



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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12-24

December 20, 2021

Mrs. Veronica Myers
El Paso County Parks and Recreation Director
6900 Delta Dr.
El Paso, Texas 79905

Dear Mrs. Myers:

The County Auditor's Internal Audit division performed an audit of the El Paso County Parks and Recreation Aquatics Division for the 2021 summer season to determine if internal controls were adequate to ensure proper preparation of the division's financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating and efficient.

The audit report is attached. We tested six financial controls and one operating control with a total of 158 samples. There were no findings noted as a result of the audit procedures. We wish to thank the Parks and Recreation department 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,

Barbara Franco for Edward A. Dion

Edward A. Dion
County Auditor

EAD:HM:ya

cc: Mrs. Betsy Keller, Chief Administrator
Mrs. Norma R. Palacios, Public Works Director



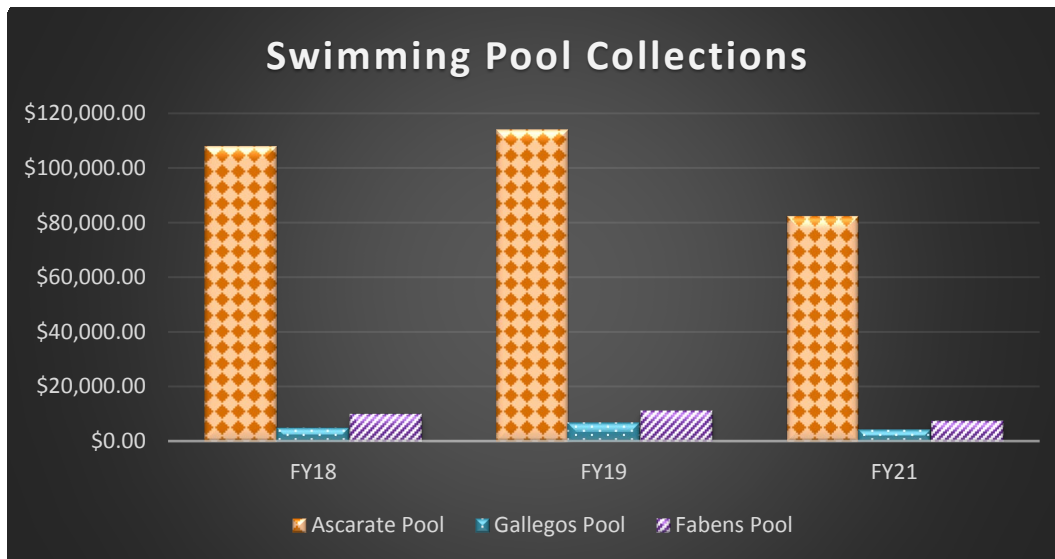
**Parks and Recreation Aquatics Division
For the FY21 Pool Season**



EXECUTIVE SUMMARY

BACKGROUND

The aquatics division of El Paso County Parks and Recreation Department consists of the Ascarate, Gallegos, and Fabens swimming pools. The Ascarate pool is an Olympic size outdoor pool and one of the few pools suitable for competitive swim events in El Paso County. There is also an enclosed picnic area shaded by tents that are available for rental and Pro-Shop that offers a wide range of merchandise and apparel. The other two pools are located in Fabens and Canutillo, Texas. All pools are open from April through September each year and are available to the public as well as for private party rentals. Revenues are from admissions, merchandise, and rental fees. Ascarate pool uses RecWare cashiering system to account for collections. The other two locations use a sequential bracelet system and cash box. Collections for 2018, 2019, and 2021 are illustrated below. Due to the Covid-19 pandemic and associated Stay Home Work Safe order, the County pools remained closed for the FY20 season and resumed operations in FY21.



The audit was performed by Hadi Medina, internal auditor. The scope of the last audit performed was April 2019 to September 2019 and the related audit report was issued on March 23, 2020.

AUDIT OBJECTIVES

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to the swimming pool's financial reports. Following are the business objectives and related control assessments.

