



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

02-17

February 17, 2022

The Honorable Oscar Ugarte  
Constable Precinct 1  
424 Executive Center, Suite 100  
El Paso, Texas 79902

Dear Constable Ugarte:

The County Auditor's Internal Audit division performed an audit of the El Paso County Constable Precinct 1 office to determine if internal controls are adequate to ensure preparation of Constable 1 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 controls and four financial controls using 228 samples. There were two findings noted as a result of the audit procedures. We wish to thank the management and staff of the Constable Precinct 1 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,

A handwritten signature in black ink that reads "Edward A. Dion".

Edward A. Dion  
County Auditor

EAD:JO:ea

cc: Ms. Betsy C. Keller, Chief Administrator  
Mr. Sam Trujillo, Interim Chief Human Resources Officer



**EI PASO COUNTY  
CONSTABLE PRECINCT 1 AUDIT  
JANUARY 2020 – SEPTEMBER 2021**



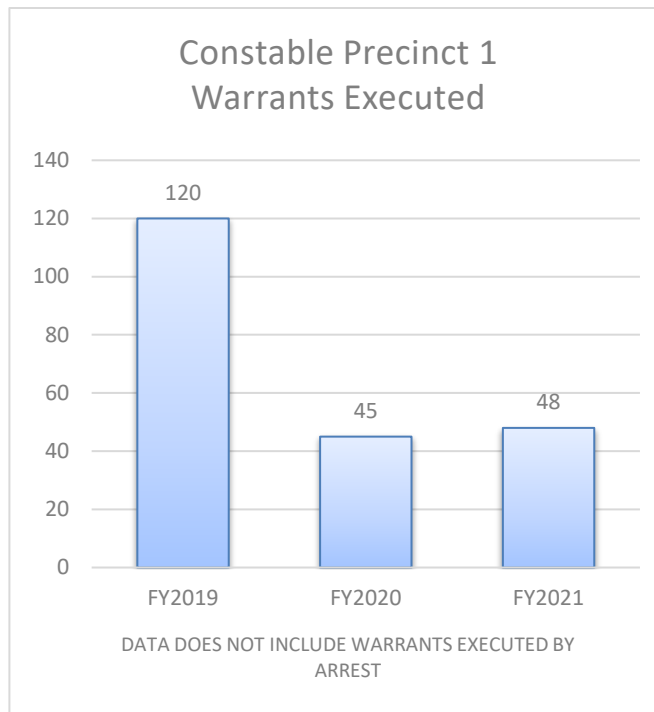
**FINDINGS AND ACTION PLANS**

**BACKGROUND**

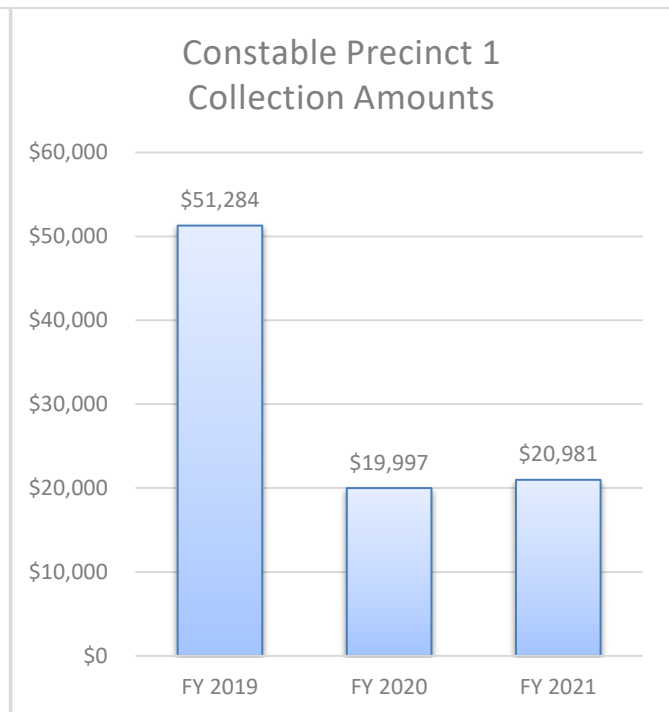
Constables are elected officials and serve four-year terms within each justice precinct. Constables have the same duties and powers as do police officers and sheriffs, and have the duty to serve warrants, precepts, and civil process lawfully directed to them. Constables are also required by law to be 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 March 2016. Staff consists of one sergeant, three full-time permanent deputy constables, two full-time temporary deputy constables, one full-time administrative assistant, one full-time temporary administrative assistant and one unpaid administrative intern. The audit was performed by James O’Neal, internal auditor manager – senior. The prior audit report was issued May 2020 and had two findings (both resolved).

