



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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05-11

May 16, 2019

The Honorable Manuel Lopez
Constable Precinct 5
9521 Socorro Rd.
Suite B-2
El Paso, Texas 79927

Dear Constable Lopez:

The County Auditor's Internal Audit division performed an audit of the El Paso County Constable Precinct 5 office to determine if internal controls are adequate to ensure preparation of Constable 5 financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating and efficient.

The audit report is attached. We tested one operational and six financial controls with a total of 50 samples. There were three findings noted as a result of the audit procedures. We wish to thank the management and staff of the Constable Precinct 5 office 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

EAD:PT:RG:ya

cc: Ms. Betsy C. Keller, Chief Administrator
Mr. Ruben Anguiano, Sergeant Deputy Constable, Precinct 5



EI PASO COUNTY CONSTABLE PRECINCT 5



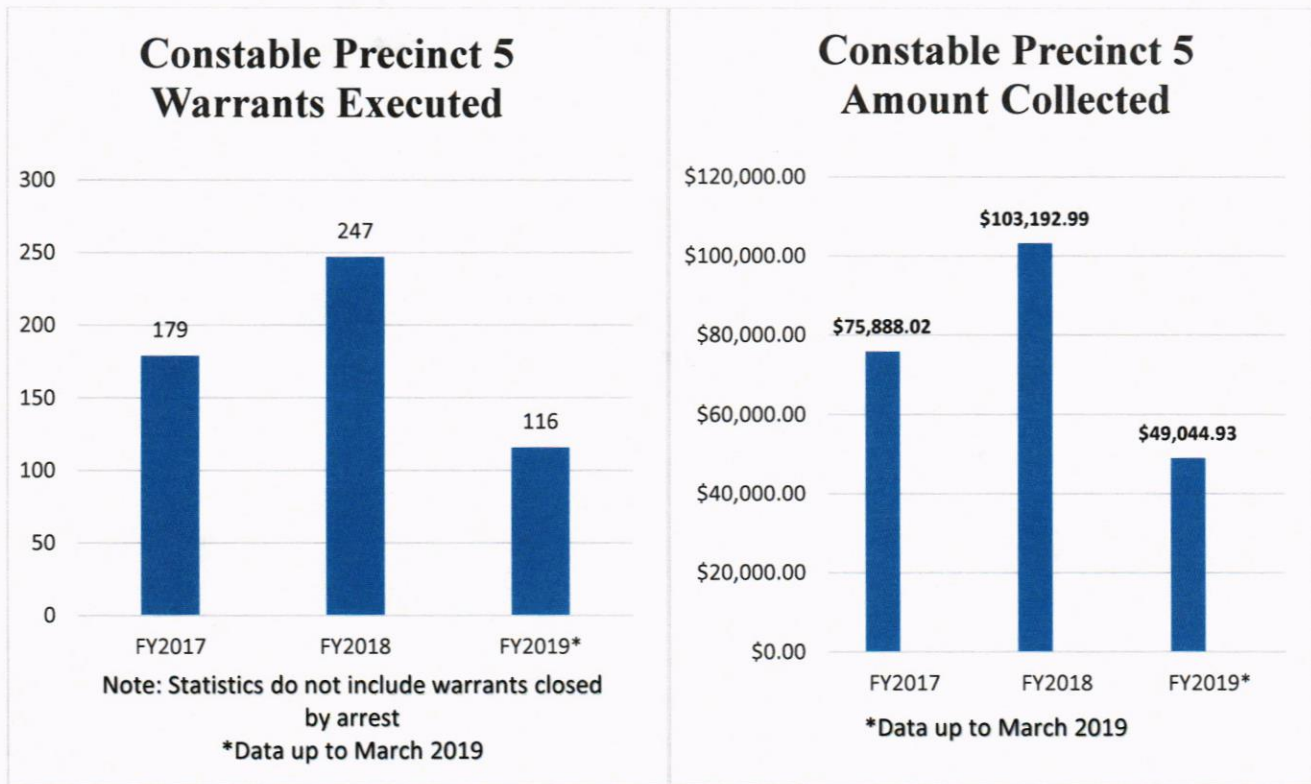
FINDINGS AND ACTION PLANS

BACKGROUND

Constables are elected officials and serve four year terms within each justice precinct. Constables have the same duties and powers as do police officers and sheriffs, and have the duty to serve warrants, precepts, and civil process lawfully directed to them. Constables are also required by law to be present, or ensure one of their Deputy Constables is present, during hearings held by the Justice of the Peace. The current Constable has been in office since January 2017. Staff consists of one sergeant, two deputy constables and one administrative clerk. The audit was performed by James O’Neal, internal auditor manager – senior.

FINANCIAL REPORTING

Financial and statistical reports are generated from the Odyssey Courts and Justice System (Odyssey) and internal reporting from the County Auditor’s Office. The following charts represent statistical and financial data for Constable Precinct 5 office.



Source: Odyssey Judicial Reporting System

OBJECTIVES

The audit evaluated the adequacy of controls and processes used to achieve key business objectives related to the Constable Precinct 5 office. Following are the business objectives and related control assessment.

Business Objective	Control Assessment
1. Establish and document policies and procedures	Needs Improvement
2. Functioning appropriate cash controls	Unsatisfactory
3. Completeness and posting of manual receipts in Odyssey	Satisfactory
