



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

EDWARD A. DION, CPA
COUNTY AUDITOR
edion@epcounty.com
www.epcounty.com/auditor

County Administrative Offices
800 East Overland Street, Rm. 406
El Paso, Texas 79901-2407
(915) 546-2040
(915) 546-8172 FAX

09-22

September 29, 2021

Mr. Sam Trujillo
Interim Chief Human Resources Officer
500 E. Overland
El Paso, Texas 79901

Dear Mr. Trujillo:

The County Auditor's Internal Audit division performed an audit of the El Paso County Health and Life Benefits to determine if internal controls are adequate to ensure proper administration of the Health and Life Benefits Program. Policies, procedures, and regulations were also reviewed to ensure process are documented, operating and efficient.

The audit report is attached. We tested two financial controls and four operational controls with a total of 156 samples. There was one finding noted as a result of the audit procedures. We wish to thank the management and staff of the Human Resources 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:ML:DC:PT:ya

cc: Mrs. Betsy Keller, Chief Administrator
Mrs. Melissa M. Carrillo, Executive Director of Operations



**Health and Life Benefits Audit
January 2019 to August 2019
EXECUTIVE SUMMARY**

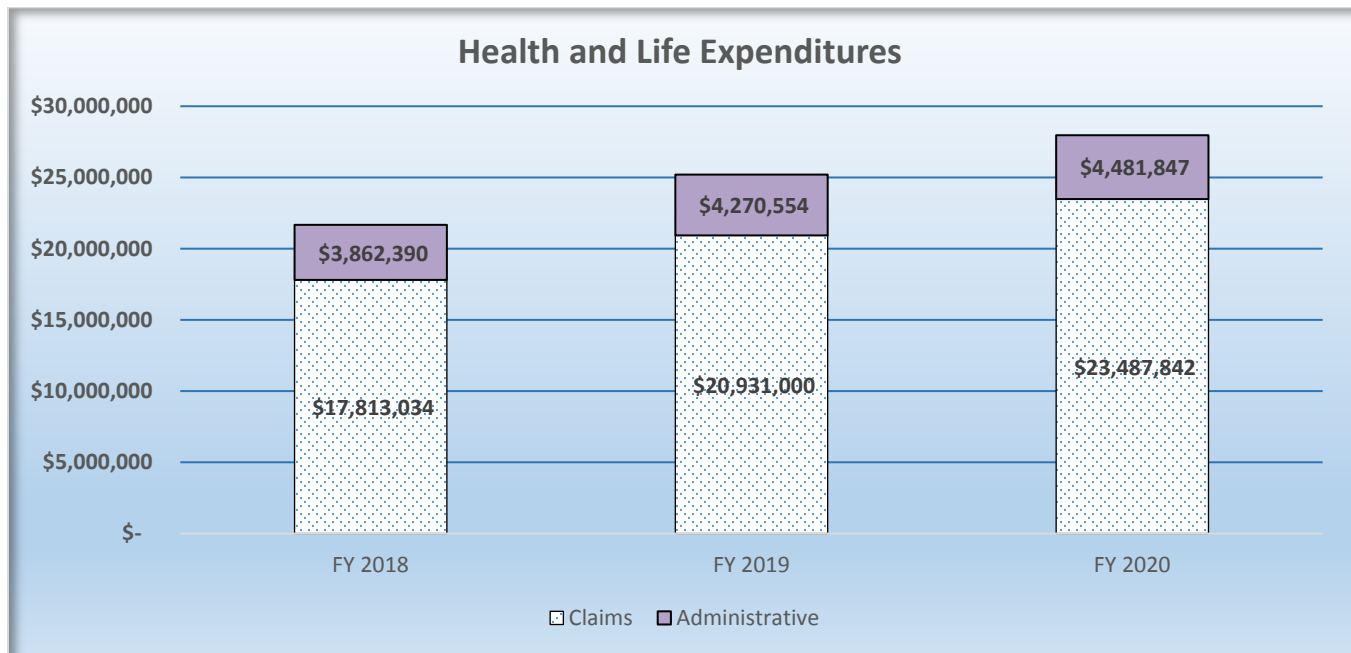


BACKGROUND

The County of El Paso provides Health and Life Benefits to include medical, dental, supplemental life, short and long term disability to its employees as part of its compensation package. The County's health insurance plan is self-funded and Aetna Inc. serves as the third party benefits administrator. HUB International Limited currently serves as the County's independent benefits consultant. Employees select their benefits during new employee orientation, the yearly open enrollment period or when they encounter a qualifying life event. Retirees eligible for health and supplemental life insurance benefits select their benefits upon retirement and can make changes during the open enrollment period. This audit is considered a low risk audit and was last performed in 2014. The audit was performed by Michael Lamas, IT internal auditor senior, Daisy Caballero, internal auditor, Phillip Trevizo, internal auditor and Rene Balderrama, audit accountant senior.

