



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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12-29

December 13, 2022

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 Sportspark's financial records to determine if internal controls are adequate to ensure proper preparation of the Sportspark financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating, compliant and efficient.

The audit report is attached. We tested two financial controls and five operating controls with a total of 209 samples. There were two findings noted as a result of the audit procedure, both of which were repeat findings. We wish to thank the management and staff of the Sportspark 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 blue ink that reads "Edward A. Dion".

Edward A. Dion  
County Auditor

EAD:JO:ea

cc: Mrs. Betsy Keller, Chief Administrator  
Mrs. Norma Palacios-Rivera, Executive Director Public Works  
Timothy Fulton, Assistant Parks Director  
Claudio Fernandez-Banderas, Sportspark League Manager



The El Paso County Sportspark  
Parks and Recreation  
July 2021 – August 2022



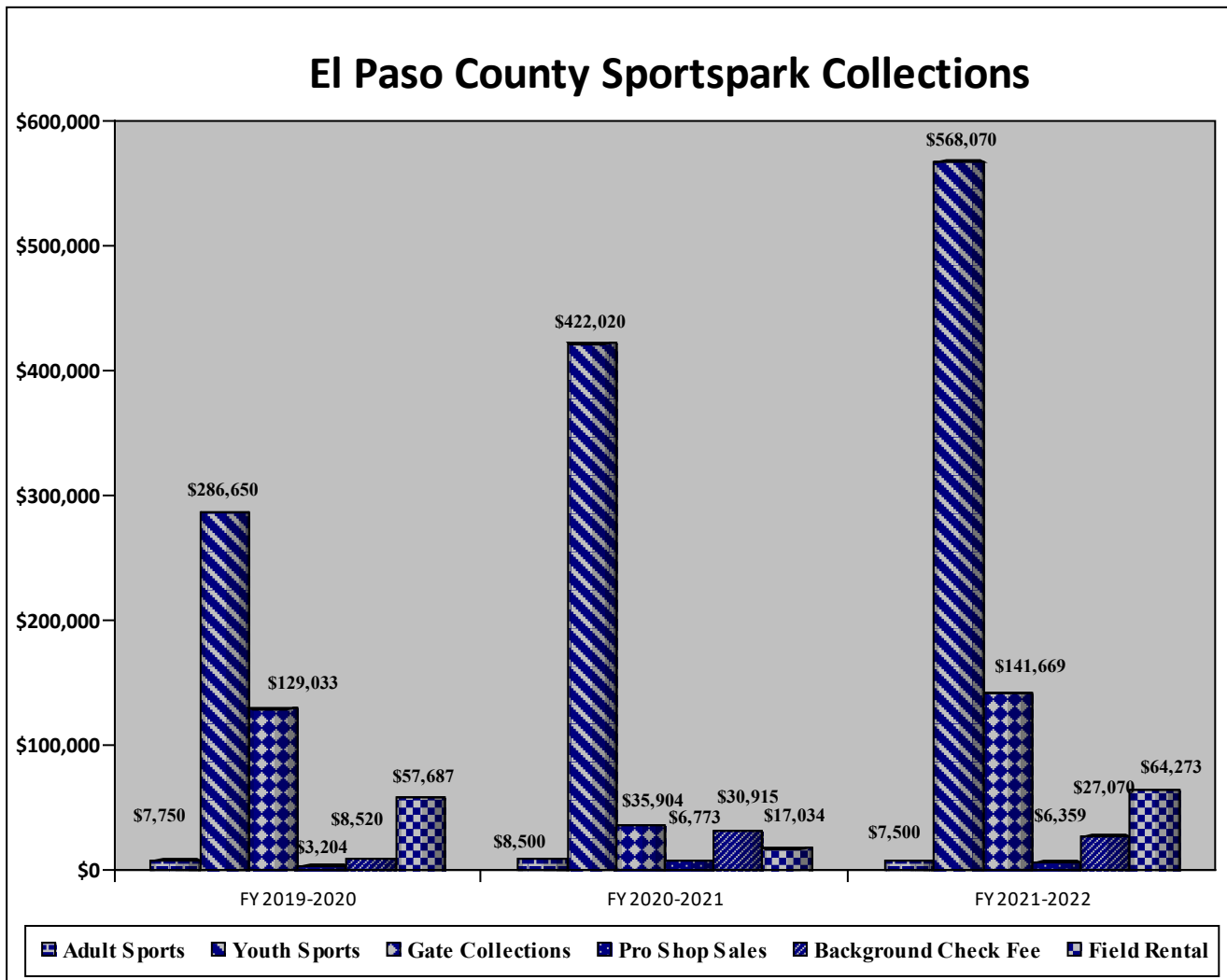
EXECUTIVE SUMMARY

**BACKGROUND**

In 2002, the County of El Paso purchased the Champions Sportsplex and officially re-named it the El Paso County Sportspark. The mission of the Sportspark is to be a safe, specialized venue for participants of organized youth and adult baseball programs as well as all who wish to visit the park. Baseball programs are played on ten fields (six official baseball fields and four modified for T-ball play) throughout the year. In September 2012, renovations began to improve the Sportspark buildings and fields to offer the community the best sporting experience possible. Renovations were completed in 2016 at a cost of \$10 million. In 2018, a pro shop was added offering a variety of baseball equipment, clothing and other sports related items and in conjunction with the El Paso County Sheriff's department, a background check service for all coaching staff and umpires was also added. The current Sportspark manager has been in this position since June 1, 2021. Other staff members include League Manager, one administrative specialist and five cashiers. Types of collections made by the Sportspark staff include, registration fees (youth and adult), field rental fees, background check fees, pro shop sales and gate entrance fees.

