



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

EDWARD A. DION, CPA, CIO  
COUNTY AUDITOR  
edion@epcounty.com  
www.epcounty.com/auditor

County Administrative Offices  
800 East Overland Street, Rm. 406  
EL PASO, TEXAS 79901-2407  
(915) 546-2040  
(915) 546-8172 FAX

12-24

December 15, 2010

The Honorable Anthony Cobos, County Judge  
and County Commissioners  
County of El Paso  
County Courthouse Building, Suite 301  
El Paso, Texas 79901

Dear Judge and County Commissioners:

Attached are the reports issued by the County Auditor's Internal Audit Division to the various departments from December 8, 2009 through November 30, 2010. The following is a listing of the departments which were characterized as having weak or extremely weak internal controls:

<u>Department</u>	<u>Date of Report</u>	<u>Page No.</u>
County Auditor's Office – Prompt Payment	August 2, 2010	49
County Clerk's Office	July 22, 2010	55
District Attorney's Office	June 8, 2010	65
District Clerk's Office	January 26, 2010	69
District Clerk's Office	August 11, 2010	73
Justice of the Peace, Precinct No. 1	February 23, 2010	105
Justice of the Peace, Precinct No. 1	June 17, 2010	109
Justice of the Peace, Precinct No. 1	September 30, 2010	113
Justice of the Peace, Precinct No. 2	June 16, 2010	119
Justice of the Peace, Precinct No. 2	August 27, 2010	143
Justice of the Peace, Precinct 3	April 6, 2010	153
Justice of the Peace, Precinct 3	September 17, 2010	159
Justice of the Peace, Precinct 4	April 29, 2010	163
Justice of the Peace, Precinct 4	July 15, 2010	171
Justice of the Peace, Precinct 5	January 28, 2010	183
Justice of the Peace, Precinct 5	June 7, 2010	187
Justice of the Peace, Precinct 5	July 29, 2010	193
Justice of the Peace, Precinct 5	October 22, 2010	199
Justice of the Peace, Precinct 7	June 22, 2010	223
Justice of the Peace, Precinct 7	November 12, 2010	227
Long Distance Telephone Bill Review	July 12, 2010	249
Oaths of Office	August 16, 2010	261
Parking Garage	September 21, 2010	267
Purchasing Department	October 21, 2010	295
Tax Assessor-Collector (Licensing Division)	June 16, 2010	337
Tax Assessor-Collector (Licensing Division)	October 13, 2010	343
West Texas Community Supervision	April 8, 2010	349

The Honorable Anthony Cobos, County Judge  
and County Commissioners  
December 17, 2010  
Page 2

The following is a listing of the contracts which were characterized as not being in compliance with contract stipulations:

<u>Department</u>	<u>Date of Report</u>	<u>Page No.</u>
U.S. Parking Systems	August 13, 2010	271

There were 71 audit reports issued by the Internal Audit Division during the period noted above. Twenty nine out of 71 reports, or 41 percent did not have adequate internal controls or were not in compliance with contract stipulations. The County Auditor's Internal Audit Division has made recommendations to the departments to help strengthen the internal control structure.

If you have any questions in this matter, please don't hesitate to call me.

Sincerely,



Edward A. Dion  
County Auditor

EAD:SP:ya

# **Ascarate Toll Booth**



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06-58

June 23, 2010

Ms. Rosemary Neill, Director  
Family and Community Services  
800 East Overland, Suite 208  
El Paso, TX 79901

Dear Ms. Neill:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal audit supervisor, dated June 23, 2010 is attached. This memorandum is a report on your financial records for the Ascarate Toll Booth for December 2009 through May 2010. Because of certain statutory duties required of the County Auditor, this office is not independent as defined by AICPA professional standards. However, our review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Sincerely,

A handwritten signature in black ink that reads "Edward A. Dion".

Edward A. Dion  
County Auditor

EAD:SP:ya

Attachments




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06-59

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

DATE: JUNE 23, 2010

SUBJECT: REVIEW OF THE ASCARATE TOLL BOOTH FINANCIAL RECORDS  
FROM DECEMBER 2009 THROUGH MAY 2010

**Overview**

A review of the financial records for the Ascarate Toll Booth from December 2009 through May 2010 has been completed. The objective of this review was to provide reasonable assurance that all transactions were properly recorded and reported.

**Scope and Purpose**

The scope and purpose of the review consisted of:

1. Daily cash count sheets were reviewed for accuracy and completeness. In addition, the collections were traced to the bank statements and the Financial Accounting Management System (FAMIS) to ensure that they were posted properly. No discrepancies were noted.
2. The deposits were reviewed to ensure that they were deposited in accordance with the rapid deposit law, *Texas Local Government Code §113.022*. No discrepancies were noted.
3. The ticket numbering system was reviewed to identify gaps. No discrepancies were noted.
4. A surprise cash count was conducted on June 20, 2010, in accordance with *Texas Local Government Code §113.0035*.
5. An analysis of the gate fee revenue was prepared, as reflected on the attachment.
6. Previous memorandum was reviewed for proper implementation of prior recommendations.

### General

1. Observation: While performing the cash count, it was noted that two cashiers were sharing the change fund, tickets and cash box. This observation was noted on the January 13, 2009 report. According to Ms. Lupe Leyva, administrative assistant, the department has not received a second change fund for the second cashier to use. Ms. Leyva also explained that she is waiting on a second deposit bag in order for the cashier to secure the change fund. On June 21, 2010, a request for an additional change fund has been submitted to the County Auditor's Office.  
Corrective Action/Recommendation: It is recommended that a change fund and tickets be assigned to each cashier.

### Review of Past Memorandum

2. Observation: It was previously recommended that the Ascarate Toll Booth remain open for business during the scheduled time. It is further recommended that Director of Family and Community Services obtain Commissioners Court approval in waiving the gate fees. During the budget hearings, the Commissioners Court was explicit in instructing the Parks and Recreation Department not to waive the gate fee.  
Corrective Action/Recommendation: Director of Family and Community Services, Rosemary Neill, has agreed to conduct events during the week. This avoids collecting a fee during a County sponsored events.
3. Observation: It was previously recommended that the extra funds be turned in with the regular collections at the end of the day. It was further recommended that the cashiers desist from accumulating excess change funds.  
Corrective Action/Recommendation: Upon conducting the June 20, 2010 cash count, the cashiers are no longer accumulating excess change funds.

### Summary

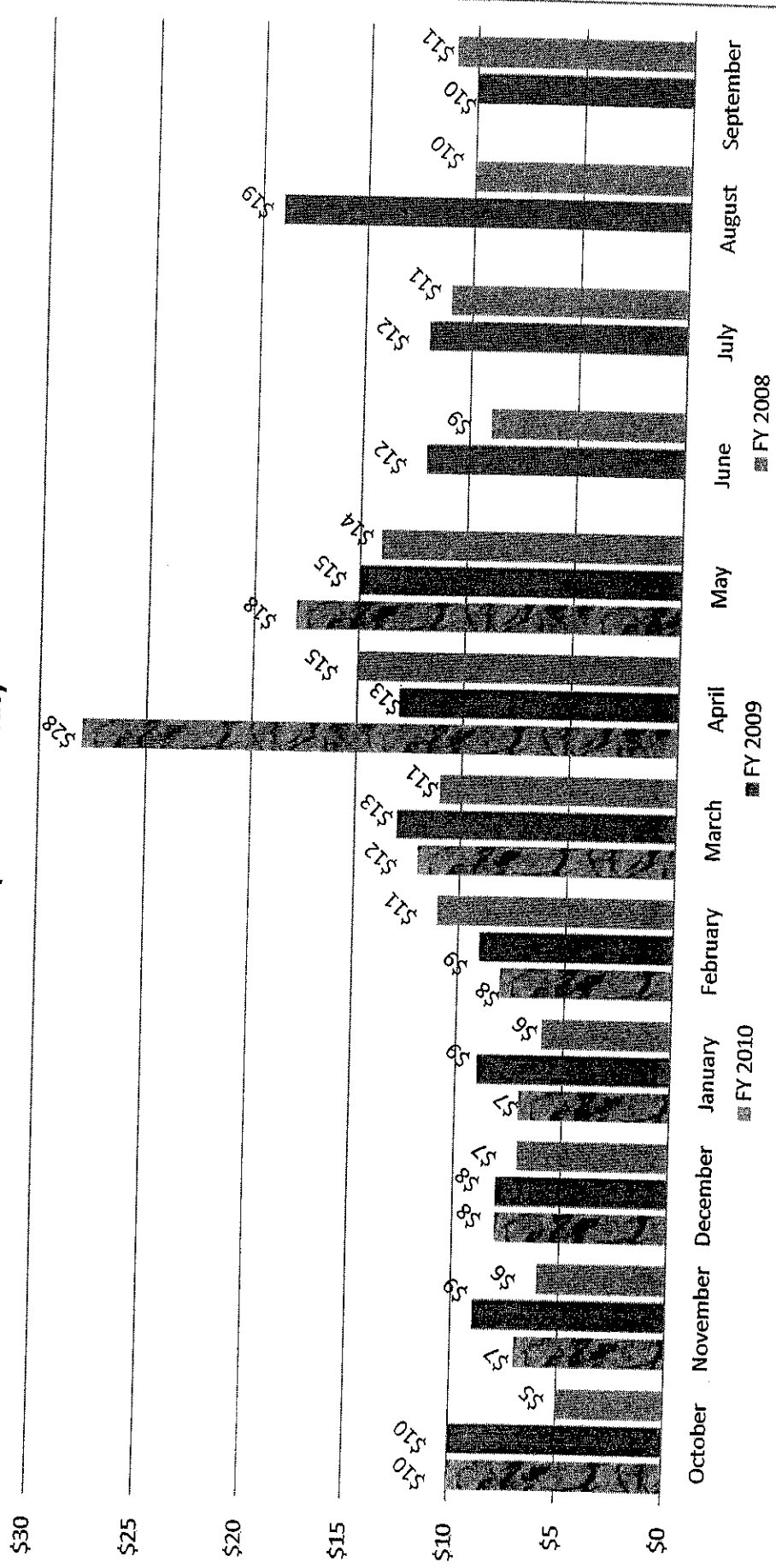
This review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the County's assets from loss, theft, or misuse. The County's internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. 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. Based on this review, the internal control structure of the Ascarate Toll Booth, appears to be adequate, and should be further strengthened with the implementation of the above mentioned recommendations.

SP:ya

**El Paso County, Texas  
Ascarate Gate Fees  
Revenue Analysis**

<b>Month</b>	<b>FY 2010</b>	<b>FY 2009</b>	<b>FY 2008</b>	<b>Variance from PY</b>	<b>Percentage Change</b>
October	\$10,279	\$9,888	\$4,927	\$391	3.95%
November	7,391	8,551	6,443	-\$1,160	-13.57%
December	8,168	7,688	6,973	\$480	6.24%
January	7,410	8,505	6,086	-\$1,095	-12.87%
February	7,677	8,906	10,885	-\$1,229	-13.80%
March	11,539	13,386	10,833	-\$1,847	-13.80%
April	27,581	13,017	14,885	\$14,564	111.89%
May	18,185	14,787	13,787	\$3,398	22.98%
June		12,087	9,040	-\$12,087	-100.00%
July		11,745	11,031	-\$11,745	-100.00%
August		18,760	10,491	-\$18,760	-100.00%
September		10,234	10,500	-\$10,234	-100.00%
<b>Total</b>	<b>\$98,230</b>	<b>\$137,554</b>	<b>\$115,881</b>	<b>-\$39,324</b>	<b>-28.59%</b>

**Ascarate Toll Booth  
Analysis of Gate Fees  
FY 2008 Through Year to Date 2010  
(In Thousands)**





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**Constable's Office,  
Precinct No. 6**



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07-62

July 30, 2010

The Honorable Jesus Ramirez  
Constable Precinct No. 6  
County Courthouse, Room 503  
P O Box 597  
Clint, Texas 79836

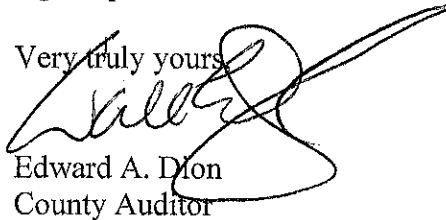
Dear Mr. Ramirez:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal auditor, dated July 30, 2010 is attached. This memorandum is a report on a review of the manual receipts issued from January 2008 through June 2010 by the Constable Office, Precinct No. 6. 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, this review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to the recommendation. The management response should provide feedback on how management will implement the recommendation noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,



Edward A. Dion  
County Auditor

EAD:SP:rao

Attachment

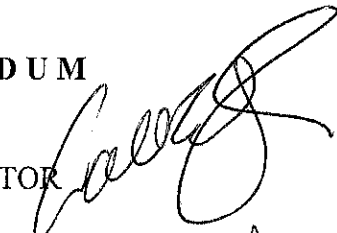



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MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

DATE: JULY 30, 2010

SUBJECT: REVIEW OF THE MANUAL RECEIPTS ISSUED FROM JANUARY 2008 THROUGH JUNE 2010

**Overview**

A review of the manual receipts issued by the Constable Precinct 6 Office from January 2008 through June 2010 has been completed. The objective of this review was to trace the manual receipts to the Judicial Information Management Systems (JIMS) to ensure that collections were accounted for properly.

**Scope and Purpose**

The scope and purpose of the review was as follows:

1. Six hundred nineteen manual receipts were reviewed to ensure that collections were properly accounted for in JIMS.

**General**

1. Observation: Upon review of the manual receipts, the following items were noted:
  - Fifteen or three percent out of 619 manual receipts were not accounted for. The majority of the manual receipts were missing. Please refer to Schedule A to view the list of cases.
  - Thirty or five percent out of 619 manual receipts were not receipted in JIMS. The delay in updating a case ranged from five to 27 working days. Please refer to Schedule B to view the list of cases.

- Six or one percent out of 619 manual receipts had various discrepancies. The discrepancies are comprised of the following. Two manual receipts were backdated in JIMS. Additionally, two manual receipts reflected one amount, but JIMS reflected a different amount. Lastly, two additional manual receipts were marked as VOID; however, the original manual receipt was not attached to the carbon copy. Please refer to Schedule C to view the list of manual receipts.

*Corrective Action/Recommendation:* It is recommended that the officer turning in the collections to the respective Justice of the Peace obtain a computer generated receipt from JIMS. The computer generated receipt should be attached to the manual receipt. It is further recommended that the Constable periodically review the officer's manual receipt books to ensure accuracy and accountability. Moreover, it is recommended that the Constable provide the County Auditor's Office deposit warrant numbers for the manual receipts listed on Schedule A.

### **Summary**

This 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. Based on this review, the internal control structure of the County Constable's Office, Precinct No. 6 appears to be weak, but should be strengthened with the implementation of the above mentioned recommendation.

SP:rao

**El Paso County, Texas**  
**Constable Precinct No. 6**  
**Manual Receipts Not Accounted For**  
**January 2008 through June 2010**  
**(Schedule A)**

Book No.	Manual Receipt No.	Date	Cause No.	Amount	Comments
70	8356	8/6/2008	608-070602	6.00	Copy of Report
70	8371	2/6/2009	608-121801	6.00	Copy of Report
80	9109			205.00	Unable to trace to JIMS. The case number and defendant's name was not written clearly on the manual receipt.
2009-16	016509				Manual receipt not attached to manual receipt book.
2009-16	016510				Manual receipt not attached to manual receipt book.
2009-16	016511				Manual receipt not attached to manual receipt book.
2009-16	016515				Manual receipt not attached to manual receipt book.
2009-16	016516				Manual receipt not attached to manual receipt book.
2009-16	016517				Manual receipt not attached to manual receipt book.
2009-16	016527				Manual receipt not attached to manual receipt book.
2009-16	016528				Manual receipt not attached to manual receipt book.
2009-16	016529				Manual receipt not attached to manual receipt book.
2009-16	016569				Manual receipt not attached to manual receipt book.
2009-16	016570				Manual receipt not attached to manual receipt book.
2009-16	016571				Manual receipt not attached to manual receipt book.

El Paso County, Texas  
 Constable Office, Precinct No. 6  
 Manual Receipts Not Posted Timely  
 January 2008 through June 2010  
 (Schedule B)

Book No.	Manual Receipt No.	Case No.	Amount	Date Receipt Issued	Date Received In JIMS	No. of Working Days To Receipt in JIMS
70	8347	6207-02997	309.00	6/25/2008	7/14/2008	13
70	8361	6208-02674, 6208-02674FTA	419.00	10/7/2008	11/13/2008	27
70	8362	6208-02949	205.00	11/13/2008	11/24/2008	7
70	8364	6208-04056, 6208-04056FTA	565.00	12/10/2008	1/12/2009	19
70	8365	6208-04624	225.00	1/14/2009	1/22/2009	6
70	8370	6208-03403	235.00	2/5/2009	2/18/2009	9
70	8373	6208-04113	225.00	2/19/2009	2/26/2009	5
70	8382	708-06270, 708-06270A	677.20	4/8/2009	4/20/2009	8
70	8387	607-16328	174.00	6/17/2009	7/9/2009	16
70	8388	6209-04653, 6209-04653FTA	419.00	8/18/2009	8/25/2009	5
70	8396	6209-06144	205.00	12/7/2009	12/14/2009	5
70	8399	6208-03964	200.00	1/13/2010	1/21/2010	6
80	9096	607-21252, 607-21252FTA	665.70	2/2/2009	3/10/2009	26
103	011560	6208-04511, 6208-04511FTA	420.00	1/15/2009	1/27/2009	8
103	011638	6209-04908FTA	214.00	10/6/2009	10/14/2009	6
117	013676	6209-05714	529.00	2/25/2009	3/4/2009	5
117	013686	6208-05958	310.00	3/27/2009	4/8/2009	8
117	013688	6209-00197FTA	214.00	4/16/2009	4/27/2009	7
117	013689	6208-05618FTA	214.00	4/20/2009	4/27/2009	5
117	013776	6209-06153FTA	214.00	11/30/2009	12/14/2009	10
117	013785	608-174714, 608-17472	1,034.70	12/29/2009	1/12/2010	8
117	013803	609-16035APFTA	214.00	2/9/2010	2/16/2010	5
117	013804	608-17534FTA	214.00	2/9/2010	2/16/2010	5
2009-14	016226	6209-04178	110.00	3/29/2010	4/7/2010	7
2009-14	016227	6209-06588, 6209-06588FTA	514.00	3/30/2010	4/7/2010	6
2009-16	016513	6209-05029	205.00	3/29/2010	4/5/2010	5
2009-17	016665	609-03608FTA	214.00	5/27/2010	6/15/2010	13
2009-17	016666	609-03853, 609-03853FTA	428.00	5/28/2010	6/15/2010	12
2009-17	016667	609-02560FTA	214.00	5/28/2010	6/15/2010	12
2009-17	016668	609-04320FTA	214.00	6/15/2010	6/30/2010	11

**El Paso County, Texas**  
**Constable Precinct No. 6**  
**Discrepancies Noted On Manual Receipts**  
**January 2008 through June 2010**  
**(Schedule C)**

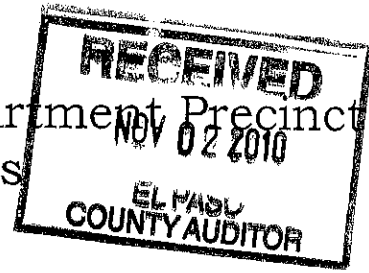
Book No.	Manual Receipt No.	Case No.	Amount	Date Receipt Issued	Date Received In JIMS	Comments
70	8332	606-12636 & 606-12636	431.70	7/26/2008	3/3/2008	
70	8333	407-3072FTA	615.00	7/26/2008	2/27/2008	
80	9139	6208-06218	245.00	4/8/2008	4/14/2009	Manual receipt was issued for \$245.00, but only \$240.00 was posted in JIMS.
80	9140	6208-06564, 6208-06564FTA	425.00	4/9/2009	4/14/2009	Manual receipt was issued for \$425.00, but only \$419.00 was posted in JIMS.
103	011591					Manual receipt was marked as VOID, but the original receipt was note attached.
103	011628					Manual receipt was marked as VOID, but the original receipt was note attached.