4. Manual receipt book log documentation and controls	Needs Improvement
5. Compliance with timely deposit law Local Government Code §113.022	Satisfactory
6. Compliance with continuing education requirements Occupations Code §1701.351	Satisfactory
7. Compliance with weapons proficiency requirements Occupations Code §1701.355	Satisfactory



**EI PASO COUNTY
CONSTABLE PRECINCT 5 AUDIT
EXECUTIVE SUMMARY**



SCOPE

The scope of the audit is January 2018 through December 2018.

METHODOLOGY

To achieve the audit objectives we:

- Reviewed applicable policies, procedures and regulations.
- Tested a sample of receipts for appropriate documentation and timely posting in Odyssey.
- Requested office manual receipt book log for review.
- Tested collections for timely deposit compliance in accordance with *Local Government Code § 113.022*.
- Reviewed training records for compliance with *Occupations Code §1701.351*.
- Reviewed weapons proficiency records for compliance with *Occupations Code §1701.355*.

RESULTS

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

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Timely posting of receipts in Odyssey (Obj. 3) • Timely deposit compliance (Obj. 5) • Compliance with education requirements (Obj. 6) • Compliance with weapons proficiency requirements (Obj. 7) 	<ul style="list-style-type: none"> • Established and documented policies and procedures (Obj. 1) • Segregation of duties (Obj. 2) • Manual receipt book log controls (Obj. 4)
Finding Summary	
<ol style="list-style-type: none"> 1. Lack of segregation of duties; one deputy performs the accepting, recording and depositing of mailed in payments. 2. Current policies and procedures only reference law enforcement policies and procedures and do not reference office or clerical policies and procedures 3. There is no manual receipt book log indicating which books are assigned to which deputy and which have been turned in. 	

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 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 El Paso County Constable Precinct 5 office met four of the seven objectives of this audit. Implementation of recommendations provided in this report should assist the Constable's office in improving the internal control structure of its operations.



Prior Audit Findings Summarized with Current Status

This is the first official audit for the office of Constable Precinct 5. Therefore, there were no prior findings for this office.

