



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

EDWARD A. DION, CPA
COUNTY AUDITOR
edion@epcounty.com
www.epcounty.com/auditor

County Administrative Offices
800 East Overland Street, Rm. 406
EL PASO, TEXAS 79901-2407
(915) 546-2040
(915) 546-8172 FAX

06-04

June 8, 2020

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 two operational and four financial controls with a total of 40 samples. There were three findings noted as a result of the audit procedures, two were previous audit findings still unresolved. 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,

A handwritten signature in blue ink that reads "Edward A. Dion".

Edward A. Dion
County Auditor

EAD:PT:RG:ya

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



**EI PASO COUNTY CONSTABLE PRECINCT 5
JANUARY 2019 – DECEMBER 2019
EXECUTIVE SUMMARY**

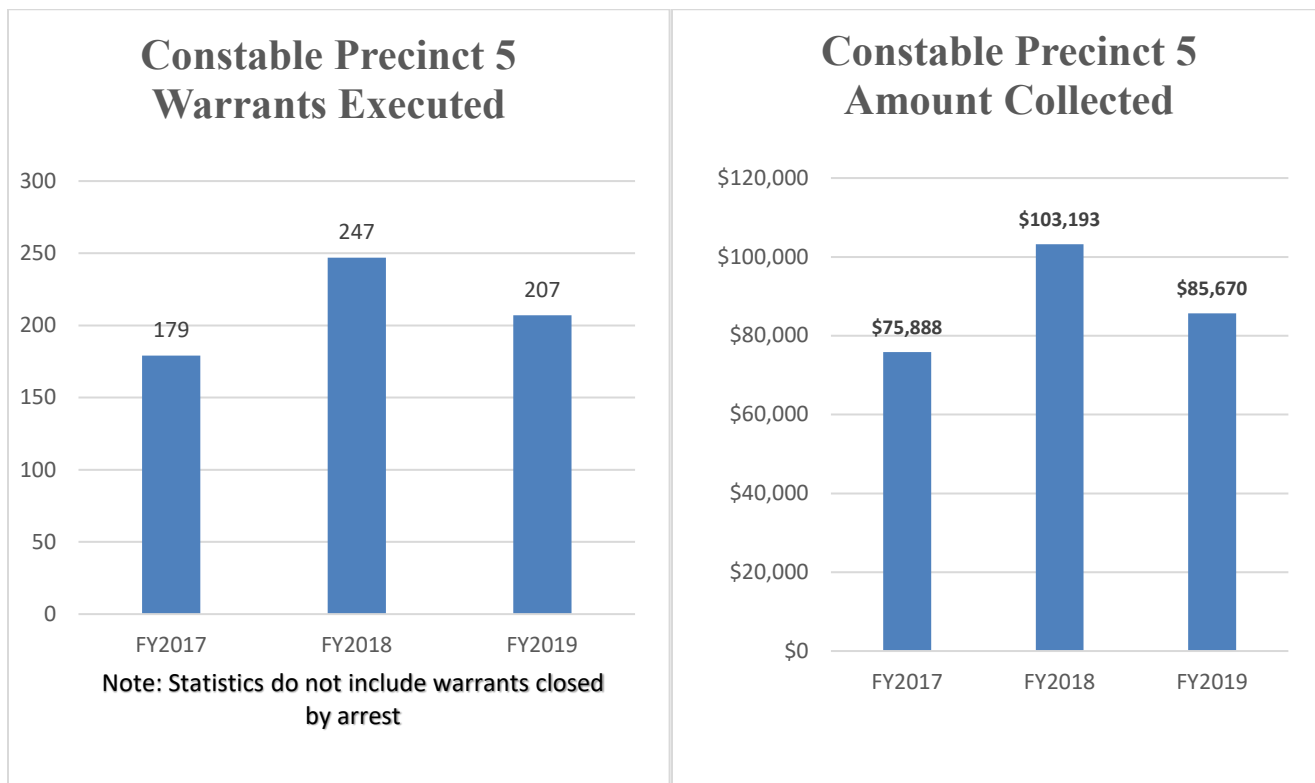


BACKGROUND

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. The previous audit report was issued on May 16, 2019.

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. Established and documented office and law enforcement policies and procedures	Needs Improvement
2. Compliance with timely deposit law <i>Local Government Code §113.022</i>	Satisfactory
3. Maintenance and review of fuel card usage, documentation and controls	Needs Improvement
4. Maintenance and review of logged civil service documentation and controls	Satisfactory
5. Compliance with weapons proficiency requirements <i>Occupations Code §1701.355</i>	Satisfactory
6. Maintenance of manual receipt book log documentation and controls	Needs Improvement



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SCOPE

The scope of the audit is January 2019 through December 2019.

