



# **COUNTY OF EL PASO, TEXAS 2023 Annual Comprehensive Financial Report September 23, 2024**

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# OVERVIEW

Directly linked to the County Strategic Plan

## **Goal 1- Financially Sound County Government**

12/27/2023 - Received GFOA Certificate of Achievement for Excellence in Financial Reporting for FY2022 (34<sup>th</sup> consecutive year awarded)

### **Items for Discussion:**

1. External Audit Results-Gibson, Ruddock, Patterson, LLP (GRP)
2. Government-wide Financials (Primary Government)
3. General Fund

# External Audit Results

- ACFR Independent Auditor Report – **Unmodified Opinion**
- Internal Control over Federal and State Award (Single Audit):
  - Qualified Opinion:**
    - Federal - *Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)*
    - State - *District Attorney's Region 1 Border Prosecution Unit (BPU)*
      - *Bullet Resistant Shield Program*
  - Unmodified Opinion:** Each of the Other Major Federal and State Programs
- **Findings:**
  - Internal Control over Financial Reporting**
    1. Material weakness – Procurement and Procurement Compliance  
(see findings 2 and 4 on subsequent slides)

# External Audit Results

- **Federal Findings**

2. **CSLFRF** - A cost or price analysis or profit negotiations for a sole source procurement not documented and monitoring procedures to ensure compliance were not in place

**Recommendation** – Procurement training to all departments and Purchasing department to implement monitoring

3. **Compliance Data Collection form** - Data collection form not submitted to the Federal Audit Clearinghouse by 6/30/24 required due date

**Recommendation** – Submit data collection form and evaluate resources needed to prepare the ACFR by the due date

# External Audit Results

- **State Findings**

4. **BPU** - Certain contracted services under this program were not procured in accordance with the County's procurement policy; did not obtain quotes, formal solicitation or exemption as Purchasing Agent was bypassed.
5. **Bullet Resistant Shield Program** – Cost or price analysis performed was not independent and monitoring control procedures were not in place.

**Recommendation** – Procurement training to all departments and Purchasing department to implement monitoring.

# External Audit Results

Management Letter comments:

## **Prior Year Comments:**

### **1. Grant Reporting:**

Disaster Grant – Detention Health Cost from FEMA, personnel had difficulties locating certain documentation, appeared that a history of submitted documents and correspondence was not maintained.

**Status** - TDEM denied funding; Budget and Finance is unable to obtain the detailed documentation from UMC and has appealed the denial of funds to FEMA.

### **2. Uniform Guidance Compliance:**

Purchasing Policies and Procedures manual does not describe the procedures for some of the Procurement Standards required by 2 CFR 200.318 to 200.327.

**Status** – Situation still exists, will be included in 2024 update.

# External Audit Results

Management Letter comments - continued:

## **Prior Year Comments:**

### **Procurement**

3. Several purchases from one vendor exceeded \$50k in total, documentation referenced an expired cooperative contract. Purchasing identified five other vendors where proper procedures for cooperatives were not followed. Another instance noted the total POs issued under a specified Court approval date exceeded the “not to exceed” amount.

**Status** – Similar instances occurred.

4. PPE purchases from one vendor exceeding \$50,000 in total, it was communicated that the purchases were made under the Commissioners Court Declaration of Local Disasters due to Public Health Emergency (COVID-19). However, documentation was not provided. Additionally, the purchases were not brought before the Commissioners Court at the earliest available meeting as required.

**Status** – No similar instances noted.

# *External Audit Results*

Management Letter comments - continued:

## **Current Year Comments:**

### **Procurement**

1. Another governmental entity's vendor contract was used without an interlocal agreement in place.
2. In another instance, expenditures were incurred after the contract expired.

**Recommendation** – Ensure interlocal agreements are in place and approved by Commissioners Court. Monitor and evaluate interlocal agreements and piggy-back contracts annually.