El Paso County Constable Department Precinct 6  
Constable Oscar Robles

190 N. San Elizario Rd.  
Clint, Texas 79836  
(915) 851-2178 Office  
(915) 851-4906 Fax



Dear Edward Dion,

I received and reviewed the memorandum that was generated by Mrs. Sylvia Pacheco in reference to several discrepancies on monies collected by Precinct 6 office. I also understand that a recommendation for corrective action was included, which I am in agreement with. In reference to Schedule A in the memorandum received for correction, all necessary paperwork has been submitted to Mrs. Pacheco for review and all discrepancies have been clarified. A synopsis of the corrective action is as follows.

I have advised all deputies that it will be mandatory that all receipts for monies collected by this precinct will have the receiving clerk's signature. I further advised all deputies that all money collected will be turned in as soon as possible and no later than five days after collection. I will conduct a review of all receipt books periodically to ensure accuracy and avoid any further discrepancies. Also, I will conduct a full review of all receipt books on a monthly basis to ensure accuracy on the monthly logs that are forwarded to the auditor's office.

This will avoid any future errors. If you have any additional recommendation, please contact me so I can review and implement them.

Thank You,

Constable O. Robles

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**County Attorney's Office**  
**Hot Check Division**



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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03-34

March 23, 2010

The Honorable Jo Anne Bernal  
County Attorney  
County Courthouse, Room 503  
500 East San Antonio Street  
El Paso, Texas 79901

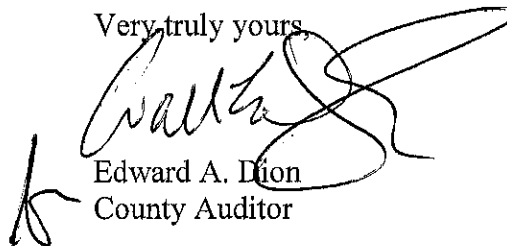
Dear Ms. Bernal:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal auditor, dated March 23, 2010 is attached. This memorandum is a report on a review of your financial records from December 2009 through February 2010. 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, this review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,



Edward A. Dion  
County Auditor

EAD:SP:ya

Attachment



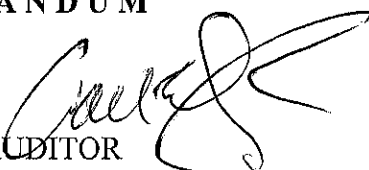
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03-35

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

DATE: MARCH 23, 2010

SUBJECT: REVIEW OF THE COUNTY ATTORNEY'S HOT CHECKS DIVISION FROM  
DECEMBER 2009 THROUGH FEBRUARY 2010

**Overview**

A review of the County Attorney's Hot Check Division from December 2009 through February 2010 has been completed. The objective of this review was to verify information contained within the County Attorney's financial reports. These financial reports, generated from TRACER, County Attorney's Hot Check Division's information system software, are a recapitulation of all transactions that occurred during the audit period.

**Scope and Purpose**

The scope and purpose of the review was as follows:

1. A review of the Hot Checks Division's policy and procedures was preformed.
2. The collections for the hot checks were traced to the Financial Accounting Information System (FAMIS) and ultimately the bank to verify that all collections were accounted for properly. No discrepancies were noted.
3. The voided receipts were reviewed to ensure legitimacy of the transaction and supervisory review. No discrepancies were noted.
4. A cursory review of the overpayment report was performed.
5. The manual receipts were reviewed to ensure that collections were properly accounted for. No discrepancies were noted.
6. A surprise cash count was conducted on March 16, 2010 in accordance with *Local Government Code §115.0035*.

7. An inventory of the manual receipt books was noted.
8. Previous memorandum was reviewed for implementation of prior recommendations.

### **General**

1. Observation: The policies and procedures have not been formally updated.  
Corrective Action/Recommendation: The department is currently working on updating the policies and procedures.
2. Observation: Upon a cursory review of the overpayment report, it was noted that a total of \$214.65 in overpayment transactions were processed during the period under review. In some instances, very minimal overpayments are not refunded.
3. Observation: While conducting the cash count, it was noted that the checks and money orders are not restrictively endorsed upon acceptance. This observation was noted on the January 6, 2010 report. Upon inquiry, it was explained that the endorsement stamp has been ordered.
4. Observation: Upon conducting an inventory count of the manual receipt books, three generic manual receipt books were accounted for.  
Corrective Action/Recommendation: It was recommended that the generic manual receipt books be destroyed. On March 16, 2010, the generic manual receipt books were destroyed.

### **Review of Past Memorandum**

1. Observation: It was previously noted that the daily collections are not simultaneously verified by two employees.  
Corrective Action/Recommendation: The daily collections are now simultaneously verified by two employees.
2. Observation: It was previously recommended that a supervisor be notified before a transaction is voided. It was also recommended that supervisor approval be documented on the voided receipt. Moreover, it was recommended that these procedures be incorporated in the office policies and procedures.  
Corrective Action/Recommendation: Supervisor approval is now obtained and documented on the voided receipts. The department is currently working on updating the policies and procedures.
3. Observation: It was previously noted that the County Attorney's Office does not have a change fund. Therefore, the exact change is required from the check writer and any excess funds are applied as overpayment.

Corrective Action/Recommendation: Upon inquiry, it was explained by the County Attorney that she is in the process of restructuring the organization of the office. The County Attorney will address this issue once the planning structure of the office has been completed.

4. Observation: It was previously noted that the County Auditor's Internal Audit Division does not have direct access to TRACER.

Corrective Action/Recommendation: The County Auditor's Internal Audit Division has been granted access to TRACER.

### Summary

This 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. Based on this review, the internal control structure of the County Attorney's Hot Check Division appears to be adequate, and should be further strengthened with the implementation of the above mentioned recommendations.

SP:ya



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

EDWARD A. DION, CPA, CIO  
COUNTY AUDITOR  
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800 East Overland Street, Rm. 406  
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(915) 546-2040  
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06-67

June 24, 2010

The Honorable Jo Anne Bernal  
County Attorney  
County Courthouse, Room 503  
500 East San Antonio Street  
El Paso, Texas 79901

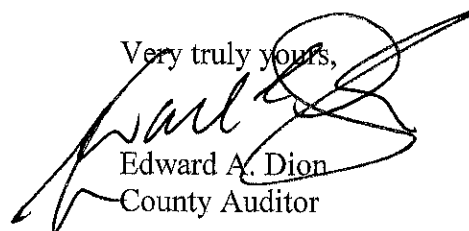
Dear Ms. Bernal:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal audit supervisor, dated June 24, 2010 is attached. This memorandum is a report on a review of your financial records from March 2010 through May 2010. 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, this review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,



Edward A. Dion  
County Auditor

EAD:SP:rao

Attachment

cc: Mr. Manuel Romero, Assistant County Attorney



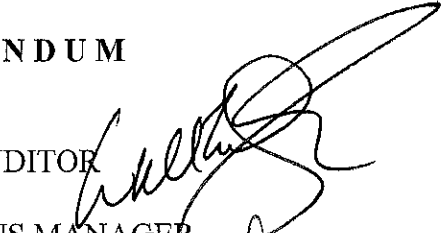



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MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

DATE: JUNE 24, 2010

SUBJECT: REVIEW OF THE COUNTY ATTORNEY'S HOT CHECKS DIVISION FROM MARCH 2010 THROUGH MAY 2010

**Overview**

A review of the County Attorney's Hot Check Division from March 2010 through May 2010 has been completed. The objective of this review was to verify information contained within the County Attorney's financial reports. These financial reports, generated from TRACER, County Attorney's Hot Check Division's information system software, are a recapitulation of all transactions that occurred during the audit period.

**Scope and Purpose**

The scope and purpose of the review was as follows:

1. A review of the Hot Checks Division's policy and procedures was performed.
2. The collections for the hot checks were traced to the Financial Accounting Information System (FAMIS) and ultimately the bank to verify that all collections were accounted for properly. No discrepancies were noted.
3. The voided receipts were reviewed to ensure legitimacy of the transaction and supervisory review.
4. A cursory review of the overpayment report was performed.
5. The manual receipts were reviewed to ensure that collections were properly accounted for. No discrepancies were noted.

6. A surprise cash count was conducted on June 9, 2010, in accordance with *Local Government Code §115.0035*.
7. An inventory of the manual receipt books was noted.
8. Previous memorandum was reviewed for implementation of prior recommendations.

**General**

1. *Observation*: The policies and procedures have not been formally updated. This observation was noted on the March 23, 2010 report.  
*Corrective Action/Recommendation*: According to Assistant County Attorney, Manny Romero, the department is currently working on updating the policies and procedures. Mr. Romero will submit to the County Auditor's Office a preliminary draft of the policies and procedures manual by July 9, 2010.
2. *Observation*: Upon review of the voided receipts, it was noted that nine receipts were voided during the period under review. It was further noted that a receipt was voided on March 25, 2010 for \$1,116. The transaction was corrected on April 6, 2010. Upon review of the comments noted in TRACER, the cashier erroneously posted in the case a payment amounting to \$1,116, but only received from the check writer \$1,016 in cash. The comments also indicate that County Attorney personnel had difficulty locating the check writer and recovering the \$100 deficiency. The cash was being held at the County Attorney's Office until the money was recovered.  
*Corrective Action/Recommendation*: It is recommended that the County Attorney personnel exercise due care in processing payments. It is further recommended that the County Attorney's Office desist in holding funds, even if an error has occurred. Transactions should be receipted immediately and deposited to the bank as soon as possible. Furthermore, it is recommended that the supervisor approving the voided receipt, ensure that the corrected transaction is posted the same day, but no later than the next business day.
3. *Observation*: Upon a cursory review of the overpayment report, it was noted that a total of \$339.68 in overpayment transactions were processed during the period under review. In some instances, very minimal overpayments are not refunded. This observation was noted on the March 23, 2010.  
*Corrective Action/Recommendation*: It was previously recommended that the County Attorney's Office establish a change fund and provide change. This would ultimately eliminate the need to apply overpayments. According to Mr. Romero, the County Attorney's Office is evaluating this recommendation and will provide a response in the near future.

4. Observation: While conducting the cash count, it was noted that the checks and money orders are not restrictively endorsed upon acceptance. This observation was noted on the January 6, 2010 and March 23, 2010 report.  
Corrective Action/Recommendation: It is again strongly recommended that all checks be restrictively endorsed upon receipt.

### **Summary**

This 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. Based on this review, the internal control structure of the County Attorney's Hot Check Division appears to be adequate, and should be further strengthened with the implementation of the above mentioned recommendations.

SP:rao



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10-22

October 14, 2010

The Honorable Jo Anne Bernal  
County Attorney  
County Courthouse, Room 503  
500 East San Antonio Street  
El Paso, Texas 79901

Dear Ms. Bernal:

A copy of a memorandum from Mrs. Gaby Paredes-Ferro, internal auditor, dated October 14, 2010, is attached. This memorandum is a report on a review of your financial records from June 2010 through August 2010. 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, this review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Paredes-Ferro.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

 Edward A. Dion  
County Auditor

EAD:GP:ya

cc: Mr. Manuel Romero, Assistant County Attorney




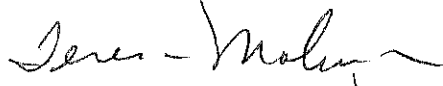
COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

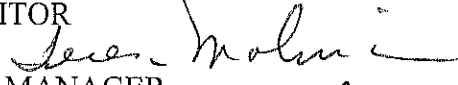
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10-23

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

FROM: GABY PAREDES-FERRO, INTERNAL AUDITOR 

DATE: OCTOBER 14, 2010

SUBJECT: REVIEW OF THE COUNTY ATTORNEY'S HOT CHECKS DIVISION FROM JUNE 2010 THROUGH AUGUST 2010

**Overview**

A review of the County Attorney's Hot Check Division from June 2010 through August 2010 has been completed. The objective of this review was to verify information contained within the County Attorney's financial reports. These financial reports, generated from TRACER, County Attorney's Hot Check Division's information system software, are a recapitulation of all transactions that occurred during the audit period.

**Scope and Purpose**

The scope and purpose of the review was as follows:

1. A surprise cash count was conducted on October 1, 2010, in accordance with *Local Government Code §115.0035*. No discrepancies were noted.
2. The collections for the hot checks were traced to the Financial Accounting Information System (FAMIS) and ultimately the bank to verify that all collections were accounted for properly.
3. The voided receipts were reviewed to ensure legitimacy of the transaction and supervisory review. No discrepancies were noted.
4. A cursory review of the overpayment report was performed.
5. The manual receipts were reviewed to ensure that collections were properly accounted for. No discrepancies were noted.
6. An inventory of the manual receipt books was noted. No discrepancies were noted.
7. Previous memorandum was reviewed for implementation of prior recommendations.

### **General**

1. *Observation:* While reviewing the daily collections, it was noted that an on-line August 14<sup>th</sup> credit card collection was not reported in the Tracer report.  
*Corrective Action/Recommendation:* It is recommended that due care be exercised when running the Tracer reports to ensure all on-line credit card collections are accounted for.
  
2. *Observation:* Upon a cursory review of the overpayment report, it was noted that a total of \$174.70 in overpayment transactions were processed during the period under review; included in this total is a \$66.34 overpayment.  
*Corrective Action/Recommendation:* It was previously recommended that a change fund be established, in an effort to eliminate the issue of overpayments. Upon inquiry on the status of obtaining a change fund, it was noted that approval has been received by the County Attorney's Office to establish a change fund. Also, a draft of the procedures of the Hot Checks Division is in process; a copy of the procedures will be submitted to the County Auditor's department soon after finalization.

### **Summary**

This 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. Based on this review, the internal control structure of the County Attorney's Hot Check Division appears to be adequate, and should be further strengthened with the implementation of the above mentioned recommendations.

GPF:ya

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**County Attorney's Office**  
**Protective Orders**





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04-22

April 12, 2010

The Honorable Jo Anne Bernal  
County Attorney  
County Courthouse, Room 503  
500 E. San Antonio Street  
El Paso, Texas 79901

Dear Ms. Bernal:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal audit supervisor, dated April 12, 2010 is attached. This memorandum is a report on a review of the County Attorney's Protective Orders Division from December 2009 through February 2010. 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, this review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

A handwritten signature in black ink that reads "Edward A. Dion".

Edward A. Dion  
County Auditor

EAD:SP:ya

Attachment

cc: Mr. Michael Alvarez, Trial Team Chief  
County Attorney's Office



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04-23

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR  
THRU: TERESA MOLINAR, OPERATIONS MANAGER  
FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR  
DATE: APRIL 12, 2010  
SUBJECT: REVIEW OF THE COUNTY ATTORNEY'S PROTECTIVE ORDER  
DIVISION FROM DECEMBER 2009 THROUGH FEBRUARY 2009

**Overview**

A review of the County Attorney's Protective Orders Division from December 2009 through February 2010 has been completed. The objective of this review was to verify that collections have been receipted, posted and deposited accurately and in a timely manner.

**Scope and Purpose**

The scope and purpose of the review was as follows:

1. A review of the policy and procedures of the Protective Orders Division was performed.
2. The manual receipts issued from December 2009 through February 2010 were reviewed and traced to the attorney fee ledger, deposit warrants, and bank statements to ensure that payments were accounted for properly. Additionally, it was verified that the collections were deposited timely and in accordance with *Texas Local Government Code §113.022*.
3. An inventory of all unused manual receipt books was noted.
4. Previous memoranda were reviewed for implementation of prior recommendations.

**General**

1. Observation: The updated policies and procedures were submitted to the County Auditor's Office on April 9, 2010; however, they do not reflect the proposed recommendations noted on the December 22, 2009 report.

Corrective Action/Recommendation: It is recommended that the policies and procedures be updated to document the following:

- The immediate supervisor should review the issued manual receipts. Additionally, the office supervisor should safeguard the manual receipt books.
- Supervisor approval should be obtained before voiding a manual receipt. The approval should be documented on the manual receipt.
- The procedures for ordering, receiving, safeguarding, distributing, and accounting for the manual receipt books should be evaluated to ensure that effective segregation of duties are in place.

2. Observation: Upon review of the manual receipts, it was noted that one manual receipt was not deposited in accordance with *Texas Local Government Code §113.022*. The deposit was made 27 days after the manual receipt was issued. This observation was noted on the December 22, 2009 and February 10, 2009 report. It was further noted that there is no indication of supervisory review on the manual receipts. This observation was noted on the December 22, 2009.

Corrective Action/Recommendation: It is recommended that the collections be deposited in accordance with *Texas Local Government Code §113.022*. It is again recommended that a supervisor periodically review the manual receipts to ensure the collections are accounted for.