**FINANCIAL REPORTING**

The following charts represent revenue collection data for the El Paso County's Sportspark Division of the Parks and Recreation Department.



Source: RecWare Recreation Management Software



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**EXECUTIVE SUMMARY**

The audit was performed by James O'Neal, internal audit manager – senior. Due to the COVID-19 pandemic and issued stay at home orders, audit functions could not be applied until July 2021. The most recent prior audit report was issued on September 20, 2019.

**OBJECTIVES**

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

<b>Business Objective</b>	<b>Control Assessment</b>
1. Established and documented current policies and procedures	<b>Satisfactory</b>
2. Compliance with timely deposit law Local Government Code 113.022	<b>Satisfactory</b>
3. Appropriate registration refunding processes and controls	<b>Needs Improvement</b>
4. Functioning appropriate Pro-Shop inventory processes and controls	<b>Satisfactory</b>
5. Proper management and processing of field rental contracts	<b>Needs Improvement</b>
6. Complete and up-to-date coach registration and background check documentation	<b>Satisfactory</b>
7. Proper contracted umpire fee calculations and payment processing	<b>Satisfactory</b>

**SCOPE**

The scope of the audit is July 2021 to August 2022 which covers the spring, summer, fall and winter 2021 seasons and the spring and summer 2022 seasons.

**METHODOLOGY**

To achieve the audit objectives, we:

- Requested and reviewed current policies and procedures to ensure compliance and proper controls.
- Tested a sample of collections for timely deposit compliance in accordance with Local Government Code (LGC) § 113.022.
- Reviewed a sample of seasonal refunds issued to ensure proper and functioning controls.
- Reviewed a sample of pro shop purchase orders to ensure proper controls and segregation of duties are in place.
- Reviewed a sample of seasonal field rental agreements to ensure proper documentation and functioning controls.
- Reviewed a sample of coach registration processes to ensure proper documentation and up-to-date background check documentation.
- Tested a sample of contracted umpire payments to ensure proper calculations and supportive documentation.



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**EXECUTIVE SUMMARY**

**RESULTS**

Listed below are control and findings 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 and the status of the prior audit findings.