**Response** – Recommended training and monitoring are being developed and implemented as well as internal reporting.



# *External Audit Results*

Management Letter comments - continued:

## **Current Year Comments:**

### **Public Funds Investment Act Compliance**

3. Investment policy does not identify the methods for monitoring the market price of investments or procedures to monitor rating changes in investments

**Recommendation** – Ensure the County Investment Policy includes all requirements of the Public Funds Investment Act.

**Response** – Investment policy will be updated.

# External Audit Results

Management Letter comments-Continued:

## **Current Year Comments**

### **Federal Program Compliance**

4. Emergency Food and Shelter Board Program - Subrecipient contract did not include all required information.
5. CSLFRF - In another instance, expenditures were incurred after the contract expired.

**Recommendation** – Ensure all grant subrecipient contracts include the information required by the Uniform guidance and subrecipient certification forms are completed and signed by subrecipient.

**Response** – County Auditor Grant staff will review grant subrecipient contracts to ensure information required is included and all certification forms are completed and signed by subrecipients.

# *External Audit Results*

## Management Letter comments-Continued: **Current Year Comments**

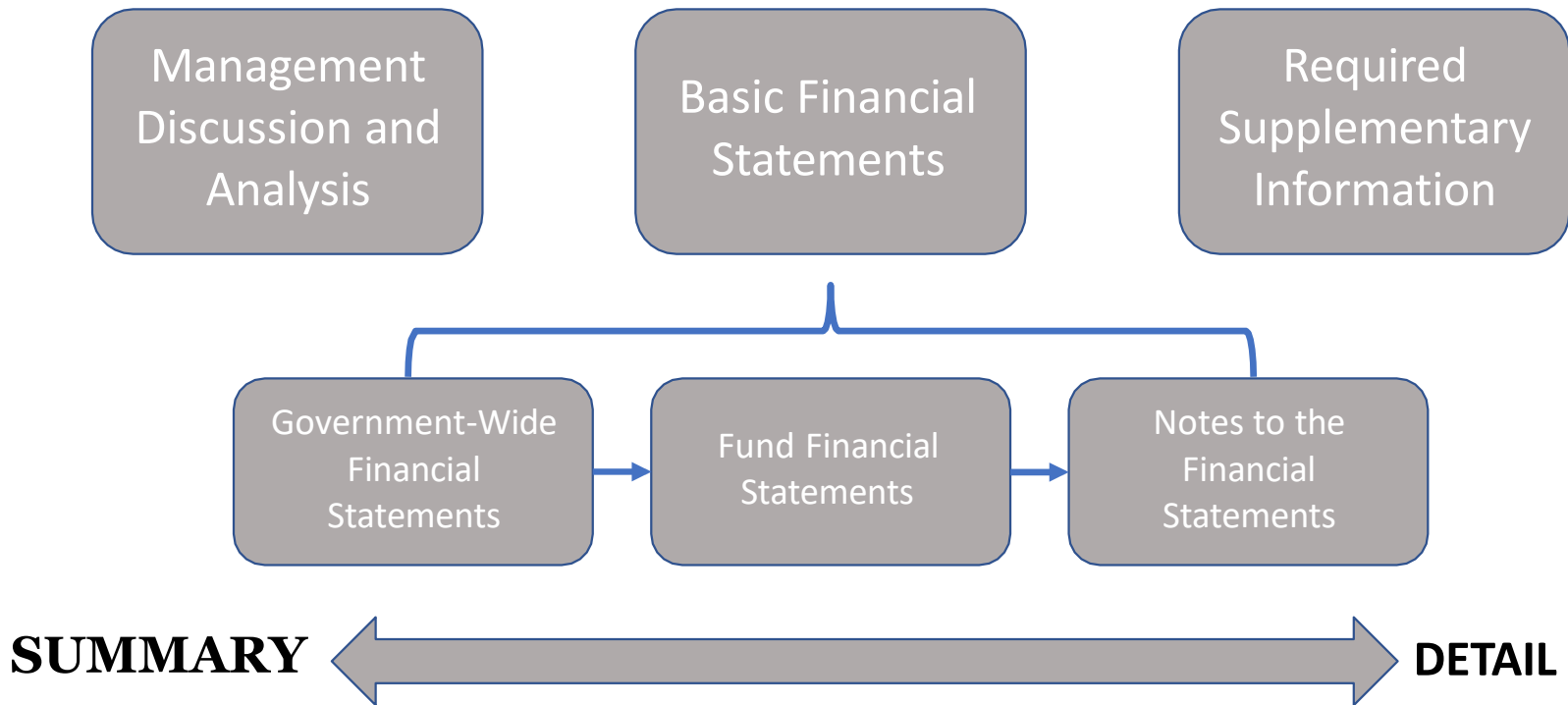
### **Financial Reporting - Accounting Matters**

6. Implementation team was not confirming key aspects of proper implementation of the GASB 96 standard. Reasonably certain to review inquiries not made when evaluating contracts and one agreement erroneously evaluated as long term.

