



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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08-09

August 10, 2021

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 five operational and four financial controls with a total of 146 samples. There were three findings noted as a result of the audit procedures, one was a repeat findings. 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. Raul Galvan, Sergeant Deputy Constable, Precinct 5



**EI PASO COUNTY CONSTABLE PRECINCT 5
JANUARY 2020 – MARCH 2021
EXECUTIVE SUMMARY**

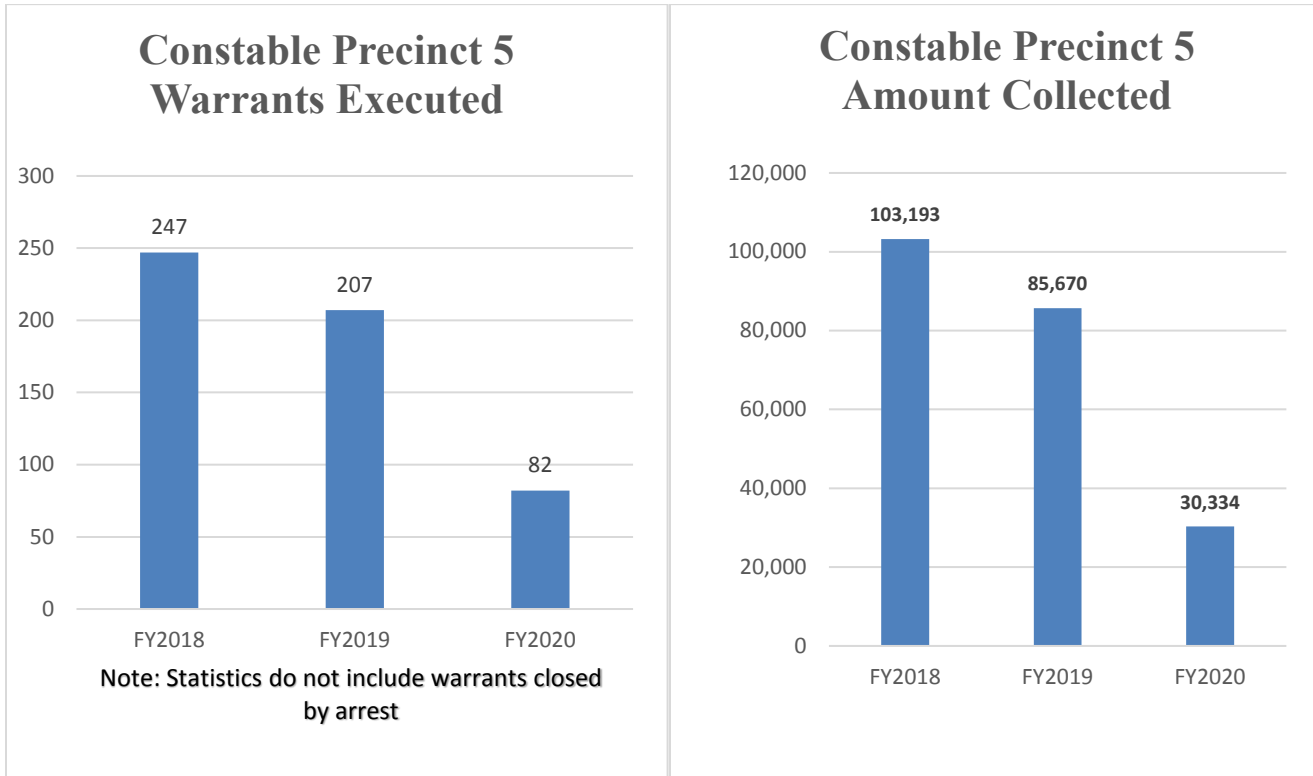


BACKGROUND

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 June 8, 2020, and had three findings.

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. The 60% drop in warrant executions and 65% drop in collections between fiscal years 2019 and 2020 is due to the COVID-19 pandemic. An El Paso County mandated office closure and stay at home order restricted the number of warrants issued, served and collected by the Constable’s office.



Source: Odyssey Judicial Reporting System



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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 (LGC) §113.022</i>	Satisfactory
3. Compliance with Commissioners Court approved civil collection fees; LGC § 118.131	Satisfactory
4. Maintenance and review of mailed-in foreign civil service payment documentation and controls	Satisfactory
5. Maintenance of manual receipt book log documentation and controls	Satisfactory
6. Maintenance and review of fuel card usage, documentation and controls	Satisfactory
7. Compliance with El Paso County Human Resources timekeeping and attendance policies and procedures	Needs Improvement
8. Proper segregation of duties during procurement of supplies and services	Needs Improvement
9. Compliance with weapons proficiency requirements <i>Occupations Code §1701.355</i>	Satisfactory

SCOPE

The scope of the audit is January 2020 through March 2021.