<b>Control Summary</b>	
<b>Good Controls</b>	<b>Weak Controls</b>
<ul style="list-style-type: none"> <li>• Established policies and procedures (Obj. 1)</li> <li>• Timely deposit compliance (LGC § 113.022) (Obj. 2)</li> <li>• Proper pro shop inventory ordering processes and controls (Obj. 4)</li> <li>• Up-to-date coaching staff registration and background check documentation (obj. 6)</li> <li>• Proper contracted umpire fee calculations and payment processing (Obj. 7)</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate registration refunding processes and controls (Obj. 3)</li> <li>• Proper management and processing of field rental contracts (Obj. 5)</li> </ul>
<b>Findings Summary</b>	
<ol style="list-style-type: none"> <li>1. Refunding process not in compliance with policies and procedures (repeat finding)</li> <li>2. Field rental collection process not in compliance with contractual agreement (repeat finding)</li> <li>3. Documented umpire fee rates not updated</li> </ol>	

**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 Sportspark met five of seven objectives of this audit. Implementation of the recommendation provided in this report should assist the Sportspark in improving the internal control structure of its operations.



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Prior Audit Findings Summarized with Current Status

Status

**(M)** Closed

1. **Finding:** Policies and procedures not updated to include key processes involving the acceptance, storage and disposal of sensitive information acquired during the registration process.

**Recommendation:** Current policies and procedures should be updated to address the above key functions and followed as documented. Further, policies and procedures should be reviewed regularly and amended by management if necessary.

**Action Plan:** Sportspark management staff agrees with recommendation. Management will work with staff to review and update current policies and procedures. Management agrees to periodically review policies and procedures as necessary.

**(M)** Closed

2. **Finding:** Twelve (19%) of 64 daily deposits sampled were not deposited in a timely manner. Eleven deposits showed bank deposits on the sixth business day and one deposit on the seventh business day. Collections are transported to the bank via armored car every Wednesday. Under Local Government Code LGC §113.022, collections are to be deposited on or before the next regular business day after receipt. If this is not possible, without exception, they are to be deposited on or before the fifth business day after day of receipt.

**Recommendation:** Sportspark management should ensure deposits are prepared daily, stored securely, and picked up in accordance with LGC §113.022. Due to the hours of operation observed by the Sportspark, the possibility of requesting an additional armored car pickup during the week may need to be researched to further ensure compliance.

**Action Plan:** Management acknowledges and agrees with recommendation. Management will review and analyze the current armored pickup service to possibly incorporate a secondary pickup day to ensure compliance with LGC §113.022.

**(M)** Closed

3. **Finding:** Transactions sampled missing customer information when entered in RecWare for receipting purposes.

**Recommendation:** Sportspark management and staff should ensure all customer information be entered for each transaction. Further, if one individual is to make one payment for several individuals; everyone's information should be entered into RecWare and shown on the printed receipt.

**Action Plan:** Management agrees with recommendation. Management will begin reviewing current policies to ensure staff is made aware to enter all necessary customer information as service is rendered.

**(M)** Open  
See current  
finding # 1

4. **Finding:** Refund process not in compliance with current policies and procedures  
**Recommendation:** Sportspark management and staff should adhere to current registration refund policies and procedures and be updated if necessary.

**Action Plan:** Management agrees with recommendation. Staff will be reminded of current policies and procedures regarding proper registration fee refunding procedures.

**(M)** Open  
See current  
finding # 2

5. **Finding:** Non-compliance with field rental contractual obligations and policies and procedures  
**Recommendation:** Office standard operating policies and procedures regarding tournament bookings and field rentals should be followed. Further, management should review operating policies and procedures on a regular basis and update when necessary.

**Action Plan:** Management agrees with recommendation. Current field rental policies and procedures will be reviewed and updated if necessary. Once policies and procedures are reviewed and updated, staff will be informed of the current and any new procedures regarding field rental to ensure compliance. Any updates or changes to field rental contracts will be sent to appropriate County personnel to ensure contracts are updated with new information.