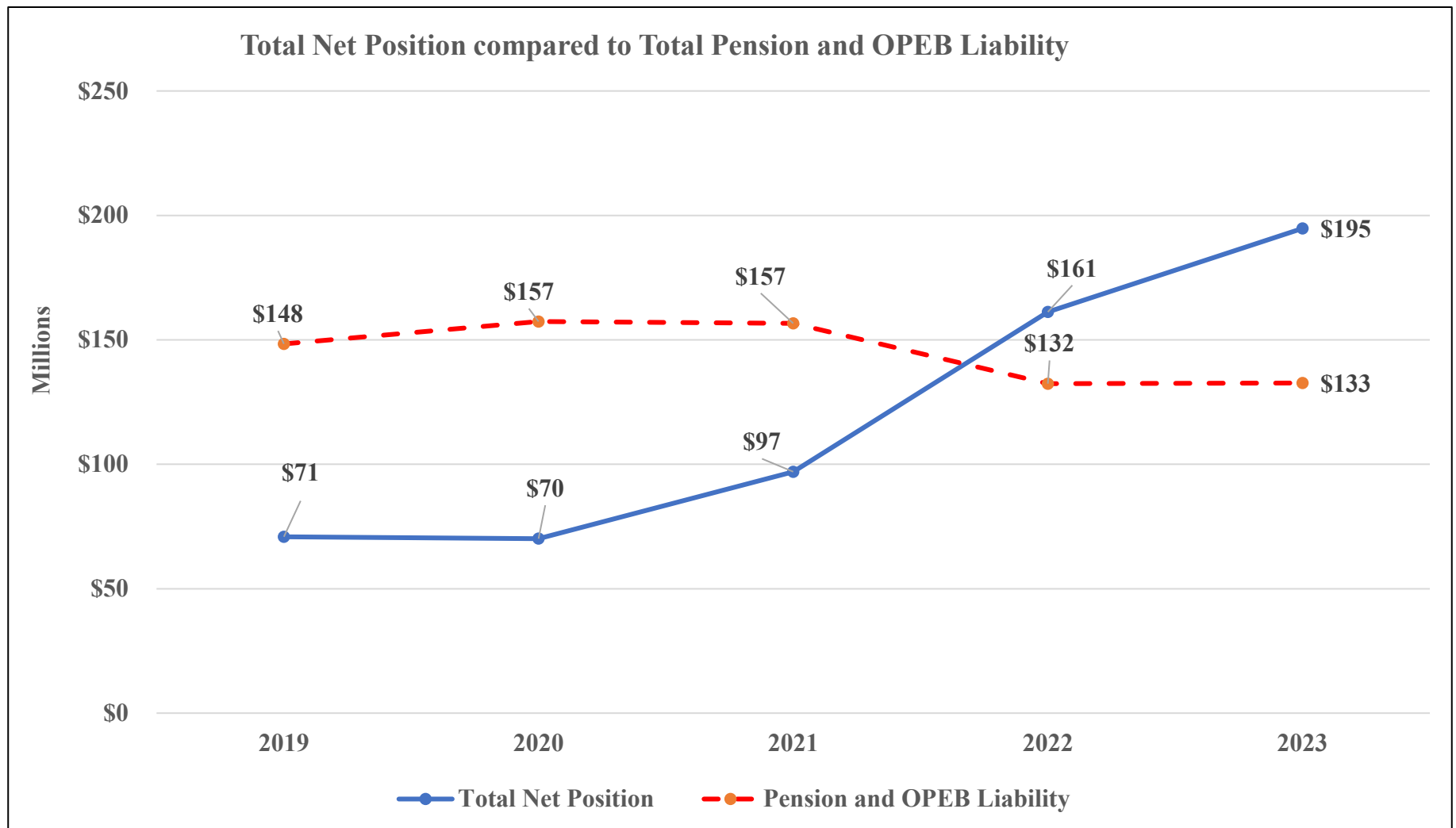
**Recommendation** – Lease and SBITA team receive ongoing training to ensure standards are properly implemented and for financial accuracy.