Business Objective	Control Assessment
1. Adherence to documented policies and procedures	Satisfactory
2. Functioning appropriate cash controls	Satisfactory
3. Accurate posting in RecWare of revenue collected	Satisfactory
4. Timely deposits of collections in accordance with <i>Local Government Code 113.022</i>	Satisfactory
5. Timely posting of tent rentals and swim team practice deposits	Satisfactory
6. Timely deposit of pool rental collections and adequate treatment of refunds	Satisfactory
7. Functioning appropriate Pool Pro-Shop controls	Satisfactory

SCOPE

The scope of the audit is April 2021 through September 2021. Due to the Covid-19 pandemic and the associated Stay Home Work Safe order, a surprise cash count was not conducted.



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For the FY21 Pool Season**



EXECUTIVE SUMMARY

METHODOLOGY

To achieve the audit objectives we:

- Reviewed policies, procedures, and applicable statutes.
- Tested a sample of RecWare receipts and cash count sheets completed in support of each deposit slip for accurate posting in RecWare.
- Traced a sample of daily deposit slips to the financial accounting system for compliance with *Local Government Code (LGC) §113.022*.
- Tested a sample of swim team practices and tent rentals for accuracy and timeliness.
- Tested a sample of party rental agreements and refunds processed to verify depositing and refunding timeliness and proper supporting documentation.
- Reviewed purchase orders received in the previous audit period to verify inventory was maintained accurately due to the closures during the FY20 pool season.

RESULTS

Listed below are controls and findings summaries, with findings listed from highest to lowest risk. Please see the *Findings and Action Plans* section of this report for the status of prior audit findings.

Controls Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Maintain and follow documented policies and procedures (Obj. 1) • Cash handling procedures (Obj. 2) • Revenue receipt controls (Obj. 3) • Timely deposit controls (Obj. 4) • Timely posting controls (Obj. 5) • Processing of refund requests (Obj. 6) • Pro-Shop inventory controls (Obj. 7) 	
Findings 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 Aquatics division has implemented improvements in their operations and have met all the objectives of this audit. Therefore, no recommendations were provided in this report.



Parks and Recreation Swimming Pools



FINDINGS AND ACTION PLANS

Prior Audit Findings Summarized with Current Status

Status

- (M) Closed** 1. **Finding:** A sample of daily close out reports were reviewed for individual transaction accuracy based on the number of pool bracelets sold. 18 of 60 daily reports sampled (30%) were either over or under stated. RecWare is the cashiering system used by the Ascarate pool only. The above overstated figures indicate transactions are not being recorded in RecWare or are being recorded incorrectly, and the opposite for the understated figures. The risk of loss, theft, or inaccurate reporting is high if the daily reports do not match the pool bracelet balancing.
- Recommendation:** We recommend the Aquatics Department use a batch entry in RecWare for individual pool entry transactions at Ascarate pool. They should continue using the bracelet system, used by the other two locations, as their main balancing mechanism and at the end of the day perform an entry in RecWare to reflect all the transactions of the day. This transaction should be done by the head life guard as a secondary verification control. Tent rentals and merchandise sales should still be entered into RecWare as they occur. A procedure to issue and account for all bracelets is also recommended to track bracelets being used in all locations. The range and colors of bracelets used by location should be logged on a daily basis, as well as leftover bracelets from each roll
- Action Plan:** Management will implement the recommendations from the Auditor's Office to perform one entry into RecWare at the end of the day and continue to track daily bracelet count as well as color logs. A request to vendors will be done to avoid duplicate serial numbers and colors to improve tracking of bracelets being used in all locations.
- (M) Closed** 2. **Finding:** A sample of 60 from 238 cash count sheets and deposit slips were reviewed and eight (13%) was missing the authorized supervisor verification signature. It is best practice to have these tasks performed by two separate employees. Segregation of duties ensures oversight and review to catch errors, but can also help prevent and deter fraud.
- Recommendation:** We recommend the Aquatics Department implement best practice internal control that includes appropriate segregation of duties for depositing procedures.
- Action Plan:** Management will ensure the head lifeguards are verifying and signing the cash counts sheets completed by cashiers at the end of the day. The importance of consistency and segregation of duties on all cash counts sheets will be emphasized to all employees.