METHODOLOGY

To achieve the audit objectives we:

- Reviewed applicable policies, procedures and regulations for both clerical and in-field processes.
- Tested a sample of collections for timely deposit 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.
- Tested a sample of mailed-in foreign civil service payments 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.
- Tested a sample of procurement transactions to ensure proper segregation of duties.
- Reviewed weapons proficiency records for compliance with *Occupations Code §1701.355*.



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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) • Approved civil fee collection compliance (Obj. 3) • Mailed-in foreign civil service payment timely input into Odyssey system (Obj. 4) • Manual receipt book log documentation and controls (Obj. 5) • Fuel card documentation and usage (Obj. 6) • Weapons proficiency requirements compliance (Obj. 9) 	<ul style="list-style-type: none"> • Documented policies and procedures (Obj. 1) • County Human Resources timekeeping and attendance policies and procedures compliance (Obj. 7) • Proper segregation of duties during procurement process (Obj. 8)
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. Non-compliance with County Human Resource timekeeping policies and procedures. 3. Lack of segregation of duties during procurement process 	

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 six of the nine 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 2020 – MARCH 2021
FINDINGS AND ACTION PLANS



Prior Audit Findings Summarized with Current Status

Status

M Open

See current finding #1

1. **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: Update the current policies and procedures to address the 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.

Unresolved

M Closed

2. **Finding: 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.

Recommendation: 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: 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. **Resolved**

L Closed

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.

Recommendation: A manual receipt book log be implemented by the Constable’s office to provide better internal controls. The 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 to the County Auditor for audit and disposal. This process will also be addressed in the office policies and procedures to be created by the Constable. **Resolved**



**EI PASO COUNTY CONSTABLE PRECINCT 5
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FINDINGS AND ACTION PLANS**



Current Audit Findings & Action Plans

Finding #1		Risk Level M	
<p>Documented Policies and Procedures – 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 during procurement processes • Fuel card procedures • Reference to or copies of County timekeeping and attendance policies <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	October 1, 2021
Constable agrees with recommendation. Policies and procedures for the functions listed above, and any others deemed necessary, will be referenced or added to the current office policies and procedures and communicated to staff.			



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Finding #2		Risk Level M	
<p><u>El Paso County Human Resource Timekeeping and Attendance Policy Adherence</u> – Timecard records for the audit scope for all four current employees were reviewed; the following was noted:</p> <ul style="list-style-type: none"> • A random sample of 10 of 48 (20%) vacation pay codes, consisting of all four employees, were tested to ensure Human Resource policy compensatory usage adherence. Three of the ten pay codes tested (30%) had instances in which vacation leave was used before accumulated compensatory time. County Human Resource policy states compensatory time must be used prior to the use of vacation leave. <p>Proper coding and adherence to 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 5 should ensure proper timekeeping coding and policy adherence. Further, these policies should be incorporated or referenced in the office policies and procedures for future guidance and policy compliance.</p>			
Action Plan			
Person Responsible	Constable, Precinct 5	Estimated Completion Date	October 1, 2021
<p>Constable agrees with recommendation. Constable will reference County Human Resource policies in updating current office policies and procedures and will communicate to staff the importance of proper vacation and compensatory time usage. It should be noted, the employee responsible for two of the three pay code violations mentioned in the finding above is no longer with the department.</p>			

Finding #3		Risk Level M	
<p><u>Segregation of Duties during Procurement Process</u> – A random sample of four of 19 (20%) purchase orders issued during the audit scope were tested to ensure proper segregation of duties during the procurement process. Two out of the four (50%) purchase orders tested showed the same individual as both the authorizing and receiving agent of procured items. It is best practice to have proper segregation of duties when authorizing, recording and accepting all procured items. Improper segregation of duties may lead to an increased risk of fraud or misuse of County funds and property.</p>			
Recommendation			
<p>Constable Precinct 5 should counsel staff on the importance of proper segregation of duties procedures during the procurement process. Further, this should be documented in the office policies and procedures to ensure proper reference for current and future departmental staff.</p>			
Action Plan			
Person Responsible	Constable, Precinct 5	Estimated Completion Date	October 1, 2021
<p>Constable agrees with recommendation. However, due to limited staffing proper segregation of duties during the procurement process may not always be accomplished. Therefore, in instances where a segregation of duties cannot be implemented the Constable agrees for either himself or the deputy sergeant to review and initial the requisition and receiving process to ensure proper oversight. The best practice of segregation of duties will be communicated to staff and be documented in the office policies and procedures.</p>			