### **Review of Past Memoranda**

1. Observation: It was previously noted that the employee issuing the manual receipts has custody of three manual receipt books.
- Corrective Action/Recommendation: It is again recommended that the unused manual receipt books be secured by a supervisor.

### **Summary**

This 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. Based on this review, the internal control structure of the Protective Orders Division appears to be weak, but should be strengthened with the implementation of the above mentioned recommendations.

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(915) 546-8172 FAX

08-29

August 6, 2010

The Honorable Jo Anne Bernal  
County Attorney  
County Courthouse, Room 503  
500 E. San Antonio Street  
El Paso, Texas 79901

Dear Ms. Bernal:

A copy of a memorandum from Mrs. Gaby Paredes-Ferro, internal auditor, dated August 13, 2010 is attached. This memorandum is a report on a review of the County Attorney's Protective Orders Division from March 2010 through June 2010. 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, this review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Paredes-Ferro.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:GPF:ya

Attachment

cc: Mr. Michael Alvarez, Trial Team Chief




COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR


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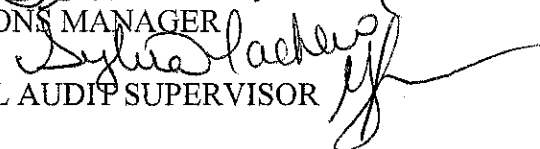
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08-30

MEMORANDUM

TO:   
EDWARD A. DION, COUNTY AUDITOR

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

FROM: GABY PAREDES-FERRO, INTERNAL AUDITOR

DATE: AUGUST 13, 2010

SUBJECT: REVIEW OF THE COUNTY ATTORNEY'S PROTECTIVE ORDER  
DIVISION FROM MARCH THROUGH JUNE 2010

**Overview**

A review of the County Attorney's Protective Orders Division from March 2010 through June 2010 has been completed. The objective of this review was to verify that collections have been received, posted and deposited accurately and in a timely manner.

**Scope and Purpose**

The scope and purpose of the review was as follows:

1. A review of the policy and procedures of the Protective Orders Division was performed.
2. The manual receipts issued from March through June 2010 were reviewed and traced to the attorney fee ledger, deposit warrants, and bank statements to ensure that payments were accounted for properly. Additionally, it was verified that the collections were deposited timely and in accordance with *Texas Local Government Code §113.022*.
3. Payments were compared to the court order to ensure that the correct amount was collected. No discrepancies were noted.
4. An inventory of all unused manual receipt books was conducted.
5. Previous memoranda were reviewed for implementation of prior recommendations.

### **General**

1. Observation: The updated policies and procedures do not reflect all of the proposed recommendations noted on the April 12, 2010 report.  
Corrective Action/Recommendation: It is recommended that the attached suggested policies and procedures pertaining to the manual receipts be implemented.
  
2. Observation: Upon review of the manual receipts, it was noted that one manual receipt could not be traced to the bank statement; therefore, it is not known if the deposit is in accordance with *Texas Local Government Code §113.022*. This manual receipt will be followed up in the next review. It was further noted that there is no indication of supervisory review of the manual receipts.  
Corrective Action/Recommendation: It is recommended that management consider utilizing the RecWare Cashiering System to receipt payments instead of using manual receipts. Management should contact the County's Information Technology Department to determine the feasibility of utilizing it. It is further recommended that a supervisor review the manual receipts to ensure accountability.

### **Summary**

This 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. Based on this review, the internal control structure of the Protective Orders Division continues to be weak, but should be strengthened with the implementation of the above mentioned recommendations.

GPF:ya

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11-48

November 19, 2010

The Honorable Jo Anne Bernal  
County Attorney  
County Courthouse, Room 503  
500 E. San Antonio Street  
El Paso, Texas 79901

Dear Ms. Bernal:

A copy of a memorandum from Mrs. Gaby Paredes-Ferro, internal auditor, dated November 19, 2010 is attached. This memorandum is a report on a review of the County Attorney's Protective Orders Division from July 2010 through September 2010. 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, this review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Paredes-Ferro.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:GPF:ya

Attachment

cc: Michael Alvarez, Trial Team Chief



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OFFICE OF THE COUNTY AUDITOR

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11-53

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR

THRU: TERESA MOLINAR, OPERATIONS MANAGER

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR

FROM: GABY PAREDES-FERRO, INTERNAL AUDITOR

DATE: NOVEMBER 19, 2010

SUBJECT: REVIEW OF THE COUNTY ATTORNEY'S PROTECTIVE ORDER  
DIVISION FROM JULY THROUGH SEPTEMBER 2010

**Overview**

A review of the County Attorney's Protective Orders Division from July 2010 through September 2010 has been completed. The objective of this review was to verify that collections have been received, posted and deposited accurately and in a timely manner.

**Scope and Purpose**

The scope and purpose of the review was as follows:

1. The policies and procedures were reviewed to ensure that proper internal controls are in place.
2. The manual receipts issued from July through September 2010 were reviewed and traced to the attorney fee ledger, deposit warrants, and bank statements to ensure that payments were accounted for properly. Additionally, it was verified that the collections were deposited timely and in accordance with *Texas Local Government Code §113.022*. No discrepancies were noted.
3. Payments were compared to the court order to ensure that the correct amount was collected. No discrepancies were noted.
4. An inventory of all unused manual receipt books was conducted.
5. Previous memoranda were reviewed for implementation of prior recommendations.

### **General**

1. *Observation:* It was noted that the Protective Orders Division issues manual receipts.  
*Corrective Action/Recommendation:* On November 5, 2010, the County Attorney's Office and the County Auditor's Office met to discuss the possibility of the District Clerk collecting the attorney's fees that are currently being collected by the Protective Order Division. The County Attorney will discuss this issue with the new District Clerk administration, which will take office in January 2011. If the District Clerk's Office agrees to collect payments for the Protective Orders Division, it is recommended that the Protective Orders Division destroy the manual receipt books, under dual control, and document the destruction of records. Furthermore, it is recommended that new policies and procedures be developed to reflect the new procedures. The County Attorney's Office has agreed to revise the protective order letter to reflect the District Clerk's address for mail-in payment purposes.

### **Review of Past Memorandum**

1. *Observation:* It was noted in the April 12, 2010 memorandum that the employee issuing the manual receipts had custody of three unused manual receipt books. It was recommended that the unused manual receipt books be secured by the supervisor. It was verified that this recommendation has been implemented.

### **Summary**

This 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. Based on this review, the internal control structure of the Protective Orders Division is adequate, but should be strengthened with the implementation of the above mentioned recommendations.

GPF:ya

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**County Auditor's Office**  
**Checks by Mail**



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01-25

MEMORANDUM

TO: *Ed* EDWARD A. DION, COUNTY AUDITOR *Ter Molinar*  
THRU: TERESA MOLINAR, OPERATIONS MANAGER *Ter Molinar*  
FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR *Sylvia Pacheco*  
DATE: JANUARY 13, 2010  
SUBJECT: REVIEW OF THE CHECKS RECEIVED BY MAIL

**Overview**

A review of the listing of checks received by mail by the County Auditor's Office from July 2009 through December 2009 has been completed. The objective of this review was to verify that the checks received by mail are accounted for and that they are deposited with the County Auditor's Treasury Division on a timely basis. In addition, the deposit slips and bank statements were reviewed to verify that checks were deposited.

**Scope and Purpose**

The scope and purpose of the review consisted of:

1. The policies and procedures for the checks by mail were reviewed to ensure effective internal controls are in place and that they are periodically updated.
2. A cursory review was performed on the 108 record of checks by mail logs to ensure completeness.
3. A sample of 247 or 70 percent, out of 351 checks was reviewed to ensure that the checks received by mail were forwarded to the treasury division timely. The deposit slips and bank statements were reviewed to verify that checks were deposited at the bank. No discrepancies were noted.
4. Deposit warrants for the sample selected were traced to the Financial Accounting Management System (FAMIS) to verify that the checks were accurately posted. No discrepancies were noted.

**General**

1. Observation: Upon review of the policies and procedures, it was noted that the procedures for the checks received by mail are not documented in detail. This observation was noted on the January 29, 2009 and July 20, 2009 reports.  
Corrective Action/Recommendation: It is again recommended that written policies and procedures be developed to document the new procedures. It is further recommended that the policies and procedures be updated as necessary.

2. Observation: It was noted that the mail is not opened under dual control.  
Corrective Action/Recommendation: The procedures have been modified as of November 19, 2009, the mail is simultaneously processed by two employees. The two employees sign-off on the checks by mail log to validate and account for the number of checks received by mail. Furthermore, the checks and the log are forwarded to the treasury division for proper posting and deposit to the bank. Treasury division personnel signs-off on the checks by mail log acknowledging receipt of checks.
3. Observation: Upon review of the return check procedures, it was noted that there is lack of internal controls in receiving and accounting for returned checks.  
Corrective Action/Recommendation: As of December 22, 2009, the returned checks are simultaneously processed by two employees. A returned check log was developed to account for the returned checks. The two employees processing the returned checks sign-off on the return check log. The checks are then forwarded to the internal audit supervisor. The internal audit supervisor signs-off on the log and makes copies of the checks for follow-up at a later time. The internal audit supervisor forwards the checks to the treasury division. Treasury division personnel sign-off on the log acknowledging receipt of checks.
4. Observation: On January 11, 2010, the internal audit supervisor was informed that the mail had not been processed for the past two business days. It was further noted that the mail was placed on a table and accessible to any employee. Based on the observation, the mail was left unsecured for an undetermined amount of time.  
Corrective Action/Recommendation: It is recommended that the mail be secured at all times. It is further recommended that the mail be processed the same day it is received. If the mail cannot be processed the same day, the mail should be secured in the vault and immediately processed the next business day.

### Summary

This 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. Based on this review, the internal control structure as it relates to the new procedures implemented for the checks received by mail appears to be weak, and should be further strengthened with the implementation of the above mentioned recommendation.

SP:ya



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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03-41

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR *Edward A. Dion*

THRU: TERESA MOLINAR, OPERATIONS MANAGER *Teresa Molinar*

FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR *Sylvia Pacheco*

DATE: MARCH 25, 2010

SUBJECT: REVIEW OF THE CHECKS RECEIVED BY MAIL

**Overview**

A review of the listing of checks received by mail by the County Auditor's Office from January 2010 through February 2010 has been completed. The objective of this review was to verify that the checks received by mail are accounted for and that they are deposited with the County Auditor's Treasury Division on a timely basis. In addition, the deposit slips and bank statements were reviewed to verify that checks were deposited.

**Scope and Purpose**

The scope and purpose of the review consisted of:

1. The policies and procedures for the checks by mail were reviewed to ensure effective internal controls are in place and that they are periodically updated.
2. A cursory review was performed on the 26 record of checks received by mail logs to ensure completeness. No discrepancies were noted.
3. A sample of 56 or 48.7 percent, out of 115 checks was reviewed to ensure that the checks received by mail were forwarded to the treasury division timely. The deposit slips and bank statements were reviewed to verify that checks were deposited at the bank. No discrepancies were noted.
4. Deposit warrants for the sample selected were traced to the Financial Accounting Management System (FAMIS) to verify that the checks were accurately posted. No discrepancies were noted.



### General

1. Observation: The detailed policies and procedures were submitted to the County Auditor's Office Internal Audit Division on January 13, 2010.
2. Observation: It was noted that the mail is not processed immediately upon receipt. It was further noted that on several occasions the mail was left unattended for an extended period of time. Moreover, it was noted that on March 19, 2010, the mail was left unattended in the reception lobby window available for the public to access. The internal audit supervisor took the mail to process and distribute, since it was left unattended. The administrative staff never claimed or inquired if the day's mail had been processed. This creates a high potential risk of losing mail while leaving it unattended.  
Corrective Action/Recommendation: It is recommended that the mail be processed immediately upon receipt. It is further recommended that the mail never be left unattended and should always be secured.

### Summary

This 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. Based on this review, the internal control structure as it relates to the new procedures implemented for the checks received by mail appears to be weak, and should be further strengthened with the implementation of the above mentioned recommendation.

SP:ya




COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

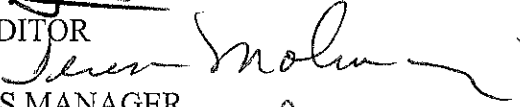
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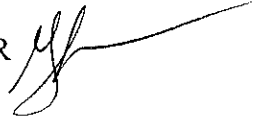
09-37

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

FROM: GABY PAREDES-FERRO, INTERNAL AUDITOR 

DATE: SEPTEMBER 28, 2010

SUBJECT: REVIEW OF THE CHECKS RECEIVED BY MAIL

Overview

A review of the listing of checks received by mail by the County Auditor's Office from March 2010 through August 2010 has been completed. The objective of this review was to verify that the checks received by mail are accounted for properly and that they are deposited with the County Auditor's Treasury Division on a timely basis. In addition, the deposit slips and bank statements were reviewed to verify that checks were deposited.

Scope and Purpose

The scope and purpose of the review consisted of:

1. The policies and procedures for the checks by mail were reviewed to ensure effective internal controls are in place and that they are periodically updated. No discrepancies were noted.
2. Check mail logs were reviewed to ensure numerical sequence. No discrepancies were noted.
3. A cursory review was performed on the 70 logs of checks received by mail to ensure completeness.
4. A sample of 248 or 72.51 percent, out of 342 checks was reviewed to ensure that the checks received by mail were forwarded to the treasury division timely. The deposit slips and bank statements were reviewed to verify that checks were deposited at the bank.

5. Deposit warrants for the sample selected were traced to the Financial Accounting Management System (FAMIS) to verify that the checks were accurately posted. No discrepancies were noted.
6. Previous memoranda recommendations were reviewed for implementations. No discrepancies were noted.

### **General**

1. Observation: While reviewing the checks received by mail logs, it was noted that on three separate occasions the mail was not opened under dual control. It was also noted that on one occasion the mail log did not include the review initials from a Treasury Division staff.  
Corrective Action/Recommendation: It is recommended that mail log policies and procedures be followed.
2. Observation: It was noted that after the checks by mail had been entered into the mail log sheets on August 2, 2010, a check was misplaced. After a thorough search, it was not found. Appropriate action was taken to contact the check writer and void the check. A replacement check was issued after several weeks, the missing check was found and turned over to the operations manager, who destroyed the check.  
Corrective Action/Recommendation: It is recommended that due care be exercised when handling checks by mail to minimize the risk of misplacing the checks.

### **Review of Previous Memoranda**

1. Observation: It was previously recommended that mail be processed immediately upon receipt. This recommendation has been implemented.

### **Summary**

This 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. Based on this review, the internal control structure as it relates to the new procedures implemented for the checks received by mail appears to be adequate, and should be further strengthened with the implementation of the above mentioned recommendation.

**County Auditor's Office**  
**Prompt Payment**



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12-16

MEMORANDUM

*Edward A. Dion*  
TO: EDWARD A. DION, COUNTY AUDITOR

*Teresa Molinar*  
THRU: TERESA MOLINAR, OPERATIONS MANAGER

*Victor Perez*  
THRU: VICTOR PEREZ, ACCOUNTS PAYABLE SUPERVISOR

*Sylvia Pacheco*  
FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR  
*Gloria de Leon*  
GLORIA DE LEON, INTERNAL AUDITOR

DATE: DECEMBER 8, 2009

SUBJECT: REVIEW OF PROMPT PAYMENT FOR APRIL 2009 THROUGH  
SEPTEMBER 2009

**Overview**

A review of the accounts payable disbursements for April 2009 through December 2009 has been completed. The objective of this review was to provide reasonable assurance that payments complied with the prompt payment guidelines established by *Texas Local Government Code (TLGC) §2251.021*.

**Scope and Purpose**

The scope and purpose of the review consisted of:

1. A sample of 1,096 disbursements was selected using auditor's judgment. Payments were examined on Web-extender (cold storage) to ensure that the appropriate documents were received and paid in accordance with the *TLGC §2251.021*.
2. Previous memoranda were reviewed for implementation of prior recommendations.

**General**

1. **Observation:** As reflected on the attachment, the following items were noted:
  - The invoices on 39 disbursements or 3.56 percent of the sample selected were not date stamped by the County Auditor's Office; therefore, we were unable to verify that the payment was paid within the guidelines.
  - The date stamp was not clear on 65 disbursements or 5.93 percent; therefore, we are unable to verify that the payments were paid within guidelines.

- On 16 disbursements or 1.46 percent, accounts payable needed additional information from departments before processing payment; therefore, the payment was processed late.
  - One disbursement or .09 percent was held due to budget changes.
  - The payment was processed after the 30<sup>th</sup> day on 11 disbursements or 1 percent.
- Corrective Action/Recommendation: It is recommended that the County Auditor's Accounts Payable Division immediately date stamp the invoices if the date stamp is missing or if it is not legible. It is further recommended that departments be advised that all required documents be submitted timely to the accounts payable division. Furthermore, it is recommended that the County Auditor's Accounts Payable personnel pay all invoices on a more timely basis in accordance with *TLGC §2251.021*. These recommendations were noted on previous memoranda.

### Summary

This 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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. The internal control structure of the Accounts Payable Division of the County Auditor's office appears to be adequate, and should be further strengthened with the implementation of the above mentioned recommendations. It is important to note that there has been improvement in the processing of invoices.

SP:GD:ya

**PROMPT PAYMENT AUDIT**  
 April 2009 through September 2009

Month/Year	Document not stamped w/ day received	Date stamp not Clear	Supporting Documentation not Complete	No authorizing signature	Unable to verify when merchandise received	Order was incomplete	Needed add'l info from dept.	Field for budget change	Payment Processed before receiving Invoice	Exceeded the 30 days	Total	Sample Selected	Checks Processed
April 2009	1	17					1	1			20	155	1550
May 2009	13	16								2	31	139	1393
June 2009		6					3			1	10	245	2617
July 2009	4	13					3			3	23	191	1763
August 2009	1						6				7	210	2089
September 2009	20	13				3	3			5	41	156	1593
	39	65	0	0	0	16	1	0	0	11	132	1096	11005
<b>Percentage</b>	<b>3.56%</b>	<b>5.93%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>1.46%</b>	<b>0.09%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>1.00%</b>	<b>12.04%</b>	<b>9.96%</b>	

A sample of 1096 disbursements were selected for testing.

