



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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12-12

December 14, 2020

Dr. Mario A. Rascon
Chief Medical Examiner
4505 Alberta Avenue
El Paso, Texas 79905

Dear Dr. Rascon:

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

The audit report is attached. We tested three financial controls and three operating controls with a total of 151 samples. There were two findings noted as a result of the audit procedures. We wish to thank the management and staff of the Medical Examiner's 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

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cc: Ms. Betsy Keller, Chief Administrator
Ms. Irene Santiago, Chief of Operations, Medical Examiner's Office



**Office of the Medical Examiner Audit
For the Period of May 2019 thru April 2020**

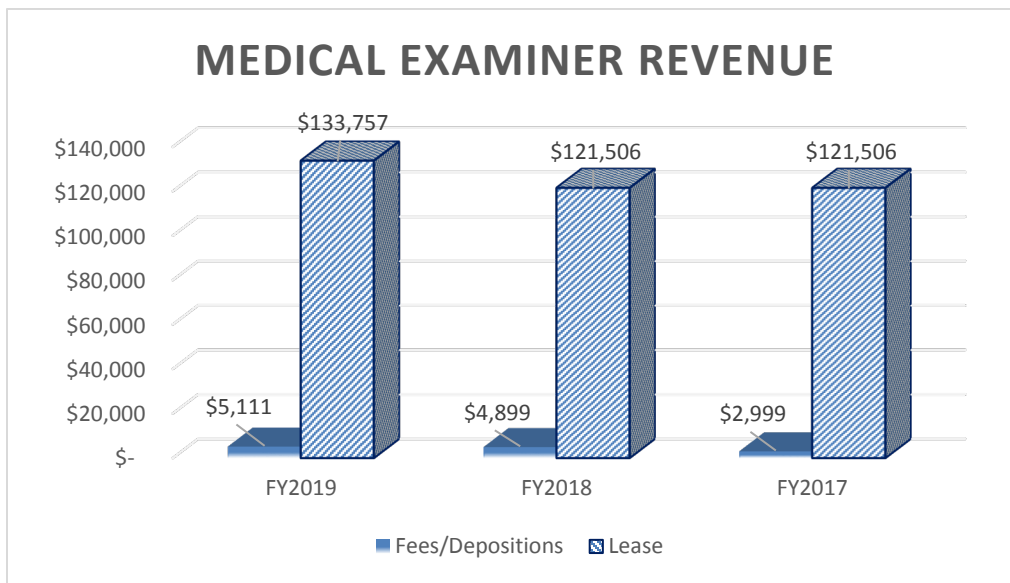


EXECUTIVE SUMMARY

BACKGROUND

The Office of the Medical Examiner is responsible for the death investigation of sudden, unexpected, or unexplained deaths in El Paso County. It is accredited by the National Association of Medical Examiners (NAME) which provides reasonable assurance that the system well serves its jurisdiction. This office collects administrative fees for items such as copies of autopsy reports, photographs, and depositions and generates lease revenue from the City of El Paso for office and laboratory use at the Medical Examiner’s Office. The current Chief Medical Examiner was appointed by Commissioners Court on December 2014. The audit was performed by Daisy Caballero, internal auditor certified. The most recent prior audit was in September 2019 and had no reportable findings.

Financial reports are generated from Munis, the County’s financial system, showing all transactions occurring each month. The following chart is a comparison of revenue collected at the Medical Examiner’s Office for the past three fiscal years.



The 63% fee/deposition revenue increase from FY 2017 to FY 2018 is due to an increase in deposition services totaling \$1,500. The 10% lease revenue increase from FY 2018 to FY 2019 is due to a \$1,013 monthly rate increase. The lease agreement ended in September 30, 2018 and has been on a month-to-month basis at a 110% monthly rate.

SCOPE

The scope of the audit includes financial records from May 2019 through April 2020. The scope of this audit was limited as it did not include a surprise cash count or confirmation of manual receipts due to office closures related to COVID-19.

