



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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07-03

July 10, 2023

The Honorable Luis Aguilar
Constable Precinct 4
2350 George Dieter, Suite A-2
El Paso, Texas 79936

Dear Constable Aguilar:

The County Auditor's Internal Audit division performed an audit of the El Paso County Constable Precinct 4 office to determine if internal controls are adequate to ensure preparation of Constable Precinct 4 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 and four financial controls with a total of 313 samples. There were two findings noted as a result of the audit procedures, both being repeat findings. We wish to thank the management and staff of the Constable Precinct 4 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:PT:RG:ya

cc: Ms. Betsy C. Keller, Chief Administrator
Mr. Noe Juarez, Sergeant Deputy Constable, Precinct 4
Ms. Minnie Holguin, CHRO



**EI PASO COUNTY CONSTABLE PRECINCT 4
APRIL 2021 – MARCH 2023
FINDINGS AND ACTION PLANS**

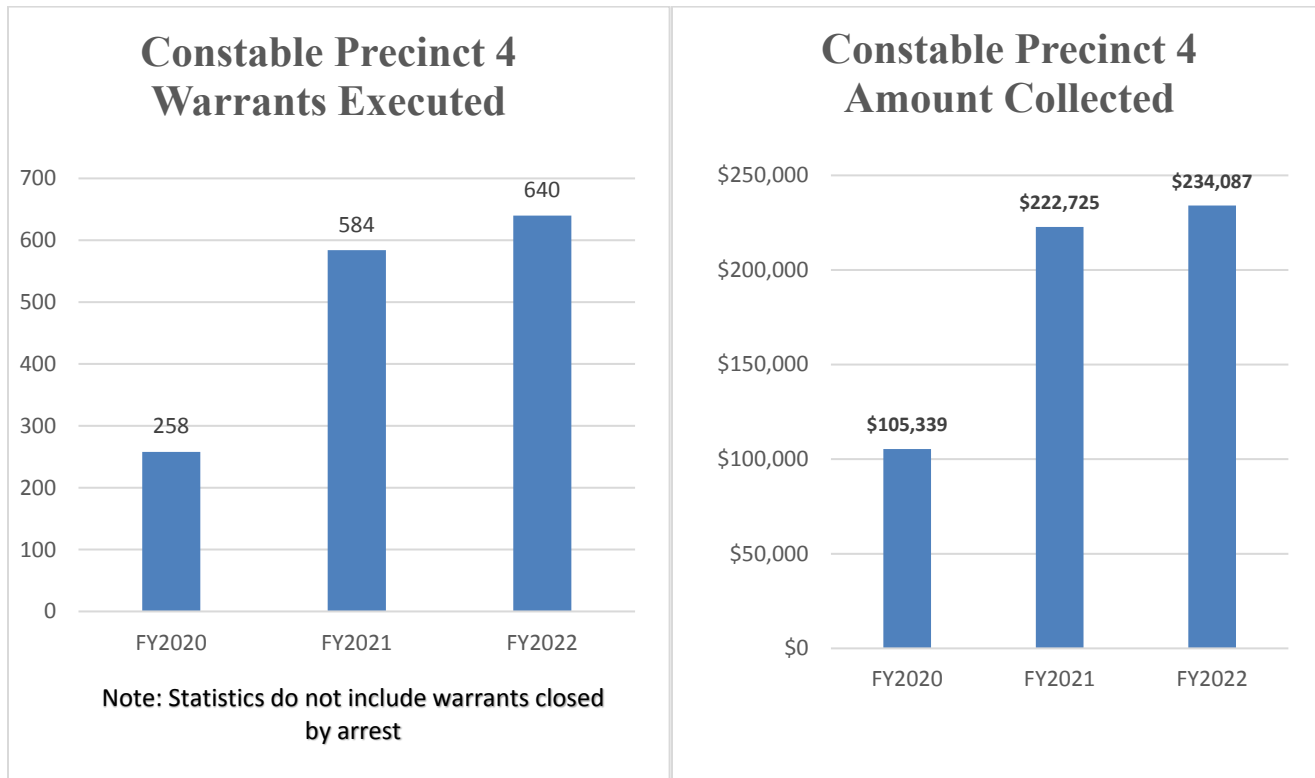


BACKGROUND

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 January 2009. Staff during the scope of this audit consisted of one sergeant, four deputy constables and two administrative specialists. The audit was performed by James O’Neal, internal auditor manager – senior. The previous audit report was issued on October 8, 2021, and had two findings.

FINANCIAL REPORTING

Financial and statistical reports are generated from the Odyssey Courts and Justice System (Odyssey) and internal reporting from the County Auditor’s Office. The following charts represent statistical and financial data for Constable Precinct 4 office. The increase in both executed warrants and collections over the fiscal years is due to the relaxation of COVID-19 restrictions and the resuming of in-office operations.



Source: Odyssey Judicial Reporting System

OBJECTIVES

The audit evaluated the adequacy of controls and processes used to achieve key business objectives related to the Constable Precinct 4 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 |
| 4. Maintenance and review of mailed-in foreign civil service payment documentation and controls | Satisfactory |



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

SCOPE

The scope of the audit is April 2021 through March 2023.

