Director</b>
<b>Estimated Completion Date</b>	<b>6/14/2019</b>
<p>Management will continue to monitor rentals and stress the importance of the fee schedule with staff. <i>Auditor’s note: Once management was made aware of the issue, it was addressed with the employee.</i></p>	