OBJECTIVES

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to the Medical Examiner’s Office financial reports. Following are the business objectives and related control assessment.

Business Objectives	Control Assessment
1. Timely bank deposits and complete documentation	Needs Improvement
2. Completeness of the mail payment log and timely posting to Tyler Cashiering	Satisfactory
3. Applicable unclaimed property is submitted to the Texas Comptroller	Satisfactory
4. Voids are properly justified, approved, and posted	Satisfactory
5. Proper purchase requisition and receiving procedures	Needs Improvement
6. Documentation of updated policies and procedures	Satisfactory



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METHODOLOGY

To achieve the audit objectives we:

- Reviewed a sample of daily deposit reports and compared them to daily deposit slips and bank statements for timeliness and completeness
- Reviewed a sample of mail payment log entries for completeness and timely posting to Tyler Cashiering
- Reviewed the unclaimed property that has met the three year retention period and the supporting documentation
- Reviewed voids to ensure they were properly justified, approved, and posted
- Reviewed the purchase requisition work-flow for management approval and segregation of duties
- Reviewed policies and procedures for completeness and updates

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 details and management action plans.

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Mail payment log controls (Obj. 2) • Unclaimed property policy (Obj. 3) • Voided transaction controls (Obj. 4) • Documentation of policies and procedures (Obj. 6) 	<ul style="list-style-type: none"> • Complete deposit documentation (Obj. 1) • Purchase requisition and receiving controls (Obj. 5)
Findings Summary	
<ol style="list-style-type: none"> 1. Thirty-eight percent of deposits sampled did not have documented management review. 2. Purchase requisitions do not have documented management approval. There is a lack of segregation of duties in the ordering and receiving functions within the Medical Examiner’s Office. 	

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 Medical Examiner’s Office has implemented some improvements in their operations. However, the department only met four of the current six objectives. Implementation of the recommendations provided in this report should assist the Medical Examiner’s Office in producing complete and accurate financial reports by strengthening their internal control structure



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FINDINGS AND ACTION PLANS

Current Audit Findings

Finding #1		Risk Level H				
<p>Deposits Review – Of the eight deposits reviewed, three (38%) did not have documented management review as required by the Medical Examiner’s Office policies and procedures. Inconsistent management review of deposits could result in procedure deficiencies not being addressed and misappropriation of County funds.</p>						
<p>Recommendation</p> <p>Management review of deposits should always be documented.</p>						
<p>Action Plan</p> <table border="1"> <tr> <td>Person Responsible</td> <td>Chief of Operations</td> <td>Estimated Completion Date</td> <td>10/23/20</td> </tr> </table>			Person Responsible	Chief of Operations	Estimated Completion Date	10/23/20
Person Responsible	Chief of Operations	Estimated Completion Date	10/23/20			
<p>Management concurs with the recommendation.</p>						

Finding #2		Risk Level H				
<p>Purchase Requisitions- There is a lack of segregation of duties in the ordering and receiving functions within the Medical Examiner’s Office. Purchase requisitions are submitted in Munis by the Chief of Operations without documented approval by another manager or supervisor. The Munis purchase requisition approval workflow is not set up. The Chief of Operations receives most of the deliveries. Lack of controls over the purchase requisition and receiving process could result in theft and misuse of County property and funds.</p>						
<p>Recommendation</p> <p>Ordering and receiving functions within the Medical Examiner’s Office should be segregated and Munis workflow for purchase requisitions should be used for the approval process. The approval workflow should be set up so that nobody can approve their own purchase requisition entries. Further, changes to the current process should be documented in procedures.</p>						
<p>Action Plan</p> <table border="1"> <tr> <td>Person Responsible</td> <td>Chief of Operations</td> <td>Estimated Completion Date</td> <td>01/29/21</td> </tr> </table>			Person Responsible	Chief of Operations	Estimated Completion Date	01/29/21
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<p>The morgue manager and the chief of operations will enter the requisitions and receiving records in Munis. One will enter the requisition and the other will approve and enter the receiving record. This procedure will be documented in the policies and procedures manual.</p>						