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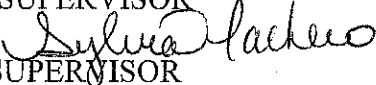
07-63

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: VICTOR PEREZ, ACCOUNTS PAYABLE SUPERVISOR 

FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR   
CLAUDIA PARRA, CASH ACCOUNTANT

DATE: AUGUST 2, 2010

SUBJECT: REVIEW OF PROMPT PAYMENT FOR OCTOBER 2009 THROUGH MARCH 2010

**Overview**

A review of the accounts payable disbursements for October 2009 through March 2010 has been completed. The objective of this review was to provide reasonable assurance that payments complied with the prompt payment guidelines established by *Texas Local Government Code (TLGC) §2251.021*.

**Scope and Purpose**

The scope and purpose of the review consisted of:

1. A sample of 1,062 disbursements was examined on Web-extender (cold storage) to ensure that the appropriate documents were received and paid in accordance with the *TLGC §2251.021*.

**General**

1. Observation: As reflected on the attachment, the following items were noted:
  - The invoices on 204 disbursements or 19.21 percent of the sample selected were not date stamped by the County Auditor's Office; therefore, we were unable to verify that the payment was paid within the guidelines.
  - The date stamp was not clear on 162 disbursements or 15.25 percent; therefore, we are unable to verify that the payments were paid within guidelines.

- On nine disbursements or .85 percent, accounts payable needed additional information from departments before processing payment; therefore, the payment was processed late.
  - The payment was processed after the 30<sup>th</sup> day on 43 disbursements or 4.05 percent.
- Corrective Action/Recommendation: It is recommended that the County Auditor's Accounts Payable Division immediately date stamp the invoices if the date stamp is missing or if it is not legible. It is further recommended that departments be advised that all required documents be submitted timely to the accounts payable division. Furthermore, it is recommended that the County Auditor's Accounts Payable personnel pay all invoices on a more timely basis in accordance with *TLGC §2251.021*. These recommendations were noted on previous memoranda.

### **Summary**

This 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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. The internal control structure of the Accounts Payable Division of the County Auditor's office appears to be weak, but should be strengthened with the implementation of the above mentioned recommendations.

SP:rao

**PROMPT PAYMENT AUDIT**  
October 2009 Through March 2010

Month/Year	Document not stamped w/ day received	Date stamp not Clear	Supporting Documentation not Complete	No authorizing signature	Unable to verify when merchandise received	Order was incomplete	Needed addit'l info from depl.	Held for budget change	Payment Processed before receiving Invoice	Exceeded the 30 days	Total	Sample Selected	Checks Processed
October 2009	18	14					2			9	43	158	1584
November 2009	49	23					4			10	86	188	1906
December 2009	25	46					1			5	77	159	1732
January 2010	26	24								8	58	169	1691
February 2010	27	16								4	47	168	1681
March 2010	59	39					2			7	107	220	2230
	204	162	0	0	0	0	9	0	0	43	418	1062	10824
<b>Percentage</b>	<b>19.21%</b>	<b>15.25%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.85%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>4.05%</b>	<b>39.36%</b>	<b>9.81%</b>	

A sample of 1062 disbursements were selected for testing.

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**County Auditor's Office**  
**Treasury Division**



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01-31

MEMORANDUM

TO: *for* EDWARD A. DION, COUNTY AUDITOR *Teresa Molinar*

THRU: TERESA MOLINAR, OPERATIONS MANAGER *Teresa Molinar*

THRU: LUIS MARTINEZ, TREASURY SUPERVISOR *Luis Martinez*

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR *Sylvia Pacheco*

FROM: BERTHA TAFOYA, INTERNAL AUDITOR *Bertha Tafoya*

DATE: JANUARY 19, 2010

SUBJECT: REVIEW OF THE COUNTY AUDITOR'S TREASURY DIVISION FROM AUGUST 2009 THROUGH NOVEMBER 2009.

**Overview**

A review of the bank reconciliations, prepared by the County Auditor's treasury division from August 2009 through November 2009 has been completed. This review included verifying the following bank reconciliations:

1. Consolidated Fund
2. County Attorney Bad Check Fund
3. EPSOA
4. Health and Life Fund
5. Housing Finance Corporation
6. Retirement Fund
7. Social Security and Withholding Fund
8. Workers Compensation Fund
9. 125 Health Benefits Fund
10. Payroll Fund
11. Construction Escrow Fund
12. Jury Fee Fund

The objective of this review was to verify the accuracy, completeness, and timeliness of the bank reconciliations.

### **Scope and Purpose**

The scope and purpose of the review consisted of:

1. The bank reconciliations for the various bank accounts were reviewed for completeness and accuracy. Reconciling items were also reviewed to ensure they were addressed in a timely manner and properly documented on the bank reconciliations. No exceptions were noted.
2. Interest from various bank accounts was traced to electronic transfers to ensure that it was remitted to the Treasury Consolidated Fund, and verified that interest was properly posted in Financial Accounting Management Information System (FAMIS). No exceptions were noted.
3. Evaluated the issuance, accountability, safeguarding, and ordering of deposit warrants to ensure that effective internal controls are in place. No exceptions were noted.
4. The procedures for processing on-line electronic transfers were reviewed to ensure that effective segregation of duties are in place. No exceptions were noted.
5. A surprise cash count was conducted on December 29, 2009 in accordance with *Local Government Code §115.0035*. No discrepancies were noted.

### **General**

#### **Review of Past Memoranda**

1. *Observation:* Prior recommendations were reviewed to ensure that these were properly implemented. Mr. Martinez has implemented all recommendations.

### **Summary**

This 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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. The internal control structure of the County Auditor's Treasury Division appears to be adequate.

BT:ya

# **County Clerk's Office**





COUNTY OF EL PASO  
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07-29

July 22, 2010

Ms. Delia Briones  
El Paso County Clerk  
500 E. San Antonio, Ste. 105  
El Paso, Texas 79901-2496

Dear Ms. Briones:

A copy of a memorandum from Mr. Rene Balderrama, internal auditor, dated July 22, 2010 is attached. This memorandum is a report on a review of your financial records from September 2009 through May 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mr. Balderrama

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:RB:ya

Attachment




COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR


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07-30

MEMORANDUM

TO:   
EDWARD A. DION, COUNTY AUDITOR

THRU:   
TERESA MOLINAR, OPERATIONS MANAGER

THRU:   
SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR

FROM: RENE BALDERRAMA, INTERNAL AUDITOR

DATE: JULY 22, 2010

SUBJECT: REVIEW OF THE FINANCIAL RECORDS OF THE COUNTY CLERK'S  
OFFICE FROM SEPTEMBER 2009 THROUGH MAY 2010

**Overview**

A review of the financial records for the County Clerk's Office from September 2009 through May 2010 has been completed. The objective of this review was to verify the information contained in the financial reports of the County Clerk's Office.

**Scope and Purpose**

The scope and purpose consisted of:

1. Monthly bank reconciliations for the general, civil, probate, cash bond, and escrow accounts were reviewed for accuracy, completeness, and timeliness.
2. Deposits and wire transfers to the County Auditor's Treasury Division were verified and compared to the TrackNet Plus Sales Summary report, the Link2Gov credit card report, and the JIMS reports to ensure that the funds collected were remitted to the County Auditor's Office.
3. A surprise cash count was performed on June 9, 2010, at the Downtown, Clint, Northeast, and Socorro Annex satellite offices for the inspection of funds in accordance with the *Texas Local Government Code §115.0035*.

4. A sample of 10 out of 189 court ordered investments, or 5 percent, was reviewed to ensure that the report balances corresponded to the bank statements.
5. A review of the Office of Court Administration (OCA) requirements for the County Clerk Collections department was conducted.
6. Previous memoranda were reviewed for implementation of prior recommendations.

### **General**

1. Observation: Upon review of the monthly bank reconciliations, it was noted that the disbursement of fees for May 15, 2010 in the amount of \$4,784.00 was not submitted to the Treasury department until June 25, 2010.  
Corrective Action/Recommendation: It is recommended that the daily fees be reviewed to ensure that correct amounts are being transferred to the correct accounts in a timely manner.
2. Observation: It was noted that an accounting clerk cashed a personal check against the collections deposit.  
Corrective Action/Recommendation: It is recommended that management not allow employees to cash personal checks by utilizing the County collections for the day. It is further recommended that personal funds not be commingled with County funds.
3. Observation: In comparing system generated reports with the deposits and wire transfers, it was noted that the Distribution Summary report for the courts for May 2010 was over in the amount of \$214.00. This out of balance condition was caused by a future dated transaction from February 2, 2010 that had a transaction date of May 15, 2010. It was further noted that the accounting department runs the reports to reconcile the week's collection from Monday through Friday. This could potentially result in not accounting for transactions processed on Saturday and Sunday. As a result, the May 15, 2010 transaction was not identified and accounted for by the accounting department.  
Corrective Action/Recommendation: It is recommended that the County Clerk Office ensure that all transactions are posted with correct dates. It is further recommended that the accounting department run the reports from Monday through Sunday to ensure that all transactions are captured and properly address any discrepancies.
4. Observation: Upon completion of the cash counts, it was again noted that the downtown change fund was short \$96.77. It was stated that a change fund for \$100 was sent to the Socorro office but there was no record of Miracle Delivery picking up the change fund on June 9, 2010. It was explained by Ms. Rocio Hinojosa, accountant, that when change is sent to the satellite office, the accounting office does not require Miracle Delivery to sign for change acknowledging that they have the change fund. It was difficult to balance the change fund because of the many envelopes securing loose change. It was further noted

that the deposits from the satellite office are not being deposited directly to the bank. It is also noted that the cashiers are requesting small amounts of coin which is causing the accounting department to break down rolled coins into smaller amounts to accommodate the cashier's request. This causes the change fund to be out of balance frequently. It was additionally noted that the change fund is not being verified on a daily basis.

Corrective Action/Recommendation: It is recommended that the cashiering division modify the change order slip for the cashiers to use in order to request change in rolled coin. It is also recommended that the accounting division verify the change fund on a daily basis. It is further recommended that the satellite offices deposit directly to the bank to improve the efficiency of the accounting department and to maximize the interest earnings. It is additionally recommended that the accounting department only give rolled coin to the cashiers to limit the amount of loose change that is being held in the vault. Moreover, it is recommended that the Miracle Delivery courier sign and date the pickup/delivery log to document the change funds being transferred between the different County Clerk offices.

5. Observation: Upon review of the manual receipt book logs, no discrepancies were noted.
6. Observation: While verifying the balances of the court ordered investments, it was noted that one case had the incorrect amount as the current balance and another case did not have the current bank statement on file.  
Corrective Action/Recommendation: It is recommended that all investment records be reconciled to the bank statements. It is further recommended that each file have a current bank statement in the file to ensure that correct amounts are being reported.
7. Observation: Upon review of the OCA requirements regarding the collections department, no discrepancies were noted.

#### **Review of Past Memoranda**

8. Observation: As previously noted, the escheatment of unclaimed cash bonds as of 1998 is still pending to be submitted to the State. On June 30, 2010, Ms. Hinojosa, provided the County Auditor's Office with the court order to begin the escheatment process of the unclaimed cash bonds.  
Corrective Action/Recommendation: It is again recommended that the unclaimed funds and report be submitted to the State as soon as possible. It is further recommended that the County Clerk's Office continue to work with the Information Technology Department to generate a report that will assist them in processing the unclaimed cash bonds timely.

**Summary**

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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Based on this review, the internal control structure of the Office of the County Clerk appears to be extremely weak, but should be strengthened with the implementation of the above mentioned recommendations.

RB:rao

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**County Parks and Recreation**  
**Swimming Pools**



COUNTY OF EL PASO  
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06-49

June 22, 2010

Ms. Rosemary Neill  
Director  
Parks and Recreation  
801 East Overland  
El Paso, TX 79901

Dear Ms. Neill:

A copy of a memorandum from Mr. James O'Neal, internal auditor, dated June 22, 2010 is attached. This memorandum is a report on a review of the County Parks and Recreation swimming pools for the 2010 summer season. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the Parks and Recreation swimming pools as defined by AICPA professional standards. However, our review was performed with objectivity and due professional care. I concur with the recommendations made by Mr. O'Neal.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Sincerely,

Edward A. Dion  
County Auditor

EAD:ya

Attachment








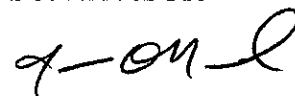
COUNTY OF EL PASO  
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06-50

MEMORANDUM

  
TO: EDWARD A. DION, COUNTY AUDITOR  
THRU: TERESA MOLINAR, OPERATIONS MANAGER   
THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR   
FROM: JAMES O'NEAL, INTERNAL AUDITOR   
DATE: JUNE 22, 2010  
SUBJECT: REVIEW OF THE PARKS AND RECREATION SWIMMING POOLS FOR  
THE 2010 SUMMER SEASON

**Overview**

A review of the financial records for the Ascarate, Fabens and Canutillo swimming pools, for the 2010 summer season has been completed. The objective of this review was to provide reasonable assurance that all transactions were properly recorded and reported. Interim reviews have been conducted and discrepancies were brought to the attention of the director and park personnel.

**Scope and Purpose**

The scope and purpose of the review consisted of:

1. Cash count and cashing reports were verified to ensure that collections were properly recorded and reported, and that deposits were made in accordance with the rapid deposit law, *Texas Local Government Code §113.022*.
2. Deposits were verified for proper posting in the Financial Accounting Management System (FAMIS).
3. Surprise cash counts were performed on June 15, 2010 at the Ascarate, Fabens and Canutillo swimming pools. Cash counts were performed in accordance with *Local Government Code §115.0035*.
4. All swimming pool rental contracts were reviewed for proper documentation and completeness, with no discrepancies noted.

5. Deposit refunds were reviewed for proper authorization and documentation, with no discrepancies noted.
6. Previous memoranda were reviewed for proper implementation of prior recommendations.

### **General**

1. Observation: While performing a cash count at the Fabens Park swimming pool, it was noted that the front window was unattended. Upon inquiry, it was explained by the cashier that the lifeguards were short handed and he was performing both cashiering and lifeguard duties. Upon further inquiry, it was discovered that the cashier was not a certified lifeguard and that the pool had sufficient lifeguard coverage. The cashier also stated that the pool had reached its 150 swimmer capacity. However, there was no signage informing the public that the pool was closed. After spot checking the number of swimmers in the pool, it was noted that it was far from the 150 capacity number needed to close the pool. The cashier further explained that the pool is closed once 150 dollars in collections is reached, regardless of the actual number of swimmers in the pool.  
Corrective Action/Recommendation: It is recommended that all swimming pool employees perform their assigned duties unless otherwise directed by management and that a cashier be stationed at the front window at all times. It is further recommended that the number of swimmers entering and leaving be monitored and that the pool be closed only when the true 150 swimmer capacity is met.
2. Observation: While performing the cash count at the Ascarate Park swimming pool, an overage of \$3.00 was noted. Furthermore, it was noted that over \$600.00 in collections were in the register at the time of the cash count. It was also noted that the RecWare cashiering system was not functioning.  
Corrective Action/Recommendation: It is recommended that management contact the County ITD department to repair the RecWare cashiering system. It is further recommended that cashiers record all collections in RecWare. Furthermore, it is recommended that the amount of cash be kept to a minimum to prevent loss, theft, or misuse of funds.

### **Review of Past Memoranda**

1. Observation: While reviewing previous memoranda, it was noted that a copy of all contracts is being supplied as supportive documentation with depositing information, as previously recommended. Furthermore, Ms. Mayra Navarrete has implemented policies and procedures that have increased the internal controls and security of the County's assets.

**Summary**

This 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. Based on this review, the internal control structure of the Parks and Recreation swimming pools appears to be adequate, and should be further strengthened with the implementation of the above mentioned recommendations.

JO:ya

# **District Attorney's Office**



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06-25

June 8, 2010

The Honorable Jaime Esparza  
District Attorney  
Suite 203, County Courthouse Building  
El Paso, Texas 79901

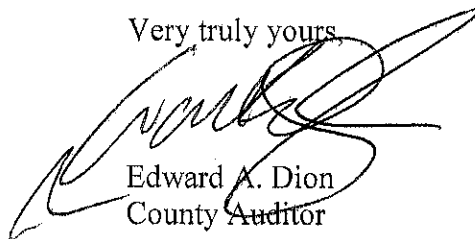
Dear Mr. Esparza:

A copy of a memorandum from Ms. Ruth Bernal, internal auditor, dated June 8, 2010 is attached. This memorandum is a report on a review of the District Attorney's Special, State Agent, and Asset Sharing accounts for November 2009 through March 2010. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the District Attorney's Office as defined by AICPA professional standards. However, our review was performed with objectivity and due professional care. I concur with the recommendations made by Ms. Bernal.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,



Edward A. Dion  
County Auditor

EAD:RB:ya

Attachment



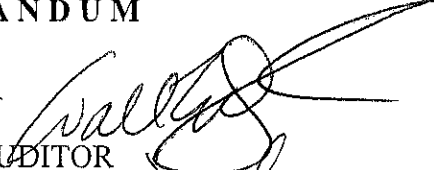
COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

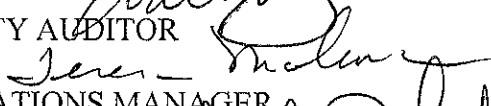
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06-22

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

FROM: RUTH BERNAL, INTERNAL AUDITOR 

DATE: JUNE 8, 2010

SUBJECT: REVIEW OF THE DISTRICT ATTORNEY'S SPECIAL, STATE AGENT AND ASSET SHARING ACCOUNTS

**Overview**

A review of the District Attorney's Special, State Agent and Asset Sharing accounts has been completed from November 2009 through March 2010. The objective of this review was to verify the information contained within the District Attorney's financial reports.

**Scope and Purpose**

The scope and purpose consisted of:

1. The monthly bank reconciliations for the three accounts were reviewed for accuracy, completeness, and timeliness.
2. A sample of 35 out of 181 disbursements from the Special Account, or 20 percent, was reviewed to ensure disbursements were justified, approved, and properly documented. Additionally, the cancelled checks were reviewed for proper endorsement.
3. All the manual receipts were traced to the deposits posted on the State Agent check register and the bank statement.
4. The State Agent account was reviewed to ensure that the outstanding cases reconcile to the cash balance at the bank.
5. Previous memoranda were reviewed for implementation of prior recommendations.