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.
- Requested office manual receipt book log for proper documentation and control review.
- Reviewed employee timecards 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.

RESULTS

Listed below are control and finding summaries, with findings listed from highest to lowest risk. Please see the *Detail 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.

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



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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 4 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.



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Prior Audit Findings Summarized with Current Status

Status

H Open
See Current
Finding # 1

1. **Finding:** *El Paso County Timekeeping and Attendance Policy Adherence* – Non-adherence to County compensatory time and vacation leave usage.
Recommendation: Constable Precinct 4 should communicate the importance of proper timekeeping coding and policy adherence. Those employees with high compensatory balances should work with the Constable in scheduling the use of such time in accordance with County policies. Further, these policies should be incorporated into the office policies and procedures for future reference and policy compliance.
Action Plan: Constable agrees with recommendation. The high compensatory balances were mainly a result of the precinct deputies working off-site COVID vaccination sites during the early months of calendar year 2021 and the Constable’s office continuing to operate during the County wide stay-at-home order. Constable should monitor any future timekeeping and attendance policy amendments, especially those dealing with overtime and compensatory hours, to ensure office polies and procedures are kept up-to-date and most recent information is available to staff. The Constable will continue to communicate to his deputies the importance of proper timekeeping coding and policy adherence and update office policies and procedures referencing County timekeeping and attendance policies. **Unresolved**

H Open
See Current
Finding # 2

2. **Finding:** *Segregation of Duties during Procurement Process* – Lack of segregation of duties during procurement process
Recommendation: Constable Precinct 4 should counsel staff on the importance of proper segregation of duties 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: Constable agrees with recommendation. Constable has increased his staff by one deputy and one administrative specialist. These two staff members were enrolled in County sponsored Munis training sessions; however, these training sessions were canceled, and Constable will re-enroll staff members once training sessions become available. Upon completion of these training sessions, these two staff members will be involved in the procurement process to ensure proper segregation of duties. **Unresolved**



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Current Audit Findings & Action Plans

| Finding #1 | | Risk Level H |
|---|------------------------------|--|
| <p><u>El Paso County Human Resource Timekeeping and Attendance Policy Adherence</u> – Non-adherence to County compensatory time and vacation leave policies. Timecard records for the audit scope for all four employees were reviewed; the following was noted:</p> <ul style="list-style-type: none"> • Eleven of twelve vacation pay codes sampled (92%) had instances in which vacation leave was used in lieu of compensatory time, violating County policy. Per policy, compensatory time must be used prior to the use of vacation leave. • Five of the seven employees (71%) had compensatory balances transferred from one fiscal year to another without written department head approval. Per County policy, compensatory time accrued must be taken within the same fiscal year it was earned, unless otherwise approved in writing by the department head which would grant the employee a 90-day extension. <p>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. This is a repeat finding.</p> | | |
| Recommendation | | |
| <p>As previously recommended, Constable Precinct 4 should communicate the importance of proper timekeeping coding and policy adherence. Compensatory balances must be used prior to the use of vacation leave and any compensatory balances transferred from one fiscal year to another must be approved in writing by the Constable granting a 90-day extension. Further, these policies should be incorporated into the office policies and procedures for future reference and policy compliance.</p> | | |
| Action Plan | | |
| Person Responsible | Constable, Precinct 4 | Estimated Completion Date |
| | | August 31, 2023 |
| <p>Constable is aware of the timekeeping issues and agrees with recommendation. Constable is in the process of researching the possibility of acquiring an additional deputy to relieve the high workload assigned to current staff. With the additional deputy, the amount of future compensatory time acquired should decrease and allow staff to reduce current compensatory time balances. Further, Constable agrees to create and add a timekeeping section to current policies and procedures referencing County timekeeping policies for compensatory, vacation, shift differential and administrative leave.</p> | | |



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| Finding #2 | | Risk Level H | |
|---|------------------------------|--|------------------------|
| <p>Segregation of Duties during Procurement Process – Lack of segregation of duties during procurement process. A random sample of 12 of 59 (20%) purchase orders issued during the audit scope were tested to ensure proper segregation of duties during the procurement process. Although improved, seven of the 23 purchase orders tested (30%) showed the same individual as both the authorizing and receipting agent of procured items. This is compared to the last audit where 92% of purchase orders tested lacked proper segregation of duties. It is best practice to have proper segregation of duties when authorizing, recording and accepting all procured items. Improper segregation of duties may lead to an increased risk of fraud or misuse of County funds and property. This is a repeat finding.</p> | | | |
| Recommendation | | | |
| <p>Constable Precinct 4 should continue counseling staff on the importance of proper segregation of duties 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.</p> | | | |
| Action Plan | | | |
| Person Responsible | Constable, Precinct 4 | Estimated Completion Date | August 31, 2023 |
| <p>Constable agrees with recommendation. Constable explained usage of some funds for procurement process have limited access in the financial reporting system. Therefore, the process of procuring items using those funds can only be utilized by the sergeant or the Constable. However, in instances where only the sergeant or the Constable is available, an additional staff member will review and sign either the initial purchase order or the receiving documents to ensure proper segregation of duties. This additional process will be noted in the current policies and procedures.</p> | | | |