Current Audit Findings & Action Plans

Finding #1		Risk Level H									
<p><u>Segregation of Duties</u> – Payments mailed to the office of Constable, Precinct 5 are immediately logged into a computer file for reference, recorded in Odyssey and then prepared for deposit. However, it was noted that these procedures are all performed by one officer. Failure to institute a segregation of duties control may lead to possible theft or misappropriation of funds.</p>											
<p>Recommendation</p> <p>Constable Precinct 5 should implement a segregation of duties policy in order to ensure all collections are properly and accurately recorded and deposited. This procedure should have at least one other officer or clerk review and assist in the collections recording and deposit preparation processes. If this cannot be accomplished due to lack of staffing, the Constable should periodically review daily collection recordings and deposits to ensure proper cash controls are being followed. All secondary reviews should be acknowledged and documented via signature or initial.</p>											
<p>Action Plan</p> <table border="1"> <thead> <tr> <th>Person Responsible</th> <th>Constable, Precinct 5</th> <th>Estimated Completion Date</th> <th>Immediately</th> </tr> </thead> <tbody> <tr> <td colspan="4"> <p>Constable agrees with recommendation. Due to minimal staff, all deputy deposits will be reviewed by the Sergeant while the Constable will review all deposits made by the Sergeant. Further, the Constable will randomly review collection recordings and deposits made by all officers to ensure proper cash controls are being followed. As recommended, all secondary reviews will be documented via signature. This new policy will be addressed in the office policies and procedures to be created by the Constable. Implementation of this recommendation should tighten cash controls and reduce the risk of theft or fraud.</p> </td> </tr> </tbody> </table>				Person Responsible	Constable, Precinct 5	Estimated Completion Date	Immediately	<p>Constable agrees with recommendation. Due to minimal staff, all deputy deposits will be reviewed by the Sergeant while the Constable will review all deposits made by the Sergeant. Further, the Constable will randomly review collection recordings and deposits made by all officers to ensure proper cash controls are being followed. As recommended, all secondary reviews will be documented via signature. This new policy will be addressed in the office policies and procedures to be created by the Constable. Implementation of this recommendation should tighten cash controls and reduce the risk of theft or fraud.</p>			
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EL PASO COUNTY CONSTABLE PRECINCT 5



FINDINGS AND ACTION PLANS

Finding #2		Risk Level M	
<p><u>Documented Policies and Procedures</u> – The current policies and procedures provided only address law enforcement policies and procedures. The following are some examples of key operational clerical and office functions that should be addressed in the policies and procedures manual:</p> <ul style="list-style-type: none"> • Receipting of collections in Odyssey • Timely posting of manual receipts in Odyssey • Daily close out and reconciliation of Odyssey tills • Deposit preparation • Security and storage of funds held overnight • Timely deposit law compliance • Segregation of duties • Manual receipt book log usage • Procedures to forward bond paper work to the Justice of the Peace <p>The lack of strong office policies and procedures weakens the internal controls and fails to offer guidance to the current and any future deputies or office staff. This increases the risks of loss, theft, fraud and inconsistent processes.</p>			
Recommendation			
Constable Precinct 5 should update the current policies and procedures to address the above key clerical and office functions and any other clerical functions deemed necessary.			
Action Plan			
Person Responsible	Constable, Precinct 5	Estimated Completion Date	Within 2 weeks
Constable agrees with recommendation. Constable will develop office policies and procedures to address not only the functions mentioned above but any others deemed necessary. This will offer guidance to the current and future deputies or office staff. Further, the policies and procedures may decrease the risk of loss, theft, fraud or inconsistent processes.			



EI PASO COUNTY CONSTABLE PRECINCT 5



FINDINGS AND ACTION PLANS

Finding #3		Risk Level L	
<p><u>Manual receipt books</u> - The Constable's office does not have a log representing which receipt books are assigned to which deputy and which receipt books have been remitted for disposal. This log will reduce the risk of receipt misuse and possible theft of County funds.</p>			
Recommendation			
<p>We recommend a manual receipt book log be implemented by the Constable's office to provide better internal controls. The receipt log should contain the receipt book number, date of issuance, name and signature of deputy acceptance, date of return and date of submission to the County Auditor's office for review and disposal.</p>			
Action Plan			
Person Responsible	Constable, Precinct 5	Estimated Completion Date	Within 2 weeks
<p>Constable agrees with recommendation. Constable acknowledges the need for manual receipt control and will create a log showing which receipt books are assigned to which officer. Further, this log will also show which completed books have been returned back to this office for audit and disposal. This policy will also be addressed in the office policies and procedures to be created by the Constable. Implementation of this recommendation should tighten manual receipt book controls and reduce the risk of receipt misuse.</p>			