**FINANCIAL REPORTING**

Financial and statistical reports are generated from the Odyssey Courts and Justice System (Odyssey). The following charts represent statistical and financial data for the Constable Precinct 1 office. The first statistical chart shows the actual number of warrants executed (served) by the Constable’s office per fiscal year. The second financial chart shows the actual collections of warrant and civil processing fees by the Constable’s office. The 62% drop in warrant executions and collections between fiscal years 2019 and 2020 was due to the COVID-19 pandemic and County wide stay-at-home orders issued by the County Judge in March 2020. This level of executions and collections flowed into fiscal year 2021 due to new variants and the transition of constable duties from warrant issuance and collection to assisting with COVID related programs and projects.



Source: Odyssey Courts and Justice System



Source: Odyssey Courts and Justice System

**OBJECTIVES**

The audit evaluated the adequacy of controls and processes used to achieve key business objectives related to the Constable Precinct 1 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	Satisfactory
2. Compliance with timely deposit law <i>Local Government Code (LGC) §113.022</i>	Satisfactory
3. Compliance with Commissioners Court approved civil collection fees; <i>LGC §118.131</i>	Satisfactory



**EI PASO COUNTY  
CONSTABLE PRECINCT 1 AUDIT  
JANUARY 2020 – SEPTEMBER 2021**



**FINDINGS AND ACTION PLANS**

<b>Business Objective</b>	<b>Control Assessment</b>
4. Maintenance and review of mailed-in foreign civil service payment documentation and controls	<b>Satisfactory</b>
5. Maintenance of manual receipt book log documentation and controls	<b>Satisfactory</b>
6. Compliance with El Paso County Human Resources timekeeping and attendance policies and procedures	<b>Needs Improvement</b>
7. Maintenance and review of fuel card usage, documentation and controls	<b>Satisfactory</b>
8. Compliance with weapons proficiency requirements <i>Occupations Code §1701.355</i>	<b>Satisfactory</b>
9. Proper segregation of duties and approvals during procurement of supplies and services	<b>Needs Improvement</b>

**SCOPE**

The scope of the audit is January 2020 through September 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 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.
- Tested a sample of mailed-in foreign civil service payments to ensure proper controls, documentation and timely financial system (Odyssey) input.
- Reviewed office manual receipt book log for proper documentation and control review.
- Reviewed UKG Workforce Central employee timekeeping reports to ensure proper compliance with El Paso County Human Resources compensatory, administrative and shift differential timekeeping policies and procedures.
- Tested a sample of monthly fuel card statements to ensure proper usage, documentation and controls.
- Reviewed weapons proficiency records for compliance with *Occupations Code §1701.355*.
- Tested a sample of procurement transactions to ensure proper segregation of duties and department head or elected official approval.

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

<b>Control Summary</b>	
<b>Good Controls</b>	<b>Weak Controls</b>
<ul style="list-style-type: none"> <li>• Established and documented policies and procedures (Obj. 1)</li> <li>• Timely deposit compliance (Obj. 2)</li> <li>• Approved civil fee collection compliance (Obj. 3)</li> <li>• Mailed-in foreign civil fee controls, documentation and timely Odyssey input (Obj. 4)</li> <li>• Manual receipt book log documentation and controls (Obj. 5)</li> <li>• Fuel card usage, documentation and controls (Obj. 7)</li> <li>• Weapons proficiency requirement compliance (Obj. 8)</li> </ul>	<ul style="list-style-type: none"> <li>• County Human Resources timekeeping and attendance policies and procedures compliance (Obj. 6)</li> <li>• Proper segregation of duties and approvals during procurement process (Obj. 9)</li> </ul>
<b>Finding Summary</b>	
<ol style="list-style-type: none"> <li>1. Non-compliance with County Human Resource timekeeping policies and procedures</li> <li>2. Improper segregation of duties and official authorization during procurement process</li> </ol>	



EL PASO COUNTY  
CONSTABLE PRECINCT 1 AUDIT  
JANUARY 2020 – SEPTEMBER 2021



FINDINGS AND ACTION PLANS

**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 1 office met seven 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.

**Prior Audit Findings Summarized with Current Status**

**Status**

**M** Closed

1. **Finding: *Departmental fuel cards*** - In a sample of six monthly fuel card statements, containing a total of 161 transactions, two or 1% of the transactions had inconsistent odometer readings.