**Response** – Ongoing training will be implemented.

# ACFR Structure

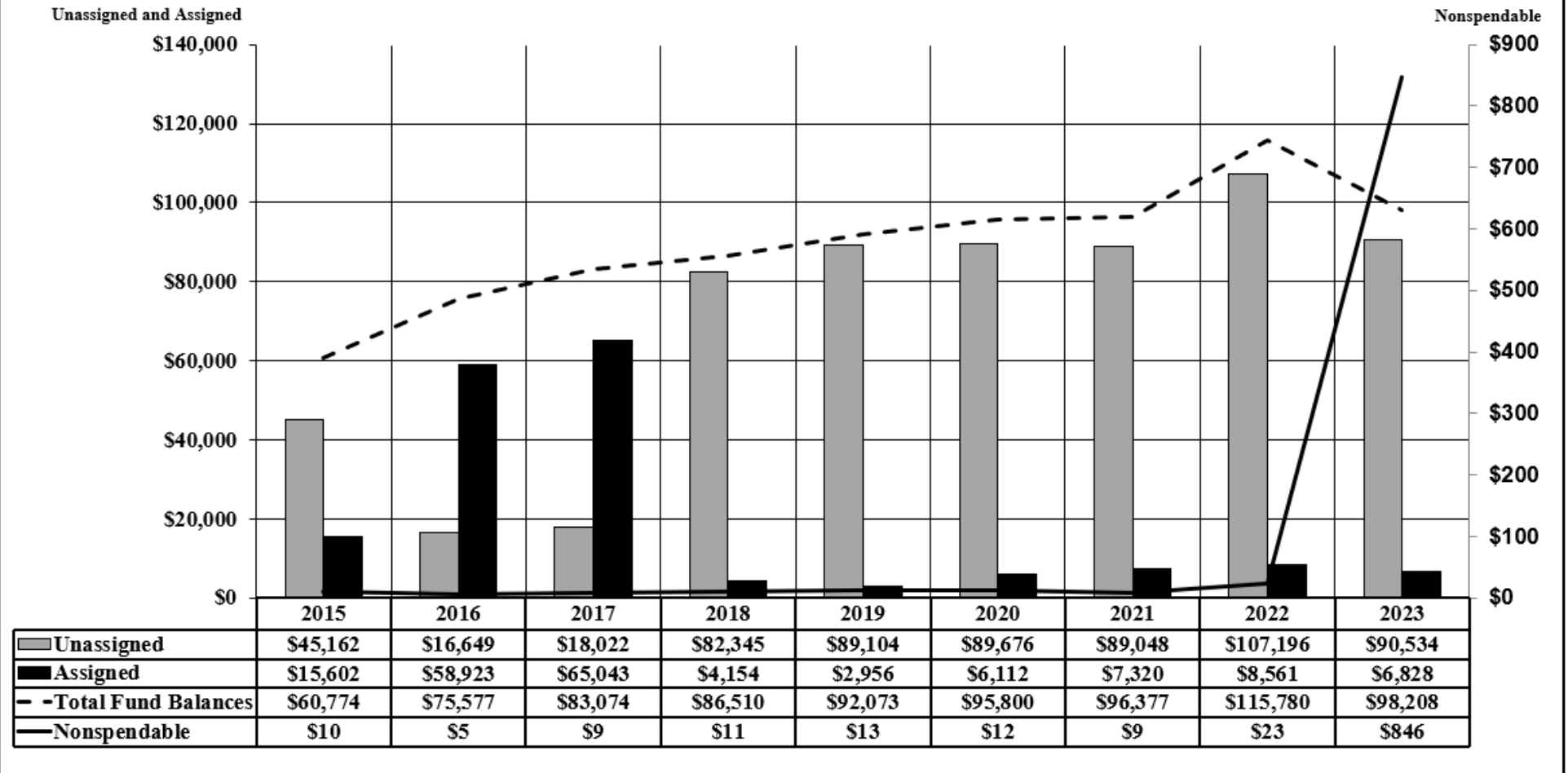


# Government-wide Financials



