



COUNTY OF EL PASO OFFICE OF THE COUNTY AUDITOR

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09-17

September 23, 2020

The Honorable Jeremiah M. Haggerty
Constable Precinct 2
4641 Cohen, Suite A
El Paso, Texas 79924

Dear Constable Haggerty:

The County Auditor's Internal Audit division performed an audit of the El Paso County Constable Precinct 2 office to determine if internal controls are adequate to ensure preparation of Constable Precinct 2 financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating and efficient.

The audit report is attached. We tested four operational and four financial controls with a total of 98 samples. There were six findings noted as a result of the audit procedures. We wish to thank the management and staff of the Constable Precinct 2 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,

 for Edward A. Dion

Edward A. Dion
County Auditor

EAD:PT:RG:ya

cc: Mrs. Betsy C. Keller, Chief Administrator



EI PASO COUNTY CONSTABLE PRECINCT 2
January 2019 – MARCH 2020
FINDINGS AND ACTION PLANS

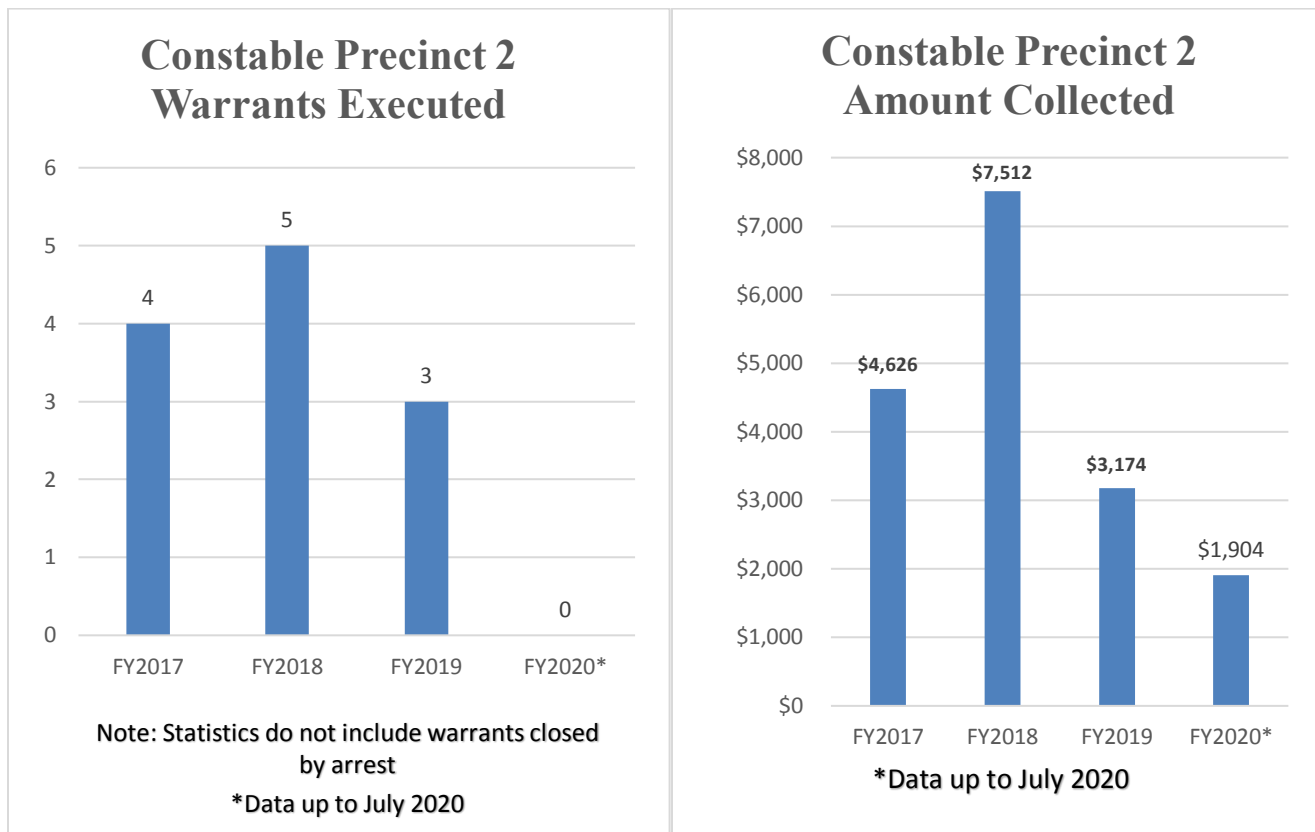


BACKGROUND

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 2013. 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 2 office. Warrant collections are dependent on other Justice of the Peace precincts due to the lack of warrant issuance by the Constable’s assigned Justice of the Peace. The 58% drop in revenue from fiscal year (FY) 2018 to FY 2019 is due to a decrease in the number of warrant collections performed by Precinct 2 deputies for other precincts.