**Recommendation:** Constable Precinct 1 should 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**

**M** Closed

2. **Finding: *Manual Receipt Books*** – 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. It is best practice to document and track the distribution and retirement of all manual receipt books used by the Constable office. This log will reduce the risk of receipt misuse and possible theft of County funds.

**Recommendation:** Constable Precinct 1 should implement a manual receipt book log. 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:** Constable has agreed to implement a manual receipt book log to ensure proper assignment of all issued receipt books. Further, any books not in use shall be placed in a secure location with limited access. **Resolved**



**EI PASO COUNTY  
CONSTABLE PRECINCT 1 AUDIT  
JANUARY 2020 – SEPTEMBER 2021**



**FINDINGS AND ACTION PLANS**

**Current Audit Findings**

Finding #1		Risk Level <span style="color: red;">H</span>
<p><b><u>El Paso County Human Resource Timekeeping and Attendance Policy Adherence</u></b> - Non-adherence to County shift differential policy. A sample of timecard records from all five full time permanent employees was reviewed; the following was noted:</p> <ul style="list-style-type: none"> <li>Forty of forty-nine (82%) sampled deputy shift differential codes did not correlate with the reported deputy sign-in time, indicating the wrong shift differential code was used.</li> <li>Five of forty-nine (10%) sampled shift differential codes were coded beyond the policy allowed four-to-eight-hour time period.</li> <li>Ten out of forty-nine (20%) sampled shift differential codes were coded during normal working hours per the reported deputy sign-in time and did not warrant a shift differential coding.</li> </ul> <p>The findings noted above resulted in a net overpayment of \$108.15 for the sampled timecards. 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>		
<b>Recommendation</b>		
<p>Constable Precinct 1 should coordinate with the County’s Human Resource (HR) department to ensure compliance with the shift differential policy. This could be accomplished via departmental training or meeting with HR personnel for enhanced policy clarification. Further, these policies should be incorporated into the office policies and procedures for future reference and policy compliance. Lastly, Constable should discuss the overpayment amount with the County Human Resources Department (HR) for a comprehensive evaluation of differential payments made to ensure compliance with the Overpayments, Underpayments and Repayment Policy (HR is copied on this report).</p>		
<b>Action Plan</b>		
<b>Person Responsible</b>	<b>Constable Precinct 1</b>	<b>Estimated Completion Date</b>
		<b>April 30, 2022</b>
<p>Constable agrees with recommendation. Constable and senior deputy mistakenly informed staff regarding proper shift differential codings in UKG Workforce. In September 2021, Constable requested guidance from the County Auditor’s Payroll Division regarding proper shift differential coding and informed staff. Further, a copy of the El Paso County Shift Differential Policy will be included in their current office policies and procedures to serve as reference for current and future staff.</p>		

Finding #2		Risk Level <span style="color: red;">H</span>
<p><b><u>Segregation of Duties and Signature Authorization during Procurement Process</u></b> – Lack of segregation of duties and signature authorization during procurement process. A random sample of 69 of 344 (20%) purchase orders issued during the audit scope were tested to ensure proper segregation of duties and documented official authorization during the procurement process. Twenty-nine of the 69 purchase orders tested (42%) lacked the Constable’s authorized signature either on the requisition, purchase order or receivable. Fourteen of the 69 purchase orders tested (20%) showed the same individual as both the authorizing and receipting agent of procured items. It is best practice to have segregation of duties, including signature or authorization documentation, when requesting and accepting all procured items. Lack of segregation of duties and properly authorized documentation during the procurement process may lead to an increased risk of fraud or misuse of County funds and property.</p>		
<b>Recommendation</b>		



**EI PASO COUNTY  
CONSTABLE PRECINCT 1 AUDIT  
JANUARY 2020 – SEPTEMBER 2021**



**FINDINGS AND ACTION PLANS**

Constable Precinct 1 should counsel staff on the importance of proper segregation of duties and authorization 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.

**Action Plan**

<b>Person Responsible</b>	<b>Constable Precinct 1</b>	<b>Estimated Completion Date</b>	<b>March 15, 2022</b>
---------------------------	-----------------------------	----------------------------------	-----------------------

Constable agrees with recommendation. Constable has increased his staff by one administrative specialist. This additional staff member will be involved in the procurement process to ensure proper segregation of duties. Constable will further ensure all invoices be signed by himself or a member of his senior staff to ensure proper acknowledgement of items procured. Lastly, Constable will update procurement policies and procedures to reference new staff member involvement and new procedures.