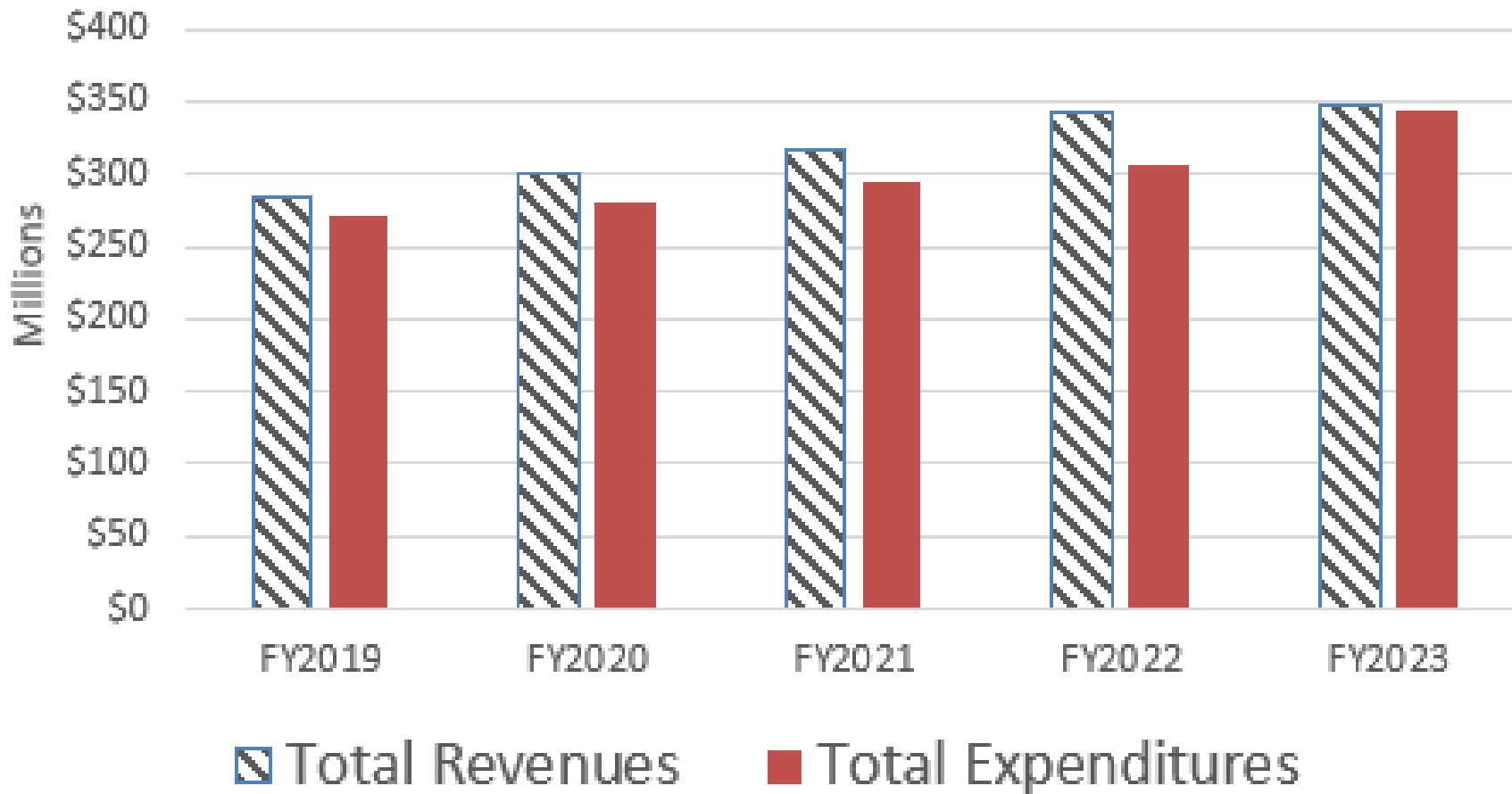
# General Fund - Fund Balance

**General Fund  
Components of Fund Balance by Fiscal Year**  
in thousands