FINANCIAL REPORTING

The following chart is a comparison of expenditures from the County's Health and Life fund for the past three fiscal years.



Source: Comprehensive Annual Financial Report.

OBJECTIVES

The audit evaluated the adequacy of controls and processes used to achieve key business objectives related to the administration of the County's Health and Life benefits. Following are the business objectives and related control assessments.

Business Objective	Control Assessment
1. Functioning appropriate health and life employee payroll deduction controls	Satisfactory
2. Functioning appropriate Aetna employee selected coverage controls	Satisfactory
3. Appropriate access to Munis human resource (HR) master table	Unsatisfactory
4. Independent benefits consultant contract compliance	Satisfactory
5. Proper subrogation claims credit reporting	Satisfactory

SCOPE

The scope of the audit is from January 2019 to August 2019. The delay in completing the audit was due to the need to coordinate with third party providers to provide proper data for the audit review. The finding reported is still a current issue that needs to be addressed.



**Health and Life Benefits Audit
January 2019 to August 2019
EXECUTIVE SUMMARY**



METHODOLOGY

To achieve the audit objectives we:

- Reviewed a sample of employee open enrollment records and compared them to benefit vendor coverage records as well as employee pay records for accuracy.
- Reviewed the County’s financial system access control listing to ensure access to modify employee benefit charge rates is limited to select Human Resources and Information Technology Department employees.
- Reviewed contract with the County’s independent benefits consultant to determine if the consultant is conducting a claim audit of the third party administrator in accordance to terms.
- Reviewed subrogation claims recovery records and compared them to the County’s subrogation contract with Aetna for adherence to contract terms.

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 related details and management action plans and the status of prior audit report findings.

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Health and life payroll deductions reconcile to employee selections (Obj. 1) • Third party administrator charges match employee selections (Obj. 2) • Independent benefits consultant contract compliance (Obj. 4) • Subrogation claims reporting (Obj. 5) 	<ul style="list-style-type: none"> • Access control over Munis Human Resources master table (Obj. 3)
Findings Summary	
<ol style="list-style-type: none"> 1. Access controls over high risk portions of the Munis human resources administration program suite are inadequate. 	

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 Human Resources Office met five of six objectives for this audit. Implementation of recommendations provided in this report should assist the Human Resources Office in improving their internal control structure for the management of the County’s health and life benefits program.



**Health and Life Benefits Audit
January 2019 to August 2019
Findings and Action Plans**



Current Audit Findings & Action Plans

Finding #1		Risk Level H								
<p>Munis Master Table Access – The Munis health and life rates master table program is currently accessible by multiple employees inside and outside the Human Resources Department. It appears most access was granted to roles created during the testing and implementation phase of the Munis software. These roles have not been modified since implementation but have been assigned to new users outside of HR if the department requesting the change already had these roles assigned to one of their users. Access to the master table programs cannot be set to view only; a user either has full access or no access. Due to this, employees requiring view only access should utilize alternative reporting tools such as Tyler Reporting or Tyler Pulse. Historical access reports show the table has only been accessed by three HR employees and not by other users with access.</p>										
<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="background-color: #4F81BD; color: white;">Department</th> <th style="background-color: #4F81BD; color: white;">Number of User Accounts with Access to Master Tables</th> </tr> </thead> <tbody> <tr> <td>Human Resources</td> <td align="center">49</td> </tr> <tr> <td>Other Departments</td> <td align="center">32</td> </tr> <tr> <td>Total</td> <td align="center">81</td> </tr> </tbody> </table>			Department	Number of User Accounts with Access to Master Tables	Human Resources	49	Other Departments	32	Total	81
Department	Number of User Accounts with Access to Master Tables									
Human Resources	49									
Other Departments	32									
Total	81									
<p>The master table program maintains the rates charged to all County employees for their health and life benefits. As per the Principle of Least Privilege, employees should only possess the permissions necessary to perform their job processes. Lack of proper access controls for the master table program could result in unauthorized changes to the rates charged to employees for their health and life benefits.</p>										
Recommendation										
<p>Human Resources should review access control structure for the health and life rates master table programs and remove access that is not necessary for job performance. We recommend access be limited to one or two responsible employees within the Human Resources Benefits and Risk Management Division. Edits to the master tables should only be allowed during the open enrollment period</p>										
Action Plan										
Person Responsible	Chief Human Resources Officer	Estimated Completion Date								
		09/30/2021								
<p>Management agrees with recommendation and understands the importance of access controls. Management has already begun meeting with the County Auditor System Administration Division to review and revise the access control structure for the health and life master table program in the Munis software.</p>										