



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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06-05

June 14, 2021

Mrs. Betsy Keller
El Paso County Chief Administrator
500 E. San Antonio, Room 302A
El Paso, Texas 79901

Dear Mrs. Keller:

The County Auditor's Internal Audit division performed an audit of the County Managerial Operations Policy delegating authority to the Chief Administrator. A sample of operations performed by the County Administration Office, requiring quarterly submission to Commissioners Court, were reviewed to ensure compliance with the terms of the operations policy and to ensure processes and approvals are well documented.

The audit report is attached. There was one finding noted as a result of the audit procedures. We wish to thank the management and staff of the El Paso County Administration 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: The Honorable Ricardo Samaniego, County Judge
The Honorable Carlos Leon, County Commissioner
The Honorable David Stout, County Commissioner
The Honorable Iliana Holguin, County Commissioner
The Honorable Carl Robinson, County Commissioner
The Honorable Linda Chew, Local Administrative Judge
327th Judicial District
The Honorable Jo Anne Bernal, County Attorney



**El Paso County Administration
Managerial Operations Policy Audit
October 2019 – December 2020**



EXECUTIVE SUMMARY

BACKGROUND

The County Managerial Operations Policy compiles all areas of authority delegated to the Chief Administrator. The delegations included in this policy are intended to supplement the duties and responsibilities required of the Chief Administrator position as delineated in the written job description. There are four main sections of delegation noted in this policy with certain subsections requiring submission of information to Commissioners Court on a quarterly basis. Excerpts are as follows:

- **Section A:** Delegation of contract/agreement/grant document related approval and signature authority to County Chief Administrator or designee
 - **A-3:** Budgeted or non-financial contracts or contract amendments that provide goods and/or services or programs \$5,000 and below in any one 12 month period. A summary of all said contracts shall be provided to Commissioners Court no less than on a quarterly basis. (Amended 02/08/2021)
- **Section B:** Delegation of human resources related approval and authority duties to County Chief Administrator or designee
 - **B-3:** Implement staffing changes resulting from the annual reclassification study; staffing changes requested throughout the year (downgrades/upgrades) due to changes in work procedures, mandates, etc. when funds are available in personnel contingencies for this purpose; or when funds are set aside during budget hearings as authorized by Commissioners Court for department studies or analysis. These changes will be reported to the Commissioners Court no less than quarterly. (Amended 05/01/2017)
 - **B-4:** Grant overtime pay up to \$10,000 in urgent cases versus comp time accrual. Such authorizations will be reported to Commissioners Court no less than quarterly.
- **Section C:** Delegation of budget related approval and authority duties to County Chief Administrator or designee
 - **C-1:** Approve one time allocations per fiscal year, of funding up to \$5,000 that are not available within a department’s budget for unanticipated necessary purchases. These will be allocated from within contingencies and will be reported to the court no less than quarterly. (Amended 02/28/2021)
- **Section D:** Delegation of other approval and authority duties to County Chief Administrator or designee. Other to include:
 - **D-7:** Authorize the County of Attorney’s Office to initiate a claim or lawsuit against bonding companies for the recovery of inmate transportation costs under \$5,000 and to authorize the County Attorney’s Office to settle for the full amount owed to the County. This information will be reported to the court no less than quarterly.

A summary of information required to be submitted to Commissioners Court (noted above) shall be submitted in report form no less than quarterly. This policy was last updated on February 8, 2021, by order of the Commissioners Court.

The audit was performed by James O’Neal, internal audit manager – senior.

AUDIT OBJECTIVES

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to the Chief Administrator’s delegation of approval related review and authority. Following are the business objectives and related control assessment.

Business Objective	Control Assessment
1. Timely submission of quarterly summary reports to Commissioners Court	Needs Improvement
2. Compliance with approval, signature and authoritative limitations and guidelines specified in the policy	Satisfactory
3. Proper documentation and approval of policy amendments and updates	Satisfactory



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SCOPE

The scope of the audit was October 2019 through December 2020.

METHODOLOGY

To achieve the audit objectives we:

- Reviewed all updates and amendments to policy.
- Verified all quarterly report submissions to Commissioners Court were timely.
- Tested a sample of contractual and policy approvals submitted to Commissioners Court by Chief Administrator to ensure proper approval, authoritative and signature duty compliance.

RESULTS

Listed below are control and finding 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"> • Accurate reporting and adherence to authority approval limitations and guidelines (Obj. 2) • Proper documentation and approval of policy amendments and updates (Obj. 3) 	<ul style="list-style-type: none"> • Timely submission of quarterly summary reports to Commissioners Court (Obj. 1)
Finding Summary	
<ol style="list-style-type: none"> 1. Untimely submission of quarterly summary reports to Commissioners Court 	

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 County Administration’s Office, in regards to the County’s Managerial Operations Policy, met two of the three objectives of this audit. Implementation of the recommendations provided in this report should assist the County Administration Office in meeting all objectives in the future.



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Finding # 1		Risk Level M	
<p><u>Timely Submission of Summary Reports</u> – Four of the five (80%) quarterly reports submitted to Commissioners Court were presented more than 30 days after the end of the quarter. Per the County Managerial Policy, a summary of certain County Chief Administrator approval, authoritative and signature duties must be reported to Commissioners Court no less than quarterly. This practice became effective on January 25, 2016. The following table shows the submission time frame for each of the quarter reports under review:</p>			
<u>Quarter Ending</u>	<u>Date Presented</u>	<u>Days after End of Quarter</u>	
September 30, 2019	December 2, 2019	63	
December 31, 2019	March 16, 2020	76	
March 31, 2020	April 20, 2020	20	
June 30, 2020	August 17, 2020	48	
September 30, 2020	November 16, 2020	47	
<p>The untimely submission of policy mandated quarterly reports leads to a delay in vital information being supplied to Commissioners Court. Further, this delay may increase the risk of errors or policy non-compliance being addressed in a timely manner.</p>			
Recommendation			
<p>We recommend the County Administration office comply with the policy and submit the reports no less than quarterly. We further recommend the policy be amended to show a more definite deadline date for submission of these reports, such as within 45 days of the quarter end.</p>			
Action Plan			
Person Responsible	Chief County Administrator	Estimated Completion Date	6/15/2021
<p>Chief County Administrator agrees with recommendation and will work with staff and other County departments to ensure 45 day best practice submission deadline. Further, Chief County Administrator will explore course of action to amend policy to document agreed upon submission deadline.</p>			