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**Current Audit Findings and Action Plans**

<b>Finding #1</b>		<b>Risk Level</b> <span style="background-color: yellow; border: 1px solid black; border-radius: 50%; padding: 2px;">M</span>
<p><b><u>Refunding Process and Controls</u></b> – While reviewing a random sample of 11 (20%) of 54 processed refunds, the following was noted:</p> <ul style="list-style-type: none"> <li>• Eight (73%) had the refund requests initiated by and issued to someone other than the original payer. Per Sportspark Standard Operating Procedures (SOP), all refund requests must be initiated by the person who made the original payment. If the SOP stated process cannot be followed, a signed and verified statement from the original payer indicating the release funds to another individual should be included in the refund request.</li> <li>• Eight (73%) did not have the refunded player removed or noted as ineligible on the team roster. Further, five of the eight players (62%) noted as ineligible also had checks made payable to someone other than the original payer, as noted above.</li> </ul> <p>Not complying with current registration refund policies and procedures may increase the risk of theft, fraud or misuse. Further, not indicating non-eligibility on the team roster for refunded players may also increase the risk of fraud as a player may continue to play even though the registration fees have been refunded (repeat finding).</p>		
<b>Recommendation</b>		
<p>Sportspark management and staff should adhere to current registration refund policies and procedures and be updated if necessary. Further, if adherence is not possible, additional steps noted above should be followed to ensure refunds owed reach the appropriate person.</p>		
<b>Action Plan</b>		
<b>Person Responsible</b>	<b>Sportspark Manager</b>	<b>Estimated Completion Date</b> <b>11/30/22</b>
<p>Sportspark management has been informed of the finding and the recommendations to take for corrective action. Sportspark personnel to begin following current registration refund policies and procedures and documenting refunded non-eligible players on team rosters.</p>		



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<b>Finding #2</b>	<b>Risk Level</b> <span style="background-color: yellow; border: 1px solid black; border-radius: 50%; padding: 2px;">M</span>
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**Field Rental Procedures** – While reviewing a random sample of three (20%) of 15 field rental contracts, the following was noted:

- Three (100%) did not have a cross-referencing RecWare receipt for the refundable security deposit nor the payment in full. A manual receipt is issued for all security deposits. The check or money order collected for the rental deposit is held until end of contracted event and never recorded in the RecWare nor the Enterprise ERP systems for proper accounting and tracking. Upon satisfactory contractual compliance with license terms and conditions, the depository check or money order is returned to the renter.
- Per section 1 of the standard field rental agreement, all remaining license fee balances must be paid before or day of event. However, two (66%) of the three contracts sampled had balance payments made after the event’s commencement.

Non-adherence to field rental contractual terms and standards could result in the rental agreement becoming null and void. Further, non-adherence may lead to increased risk of theft, fraud or misuse (repeat finding).

<b>Recommendation</b>
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Field rental contractual terms and standards should be followed and adhered to. Further, all collections by Sportspark staff should be documented and recorded in the RecWare and County Enterprise ERP system to ensure proper documentation and accounting. Copies all rental deposit receipts should be included when submitting the rental agreement for County Administration and County Attorney approval. Policies and procedures should be updated to include current email contacts for contract legal review and procedures for accepting, recording, depositing and reimbursing all field rental deposits.

<b>Action Plan</b>
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<b>Person Responsible</b>	<b>Sportspark Manager</b>	<b>Estimated Completion Date</b>	<b>11/30/22</b>
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Sportspark management has been informed of this finding and the recommendations for corrective action. All rental deposit time frame collections will be adhered to and will be documented in the County Enterprise ERP system to be refunded accordingly if all contractual standards are met. Further, policies and procedures will be updated with current email contacts for all reviewing and approving parties and any newly adopted procedures.