Source: Odyssey Judicial Reporting System



**EI PASO COUNTY
CONSTABLE PRECINCT 2 AUDIT
JANUARY 2019 – MARCH 2020
EXECUTIVE SUMMARY**



OBJECTIVES

The audit evaluated the adequacy of controls and processes used to achieve key business objectives related to the Constable Precinct 2 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 (LGC) §113.022</i>	Unsatisfactory
3. Compliance with Commissioner's Court approved civil collection fees; <i>LGC §118.131</i>	Satisfactory
4. Maintenance and review of mailed-in foreign civil service payment documentation and controls	Unsatisfactory
5. Maintenance of manual receipt book log documentation and controls	Unsatisfactory
6. Maintenance and review of fuel card usage, documentation and controls	Needs Improvement
7. Compliance with El Paso County Human Resources timekeeping and attendance policies and procedures	Needs Improvement
8. Compliance with weapons proficiency requirements <i>Occupations Code §1701.355</i>	Satisfactory

SCOPE

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

METHODOLOGY

To achieve the audit objectives we:

- Requested for review all applicable policies, procedures and regulations for both clerical and in-field processes.
- Tested a sample of collections for timely deposit compliance in accordance with *LGC §113.022*.
- Tested a sample of civil fee collections to ensure compliance with Commissioners Court and *LGC §118.131* fee approvals.
- Requested mailed-in foreign civil service payment logs for review to ensure proper controls, documentation and timely financial system (Odyssey) input.
- Requested office manual receipt book log for proper documentation and control review.
- Tested a sample of monthly fuel card statements to ensure proper usage, documentation and controls.
- Reviewed employee time cards to ensure proper compliance with El Paso County Human Resources compensatory, administrative and shift differential timekeeping policies and procedures.
- Reviewed weapons proficiency records for compliance with *Occupations Code §1701.355*.



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EXECUTIVE SUMMARY**



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, as well as the status of prior audit action plans.

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> Approved civil fee collection compliance (Obj. 3) Weapons proficiency requirement compliance (Obj. 8) 	<ul style="list-style-type: none"> Established and documented policies and procedures (Obj. 1) Timely deposit compliance (Obj. 2) Mailed-in foreign civil fee controls, documentation and timely Odyssey input (Obj. 4) Manual receipt book log documentation and controls (Obj. 5) Fuel card usage, documentation and controls (Obj. 6) County Human Resources timekeeping and attendance policies and procedures compliance (Obj. 7)
Finding Summary	
<ol style="list-style-type: none"> 1. Non-compliance with County Human Resource timekeeping policies and procedures 2. Lack of proper mailed-in foreign civil fee documentation and controls 3. 43% of collections sampled did not comply with LGC § 113.022 (Time for Making Deposits) 4. 5% of sampled fuel card transactions had inconsistent odometer readings 5. Office and clerical policies and procedures are not documented 6. Lack of manual receipt book log 	

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 2 office met two of the eight 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.



**EI PASO COUNTY CONSTABLE PRECINCT 2
JANUARY 2019 – MARCH 2020
FINDINGS AND ACTION PLANS**



Prior Audit Findings Summarized with Current Status

This is the first internal audit for the office of Constable Precinct 2. Therefore, there were no prior findings for this office.

Current Audit Findings & Action Plans

Finding #1		Risk Level H
<p><u>El Paso County Human Resource Timekeeping and Attendance Policy Adherence</u> – Timecard records for the audit scope for all four employees were reviewed; the following was noted:</p> <ul style="list-style-type: none"> • Three employees (75%) had a consistent compensatory time balance of over 80 hours; violating County policy. Per County policy, non-exempt employees may not have a balance of more than 80 hours of compensatory time at any given time. • All four employees (100%) had instances in which vacation leave was used in lieu of compensatory time, violating County policy. Two employees had five instances, one employee had two instances and one employee had one instance. County policy states compensatory time must be used prior to the use of vacation leave. • All four employees (100%) had compensatory balances transferred from one fiscal year to another without written department head approval. Per County policy, compensatory time accrued must be taken within the same fiscal year it was earned, unless otherwise approved in writing by the department head which would grant the employee a 90 day extension. <p>Proper coding and adherence to the County Human Resources timekeeping and attendance policies will ensure proper time allocation, proper employee compensation, policy adherence and reduced risk of fraud and possible wage-hour liability for the County.</p>		
Recommendation		
<p>Constable Precinct 2 should communicate the importance of proper timekeeping coding and policy adherence. Those employees with high compensatory balances should work with the Constable in scheduling the use of such time in accordance with County policies. Further, these policies should be incorporated into the office policies and procedures for future reference and policy compliance.</p>		
Action Plan		
Person Responsible	Constable, Precinct 2	Estimated Completion Date
		December 1, 2020
<p>Constable agrees with recommendation. Constable will work with those employees with high compensatory balances and ensure compliance with County policies. Further, the Constable will incorporate the County policies in the Constable’s office policies and procedures.</p>		



