



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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07-02

July 8, 2020

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 one operating control with a total of 129 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,

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

Edward A. Dion
County Auditor

EAD:HM:ya

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



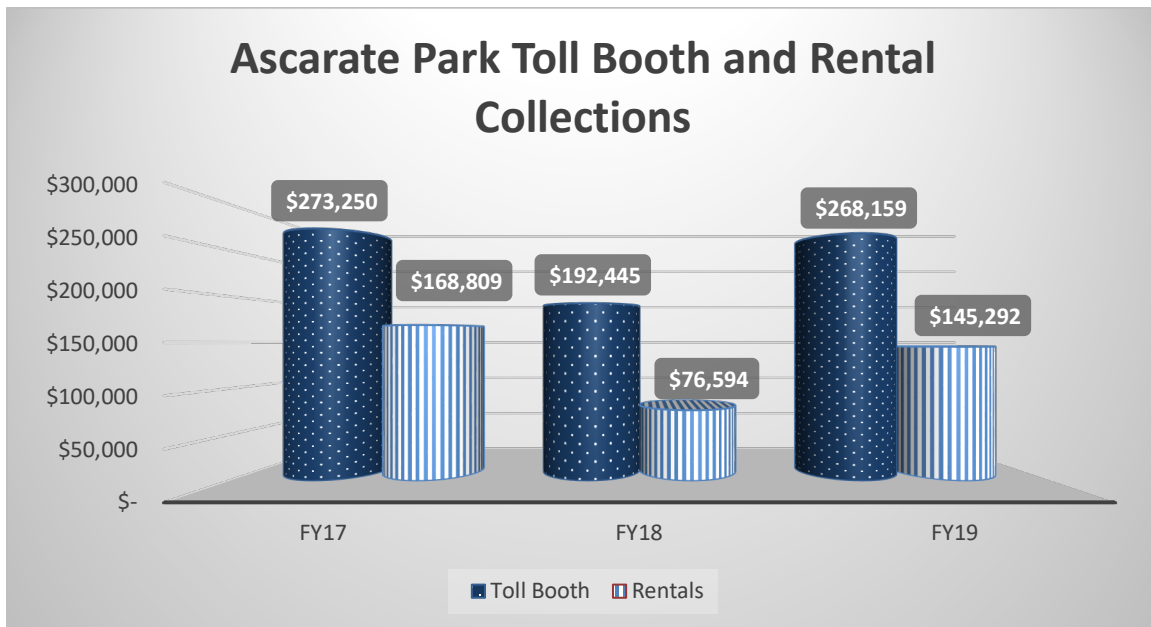
Ascarate Toll Booth and Rentals For the Period April 2019 to March 2020



EXECUTIVE SUMMARY

BACKGROUND

The Ascarate Park Toll Booth collects Commissioners Court approved gate entrance fees for the park. The park is open every day; however, toll booth only collects fees in the amounts of \$2.00 on Saturdays and Sundays and \$5.00 for scheduled special events and certain holidays. A sequential ticketing system was used in the past as receipts for customers but now customer receipts are generated by the Ascarate Park collection software (RecWare). The park administrative office is responsible for booking and recording payment of all rentals. Ascarate Park rentals include soccer and baseball fields, the pavilion, picnic shelters, and hosting special events; they also collect for rentals of the San Elizario Placita. Financial reports are generated from RecWare showing daily collections for each month and are accounted for in the County's financial accounting system, Munis. Collections for 2017, 2018, and 2019 are illustrated below. Ascarate Park did not host the Sun City Music Festival and Sun City Fair in FY18, resulting in decreased collections.



Source: Munis

The audit was performed by Hadi Medina, internal auditor. The most recent audit report was issued on June 27, 2019, with a scope of April 2018 to March 2019.

AUDIT OBJECTIVES

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

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

SCOPE

The scope of the audit is April 2019 through March 2020.



**Ascarate Toll Booth and Rentals
For the Period April 2019 to March 2020**



EXECUTIVE SUMMARY

METHODOLOGY

To achieve the audit objectives we:

- Reviewed current policies and procedures over contracts, rentals, toll booth collections, and overall Ascarate Park operations.
- 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 rental agreements for compliance of agreed terms, RecWare entry, and approved fee schedule.
- Traced a sample of purchase orders for segregation of duties between requisition entry, approvals, and receiving of items ordered.
- Identified designated special events and holidays during the scope of the audit and verified appropriate entrance fees were collected.
- Reviewed Special Event Contracts to determine proper adherence to contractual terms and fee collections.

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"> • Maintain and follow department policies and procedures (Obj. 1) • Cash handling controls (Obj. 2) • Timely deposit controls (Obj. 3) • Revenue receipt controls (Obj. 4) • Purchasing controls (Obj. 5) • Adherence to approved Fee Schedule (Obj. 6) 	<ul style="list-style-type: none"> • Management of Contract Agreements (Obj. 7)
Findings Summary	
<ol style="list-style-type: none"> 1. Contracts require event fees be paid in full before the agreement is executed: 10% of Special Event Contracts were paid after the agreements were executed. 	

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 six of the seven 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
For the Period April 2019 to March 2020**



FINDINGS AND ACTION PLAN

Prior Audit Findings Summarized with Current Status

- M Closed** 1. **Finding:** 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. **Recommendation:** Due care should be exercised by Ascarate Park staff when applying fees on all rental agreements. **Action Plan:** Management will continue to monitor rentals and stress the importance of the fee schedule with staff. *Auditor's Note: Once management was made aware of the issue, it was addressed with the employee. Resolved.*

Current Audit Finding & Action Plan

Finding #1		Risk Level M	
<p><i>Special Event Contracts:</i> Two out of 20 contracts (10%) were not paid timely according to the agreements. The Special Event Contracts are agreements between the Parks and Special Events Department and the licensees. The agreements require payment prior to execution of the contract (signature by the County) and payment is typically nonrefundable. A contract totaling \$20,702 was not paid in full at the time of execution: a payment of \$810 was paid eight days after the execution date and another payment of \$800 was paid four days after the event was scheduled to start. Another contract totaling \$2,920 was paid a day after the execution date.</p> <p>Ascarate Park staff is failing to enforce payment agreements before having a County official sign a contract. This increases the risk of monetary loss to the County with possible cancellation of events prior to payment or no payment at all after the event takes place.</p>			
Recommendation			
<p>Ascarate Park staff should emphasize to potential licensees that all event fees must be paid in full before or at the time of execution. The El Paso County Parks and Recreation Director should verify event fees have been paid in full before sending the agreement to County officials for signature.</p>			
Action Plan			
Person Responsible	El Paso County Parks and Recreation Director	Estimated Completion Date	7/01/2020
<p>Parks and Recreation Special Events Coordinator will verify all event fees have been paid in full before sending the agreement to County officials for signature. In the event a modification to the contract is required, this will be notified to County officials and any amendments will be added to track accordingly. To facilitate payment for customers, payment policies and procedures will be reviewed to allow credit card payments over the phone.</p>			