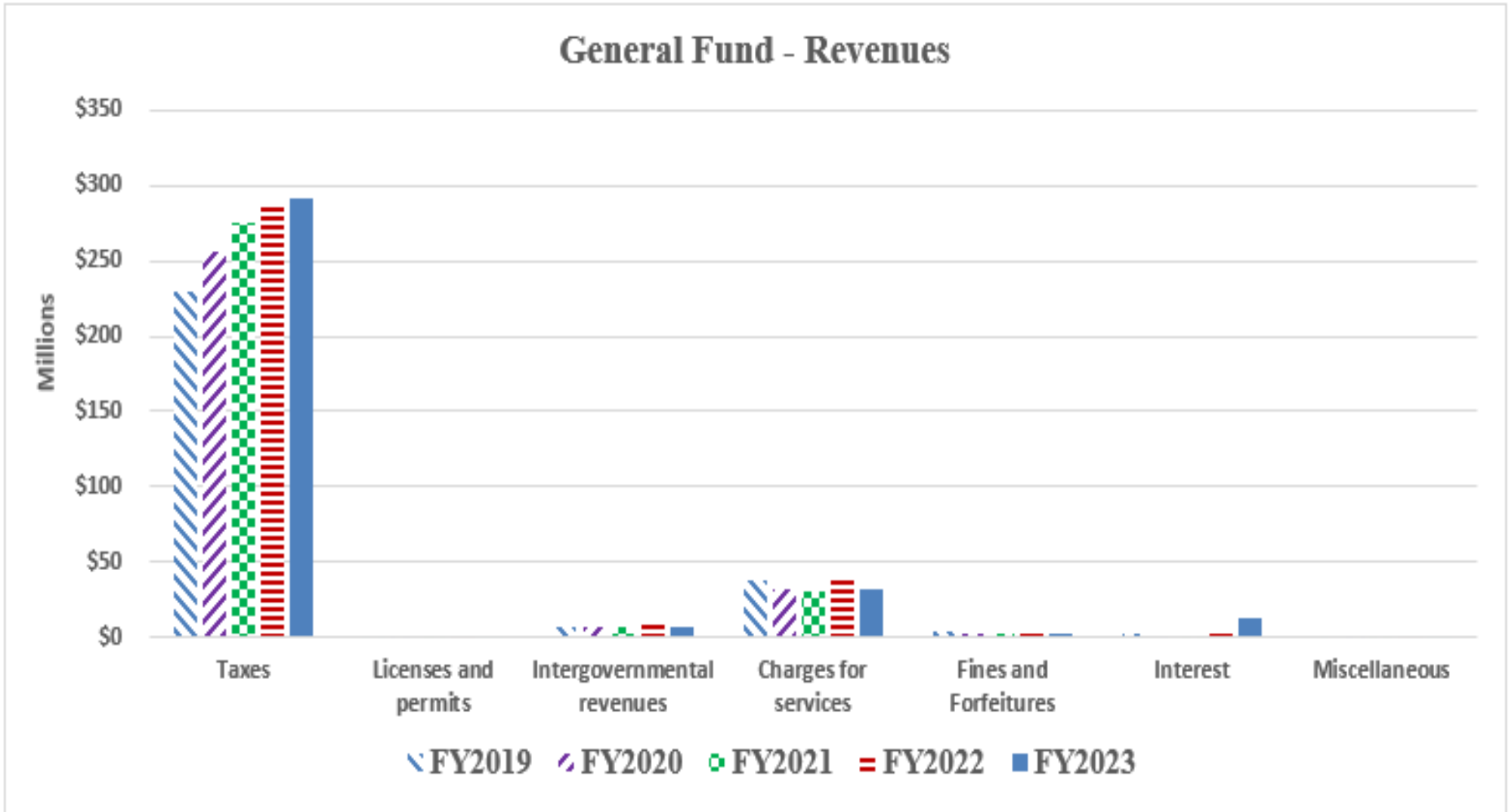


# General Fund Revenue and Expense Trends

## General Fund Revenues and Expenditures

