



**LDWI MISDEMEANOR COMPLIANCE
PROGRAM AUDIT
HEALTH & HUMAN SERVICES DEPARTMENT**

**FOR THE PERIOD OF
JULY 1, 2021 - JUNE 30, 2022**

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Doña Ana County**

LDWI Misdemeanor Compliance Program Audit
Health & Human Services Department
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September 14, 2023

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Cc: County Manager
Assistant County Manager – Administration
Health & Human Services Director
Internal Audit Advisory Committee

Doña Ana County Internal Audit Function
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Fernando Macias, County Manager
Deb Weir, Assistant County Manager-Administration

EXECUTIVE SUMMARY

The Doña Ana Board of County Commissioners created the Health and Human Services (HHS) Department in 2001 with the mission to improve the quality of life in Doña Ana County by identifying and addressing unmet health and human service needs. The HHS Department is comprised of three divisions: 1) Court Compliance, 2) Outreach and Education, and 3) Program Operations. The core functions of the department include 1) support for the healthcare safety-net, 2) administration of the County Misdemeanor and Local DWI programs, and 3) coordination of health promotion and social support programs in rural communities. The Health and Human Services Department employs more than 45, engages 35 volunteers and administers nearly 40 service contracts. More details about the department can be found by accessing the following links: [Health & Human Services | Doña Ana County, NM \(donaanacounty.org\)](https://donaanacounty.org/Health-Human-Services)
[Court Compliance Division | Doña Ana County, NM \(donaanacounty.org\)](https://donaanacounty.org/Court-Compliance-Division)
[LDWI | Doña Ana County, NM \(donaanacounty.org\)](https://donaanacounty.org/LDWI)

The Audit reviewed the FY22 Local Driving While Intoxicated (LDWI) grant agreement for the county DWI program, #22-D-G-08 for \$299,181.00; and Distribution 22-D-D-08 for \$1,263,088.00¹, for compliance with grant regulations and policies and to determine if internal controls are in place and operating effectively. As Finance's Audit Compliance Specialist does not have oversight on the state grant and distribution funds, program generated fees, nor in-kind matches within the Local Driving While Intoxicated grant program, the internal auditor reviewed this program. The last internal audit within the HHS Department consisted of a peripheral review of Court Compliance activities, an area wherein a significant discrepancy was discovered in the past. This Audit reviewed Court Compliance's use of a state grant, the county's in-kind match, and a distribution. The Court Compliance Division also receives and accounts for monies in the form of cashier's checks and money orders, in the administration of this program. These procedures were also reviewed.

Few deficiencies were noted during the audit, indicating effective internal controls and that the County is closely following prescribed procedures. The two deficiencies noted were low level risks requiring updates for both current office space estimates and Standard Operating Procedures (SOPs). The internal auditor acknowledges staff cooperation and professionalism during the audit.

¹ The distribution total shown was the budgeted amount, however the actual amount received totaled \$1,350,253.00.

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AUDIT SCOPE & OBJECTIVES

A prior audit focused upon the Health & Human Services Department's Outreach and Education, and Program Operations divisions. Thus, this audit reviewed the Court Compliance Division's operations in their handling of state funds. The audit reviewed LDWI operations for adherence to Department of Finance & Administration standards for the grant and distribution funds of the program. LDWI activities for the period of July 1, 2021 – June 30, 2022 were reviewed to confirm the following activities:

1. Recorded spending activities are consistent with the program objectives and goals of the awarding agency as outlined in the agreement.
2. Procurement processes are followed and copies of the purchase orders and receipts appropriately filed.
3. The department maintains required documentation pertaining to scheduled meetings and events relevant to the grant (agendas, sign-in sheets, meeting notes, correspondence). The department maintains all relevant financial documentation pertaining to the grant and distribution as outlined by the awarding agency.
4. Programmatic reports are timely, accurate, and completed within the required reporting periods outlined in the agreement; Program deliverables are completed by due dates.
5. Reimbursement drawdowns are completed regularly, timely and accurately, as defined by the agency scheduled due dates (monthly, quarterly, annually).
6. The department maintains a record of assets purchased with grant funding; inventory records adequately describe serial numbers, ID numbers, dates, costs, and location of items.
7. LDWI screening and probation fees are properly accounted for, safeguarded, and expended.

OPERATING & INTERNAL CONTROL RISKS

This report contains no (0) High-level risks, no (0) Moderate-level risks, and two (2) Low-level risks. This report also includes the auditor's Recommendations, Management Responses, and Auditor Comments (as applicable).

DETAIL OF AUDIT FINDINGS

Risk ratings are based on professional judgment to assess the extent to which deficiencies could adversely affect the performance of systems and controls of a process. More details about the risk rating in this report can be found by accessing this link:

[Audit Risk Ratings | Doña Ana County, NM \(donaanacounty.org\)](https://www.donaanacounty.org/Audit-Risk-Ratings)

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FINDINGS, RECOMMENDATIONS, MANAGEMENT RESPONSES, & AUDITOR COMMENTS

The evidence obtained provides a reasonable basis for the findings and conclusions below, based on audit objectives. As a result of interviews, observations, reviews of LDWI SOPs, grant regulations and policies, and tests performed, the following results were recorded. While management responses are included within this report, the Audit takes no responsibility for the sufficiency of said responses, nor for the effective execution of corrective actions taken or to be taken by management. Management is in the best position to determine the appropriateness of implementing audit recommendations. **NOTE:** Manager Responses below are written in *italics*.

1. Outdated In-Kind Estimate. *Low.*

Condition: The current in-kind estimate utilized for square footage by the LDWI Program, was established over a decade ago. This estimate is used to calculate the county's in-kind match amount.

Effect: Due to major fluctuations that have occurred in the commercial real estate market over the years, the accuracy of a 10-year old cost estimate is questionable. When estimates are below market value, such inaccuracies can be a financial disadvantage to the County.

Criteria: With the exceptions of a real estate purchase or sale, the Audit does not purport a particular timeframe nor occasion wherein commercial real estate (office space) should be appraised. However, it is prudent for management to acquire a periodic market value appraisal of its office space. This allows for establishing a more accurate in-kind estimate.

Cause: *Attempts to have a new appraisal for the office space have been made in the previous years through the Facilities and Parks Department management with little to no progress.*

Recommendation: It is recommended that management take the necessary steps to acquire and record the current market value of applicable office space. In this case applicable office space would be office space comparable (in value) to what is in use by the County. Management will want to establish in an SOP the frequency of office space revaluations, in order to avoid depending upon outdated estimates.

Management's Response: *Management will attempt to have this completed before the end of the current FY24 fiscal year and establish an SOP on how often the revaluation will be completed in the future.*

Missing SOP Updates. *Low.*

Condition: While observing the Court Compliance Secretaries conduct their duty of accounting for court compliance fees, the internal auditor noted multiple pertinent steps taken

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