



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

BARBARA PARKER, CPA, CIA
COUNTY AUDITOR
B.Parker@epcountytexas.gov
www.epcounty.com/auditor

Downtown County Annex
320 S. Campbell, Suite 140
El Paso, Texas 79901
(915) 273-3262
(915) 273-3266 FAX

12-17

December 20, 2024

Mr. Timothy Fulton
El Paso County Parks and Recreation Director
6900 Delta Dr.
El Paso, Texas 79905

Dear Mr. Fulton:

The County Auditor's Internal Audit division performed an audit of the El Paso County Parks and Recreation Aquatics Division for the 2024 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 220 samples. There was one finding 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,

A handwritten signature in blue ink that reads "Barbara Parker".

Barbara Parker
County Auditor

BP:HM:ya

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



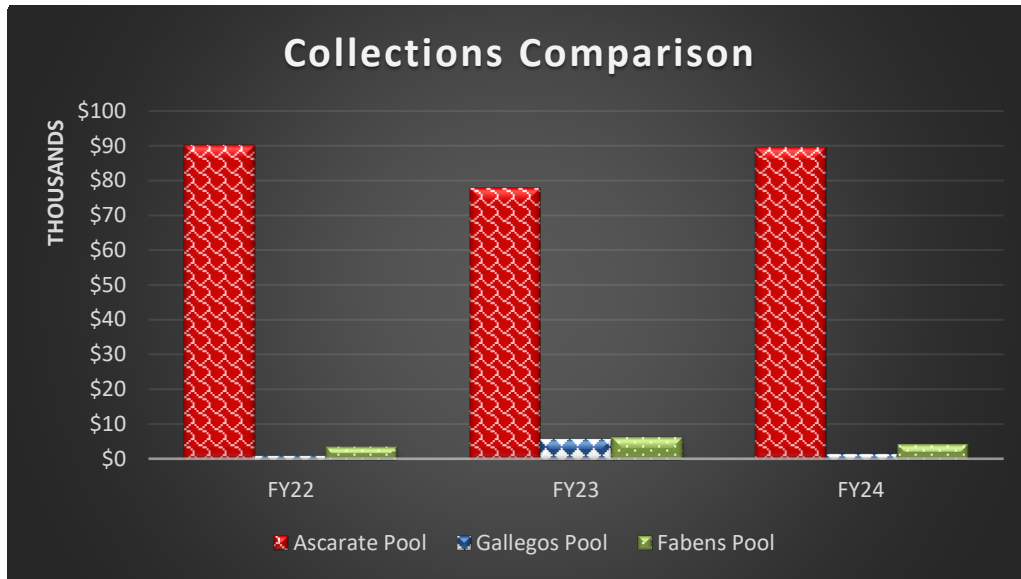
Parks and Recreation Swimming Pools For the period of April 2024 to September 2024



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 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. The 2024 season was the first season under new management. Collections for 2022, 2023, and 2024 are illustrated below.



Source: Enterprise ERP

The audit was performed by Hadi Medina, internal auditor. The scope of the last audit performed was April 2023 to September 2023 and the related audit report was issued on November 21, 2023, with no findings.

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 application of the approved fee schedule in RecWare	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. Functioning appropriate entry bracelet controls	Needs Improvement
7. Timely deposit of pool rental collections and adequate treatment of refunds	Satisfactory

SCOPE

The scope of the audit is April 2024 through September 2024.



Parks and Recreation Swimming Pools
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EXECUTIVE SUMMARY

METHODOLOGY

To achieve the audit objectives, we:

- Reviewed policies, procedures, and applicable statutes.
- Performed a surprise cash count in accordance with *Local Government Code (LGC) §115.0035*
- Reviewed all RecWare receipts sampled for accurate application of the latest Parks & Recreation fee schedule approved by Commissioners Court.
- Traced a sample of daily deposit slips to the financial accounting system for compliance with *LGC §113.022*.
- Tested all swim team practices and tent rentals for accuracy and timeliness.
- Reviewed a sample of bracelets for accurate sequential order and accountability.
- Tested all party rental agreements and refunds processed to verify depositing and refunding timeliness and proper supporting documentation.

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 details and management action plans for the current 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. 7)	<ul style="list-style-type: none">• Entry bracelet controls (Obj. 6)
Findings Summary	
1. A total of 103 bracelets were unaccounted for after a review of all used and unused bracelets.	

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 but there are still opportunities for improvement. Implementation of the recommendation provided in this report should assist the Aquatics division in producing complete and accurate financial reports by strengthening their internal control structure.



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FINDINGS AND ACTION PLANS

Current Audit Findings & Action Plans

Finding #1		Risk Level M	
<p>Pool Entry Bracelets: A sample of 40 days of entry bracelets was reviewed to ensure bracelets were issued in sequential order and that all bracelets were accounted for. The sample was based on the daily deposit sample and every bracelet color used during each of those days was tested. The review consisted of verifying the sequential order of the bracelets during the days used, the previous two days used, and the next two days used for entry.</p> <p>During the sampled 40 days, 5,372 bracelets were used, and it was noted that 103 were unaccounted for and that management review was not documented. Current procedures state all bracelets issued and used shall be accounted for by management in all locations. The range and colors of bracelets used by location shall be logged daily, as well as accounting for leftover bracelets from each roll. Due to the large number of bracelets used during the season and the lack of management review, bracelets could be misappropriated or lost, leading to loss of County revenue or supplies.</p>			
Recommendation			
We recommend following current policies and procedures to ensure controls over revenue collection.			
Action Plan			
Person Responsible	Sports and Aquatic Manager	Estimated Completion Date	April 1, 2025
Management agrees with the recommendation to follow procedures. Management is in the process of setting up Tyler Cashiering system for cash handling in all locations. This will allow for the removal of the bracelet system and will also have a ticketing system as a backup plan. Management will work on developing and implementing new policies and procedures to include all the changes.			