**General**

1. Observation: While reviewing the bank reconciliations for the Special, State Agent and Asset Sharing accounts, no discrepancies were noted.
  
2. Observation: While reviewing the disbursements from the Special account, the following discrepancies were noted:
  - Fifteen purchase orders were approved after the check was issued.
  - On twenty disbursements, the purchase order was not included with the supporting documentation.
  - Nine disbursements did not contain a receipt: El Paso Police Department – Budget & Finance division for \$1,900.00, Tommy’s Barbeque for \$133.00, JP Morgan Chase credit cards for \$1,847.76, \$ 2,535.70, \$1,107.41, \$3,863.94, Greggerson’s Cake Cottage for \$170.00, and Jaime E. Esparza for \$644.68. Upon inquiry, it was stated that an affidavit is going to be submitted for the missing receipts.
  - One disbursement was processed with the copy of the receipt instead of the original: Party City for \$91.22.

Corrective Action/Recommendation: Once again, in order to strengthen the internal controls of the disbursement process, it is recommended that DA personnel:

  - Request approval of the purchase orders before buying any goods or services.
  - Include a copy of the purchase order as supporting documentation.
  - Submit original receipt(s) that include the vendor’s name, the date of purchase, and an itemization of the goods or services received. If receipts do not include complete and accurate information, payments should not be processed.
  - Provide written justification to include the names of the participants attending meetings and/or committee conferences and dinners.
  - Submit an affidavit for missing receipts/invoices, after all attempts for securing original receipts have failed.
  - Purchases from the District Attorney’s Special account (forfeiture funds) should be made in accordance with the *Texas Code of Criminal Procedure, Article §59.06, Local Government Code §262.011, Local Government Code §140.003,* and Attorney General Opinion DM-246 dated April 26, 1994, copy attached on prior memorandum.
  
3. Observation: It was noted that a log is kept with the information of the seized cases with the amount deposited on the State Agent account and the date funds were distributed; however, the log is not reconciled to the bank balance.

Corrective Action/Recommendation: It is recommended that a report with the list of seized cases pending to be distributed be prepared and reconciled to the State Agent bank account balance at the end of each month. It is also recommended that the pending seized cases reconciliation be submitted together with the bank reconciliations to the County Auditor’s Office.
  
4. Observation: While tracing the manual receipts to the deposits in the State Agent account, no discrepancies were noted.

### Review of Past Memoranda

5. Observation: The receipts for the following disbursements are still pending as of the date of this memo:
- Check number 16820 issued to JP Morgan Chase, State travel card, was missing 11 receipts amounting to \$842.21.
  - Check number 16868 issued to JP Morgan Chase, State travel card, was missing six receipts amounting to \$1,094.73
- Corrective Action/Recommendation: It is again recommended that DA personnel submit an affidavit certifying that the missing receipts totaling \$1,936.94, plus the missing receipts for check numbers 17205, 17205, 17235, & 17238 issued to JP Morgan Chase credit cards, for \$1,847.76, \$ 2,535.70, \$1,107.41, \$3,863.94, were for official business purposes, after all attempts to secure original receipts have failed. This requirement is consistent with County travel policy.
6. Observation: It was previously recommended that a log be developed and maintained, requiring DA employees acknowledge receipt of the check and be held accountable for returning receipts documenting the use of public funds. This measure has not been implemented.
- Corrective Action/Recommendation: It is again recommended that this log be implemented.

### Summary

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. The internal control structure implemented by the District Attorney's Office appears to be extremely weak, but should be strengthened with implementation of the above mentioned recommendations.

RB:ya



# **District Clerk's Office**



COUNTY OF EL PASO  
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01-36

January 26, 2010

The Honorable Gilbert Sanchez  
District Clerk  
Room 103, County Courthouse Building  
500 East San Antonio Street  
El Paso, Texas 79901

Dear Mr. Sanchez:

A copy of a memorandum from Mr. Mauro Olivas, internal auditor, dated January 21, 2010, is attached. This memorandum is a report on your financial records from April 2009 to November 2009. Because of statutory duties required of the County Auditor, this office is not independent in regard to your office. However, our review was performed with objectivity and due professional care. I concur with the recommendations made by Mr. Olivas.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:MO:ya

Attachment

cc: The Honorable Anthony Cobos, County Judge  
The Honorable Veronica Escobar, County Commissioner  
The Honorable Daniel R. Haggerty, County Commissioner  
The Honorable Willie Gandara, County Commissioner  
The Honorable Anna Perez, County Commissioner



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01-37

MEMORANDUM

*Edward A. Dion*  
TO: EDWARD A. DION, COUNTY AUDITOR

*Teresa Molinar*  
THRU: TERESA MOLINAR, OPERATIONS MANAGER

*Sylvia Pacheco*  
THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR

*Mauro Olivas*  
FROM: MAURO OLIVAS, INTERNAL AUDITOR

DATE: JANUARY 21, 2010

SUBJECT: REVIEW OF THE DISTRICT CLERK FINANCIAL RECORDS FOR APRIL 2009 THROUGH NOVEMBER 2009

**Overview**

A review of the District Clerk's Office financial records for April 2009 through November 2009 has been completed. The objective of this review was to verify the information contained within the District Clerk's financial records and to evaluate office operations and internal controls.

**Scope and Purpose**

The scope and purpose of this review consisted of:

1. A surprise cash count was performed on October 1, 2009 in accordance with Local Government Code § 115.0035. No discrepancies were noted.
2. The bank reconciliation for the Fee, Trust, Deposit and Juvenile account were reviewed for accuracy, completeness and legitimacy of the transactions. Additionally, the reconciliations were reviewed to ensure that they are being reviewed by a supervisor and that supervisor review is documented.
3. Manual receipts were reviewed to ensure that the transactions were posted correctly and timely in the Judicial Information Management System (JIMS).
4. District Clerk fees were reviewed to ensure accuracy and compliance with new mandated fees. No discrepancies were noted.
5. JIMS receipts and the daily passport transmittal report submitted to the State Department were reviewed to ensure that they were reconciled.
6. The public official bond was reviewed for compliance. No discrepancies were noted.
7. County employee turnover rate was evaluated.

**General**

1. Observation: While reviewing the manual receipts, it was noted that manual receipt numbers do not have a JIMS receipt attached nor are they cross referenced to the JIMS receipt. It was further noted that the vault clerks provide copies for clients without the clients paying first.  
Recommendation/Corrective Action: It is again recommended that a supervisor review the manual receipts on a daily basis. It is further recommended that all manual receipts be filled out completely and the JIMS receipt number be cross referenced to the manual receipt. Further, it is recommended that copies issued in the vault be paid before the services are provided. This recommendation was noted on the January 27, 2008 report.
2. Observation: It was previously noted that the amount of County passport fees recorded in JIMS does not match the amount recorded in the Passport Transmittal Software. This observation was noted on reports issued January 8, 2009, September 23, 2008, February 11, 2009 and July 22, 2008. The passport transmittals that are reconciled have no indication of who reconciled the reports.  
Recommendation/Corrective Action: It is again highly recommended that policies and procedures be developed and implemented for the passport division. This recommendation was noted on the July 7, 2009 report. It is further recommended that the passport division reconcile at the end of the day in order to identify errors and enter all necessary information to the passport transmittal software the same day.
3. Observation: While evaluating the county employee turnover during fiscal year 2009; it was noted that the District Clerk's Office had a high turnover rate. It was further noted that in comparison to the rest of the County, the District Clerk's office terminations due to poor job performance, absenteeism or other negative reasons comprised 20 percent of the County's total.  
Recommendation/Corrective Action: It is again highly recommended that the screening process be assigned to the Human Resources department and that County hiring procedures be followed to the fullest extent possible. Testing and background checks should be performed on applicants prior to hiring. This will help minimize employee turnover and assist with reducing costs associated with training and certifications. This recommendation was noted on the July 22, 2008 report.
4. Observation: While reviewing a request for a refund, it was noted that the District Clerk's Office deleted a case.  
Recommendation/Corrective Action: It is highly recommended that the District Clerk Office desist from deleting cases. The cases that need to be removed should be voided and an events comment should be noted on the case.

**Review of Prior Memoranda**

5. Observation: It was previously recommended that the passport division implement a cover sheet that lists the different documents processed to serve as a control to maintain a better audit trail. The cover sheet was never implemented. This recommendation was noted on February 11, 2009.

Recommendation/Corrective Action: The District Clerk Office will not implement the cover sheet due to the excessive work load and time constraints.

**Summary**

This review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the County's assets from lost, 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. The internal control structure of the District Clerk's Office continues to be weak, but should be strengthened with the implementation of the above-mentioned recommendations.

MO:ya



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08-11

August 11, 2010

The Honorable Gilbert Sanchez  
District Clerk  
Room 103, County Courthouse Building  
500 East San Antonio Street  
El Paso, Texas 79901

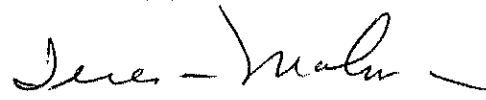
Dear Mr. Sanchez:

A copy of a memorandum from Ms. Bertha Tafoya, internal auditor, dated August 11, 2010, is attached. This memorandum is a report on your financial records from December 2009 to June 2010. Because of statutory duties required of the County Auditor, this office is not independent in regard to your office. However, our review was performed with objectivity and due professional care. I concur with the recommendations made by Ms. Tafoya.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

  
for Edward A. Dion  
County Auditor

EAD:BT:ya

Attachment



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OFFICE OF THE COUNTY AUDITOR

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08-12

MEMORANDUM

TO: *for* EDWARD A. DION, COUNTY AUDITOR *Juan Molinar*

THRU: TERESA MOLINAR, OPERATIONS MANAGER *Juan Molinar*

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR *Sylvia Pacheco*

FROM: BERTHA TAFOYA, INTERNAL AUDITOR *Bertha Tafoya*

DATE: AUGUST 11, 2010

SUBJECT: REVIEW OF THE DISTRICT CLERK FINANCIAL RECORDS FOR  
DECEMBER 2009 THROUGH JUNE 2010

**Overview**

A review of the District Clerk's Office financial records for December 2009 through June 2010 has been completed. The objective of this review was to verify the information contained within the District Clerk's financial records and to evaluate office operations and internal controls.

**Scope and Purpose**

The scope and purpose of this review consisted of:

1. Surprise cash counts were performed on June 10, 2010 and July 28, 2010, in accordance with Local Government Code § 115.0035. No discrepancies were noted.
2. The bank reconciliation for the Fee, Trust, Deposit and Juvenile account were reviewed for accuracy, completeness and legitimacy of the transactions. Additionally, the reconciliations were reviewed to ensure that they are being reviewed by a supervisor and that supervisor review is documented. No discrepancies were noted.
3. Manual receipts were reviewed to ensure that the transactions were receipted correctly and timely in the Judicial Information Management System (JIMS).
4. A sample of one day's collections from each month, December 2009 through July 2010, was reconciled to the JIMS report and the daily passport transmittal which was submitted to the State Department.

5. Incoming mail procedures were reviewed to ensure that effective internal controls are in place.
6. Mail payment logs were reviewed to ensure completeness of the log and that the payments are posted to JIMS.
7. Prior memoranda were review for proper implementation of prior recommendations.

### **General**

1. Observation: While reviewing the manual receipts, it was noted that the manual receipt numbers are not cross-referenced in JIMS. Also, the JIMS receipt numbers are not cross-referenced on the manual receipts. This observation was noted in the June 10, 2009 report. Further, it was noted that there is no indication of supervisory review.  
Recommendation/Corrective Action: It is recommended that a supervisor review the manual receipts to ensure that manual receipt numbers are referenced in JIMS and that the system generated receipt number is cross referenced to the manual receipt. It is further recommended that supervisory review be documented on the manual receipt.
2. Observation: While reviewing passport collections, it was noted that the daily log utilized at the passport division does not reflect the applicant's requested services. Further, it was noted that this log is not kept with the daily transmittal reports for review. Upon, inquiry, Ms. Valerie Ramirez, passport supervisor, indicated that daily logs are destroyed. Consequently, the daily transmittal report and the JIMS report could not be matched to a daily applicant's log.  
Recommendation/Corrective Action: In order to improve the internal control structure of the passport division, it is recommended that the department utilize the proposed applicants' daily log, copy attached. This log should be utilized to document the different types of services rendered; thus providing a better audit trail. It is also recommended that the passport applications daily log be maintained with the daily transmittal and JIMS reports.
3. Observation: While reviewing mail log transactions, it was noted that checks from attorneys paying to file new cases cannot be traced to JIMS because they lack a case number. It was also noted that two checks were not receipted in JIMS timely. A check from Black & Williams was receipted 20 working days after it was received; the check from Barrett Daffin, Frappier, Turner, and Engel, LLP was receipted seven (7) working days after it was received.  
Recommendation/Corrective Action: It is recommended that all payments be receipted in JIMS immediately. In regard to payments received for new cases, once a number is assigned to a case, it is recommended that the civil clerk be provided with the case number and that this number be documented with the respective payment on the incoming mail log.
4. Observation: While reviewing incoming mail procedures, the following items were noted:
  - There are no written procedures to address processing of incoming mail.
  - The mail is not processed under dual control.



- Mail addressed to a particular division within the District Clerk Office, is not opened or logged in. The civil clerk will forward the mail to the respective division.

Recommendation/Corrective Action: It is recommended that the following procedures be implemented:

- Written mail procedures should be developed to delineate the incoming mail process.
  - Two employees together should open and log in the mail. The log should document the date received, payor, the check amount, the signature of employees opening and logging in the mail, the case number, the JIMS receipt number, the date transaction was posted in JIMS, the signature of employee posting the payment in JIMS, and the signature of reviewer. The log should not be limited to the suggested recommendations. A sample log is attached.
  - The checks, money orders, and cashier's checks should be restrictively endorsed upon receipt.
  - The checks should be distributed to the appropriate division soon after logging them in.
  - The checks should be posted in JIMS immediately upon receipt, but no later than the next business day. Checks held for the next business day should be secured overnight in the safe. Checks should never be left unattended or unsecured.
  - The office supervisor should review the log and trace the payments to JIMS to ensure accountability of the transaction.
5. Observation: Upon inquiry, it was noted that a log is not maintained to document any discrepancies in the daily collections.  
Recommendation/Corrective Action: It is recommended that supervisors maintain a log to document discrepancies and the corrective action taken.

### **Review of Prior Memoranda**

1. Observation: It was previously noted that the District Clerk's Office does not utilize the County's Human Resource Department to screen potential employees. On July 28, 2010, Human Resource (HR) personnel confirmed that the District Clerk's Office is not utilizing HR to screen potential employees.  
Recommendation/Corrective Action: It is again strongly recommended that the District Clerk's Office utilize the HR Department to screen potential employees, in order to ensure that the best qualified candidate is selected.
2. Observation: Previously, it was noted that there is lack of segregation of duties in the District Clerk's Collections Department. As of the date of this report, Collections Department personnel continue to set up payment plans, collect and receipt payments in JIMS.  
Recommendation/Corrective Action: Again, it is strongly recommended that the Collections Department implement effective segregation of duties in the collections process.

3. Observation: It was previously recommended that the passport division develop an operating procedures manual. This measure has not been implemented.  
Recommendation/Corrective Action: In order to provide the employees guidance and improve the internal control structure, it is strongly recommended that the procedures manual be developed. This recommendation was noted on the July 7, 2009 and January 21, 2010 reports.
4. Observation: It was previously recommended that the District Clerk's Accounting Department have access to print reports from the passport application software. This recommendation has not been implemented.  
Recommendation/Corrective Action: In order to obtain independent verification of daily passport transactions, it is recommended that the accounting department have access to generate reports from the passport application software.
5. Observation: It was previously noted that checks resulting in non-sufficient funds (NSF) are not reflected in JIMS.  
Recommendation/Corrective Action: According to Ms. Maria Alderete, accounting manager, JIMS is now updated to reflect NSF transactions and replacement payments.
6. Observation: It was previously noted that a clerk from the passport division used the incorrect log in ID resulting in two clerks using the same user ID to receipt transactions.  
Recommendation/Corrective Action: The County's Information Technology Department has implemented a password to access the daily deposit.

### Summary

This review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the County's assets from lost, 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. The internal control structure of the District Clerk's Office appears to be extremely weak, but should be strengthened with the implementation of the above-mentioned recommendations.

BT:ya



# **Domestic Relations Office**



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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(915) 546-2040  
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04-07

April 8, 2010

Mr. Jim Fashing  
Interim Executive Director  
Domestic Relations Office  
500 E. San Antonio, Room LL-108  
El Paso, Texas 79901

Dear Mr. Fashing:

A copy of a memorandum from, Ms. Linda Hemme, internal auditor, dated April 8, 2010 is attached. This memorandum is a report on a review of your financial records from October 2009 through March 2010. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the Domestic Relations Office as defined by AICPA professional standards. However, our review was performed with objectivity and due professional care.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edward A. Dion".

Edward A. Dion  
County Auditor

EAD:LH:ya

Attachment




COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

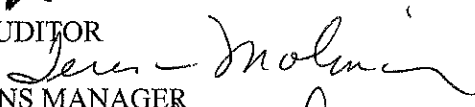
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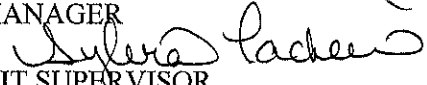
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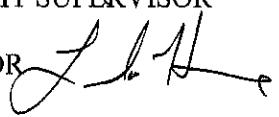
04-08

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

FROM: LINDA HEMME, INTERNAL AUDITOR 

DATE: APRIL 8, 2010

SUBJECT: REVIEW OF THE DOMESTIC RELATIONS OFFICE FINANCIAL RECORDS FOR OCTOBER 2009 THROUGH MARCH 2010

**Overview**

A review of the financial records for the Domestic Relations Office (DRO) from October 2009 through March 2010 has been completed. The objective of this review was to verify that all collections were accounted for properly.

