



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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10-07

October 10, 2023

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 six operational controls and four financial controls using 289 samples. There were no 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 blue ink that reads "Barbara Parker".

Barbara A. Parker
County Auditor

BP:JO:ya

cc: Betsy C. Keller, Chief Administrator



**EI PASO COUNTY
CONSTABLE PRECINCT 1 AUDIT
JULY 2022 – MAY 2023**



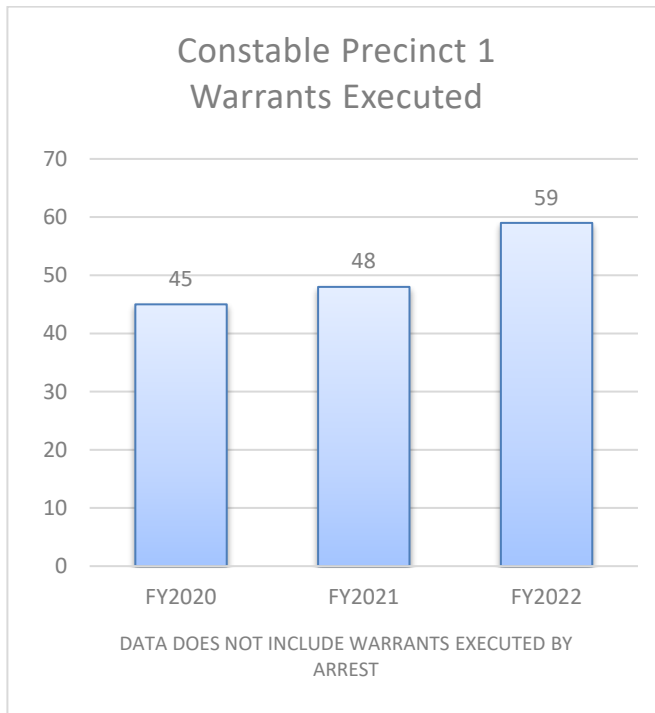
EXECUTIVE SUMMARY

BACKGROUND

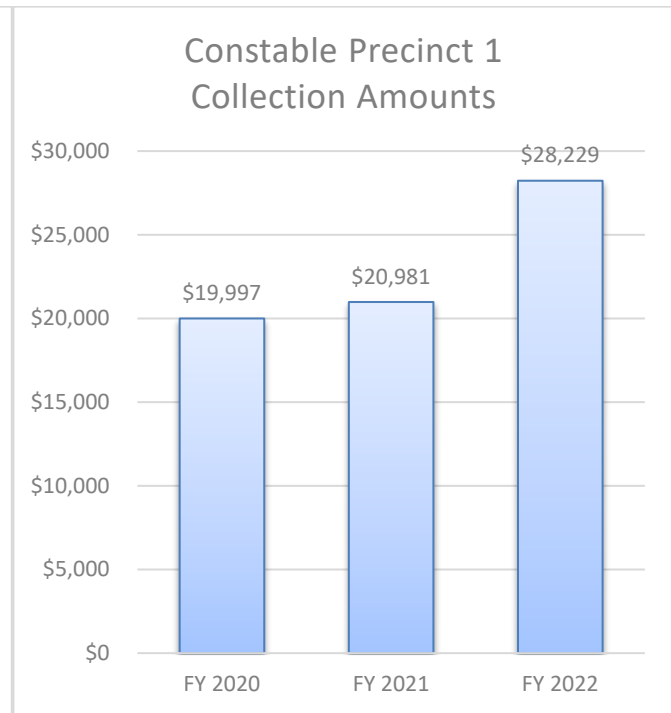
Constables are elected officials and serve four-year terms within each justice precinct. Constables have the same duties and powers as police officers and sheriffs, and have the duty to serve warrants, precepts and civil process lawfully directed to them. Constables are also required by law to be present, 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, five deputy constables and two administrative assistants. The audit was performed by James O’Neal, internal auditor manager – senior. The prior audit report was issued February 2022 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.



Source: Odyssey Courts and Justice System



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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
4. Maintenance and review of mailed-in foreign civil service payment documentation and controls	Satisfactory
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	Satisfactory



**EI PASO COUNTY
CONSTABLE PRECINCT 1 AUDIT
JULY 2022 – MAY 2023**



EXECUTIVE SUMMARY

Business Objective	Control Assessment
7. Maintenance and review of fuel card usage, documentation and controls	Satisfactory
8. Compliance with weapons proficiency requirements <i>Occupations Code §1701.355</i>	Satisfactory
9. Maintenance and review of assigned inventory, documentation and controls.	Satisfactory
10. Proper segregation of duties and approvals during procurement of supplies and services	Satisfactory

SCOPE

The scope of the audit is July 2022 through May 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.
- 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*.
- Requested and reviewed most recent signed inventory report submission to ensure assigned County property is properly accounted for.
- 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 (if applicable). Please see the *Findings and Action Plans* section of this report for related details and management action plans (if applicable) 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) • County Human Resources timekeeping and attendance policies and procedures compliance (Obj. 6) • Fuel card usage, documentation and controls (Obj. 7) • Weapons proficiency requirement compliance (Obj. 8) • Proper accountability of assigned County property (Obj. 9) • Proper segregation of duties and approvals during procurement process (Obj. 10) 	
Finding Summary	
No findings.	



**EI PASO COUNTY
CONSTABLE PRECINCT 1 AUDIT
JULY 2022 – MAY 2023**



EXECUTIVE SUMMARY

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 all ten objectives of this audit.



EL PASO COUNTY
CONSTABLE PRECINCT 1 AUDIT
JULY 2022 – MAY 2023



FINDINGS AND ACTION PLANS

Prior Audit Findings Summarized with Current Status

Status

H Closed

1. Finding: **El Paso County Human Resource Timekeeping and Attendance Policy Adherence** - 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:

- 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.
- Five of forty-nine (10%) sampled shift differential codes were coded beyond the policy allowed four-to-eight-hour time period.
- 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.

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.

Recommendation: 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.

Action Plan: 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. **Resolved**

M Closed

2. Finding: **Segregation of Duties and Signature Authorization during Procurement Process** - 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.

Recommendation: Constable Precinct 1 should counsel staff on the importance of proper segregation of duties and authorization procedures during the procurement process. Further,



**EI PASO COUNTY
CONSTABLE PRECINCT 1 AUDIT
JULY 2022 – MAY 2023**



FINDINGS AND ACTION PLANS

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 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. **Resolved**

DRAFT