



City Attorney's Office – Accounts Payable Follow-Up Audit Report A2021-03

Issued by the
Internal Audit Office
February 9, 2021

**City of El Paso
Internal Audit Office
City Attorney’s Office – Accounts Payable Follow-Up Audit A2021-03**

EXECUTIVE SUMMARY

The Internal Audit Office conducted a Follow-Up Audit of the City Attorney’s Office – Accounts Payable Audit Report dated May 20, 2020. The original Audit Report contained one (1) finding. Upon completion of the audit fieldwork, we have determined the status of the recommendation for the audit finding outlined in the table below:

Finding No.	Description of Original Findings	Status
1	<p>A review of the City Attorney’s Office <i>Office Secretarial Procedures Manual</i> (11-1021-036/#123766) identified the following:</p> <ul style="list-style-type: none"> • The manual does not have an “effective date” on the Title Page, • The Policies and Procedures for the Accounts Payable Activities require an update to reflect the current practices in place. For example: <ul style="list-style-type: none"> ○ The manual refers to staff members by name that are no longer employed at the City Attorney’s Office and/or with the City of El Paso, ○ There is no mention of the Professional Service Agreements maintained in the ProLaw server-based software used to determine billable rates, ○ The manual should mention the current review and approval process in place for invoices tied to a Professional Services Agreement, ○ The current process of reconciling vouchers and expenses by City Attorney’s Office staff should be described, ○ The manual should outline the final expenditure review and approval process conducted by the City Attorney. 	Implemented

For a detailed explanation of the current observation, please refer to the finding contained in the body of this Audit Report.

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BACKGROUND

The *Generally Accepted Government Auditing Standards* (Standard 8.30) states that auditors should evaluate whether the audited entity has taken appropriate corrective action to address findings and recommendations from previous engagements. The *International Standards for the Professional Practice of Internal Auditing* (Performance Standard 2500.A1) require that the chief audit executive establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.

AUDIT OBJECTIVES

The audit objective was to ensure that corrective action was taken by management to address the recommendation detailed in the original Audit Report dated May 20, 2020.

AUDIT SCOPE

The audit period covered the City Attorney's Office – Accounts Payable Procedures provided to the Internal Audit Office on October 29, 2020 and on February 5, 2021.

AUDIT METHODOLOGY

To achieve our audit objectives, we:

- Reviewed and verified if the City Attorney's Office Accounts Payable Procedures contain an "effective date" and that they reflect the current practices in place that:
 - Refer to position titles versus individual staff members within the office,
 - Mention the use of the ProLaw software in the office to determine billable rates,
 - Mention the current review and approval process in place for invoices tied to a Professional Services Agreement,
 - Describe the current process of reconciling vouchers and expenses by City Attorney's Office staff,
 - Outline the final expenditure review and approval process conducted by the City Attorney.

We conducted this audit in accordance with *Generally Accepted Government Auditing Standards* and the *International Standards for the Professional Practice of Internal Auditing*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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CURRENT OBSERVATION AND STATUS

Based on the follow-up audit results, the original finding recommendation will be designated with one of the following four status categories:

<i>Implemented</i>	The finding has been addressed by implementing the original corrective action or an alternative corrective action.
<i>In Progress</i>	The corrective action has been initiated but is not complete.
<i>Not Applicable</i>	The recommendation is no longer applicable due to changes in procedures or changes in technology.
<i>Not Implemented</i>	The recommendation was ignored, there were changes in staffing levels, or management has decided to assume the risk.

Finding 1

Current Observation

The City Attorney’s Office has created new procedures for the Accounts Payable processes within its department. The procedures include checklists, flowcharts, detailed steps for their invoice approval process and an intake process for Outside Counsel Contracts. The newly created procedures:

- Include an “effective date” on the Title Page of procedures,
- Refer to position titles versus individual staff members within the office,
- Mention the use of the ProLaw software in the office to determine billable rates,
- Mention the current review and approval process in place for invoices tied to a Professional Services Agreement,
- Describe the current process of reconciling vouchers and expenses by City Attorney’s Office staff,
- Outline the final expenditure review and approval process conducted by the City Attorney.

Status

Implemented

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INHERENT LIMITATIONS

Because of the inherent limitations of internal controls, errors or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control structure to future periods beyond the Audit Report date are subject to the risk that procedures may become inadequate due to changes in conditions, management override of internal controls, or that the degree of compliance with the procedures may deteriorate. This was a limited scope audit which only reviewed the areas stated in the Audit Objectives during the Audit Scope period. No representations of assurance are made to other areas or periods not covered by this audit.

CONCLUSION

We have concluded our work on the objectives of the City Attorney’s Office – Accounts Payable Follow-Up Audit. The audit evidence used in the analysis is sufficient and appropriate for addressing the objectives and supporting the findings and conclusion. In accordance with *Generally Accepted Government Auditing Standards*, we are required to conclude whether the City Attorney’s Office met the objectives of this Follow-Up Audit. Based on our audit work, we have determined that the City Attorney’s Office met the audit objective in the following areas:

- Updating their procedures for Accounts Payable processes within the department to reflect current activities in place. The newly created procedures:
 - Include an “effective date” on the Title Page of procedures,
 - Refer to position titles versus individual staff members within the office,
 - Mention the use of the ProLaw software in the office to determine billable rates,
 - Mention the current review and approval process in place for invoices tied to a Professional Services Agreement,
 - Describe the current process of reconciling vouchers and expenses by City Attorney’s Office staff,
 - Outline the final expenditure review and approval process conducted by the City Attorney.

We wish to thank the City Attorney’s Office management and staff for their assistance and numerous courtesies extended during the completion of this audit.

Signature on File

Edmundo S. Calderón, CIA, CGAP, CRMA, MBA
Chief Internal Auditor

Signature on File

Liz De La O, CFE, CIA, CGAP, MPA
Auditor III

Signature on File

Miguel Montiel, CIA, CGAP
Auditor IV

Distribution:

Financial Oversight and Audit Committee
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