**Scope and Purpose**

The scope and purpose consisted of:

1. Monthly bank reconciliations were reviewed for accuracy, completeness, and timeliness.
2. All daily fee collection log reports were analyzed and reconciled to the deposit warrants posted in the Financial Accounting Management Information System (FAMIS). In addition, all refunds processed were traced to the Judicial Information Management System (JIMS) to ensure that the transactions were properly documented and posted.
3. All manual receipts were traced to JIMS to ensure that fee receipts were recorded. Additionally, child support payments noted on the manual receipts were traced to the log maintained by DRO.
4. A surprise cash count was performed on March 25, 2010, for the inspection of funds in accordance with the *Texas Local Government Code §115.0035*.
5. A sample of mail receipts was traced to Judicial Information Management System (JIMS) and/or the child support log to ensure that all payments were properly accounted for.
6. All the billings to the Office of the Attorney General (OAG) for contracts #00-08002, #09-C0027, and #08-C0052 were reviewed to ensure that the amount invoiced was actually received.

7. Previous memoranda were reviewed for implementation of prior recommendations.

**General**

1. Observation: While reviewing the monthly bank reconciliations, no discrepancies were noted.
2. Observation: While reconciling daily collection reports with deposit warrants, no discrepancies were noted.
3. Observation: It as noted that there were no manual receipts issued during this audit period.
4. Observation: Upon completion of the cash count, no discrepancies were noted.
5. Observation: While tracing all mail receipts to JIMS, no discrepancies were noted.
6. Observation: While reviewing the contract invoices and comparing them to the deposit warrants, it was noted that the December 2009, January 2010, and February 2010 invoices for the OAG contract #08-C0052 have not been billed to the Attorney General's Office. It was further noted that the OAG payments for September 2009 and October 2009 have not been paid by the OAG. The November 2009 invoice was paid on March 23, 2010.  
Corrective Action/Recommendation: According to Mr. Jim Fashing, Interim Executive Director, there are several reasons for the delay in invoicing and receiving payments from the OAG. A new contract with the Attorney General's Office was negotiated and signed on September 28, 2009. The contract necessitated that the Information Technology Department modify the DRO Case Management System (CMS), which took a while and required that test files be created and sent back and forth to the OAG and DRO. Also, when DRO submits an invoice to the Office of the Attorney General, the OAG will review the invoice and will transmit an invoice back to DRO. Mr. Fashing signs the invoice and faxes it back to them, and then it will take approximately 30 days for the OAG to mail the payment to DRO. Often times, the OAG claims that they have not paid because they did not receive the invoice fax from DRO. This causes a delay in receiving payment. Mr. Fashing keeps all fax transmittal documentation as proof of when the fax was originally sent to OAG. It is recommended that DRO follow up periodically with the OAG to ensure that they did receive the invoice and payment will be submitted.

**Summary**

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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Based on this review, the internal control structure of the Domestic Relations Office appears to be adequate, and should be further strengthened with the implementation of the above-mentioned recommendation.

LH:ya

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07-54

July 26, 2010

Mr. Jim Fashing  
Interim Executive Director  
Domestic Relations Office  
500 E. San Antonio Rm. LL-108  
El Paso, Texas 79901

Dear Mr. Fashing:

A copy of a memorandum from, Mrs. Sylvia Pacheco, internal audit supervisor, dated July 26, 2010 is attached. This memorandum is a report on a review of your financial records from April 2010 through June 2010. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the Domestic Relations Office as defined by AICPA professional standards. However, our review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:SP:ya

Attachment






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07-52

MEMORANDUM

  
TO: EDWARD A. DION, COUNTY AUDITOR  
THRU: TERESA MOLINAR, OPERATIONS MANAGER   
FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR   
DATE: JULY 26, 2010  
SUBJECT: REVIEW OF THE DOMESTIC RELATIONS OFFICE FINANCIAL RECORDS  
FOR APRIL 2010 THROUGH JUNE 2010

**Overview**

A review of the financial records for the Domestic Relations Office (DRO) from April 2010 through June 2010 has been completed. The objective of this review was to verify that all collections were accounted for properly.

**Scope and Purpose**

The scope and purpose consisted of:

1. Monthly bank reconciliations were reviewed for accuracy, completeness, and timeliness.
2. All daily fee collection reports were reconciled to the deposit warrants posted in the Financial Accounting Management Information System (FAMIS). In addition, all refunds processed were traced to the Judicial Information Management System (JIMS) to ensure that the transactions were properly documented and posted. No discrepancies were noted.
3. All manual receipts were traced to JIMS to ensure that fee receipts were recorded. Additionally, child support payments noted on the manual receipts were traced to the log maintained by DRO.
4. A surprise cash count was performed on June 10, 2010, for the inspection of funds in accordance with the *Texas Local Government Code §115.0035*. No discrepancies were noted.

5. The mail procedures were reviewed to ensure that effective internal controls are in place.
6. A sample of 220, or one percent out of 2,204 mail payments was traced to the Judicial Information Management System (JIMS) or the child support log to ensure that all payments were properly accounted for.
7. The billings to the Office of the Attorney General (OAG) were reviewed to ensure that the amount invoiced was actually received. No discrepancies were noted.
8. Previous memoranda were reviewed for implementation of prior recommendations.

### General

1. Observation: As of the date of this report, the bank reconciliation for June 2010 has not been submitted to the County Auditor's Office. The bank reconciliation will be reviewed in the next audit period.
2. Observation: It was noted that there were no manual receipts issued during the period under review.
3. Observation: While reviewing the mail handling procedures, it was noted that the procedures do not specify who is responsible for reviewing the mail log to ensure that all mail payments have been receipted.  
Corrective Action/Recommendation: It is recommended that the procedures be updated to reflect who is responsible for reviewing the mail log to ensure that all mail payments are accounted for.
4. Observation: While reviewing the sample of mail payments, the following items were noted:
  - On eight, or four percent of the mail payments, the incorrect case number was documented on the mail log.
  - On two, or one percent of the mail payments, the case number was not documented on the mail log.
  - On four, or two percent of child support payments were not logged in the DRO's child support redirect file. However, the child support payments were traced to the SDU system to verify accountability. This observation was noted on the March 18, 2009 report.
  - On one, or one percent, a spousal support payment was receipted 10 business days after the mail payment was received. This observation was noted on the March 18, 2009 report.
  - It was previously explained that the mailed check logs are randomly verified and traced to the system, since there are too many payments to follow up on. It was noted that supervisory review is not documented on the mail logs; therefore, it could not be determined if a supervisor reviews and ensures that the randomly selected mail payments are accounted for. This observation was noted on the March 18, 2009 report.

Corrective Action/Recommendation: It is recommended that due care be exercised in logging in the mail to ensure that correct case numbers and pertinent information is accurately documented. It is further recommended that all child support payments be documented on the child support redirect file. Furthermore, it is recommended that all transactions be processed in a timely manner, not to exceed 24 hours. This recommendation was noted on the March 18, 2009 report. Moreover, it is recommended that supervisory review be performed and documented to ensure that mail payments have been accounted for properly.

5. Observation: While reviewing the mail logs, it was noted that it is not clear as to the employee's role in processing the mail. There are signatures documented on the log, but it is not clear as to which employee opened, logged, or receipted the mail payments.  
Corrective Action/Recommendation: It is recommended that the mail log be more specific and indicate which employee opened, logged, processed, and reviewed the mail log. This will provide a better indication of each employee's role and facilitate in determining if there are effective segregation of duties.

#### **Review of Past Memoranda**

6. Observation: It was previously recommended that DRO follow up periodically with the OAG to ensure that they receive the invoice and ensure that payment is submitted.  
Corrective Action/Recommendation: Mr. James Fashing, interim executive director, has implemented the recommendation.
7. Observation: On the March 18, 2009 report, it was noted that the policies and procedures regarding manual receipts reflected that in the absence of the Division Chief, the cashier would have access to utilize the manual receipt book provided that prior approval over the phone from the Division Chief was obtained.  
Corrective Action/Recommendation: The policies and procedures have been updated to reflect that the Division Chief, Senior Clerk, and Office Manager may access the manual receipt books.
8. Observation: It was previously noted that once logs are completed by the employees opening the mail, unendorsed checks are sent to the respective division. It was previously explained that the representatives from each division must first research the payment to ensure that it is properly classified and recorded. It was previously recommended that divisions conduct research on a scanned image of the check or from the log, and the Division Chief have custody of the physical checks.  
Corrective Action/Recommendation: The previous recommendation has been implemented. Divisions conduct research from a copy of the mail log.
9. Observation: It was previously recommended that the policy of cash count verification be enforced. Funds should be verified by someone other than the cashier.  
Corrective Action/Recommendation: Upon conducting a cursory review of the daily cash count sheets, this recommendation has been implemented.

**Summary**

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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Based on this review, the internal control structure of the Domestic Relations Office appears to be adequate, and should be further strengthened with the implementation of the above-mentioned recommendation.

SP:ya

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11-08

November 12, 2010

Mr. Jim Fashing  
Interim Executive Director  
Domestic Relations Office  
500 E. San Antonio Rm. LL-108  
El Paso, Texas 79901

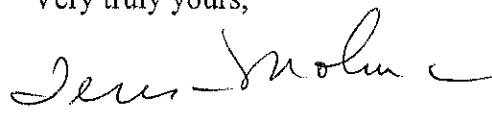
Dear Mr. Fashing:

A copy of a memorandum from, Mrs. Sylvia Pacheco, internal audit supervisor, dated November 12, 2010 is attached. This memorandum is a report on a review of your financial records from July 2010 through September 2010. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the Domestic Relations Office as defined by AICPA professional standards. However, our review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

  
for Edward A. Dion  
County Auditor

EAD:SP:ya

Attachment




COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

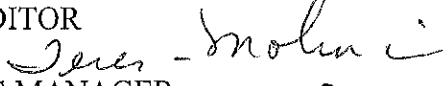
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11-09

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

DATE: NOVEMBER 12, 2010

SUBJECT: REVIEW OF THE DOMESTIC RELATIONS OFFICE FINANCIAL RECORDS  
FOR JULY 2010 THROUGH SEPTEMBER 2010

**Overview**

A review of the financial records for the Domestic Relations Office (DRO) from July 2010 through September 2010 has been completed. The objective of this review was to verify that all collections were accounted for properly.

**Scope and Purpose**

The scope and purpose consisted of:

1. Monthly bank reconciliations were reviewed for accuracy, completeness, and timeliness. No discrepancies were noted.
2. All daily fee collection reports were reconciled to the deposit warrants posted in the Financial Accounting Management Information System (FAMIS). In addition, all refunds processed were traced to the Judicial Information Management System (JIMS) to ensure that the transactions were properly documented and posted. No discrepancies were noted.
3. All manual receipts were traced to JIMS to ensure that fee receipts were recorded. Additionally, child support payments noted on the manual receipts were traced to the log maintained by DRO.
4. A surprise cash count was performed on November 5, 2010, for the inspection of funds in accordance with the *Texas Local Government Code §115.0035*. No discrepancies were noted.



5. A sample of 297 mail payments was traced to the Judicial Information Management System (JIMS) or the child support log to ensure that all payments were accounted for properly.
6. The billings to the Office of the Attorney General (OAG) were reviewed to ensure that the amount invoiced was actually received.
7. Previous memoranda were reviewed for implementation of prior recommendations.

### **General**

1. Observation: It was noted that there were no manual receipts issued during the period under review.
2. Observation: While reviewing the sample of mail payments, the following items were noted:
  - Only one employee signs off on the mail payment logs as the employee opening and logging in the mail payments; therefore, it appears that the mail is not being processed under dual control. Upon inquiry and review of the mail procedures, it was noted that two employees simultaneously open the mail.
  - One of the employees opening and logging in the mail is also conducting the review process to ensure that mail payments are receipted in JIMS.

Corrective Action/Recommendation: It is recommended that the two employees simultaneously opening the mail payments should sign the mail log to document the initial process. Having two signatures will verify that the mail payments are being processed under dual control. It is further recommended that the employee reviewing the mail payments should be independent of the mailed in payment processing. On November 9, 2010, Mrs. Flor Galvan, Child Support Monitoring and Customer Division Chief, has agreed to assign the reviewing process to the senior clerk, since Mrs. Galvan is often involved in the mailed in payment process.
3. Observation: While reviewing the for the OAG billings, it was noted that the County has not received payment for the September 2010 billing. This item will be verified during the next audit period.

### **Review of Past Memoranda**

4. Observation: It was previously noted that while reviewing the mail logs, it was not clear as to the employee's role in processing the mail. There were signatures documented on the log, but it was not clear which employee opened, logged, or receipted the mail payments.

Corrective Action/Recommendation: DRO personnel have modified the log to reflect each employee's role in the mail payment process.
5. Observation: It was previously noted that the mail handling procedures did not specify who is responsible for reviewing the mail log to ensure that all mail payments have been receipted.

Corrective Action/Recommendation: The mail handling procedures have been updated to assign the supervisor or senior clerk to randomly select payments from the mail logs and trace payments to JIMS or the SDU system. The verification of mail payments will be documented on the mail logs.

**Summary**

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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Based on this review, the internal control structure of the Domestic Relations Office appears to be adequate, and should be further strengthened with the implementation of the above-mentioned recommendation.

SP:ya

# **General Assistance**



COUNTY OF EL PASO  
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03-25

March 12, 2010

Ms. Rosemary Niell  
Director of Family and Community Services  
800 E. Overland, Suite 208  
El Paso, TX 79901

Dear Ms. Neill:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal audit supervisor dated March 12, 2010 is attached. This memorandum is a report on a review of your financial records for August 2009 through January 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward A. Dion", with a horizontal line extending to the right.

Edward A. Dion  
County Auditor

EAD:SP:ya

cc: Mr. Luis Martinez, Treasury Division Supervisor  
Mr. Victor Perez, Accounts Payable Supervisor



COUNTY OF EL PASO  
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03-26

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR  
THRU: TERESA MOLINAR, OPERATIONS MANAGER  
FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR  
DATE: MARCH 12, 2010  
SUBJECT: REVIEW OF THE GENERAL ASSISTANCE AGENCY FOR AUGUST 2009 THROUGH JANUARY 2010

Overview

A review of the financial records for General Assistance (GA), for August 2009 through January 2010 has been completed. The objective of this review was to ensure compliance with program guidelines.

Scope and Purpose

The scope and purpose of this review consisted of:

1. A preliminary review of general assistance payments was conducted to verify the accuracy, legitimacy, and completeness of the supporting documentation to justify payment.
2. A sample of 66 out of 1,261 general assistance disbursements or five percent was reviewed to verify that assistance was provided within general assistance guidelines. The client files were reviewed to ensure supporting documentation was obtained to justify assistance. Additionally, the cancelled checks were examined for proper endorsement. Moreover, it was also verified that prior recommendations were implemented.

General

1. Observation: While performing the preliminary review of the request for payment, the following items were noted:
  - The request for payments form submitted to accounts payable does not agree to supporting documentation. The GA form indicates one address and the lease agreement submitted indicates another address. It appears that general assistance personnel are not reviewing the supporting documentation to ensure all documents agree.
  - The application is not always attached to the GA form when lease agreement is not listed under the applicant's name. GA personnel had agreed to submit a copy of the application to verify that all parties are listed on the application as members of the household.

- The address listed on the GA form does not always agree to the payment coupon submitted for the mortgage assistance. It appeared that the client was requesting mortgage assistance for an investment home.
- There are discrepancies on the W9 forms submitted to the County Auditor's Office. Upon Internal Revenue Service (IRS) verification, it was noted that the business name or owner name did not match the social security or TIN number; consequently, delaying the payment process.
- The lease agreements are not always up to date. In one instance, the lease agreement was expired and there was no indication lease that the lease was on a month to month basis.
- General Assistance does not immediately notify accounts payable that assistance for a client has been withdrawn.

Corrective Action/Recommendation: It is recommended that the following procedures be implemented:

1. General Assistance should explore the possibility of obtaining access to the IRS website. This will expedite the approval process if verification is obtained in the initial process by General Assistance.
2. Documentation should be obtained from the owner/landlord to document that the lease is on a month to month notice if the lease agreement has expired.
3. The General Assistance Department needs to notify the accounts payable division immediately when an application for assistance has been withdrawn or denied.
4. General Assistance personnel should ensure that all supporting documentation agrees to justify assistance.

2. Observation: While reviewing a sample of case files, the following discrepancies were noted:

1. Check No. 01195247 – PC Water – Fernando Compean – 3125 Vogue
  - a. Assistance for this client was provided on July 22, 2009; July 1, 2008; July 26, 2007; July 7, 2006; January 28, 2005; February 10, 2003; August 7, 2002; and February 14, 2002. Upon inquiry, it was explained that the case worker will review the file. If abuse of assistance is identified, the caseworker will explain to the client that this is the last assistance the client will receive. Additionally, the caseworker will request the client to sign the "Last Assistance Letter." This procedure is not documented on the policies and procedures.
2. Check No. 01195247 and 01195088 – PC Water and Rent – Bonnie Roberts – 3301 Bosham
  - a. The client was assisted with water and rental assistance.
  - b. The policies and procedures do not specify if the client may receive more than one type of assistance.
3. Check No. 01196133 – PC Water – Virginia A. Weitnauer – 12060 Montana #52
  - a. The initial application was dated March 30, 2009. A new application was not provided by the client to substantiate assistance in August 2009.
4. Check No. 01202347 – Mortgage – Maria J. Robles – 2348 Juliette Low
  - a. The initial application was dated July 30, 2009. A new application was not provided by client to substantiate assistance in November 2009.
5. Check No. 1205262 – PC Gas – Eduardo E. Acosta – 7696 Alameda #99
  - a. The worksheet comments indicate that the client exhausted his savings. However, a bank statement was not obtained to confirm such claim.

Corrective Action/Recommendation: The following recommendations are proposed:

- Assistance should be limited to three consecutive years.
- The policies and procedures should be updated to reflect that assistance may be provided for more than one type of assistance in the same month.
- A new application should be provided by the client if application is more than 30 days old.
- Current identification should be obtained every time the client is provided assistance.
- Bank statements should be obtained to confirm that the savings account has been exhausted.

3. Observation: It was noted that the partial mortgage payments from Bank of America were being returned. According to the Accounts Payable Supervisor, Bank of America does not accept partial mortgage payments.

Corrective Action/Recommendation: The following procedures were implemented by General Assistance personnel and the County Auditor's Office to address the Bank of America partial payments:

- General Assistance personnel will obtain the client's mortgage partial payment.
- General Assistance personnel and the client will sign the Mortgage Check or Money Order Receipt Form acknowledging that a payment was given to General Assistance personnel. General Assistance will only accept checks, money orders, or cashier's checks. Additionally, General Assistance personnel will provide the client with a copy of the check and Mortgage Check or Money Order Receipt Form.
- General Assistance personnel will submit to Accounts Payable the supporting documentation with the payment request and the client's mortgage payment portion.
- After reviewing the supporting documentation, the accounts payable clerk will forward the client's check to the Treasury Division. The accounts payable clerk will make a copy of the client's check and file it with the supporting documentation.
- The Treasury Division will mail the mortgage assistance payment and the client's check to Bank of America so that full payment will be accepted and avoid any undue delays.