METHODOLOGY

To achieve the audit objectives we:

- Reviewed applicable office and law enforcement policies, procedures and regulations.
- Tested a sample of collections for timely deposit in accordance with *Local Government Code § 113.022*.
- Tested a sample of monthly fuel card statements to ensure proper usage, documentation and controls.
- Tested a sample of logged foreign civil services to ensure proper Odyssey entry and controls.
- Reviewed weapons proficiency records for compliance with *Occupations Code §1701.355*.
- Requested departmental manual receipt book log for review.

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 deposit compliance (Obj. 2) • Logged civil service documentation and controls (Obj. 4) • Weapons proficiency requirements compliance (Obj. 5) 	<ul style="list-style-type: none"> • Established and documented office and law enforcement policies and procedures (Obj. 1) • Fuel card usage, documentation and controls (Obj. 3) • Manual receipt book log controls (Obj. 6)
Finding Summary	
<ol style="list-style-type: none"> 1. Current policies and procedures lack detailed office and clerical policies and procedures (prior audit issue). 2. Four percent of sampled fuel card transactions had inconsistent odometer readings. 3. Lack of a manual receipt book log documenting which manual receipts books are assigned or disposed (prior audit issue). 	

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 three of the six 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.



EL PASO COUNTY CONSTABLE PRECINCT 5
JANUARY 2019 – DECEMBER 2019
FINDINGS AND ACTION PLANS



Prior Audit Findings Summarized with Current Status

Status

H Closed

1. **Finding: Segregation of Duties** – One officer performs payment receipt logging, Odyssey recording and preparation of deposit for mailed in payments.

Recommendation: 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.

Action Plan: 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. **Resolved**

M Open

2. **Finding: Documented Policies and Procedures** – The current policies and procedures provided only address law enforcement policies and procedures. Key operational clerical and office functions should be addressed in the policies and procedures manual.

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: 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. **Unresolved**

L Open

3. **Finding: Manual Receipt Books** – 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.

Recommendation: 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.

Action Plan: 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. **Unresolved**



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FINDINGS AND ACTION PLANS**



Current Audit Findings & Action Plans

Finding #1		Risk Level M	
<p><u>Documented Policies and Procedures</u> – Although the Constable created office policies and procedures, per a previous audit recommendation, key operational clerical and office functions are still not addressed. Examples of these functions are as follows:</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 and timely deposit law (LGC §113.022) compliance • Security and storage of funds held overnight • Segregation of duties • Fuel card procedures • Manual receipt book log usage <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 (prior audit issue).</p>			
Recommendation			
As previously recommended, 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	June 30, 2020
Although Constable updated office policies and procedures, the previously recommended key clerical and office functions listed above were not addressed. Constable agrees to work with staff to update office policies and procedures to incorporate not only the functions recommended above but any others deemed necessary.			



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Finding #2 **Risk Level** M

Departmental Fuel Cards – In a sample of two monthly fuel card statements containing a total of 51 transactions, two or 4% of the transactions had inconsistent odometer readings. Fueling requires odometer readings and fuel card pin numbers to be entered to begin the fueling process. The odometer reading entered and the number of gallons purchased calculates the miles per gallon. If the odometer readings input are not consistent, the miles per gallon cannot be calculated. Each monthly statement contains fuel purchases for four vehicles, inconsistent readings were for two vehicles as shown below.

Date	Card Number	Vehicle Description	Previous Odometer Reading	Current Odometer Reading	Difference	Gallons Purchased	Miles Per Gallon
6/20/19	6808985	16-Ford Exp 4645	37,208	31,715	(5,495)	13.16	Could not be calculated
10/3/19	4378466	17-Ford Exp	19,845	19,035	(810)	8.93	Could not be calculated

Inconsistent or incorrect information entry could lead to possible fraud, misuse or loss of County funds. Further, the lack of correct data entry could lead to incorrect or misleading departmental fuel consumption statistics.

Recommendation

Constable Precinct 5 should communicate the importance of proper fuel card usage and accurate odometer reading input to staff fueling departmental vehicles. Odometer readings per vehicle assigned fuel cards should be consistent without deviation. Further, this should be documented in the office policies and procedures to ensure proper acknowledgement by department staff.

Action Plan

Person Responsible	Constable, Precinct 5	Estimated Completion Date	June 30, 2020
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Constable agrees with odometer reading input recommendation and will relay and discuss these inconsistencies and the importance of accurate odometer reading input during the fueling process with all deputies. Further, Constable will update office policies and procedures with fueling practices discussed and recommended.



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FINDINGS AND ACTION PLANS**



Finding #3		Risk Level L	
<p><u>Manual receipt books</u> - The Constable's office still 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 (prior audit issue).</p>			
Recommendation			
<p>As previously recommended, 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	June 15, 2020
<p>Constable has begun work on finalizing a manual receipt book log to ensure proper assignment of all issued receipt books. Further, any books not in use shall be placed in a secure location with limited access.</p>			