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Finding #2		Risk Level H
<p><u>Mailed-In Foreign Civil Service Payment Controls</u> – Foreign civil services are civil services requested by agencies located outside of El Paso County. These services are paid via a mailed check or money order. It is best practice for these mailed-in payments to be recorded on a log and input into the Odyssey system upon receipt. The Constable’s office has not created nor implemented a logging system for any mailed-in payments. Therefore, testing to ensure timely Odyssey input could not be performed as the true mailed-in receipt date could not be determined. Undocumented information and lack of proper controls could lead to untimely input into the Odyssey system, possible fraud and loss or misuse of County funds.</p>		
Recommendation		
<p>All payments received by mail should be logged into a payment received log and receipted in Odyssey upon receipt. This log should include, but is not limited to, the following:</p> <ul style="list-style-type: none"> • Case number/Civil paper number • Date of receipt • Names of both complainant (plaintiff) and person being served (defendant) • Type of service • Number of service attempts made • Date served • Name of service officer • Amount paid • Type of payment <p>Further, the Constable should research the acquisition of a date stamp to document when all mailed payments and documents are received in the Constable’s office. The log created should also be reviewed and initialed by the Constable on a regular basis to ensure proper and timely documentation.</p>		
Action Plan		
Person Responsible	Constable, Precinct 2	Estimated Completion Date
		Immediately
<p>Constable agrees with recommendation and began implementing a log documenting all received payments, beginning in March 2020. Constable will continue to utilize the created log and incorporate any recommended information and processes above not already included.</p>		



**EI PASO COUNTY CONSTABLE PRECINCT 2
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Finding #3		Risk Level H				
<p><u>Deposits not timely</u> – In a sample of seven out of 34 collections, three or 43% did not comply with LGC §113.022. The discrepancies ranged from 32 to 157 days. Local Government Code §113.022 states all monies collected shall be deposited with the county treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met monies must be deposited, without exception, on or before the fifth business day after receipt. Not making timely deposits increases the risks of fraud, misuse or loss of funds and is not in compliance with LGC §113.022.</p>						
<p>Recommendation</p> <p>Constable Precinct 2 should enforce depositing of funds timely to ensure compliance with LGC §113.022. This can be accomplished through additional officer training and by updating policies and procedures to reference the government code mentioned above and document the proper time frame allowed for depositing collections.</p>						
<p>Action Plan</p> <table border="1"> <thead> <tr> <th>Person Responsible</th> <th>Constable, Precinct 2</th> <th>Estimated Completion Date</th> <th>November 1, 2020</th> </tr> </thead> </table> <p>Constable agrees with recommendation and will express to staff the importance of LGC §113.022 compliance by incorporating the statute in updated policies and procedures. Constable staff has reached out to the Financial System Maintenance Support division of the County Auditor’s Office to schedule additional Odyssey training. Further, tasks will be rotated between the administrative assistant and the sergeant to ensure segregation of duties and statutory compliance.</p>			Person Responsible	Constable, Precinct 2	Estimated Completion Date	November 1, 2020
Person Responsible	Constable, Precinct 2	Estimated Completion Date	November 1, 2020			

Finding #4		Risk Level M				
<p><u>Departmental Fuel Cards</u> – In a sample of three monthly fuel card statements, containing a total of 82 transactions, four or 5% of the transactions had inconsistent odometer readings. Fueling requires odometer readings and fuel card pin numbers be entered to begin the fueling process. Each monthly statement contains fuel purchases for four vehicles; one vehicle had two inconsistent readings in August 2019 and one in February 2020 while another vehicle had one inconsistent reading in August 2019. 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.</p>						
<p>Recommendation</p> <p>Constable Precinct 2 should communicate the importance of proper fuel card usage and documentation to staff fueling 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.</p>						
<p>Action Plan</p> <table border="1"> <thead> <tr> <th>Person Responsible</th> <th>Constable, Precinct 2</th> <th>Estimated Completion Date</th> <th>December 1, 2020</th> </tr> </thead> </table> <p>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 staff members. Further, Constable will update office policies and procedures with fueling practices discussed and recommended.</p>			Person Responsible	Constable, Precinct 2	Estimated Completion Date	December 1, 2020
Person Responsible	Constable, Precinct 2	Estimated Completion Date	December 1, 2020			



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Finding #5		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"> • Receiving of collections in Odyssey • Recording of mailed-in payments • 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 • Proper departmental fuel card usage • References to Human Resources timekeeping policies and procedures <p>The lack of strong office policies and procedures weakens the internal controls and fails to offer guidance to the current and future deputies and office staff. This increases the risks of loss, theft, fraud and inconsistent processes.</p>		
Recommendation		
Constable Precinct 2 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 2	Estimated Completion Date December 1, 2020
Constable agrees with recommendation and will begin working on policies procedures to address the key clerical and office functions mentioned above or any other functions deemed necessary.		

Finding #6		Risk Level L
<p><u>Manual Receipt Books</u> - The Constable's office does not have a log documenting 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		
A manual receipt book log should 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		
Person Responsible	Constable, Precinct 2	Estimated Completion Date November 1, 2020
Constable agrees with recommendation and will begin a log showing which receipt book is assigned to which deputy. Further, the constable will label each receipt book as "disposed" when remitted to the Auditor's office for audit and disposal.		