### Summary

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, and 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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Currently the internal control structure of the General Assistance Department appears to be weak, but is showing much improvement. The internal control structure should be further strengthened by implementing the above-mentioned recommendations.

SP:ya



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05-25

May 13, 2010

Ms. Rosemary Niell  
Director of Family and Community Services  
800 E. Overland, Suite 208  
El Paso, TX 79901

Dear Ms. Neill:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal audit supervisor dated May 13, 2010 is attached. This memorandum is a report on a review of the General Assistance financial records for February 2010 through April 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

Sincerely,

Edward A. Dion  
County Auditor

EAD:SP:ya

cc: Mr. Michael Flores, General Assistance Manager








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05-26

MEMORANDUM

  
TO: EDWARD A. DION, COUNTY AUDITOR  
THRU: TERESA MOLINAR, OPERATIONS MANAGER   
FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR   
DATE: MAY 13, 2010  
SUBJECT: REVIEW OF THE GENERAL ASSISTANCE AGENCY FOR  
FEBRUARY 2010 THROUGH APRIL 2010

**Overview**

A review of the financial records for General Assistance (GA), for February 2010 through April 2010 has been completed. The objective of this review was to ensure compliance with program guidelines.

**Scope and Purpose**

The scope and purpose of this review consisted of:

1. A sample of 17 out of 338 general assistance disbursements or five percent was reviewed to verify that assistance was provided within general assistance guidelines. The client files were reviewed to ensure sufficient documentation was obtained to justify assistance. Additionally, the cancelled checks were examined for proper endorsement.
2. Previous memorandum was reviewed for implementation of prior recommendations.

**General**

1. Observation: While reviewing a sample of case files, the following items were noted:
  1. Check No. 01206941 – Rent – Adriana Ontiveros – 746 Avo
    - a. The application was not signed by the caseworker.
  2. Check No. 01208370 – Rent – Guadalupe Villado – 6121 Sun Valley Sp# 57
    - a. The worksheet comments indicate that the client exhausted his savings. However, a bank statement was not obtained to confirm such claim.

Corrective Action/Recommendation: It is recommended that due care be exercised and that caseworkers sign the applications. It is further recommended that bank statements be obtained to confirm that all financial resources have been exhausted by the client.

### **Review of Past Memorandum**

2. Observation: It was previously recommended that the following procedure be implemented:

- General Assistance should explore the possibility of obtaining access to the IRS website to validate the tax identification number. This will expedite the approval process if verification is obtained in the initial process by General Assistance.

Corrective Action/Recommendation: General Assistance is working in conjunction with the County Auditor's Accounts Payable Division to obtain access to the IRS website.

3. Observation: The following recommendations were previously proposed:

- Assistance should be limited to three consecutive years.
- The policies and procedures should be updated to reflect that assistance may be provided for more than one type of assistance in the same month.
- Current identification should be obtained every time the client is provided assistance.
- Bank statements should be obtained to confirm that the savings account has been exhausted.

Corrective Action/Recommendation: Management has not implemented the above mentioned recommendations, but is currently evaluating the recommendations. The Internal Audit Division will follow-up on the next review to determine if the recommendations have been implemented.

### **Summary**

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, and 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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Currently the internal control structure of the General Assistance Department appears to be adequate, and should be further strengthened with the implementation of the above mentioned recommendations.

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# **Health and Life**



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09-06

September 17, 2010

HealthSCOPE Benefits  
ATTN: Mr. Todd Johnson  
Account Management Director  
7430 Remcon, Bldg. C  
El Paso, TX 79912

Dear Mr. Johnson:

A copy of a memorandum from Ms. Gaby Paredes-Ferro, internal auditor, dated September 17, 2010 is attached. This memorandum is a report on a review of HealthScope Benefits, as it relates to the County's health fund through May 2010. I concur with the recommendations made by Ms. Paredes-Ferro.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

A handwritten signature in black ink that reads "Edward A. Dion".

Edward A. Dion  
County Auditor

EAD:GPF:ya

Attachment



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09-08

MEMORANDUM

*Edward A. Dion*  
TO: EDWARD A. DION, COUNTY AUDITOR  
*Teresa Molinar*  
THRU: TERESA MOLINAR, OPERATIONS MANAGER  
*Imelda Gaytan*  
THRU: IMELDA GAYTAN, PAYROLL SUPERVISOR  
*Sylvia Pacheco*  
THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR  
FROM: GABY PAREDES-FERRO, INTERNAL AUDITOR  
DATE: SEPTEMBER 17, 2010  
SUBJECT: REVIEW OF HEALTHSCOPE BENEFITS RECORDS THROUGH MAY 2010

An on-site review of HealthScope Benefits, as third party administrator of the County's health fund, has been completed through May 2010. The objective of this review was to verify the eligibility of plan members and the existence of proper supporting documentation for paid claims.

**Scope and Purpose**

The scope and purpose of the review consisted of the following:

1. A total of 222, or one percent out of 20,014 disbursements to health providers from June 2009 through May 2010 was reviewed to verify the legitimacy of the claims. The sample of claims was cross-referenced to the active employee, retiree, and cobra list to verify that the claims pertain to active County employees, former employees, and dependents that are receiving health benefits. No discrepancies were noted.
2. A sample of 199 different names in November 2009, 101 names in February 2010, and 113 in May 2010 listed on HealthScope Benefits billing was reviewed to verify that they were active County employees. No discrepancies were noted.
3. Re-insurance (Stop-Loss) and subrogation claims were reviewed to verify that the reimbursement funds were received at the County Auditor's Office.

### **General**

1. Observation: Upon review of HealthScope records, it was noted that around July 30, 2010, a subrogation case was closed with a reimbursement of \$1,200.25 and was submitted to the County Attorney's Office. However, the reimbursement was not received at the County Auditor's Treasury Department until August 24, 2010. The following are reimbursements, including date of injury (DOI), that remain pending:
  - Mr. Anthony Vasquez – 2/24/2009
  - Ms. Yolanda Barragan – 4/7/2009
  - Mr. Enrique Marquez – 4/9/2009
  - Mr. Gerardo Pina – 9/19/2008
  - Mr. Joseph Rodriguez – 3/25/2009
  - Mr. John Stout (Doyle) – 6/29/2009
  - Mr. Charles Daly – 4/20/2009
  - Ms. Teresa Valdez – 1/14/2009

Corrective Action/Recommendation: As discussed with Ms. Sande Lasher, Subrogation Analyst, it is recommended that in addition to HealthSCOPE Benefits notifying the County Auditor's Office upon receipt of a reimbursement on a subrogation case, HealthSCOPE should request an acknowledgement receipt when they deliver the checks to the County Attorney's Office. This will help the County Auditor's Office track these cases and ensure that the reimbursement funds are accounted for.

2. Observation: While reviewing the open subrogation cases, HealthScope Benefits reported seven open cases, two from 2009, and five from 2010.  
Corrective Action/Recommendation: A follow up will be conducted on the next audit to verify that cases pending were reimbursed and properly closed.

### **Review of Past Memoranda**

3. Observation: It was previously noted that the HealthScope Benefits was including charges for the administration fee for 24 terminated employees, one terminated employee since December 1996. It was previously recommended that the 24 terminated employees that were still being charged for the administration of their insurance be removed from the billing statement and credit be given.  
Corrective Action/Recommendation: This measure was implemented by May 2010; HealthScope gave credit on the majority of the terminated employees.
4. Observation: A follow up was conducted on the 18 open subrogation cases reported by HealthScope Benefits on the previous audit. A reimbursement was submitted to County Attorney's Office on six cases; four cases were referred to County Attorney's Office; two cases were recently closed and reimbursement is pending; one case remains open; three cases were perceived as first party; one case, no response was obtained from the insured; and on one case no claims were filed.

EDWARD A. DION  
SEPTEMBER 17, 2010  
PAGE 3

**Summary**

This review was designed to provide reasonable assurance that the internal control structure, as established by HealthScope Benefits, is adequate to safeguard the County's Health funds from loss, theft, or misuse. Based on this review, the internal control structure as it relates to the County's Health Funds appears to be adequate, and should be further strengthened with the implementation of the above mentioned recommendations.

GPF:ya



**Justice of the Peace,  
Precinct No. 1**



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02-35

February 23, 2010

The Honorable Robert T. Pearson  
Justice of the Peace, Precinct Number 1  
424 Executive Center Boulevard, Suite 100  
El Paso, Texas 79902

Dear Judge Pearson:

A copy of a memorandum from Mr. Rene Balderrama, internal auditor, dated February 23, 2010 is attached. This memorandum is a report on a review of your financial records for July 2009 through January 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mr. Balderrama.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

*for* Edward A. Dion  
County Auditor

EAD:RB:ya

Attachment



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02-36

MEMORANDUM

TO: *for* EDWARD A. DION, COUNTY AUDITOR *Teresa Molinar*

THRU: TERESA MOLINAR, OPERATIONS MANAGER *Teresa Molinar*

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR *Sylvia Pacheco*

FROM: RENE BALDERRAMA, INTERNAL AUDITOR *Rene Balderrama*

DATE: FEBRUARY 23, 2010

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 1, FINANCIAL RECORDS FOR JULY 2009 THROUGH JANUARY 2010.

Overview

A review of the financial records for the Justice of the Peace, Precinct Number 1, for July 2009 through January 2010 has been completed. The objective of this review was to verify the information contained within the Justice of the Peace's financial reports. These financial reports, generated off the Justice Information Management System (JIMS), are a recapitulation of all transactions that occurred during each month.

Scope and Purpose

The scope and purpose of the review consisted of the following:

1. A surprise cash count was performed on February 1, 2010 in accordance with *Local Government Code §115.0035*, copy attached. No discrepancies were noted.
2. All deposit slips were compared to daily balance reports and treasury records in order to verify that collections were deposited in accordance with *Local Government Code §113.022* and properly posted on FAMIS.
3. All necessary schedules were prepared for the appropriate allocation of court costs.
4. The following samples were reviewed in order to verify that documentation was filed in accordance with *Code of Criminal Procedures §113.022* and *Texas Rules of Civil Procedure Rule 524*:
  - A sample of 38 cases, or 5 percent, from 793 criminal cases
  - A sample of 6 cases, or 5 percent, from 129 civil cases
  - A sample of 10 cases, or 5 percent, from 199 forcible entry and detainer (FED) cases
  - A sample of 4 cases, or 5 percent, from 85 small claims cases

5. Previous memoranda were reviewed for implementation of prior recommendations.

### General

1. Observation: While preparing the schedule of obligations, it was noted that a refund in the amount of \$ 2,595.94 has not been requested and received at the County Auditor's Office.  
Corrective Action/Recommendation: It is recommended that refunds be processed in a timely manner and all required documentation be sent with the refund voucher to the Auditor's Office.
2. Observation: While reviewing cases to ensure the implementation of the new TEOLF and CSSF fees that went into effect on January 1, 2010 it was noted that the fees have not been assessed to the cases filed after the effective date.  
Corrective Action/Recommendation: It is recommended that the Justice of the Peace personnel review the fee structure of the offenses in JIMS to ensure that the proper fees are being assessed.
3. Observation: While reviewing the criminal cases, it was noted that twelve cases had warrants that were issued using the Justice of the Peace's signature stamp. It was further noted that a warrant was not issued for one case after the ten day demand letter was mailed to the defendant.  
Corrective Action/Recommendation: It is recommended that the Justice of the Peace sign all warrants issued. It is further recommended that warrants be issued in a timely manner.
4. Observation: While reviewing the Forcible Entry and Detainer cases it was noted that six cases were processed with a clerk's signature stamp. It was also noted that one case had a motion to dismiss that was stamped with the Justice of Peace's signature stamp.  
Corrective Action/Recommendation: It is recommended that the court personnel sign all documentation for cases filed. It is also recommended that the Justice of the Peace sign all judgments to ensure the Judge agrees with all dispositions and provide for better accountability.

### Review of Past Memoranda

5. Observation: It was noted that an operating procedures manual had not been developed. According to the Senior Clerk, the manual is in progress.  
Corrective Action/Recommendation: It is recommended that the procedures manual be developed to clearly delineate the operations of the office and a copy be available for review by the County Auditor's Office.

### Summary

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. The internal control structure of the Justice of the Peace, Precinct Number 1, still appears to be weak, but should be strengthened with the implementation of the above mentioned recommendations.

RB:ya

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06-43

June 17, 2010

The Honorable Robert T. Pearson  
Justice of the Peace, Precinct Number 1  
424 Executive Center Boulevard, Suite 100  
El Paso, Texas 79902

Dear Judge Pearson:

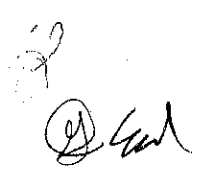
A copy of a memorandum from Mrs. Gaby Paredes-Ferro, internal auditor, dated June 17, 2010 is attached. This memorandum is a report on a review of your financial records for February 2010 through April 2010. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to your office, as defined by AICPA professional standards. However, our review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Paredes-Ferro.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

  
EAD:GP:ya

Attachment




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06-44

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU: TERESA MOLINAR, OPERATIONS MANAGER

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

FROM: GABY PAREDES-FERRO, INTERNAL AUDITOR 

DATE: JUNE 17, 2010

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 1,  
FINANCIAL RECORDS FOR FEBRUARY 2010 THROUGH APRIL 2010.

**Overview**

A review of the financial records for Justice of the Peace, Precinct Number 1, for February 2010 through April 2010 has been completed. The objective of this review was to verify the information contained within the Justice of the Peace's financial reports. These financial reports, generated from the Justice Information Management System (JIMS), are a recapitulation of all transactions that occurred during each month.

**Scope and Purpose**

The scope and purpose of the review consisted of the following:

1. A surprise cash count was performed on June 2, 2010, in accordance with *Local Government Code §115.003*. No discrepancies were noted.
2. All deposit slips were compared to daily balance reports and treasury records in order to verify that collections were deposited timely and in accordance with *Local Government Code §113.022* and properly posted on the Financial Accounting Management Information System (FAMIS). No discrepancies were noted.
3. All necessary schedules were prepared for the appropriate allocation of court costs. No discrepancies were noted.
4. A sample of dismissed cases was reviewed for supporting documentation and proper disposition of the case.

5. A sample of criminal cases was reviewed for the implementation of the new Texas Law Enforcement Officer Fund (TLEOF) fee and Child Safety Seat Violation/Fee (CSSF) that went into effect January 1, 2010.
6. Manual receipt books were reviewed to ensure their completeness, cross-referenced to JIMS, and to verify the posting and timeliness of transactions. No discrepancies were noted.
7. A sample of mail log payments were reviewed to ensure completeness of the log and that the payments were posted to JIMS.
8. Previous memoranda recommendations were reviewed for implementation.

### **General**

1. Observation: While reviewing the sample of dismissed cases, it was noted that a proper disposition for six out of the 40 cases could not be verified due to insufficient supporting documentation. It was further noted that out of those six cases, four were missing the Judge's signature on the criminal docket sheet.  
Corrective Action/Recommendation: It is recommended that due care be exercised when cases are dismissed. All supporting documentation must be reviewed to ensure all required information is present before filing.
2. Observation: While reviewing the criminal cases, it was noted that 15 out of the 30 cases were moving violations and three did not get charged the TLEOF fee. Furthermore, the 12 out of the remaining 15 cases considered non-moving violations were charged the fee.  
Corrective Action/Recommendation: It is recommended that only moving violations be charged the TLEOF fee. Upon inquiry, it was explained that the system was applying the TLEOF fee to some non-moving violations and not all moving violations. It was further explained that ITD would be contacted to fix the system. It was later confirmed that the system is now applying the fees accurately.
3. Observation: While reviewing the supporting documentation for the criminal cases, it was noted that some cases could not be accounted for and some policies and procedures were not being followed. The procedure states that once a week, issued e-citations are printed out, a jacket is prepared, and the citation gets filed immediately. The tickets are to remain filed until a plea list is provided to the Senior Office Specialist by the Court Coordinator. Upon inquiry, all cases were located and the necessary action was taken to file the cases accordingly.  
Corrective Action/Recommendation: It is recommended that office policies and procedures be followed at all times. This will decrease the likelihood of misplacing case files.
4. Observation: While reviewing the mail-in payments, it was noted that there were some discrepancies between the mail log and JIMS. It was also noted that the mail log does not get signed by the person who receives the mail and by the clerk who enters the payment into JIMS as requested in prior memoranda.



Corrective Action/Recommendation: It is recommended that due care be exercised when entering the mail information to ensure accuracy on the log and to avoid incorrect postings on JIMS. It is further recommended that the Justice of the Peace personnel utilize the suggested mail log sheet, copy attached.

### **Review of Past Memoranda**

1. Observation: It was previously noted that the Justice of the Peace misplaced the manual receipt book; therefore, the Justice of the Peace is unprepared to receipt manual payments when needed.  
Corrective Action/Recommendation: It was noted that the Justice of the Peace requested a new manual receipt book and one was provided by the County Auditor's Office. Upon inquiry it was explained that they had received it.
2. Observation: In a memorandum dated August 12, 2009, it was noted that an operating procedures manual had not been developed. According to the memo, the manual was in progress as per the Senior Clerk. Upon inquiry it was explained that the procedures manual has been set aside due to the time consumption it requires to complete.

### **Summary**

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. The Justice of the Peace, Precinct 1 has implemented some of the previous recommendations and made improvements in the operations. However, based on this review, the internal control structure continues to appear weak, but should be strengthened with the implementation of the above mentioned recommendations.

GPF:ya



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09-49

September 30, 2010

The Honorable Robert T. Pearson  
Justice of the Peace, Precinct Number 1  
424 Executive Center Boulevard, Suite 100  
El Paso, Texas 79902

Dear Judge Pearson:

A copy of a memorandum from Mrs. Gaby Paredes-Ferro, internal auditor, dated September 30, 2010, is attached. This memorandum is a report on a review of your financial records for May 2010 through July 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Paredes-Ferro.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edward A. Dion".

