



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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04-10

April 14, 2022

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. 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. We tested three operational controls with 34 samples. There were no findings 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 District Court
The Honorable Jo Anne Bernal, County Attorney



**EI PASO COUNTY ADMINISTRATION
MANAGERIAL OPERATIONS POLICY AUDIT
OCTOBER 2020 – SEPTEMBER 2021
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.
- **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.
 - **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.
- **Section D:** Delegation of other approval and authority duties to County Chief Administrator or designee. Other to include:
 - **D-7:** Authorize the County 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. The previous audit report was issued on June 13, 2021, and had one finding.

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	Satisfactory
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 2020 through September 2021.

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 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 as well as the status of the prior audit action plan.

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Timely submission of quarterly summary reports to Commissioners Court (Obj. 1) • Adherence to authority approval limitations and guidelines (Obj. 2) • Proper documentation and approval of policy amendments and updates (Obj. 3) 	
Finding Summary	
None	

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 regard to the County’s Managerial Operations Policy, met all three objectives of this audit.



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OCTOBER 2020 – SEPTEMBER 2021
FINDINGS AND ACTION PLANS**



Prior Audit Findings Summarized with Current Status

Status

M Closed

- Finding: *Quarterly Summary Report not timely*** – Four of the five (80%) quarterly reports submitted to Commissioners Court were presented more than 30 days after the end of the quarter. 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.
Recommendation: County Administration should comply with 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.
Action Plan: 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. **Status** – All reports were submitted within the 45 days agreed upon. The policy has yet to be amended and County Administration will be reminded to complete this part of the action plan. **Resolved.**