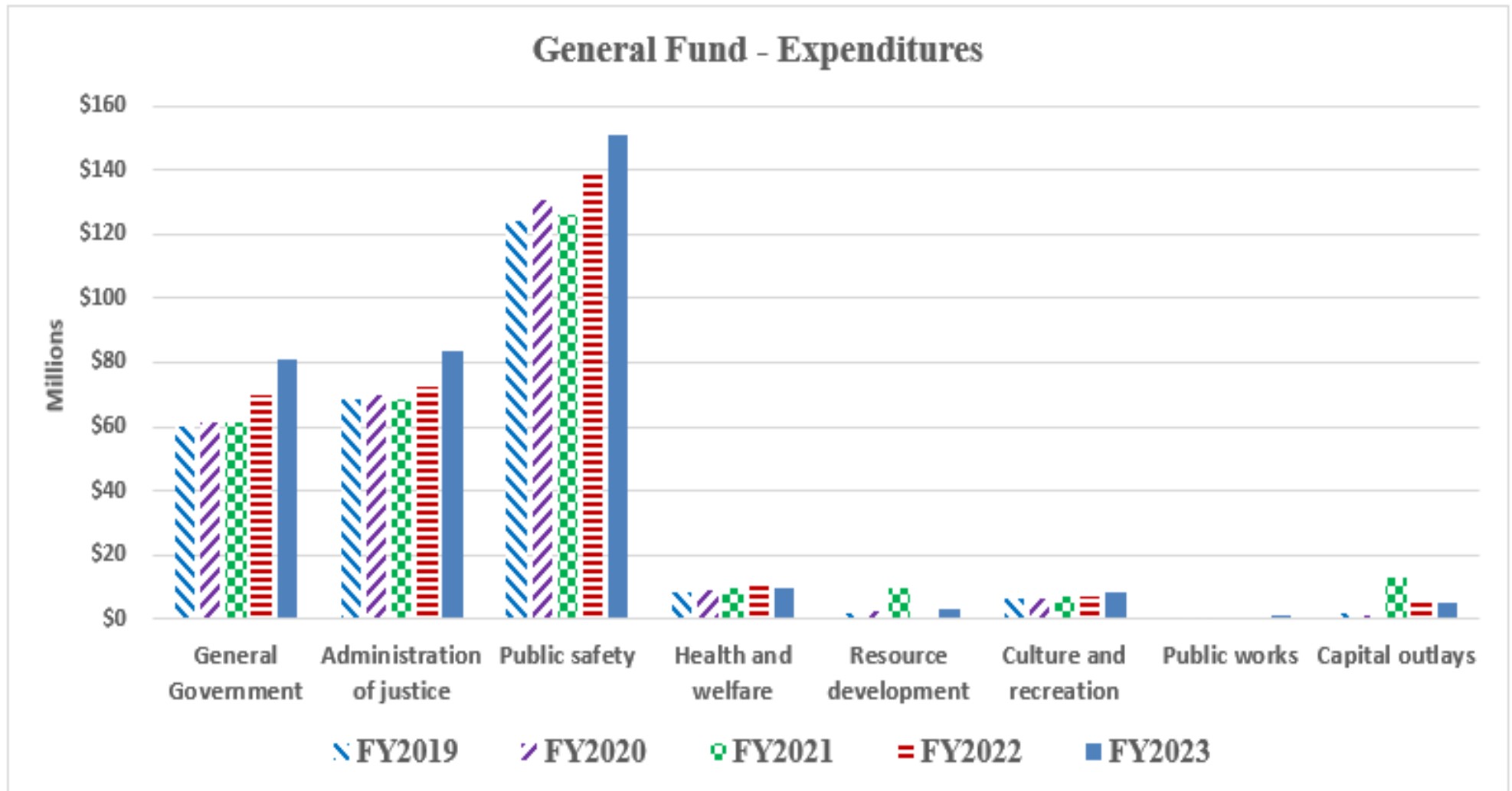


# General Fund Highlights - Revenues





# General Fund Highlights - Expenditures





# *Questions and Recommendations*