Edward A. Dion  
County Auditor

EAD:GP:ya

Attachment




COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

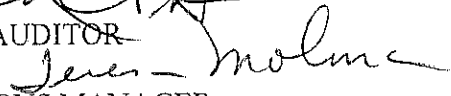
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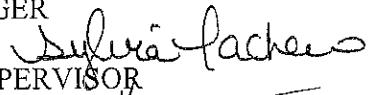
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09-50

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

FROM: GABY PAREDES-FERRO, INTERNAL AUDITOR 

DATE: SEPTEMBER 30, 2010

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 1, FINANCIAL RECORDS FOR MAY 2010 THROUGH JULY 2010.

**Overview**

A review of the financial records for Justice of the Peace, Precinct Number 1, for May 2010 through July 2010 has been completed. The objective of this review was to verify the information contained within the Justice of the Peace's financial reports. These financial reports, generated from the Justice Information Management System (JIMS), are a recapitulation of all transactions that occurred during each month.

**Scope and Purpose**

The scope and purpose of the review consisted of the following:

1. A surprise cash count was performed on September 2, 2010, in accordance with *Local Government Code §115.003*. No discrepancies were noted.
2. All deposit slips were compared to daily balance reports and treasury records in order to verify that collections were deposited timely and in accordance with *Local Government Code §113.022* and properly posted on the Financial Accounting Management Information System (FAMIS).
3. All necessary schedules were prepared for the appropriate allocation of court costs. No discrepancies were noted.
4. A sample of dismissed cases was reviewed for supporting documentation and proper disposition of the case.

5. A sample of criminal cases was reviewed for the implementation of the new Texas Law Enforcement Officer Fund (TLEOF) fee and Child Safety Seat Violation/Fee (CSSF) that went into effect January 1, 2010.
6. Warrants issued were reviewed to ensure that they were issued 10 days after the demand letter was mailed out.
7. Justice of the Peace and Constable manual receipt books were reviewed to ensure their completeness, cross-referenced to JIMS, and to verify the posting and timeliness of transactions.
8. Criminal cases that contain jail time credit were reviewed to ensure compliance with the *Code of Criminal Procedure, Article 45.049*.
9. A sample of mail log payments was reviewed to ensure completeness of the log and that the payments were posted to JIMS in a timely manner.
10. A random sample of 67 confirmation letters was mailed to defendants for criminal cases in order to verify the accuracy of the information in JIMS.
11. The Judge's compliance with the education requirements of *Government Code Section 27.005* was reviewed.
12. Previous memoranda recommendations were reviewed for implementation.

### General

1. Observation: On May 6, 2010, a bank correction to the deposit was made in the amount of \$40.00. On June 30, 2010, another bank correction was made to the deposit for an error in addition. The Inter National Bank charges \$5 per correction, resulting in a \$10 bank charge.  
Corrective Action/Recommendation: It is recommended that due care be exercised when preparing the deposit slips to avoid unnecessary bank charges.
2. Observation: While reviewing the dismissed cases, it was noted that no supporting documentation is present on some cases, on one case the judge's signature was not included on the dismissal, and on another, a dismissal fee was collected that exceeds the limit set by *Texas Transportation Code §548.605*. Upon inquiry, the following explanations were provided:
  - If the offender arrives at the JP to request a court date and provides the JP staff with proof, personnel can dismiss the case without the need of presenting it to the judge; and,
  - According to *Code of Criminal Procedures, Article 45.051*, the judge can assess a special expense fee, when a defendant pleads guilty or nolo contendere, that cannot exceed the amount of the fine that can be imposed on the defendant.Corrective Action/Recommendation: It is recommended that when Justice of the Peace staff dismisses a case, a copy of the proof should be kept as supporting documentation; furthermore, the supporting documentation should be signed by the employee dismissing the case to reflect acknowledgement. Additionally, as stated on the June 17, 2010 memorandum, it is recommended that all supporting documentation be reviewed to ensure all required information is present before filing.
3. Observation: It was observed that most cases where a dismissal was granted for an unregistered motor vehicle offense, a dismissal fee was charged. However, according to the *Texas Transportation Code §502.402*, there is no stipulation that allows a dismissal of this

type of offense and the collection of an administration fee. Upon inquiry, it was explained that the officers will code an incorrect offense in the citation, resulting in a collection of a legitimate fee to seem inappropriate. However, whenever possible the Justice of the Peace staff does correct it.

Corrective Action/Recommendation: It is recommended that Justice of the Peace staff contact the law enforcement agencies to inform them of this discrepancy, and recommend that due care be utilized when listing the offense in the citation. It is further recommended that justice court personnel continue to be aware of these cases and correct the offense when the discrepancy arises.

4. Observation: While reviewing the warrants, it was noted that 16 percent of the cases with a pending warrant could not be located; however, Justice of the Peace staff are attempting to locate the files. It was also noted that some of the warrants filed, were copies stamped with the Judge's signature stamp. However, in the few original warrants that were filed, the Judge's signature was also a stamp. Upon inquiry, it was noted that the Judge's signature stamp is accessible to all employees.

Corrective Action/Recommendation: It is recommended that the use of the stamp be monitored closely by the Court Coordinator, to avoid any possible misuse of the Judge's signature.

5. Observation: Upon review of the Constable manual receipts, a discrepancy was noted between the amount on three manual receipts and JIMS. Upon inquiry, it was explained that the manual receipts reflect the incorrect amount.

Corrective Action/Recommendation: It is recommended that all manual receipts be compared to the payment method to correct any discrepancies on site, if applicable. This will decrease the likelihood of incorrect postings in JIMS.

6. Observation: While reviewing the jail time credit cases, one out of three files could not be located.

Corrective Action/Recommendation: It is recommended that all cases be accounted for at all times.

7. Observation: While reviewing the mail-in payments, it was noted that there were some discrepancies between the mail log and JIMS; incorrect reference numbers were inputted into JIMS. It was also noted that the mail log is not signed by the person receiving the mail and by the clerk who enters the payment into JIMS as requested in prior memoranda.

Corrective Action/Recommendation: It is recommended that due care be exercised when entering the mail information to ensure accuracy on the log and to avoid incorrect postings on JIMS. It is again recommended that the Justice of the Peace personnel utilize the previously suggested mail log sheet, copy attached.

8. Observation: Upon review of the confirmation letters, the following items were noted:

- Confirmation letters were returned as undeliverable on nine out of 67, or 14 percent.
- There were no discrepancies noted on 12 out of 67, or 18 percent of the confirmation letters.
- Responses were not received on 46 out of 67, or 69 percent of the confirmation letters.

Corrective Action/Recommendation: It is recommended that accurate and current information be entered in JIMS to reduce the cost of returned mail. Accurate information is especially important when issuing and executing warrants.

9. Observation: It was requested for the Justice of the Peace to provide adequate supporting documentation of his compliance with *Government Code Section 27.005* to the County Auditor's Internal Audit Division. As per an e-mail from Judge Pearson dated September 15, 2010, he explained his credentials.

Corrective Action/Recommendation: It is recommended that a certificate be provided to the County Auditor's Office to validate the Judge's compliance.

10. Observation: When defensive driving is approved by the Judge, it was noted that the Justice of the Peace staff close out the case, even though a defensive driving certificate is still pending.

Corrective Action/Recommendation: It is recommended that cases be left open until all supporting documentation has been received to properly close the case.

#### Review of Past Memoranda

1. Observation: It was previously noted that the JIMS program had been applying incorrectly the Texas Law Enforcement Officer Fund (TLEOF) fee and Child Safety Seat Violation/Fee (CSSF) that went into effect January 1, 2010. The County's Information Technology Department (ITD) was contacted to resolve this issue. It was also later stated that the system was applying the fees accurately. However, after reviewing a sample, it was discovered that the system has continued to apply the fees incorrectly.

Corrective Action/Recommendation: ITD was once again contacted and asked to set the fees accordingly.

2. Observation: In a memorandum dated August 12, 2009, it was noted that an operating procedures manual had not been developed. According to the memo, the manual was in progress as per the Senior Clerk. Upon inquiry it was explained that the procedures manual has been set aside due to the time consumption it requires to complete. However, it is strongly recommended that a procedures manual be developed; a sample template can be requested from the County Internal Auditor's division.

#### Summary

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. Based on this review, the internal control structure continues to appear weak, but should be strengthened with the implementation of the above mentioned recommendations.

Justice of the Peace, Precinct No. 1 Mail Log -

Date Received	Name	Check/MO Number	Amount	Reference No/Comments	Signature Received Mail	Signature Posting Prnt

**Justice of the Peace,  
Precinct No. 2**





COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

EDWARD A. DION, CPA, CIO  
COUNTY AUDITOR  
edion@epcounty.com  
www.epcounty.com/auditor

County Administrative Offices  
800 East Overland Street, Rm. 406  
EL PASO, TEXAS 79901-2407  
(915) 546-2040  
(915) 546-8172 FAX

06-37

June 16, 2010

The Honorable Brian Haggerty  
Justice of the Peace, Precinct Number 2  
4641 Cohen Ave., Ste A  
El Paso, Texas 79924

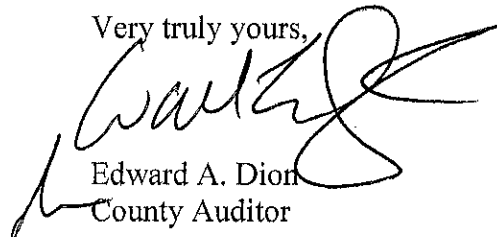
Dear Judge Haggerty:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal audit supervisor, dated June 16, 2010 is attached. This memorandum is a report on a review of your financial records from October 2009 through April 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,



Edward A. Dion  
County Auditor

EAD:SP

Attachments



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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06-38

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR  
THRU: TERESA MOLINAR, OPERATIONS MANAGER  
FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR  
DATE: JUNE 16, 2010  
SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 2, FINANCIAL RECORDS FOR OCTOBER 2009 THROUGH APRIL 2010.

**Overview**

A review of the financial records for the Justice of the Peace, Precinct Number 2, from October 2009 through April 2010 has been completed. The objective of this review was to verify the information contained within the Justice of the Peace's financial reports. These financial reports, generated from the Justice Information Management System (JIMS), are a recapitulation of all transactions that occurred during each month.

**Scope and Purpose**

The scope and purpose of the review was as follows:

1. The operating procedures were reviewed to ensure effective internal controls are in place.
2. A surprise cash count was performed on May 20, 2010, in accordance with *Local Government Code §115.0035*. No discrepancies were noted.
3. All deposit slips were compared to the treasury records and daily balance reports in order to verify that collections were deposited in accordance with *Local Government Code §113.022* and properly posted on the Financial Accounting Management Information System (FAMIS).
4. All necessary schedules were prepared for the appropriate allocation of court costs.
5. A sample of 52, or six percent out of 941 criminal cases was reviewed to verify that the new court costs that were effective January 1, 2010, were properly assessed.

6. A sample 25, or five percent out of 492 future-dated or back-dated transactions was reviewed to determine the legitimacy of the transactions and ensure that supporting documentation was included to justify the transaction.
7. A sample of 43, or five percent out of 855 dismissed cases was reviewed to ensure that supporting documentation was included to support the dismissal of the case.
8. Previous memorandum was reviewed for implementation of prior recommendations.

### General

1. Observation: It was noted that there are no written operating procedures.  
Corrective Action/Recommendation: It is recommended that an operating procedures manual be developed to clearly delineate the operations of the office and a copy be available for review by the County Auditor's Office. On May 24, 2010, Judge Bryan Haggerty agreed to develop an operating procedures manual for the office.
2. Observation: While performing the monthly reconciliation of the daily collections, it was noted that the Justice of the Peace has \$8,950.60 in pending bonds as of April 30, 2010. On June 10, 2010, a copy of the bond schedule was provided to the Court Coordinator.  
Corrective Action/Recommendation: It is recommended that the Justice of the Peace take the appropriate action to refund or forfeit the pending bonds as soon as possible.
3. Observation: Upon review of the incoming mail procedures, the following items were noted:
  - The Judge opens the mail and separates the checks.
  - The Court Coordinator logs the checks in the mail log.
  - The Court Coordinator distributes the mail according to the respective division.
  - Occasionally, the court coordinator will trace the payments to JIMS.Corrective Action/Recommendation: In order to improve the internal control structure of processing the mail, the following recommendations are proposed:
  - Two employees should simultaneously open and log in the mail. The log should document the date received, payor, the check amount, the signature of employees opening and logging in the mail, the docket number, the JIMS receipt number, the date transaction was posted in JIMS, the signature of employee posting the payment in JIMS, and the signature of reviewer. The log should not be limited to the suggested recommendations. A sample log was e-mailed to the Court Coordinator on May 26, 2010, copy attached.
  - The checks, money orders, and cashier's checks should be restrictively endorsed upon receipt.
  - The checks should be distributed to the appropriate clerk.
  - The checks should be posted in JIMS immediately upon receipt, but no later than the next business day. Checks held for the next business day should be secured overnight in the safe. Checks should never be left unattended or unsecured.
  - The Court Coordinator should review the log and trace the payments to JIMS to ensure accountability of transaction.

On May 24, 2010, Judge Haggerty agreed to implement the new mail procedures in order to improve the internal control structures of the office.

4. Observation: Upon review of the mail logs, the following items were noted:
- Fifty-nine out of 216, or 27 percent of the mail payments were not received timely within the next business day. The delay in payment ranged from two to 11 days. Please refer to the attached schedule.
  - Forty-four out of 216, or 21 percent of the mail payments amounting to \$4,087.75 could not be traced to JIMS. Please refer to the attached schedule.

Corrective Action/Recommendation: It is recommended that the mail payments be posted immediately upon receipt, but no later than the next business day. It is further recommended that the court coordinator review the log on a daily basis to ensure that the mail payments are received and deposited timely. Most importantly, it is recommended that justice court personnel make every effort to locate the payments that could not be traced to JIMS and provide the County Auditor's Office with an update on the mail payments.

5. Observation: While reviewing the criminal cases, it was noted that case numbers 210-0062 and 210-0106 were not assessed the Texas Law Enforcement Officer Fund (TLEOF). Upon inquiry, it was explained that the speeding offense code cannot be modified by the JP clerks because they are set up with macros. It was further explained that TSG is the only one that can update these fees. The codes have since been updated in JIMS. The data entry clerks assumed that the codes had been updated; therefore, the fees were not verified. The two cases previously mentioned were overlooked and the TLEOF fee was not assessed.

Corrective Action/Recommendation: It is recommended that the court costs and fines be reviewed before accepting payments or issuing warrants to ensure that they are properly assessed. This recommendation was noted on the November 17, 2009 report. Currently, Justice of the Peace personnel is screening the speeding cases prior to accepting payment or issuing warrants.

6. Observation: While reviewing the future-dated or back-dated transactions, the following items were noted:

- There are a total of 490 cases that contain back-dated or future-dated transactions. A listing of these transactions was provided to the Court Coordinator on June 10, 2010.
- There are an additional 69 transactions which contain a future-dated citation date. A listing of these transactions was provided to the court coordinator on June 10, 2010.
- There is no set procedure on the required documentation relating to the jail time credit transactions.
- There is no review process for these types of transactions.
- In several cases, there was no supporting documentation to justify the jail time credit and back-dating of transaction.

Corrective Action/Recommendation: It is recommended that the court coordinator periodically obtain a future-dated and back-dated transaction report to review the legitimacy of the transactions. It is further recommended that the court coordinator review the listing of future-dated transaction that was provided by the internal audit supervisor to verify the legitimacy of the transaction. Moreover, it is further recommended that written procedures be developed to address the jail time credit transactions. The procedures should document the required documentation needed to support the transaction. Furthermore, it is recommended that Justice of the Peace personnel exercise due care in posting transactions in JIMS.

7. Observation: While reviewing the dismissed cases, it was noted that two, or four percent out of 43 dismissed cases did not contain the supporting documentation to justify the dismissal.  
Corrective Action/Recommendation: It is recommended that the Court Coordinator periodically review the dismissed cases to verify the legitimacy of the dismissal.

**Summary**

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. The internal control structure of the Justice of the Peace, Precinct Number 2, appears to be extremely weak, but should be strengthened with the implementation of the above mentioned recommendations.

EAD:SP

Attachments

**JUSTICE OF THE PEACE  
PRECINCT # 2  
BOND SCHEDULE  
APRIL 2010**

<u>Bonds Pending -Previous Months</u>	<u>Name</u>	<u>Amount of Bond</u>	<u>Date Received</u>
F208-0411	Housing Authority Vs. Martha Fierro	235.00	01/28/09
208-3017CRA	Avila, Lilliana	320.00	08/07/09
209-1762CR	Garcia, Alfredo	325.00	09/18/09
209-0270CRA	Ramos, Tomasa	320.00	11/17/09
209-0270CR	Ramos, Tomasa	640.00	11/17/09
209-2721A	Dowdy, Josiah Benjamin	320.00	01/03/10
209-1254A	Parada, Laura Ivone	416.00	01/21/10
209-1254	Parada, Laura Ivone	305.50	01/21/10
208-1653A	Vincenty, Kristian R.	320.00	01/21/10
208-1653	Vincenty, Kristian R.	350.00	01/21/10
209-1879CR	Maldonado, Bertha	325.00	01/26/10
209-2721	Dowdy, Josiah Benjamin	310.00	02/01/10
209-0231A	Pena, Pablo	320.00	03/01/10
208-2230CR	Diaz, Bertha Alicia	320.00	03/01/10
209-0231	Pena, Pablo	350.00	03/01/10
208-0378A	Gonzalez, Jazmin	416.00	03/08/10
208-0378	Gonzalez, Jazmin	310.00	03/08/10
203-2042A	Rueda, Patricia	185.00	05/25/10
203-2044	Rueda, Patricia	315.00	05/25/10
203-2042	Rueda, Patricia	119.00	05/25/10
	Bonds pending from previous months	<u>6,521.50</u>	
<u>Current Month</u>			
207-2121A	Taylor, Katuscua	311.00	04/07/10
207-2121	Taylor, Katuscua	245.00	04/07/10
205-2916	Whetman, Amy	592.80	04/26/10
205-2915A	Whetman, Amy	397.80	04/26/10
205-2915	Whetman, Amy	377.00	04/26/10
209-3011A	Anthony, Eric Dewayne	200.00	04/27/10
204-1044	Palma, Ruben	305.50	04/28/10
		<u>2,429.10</u>	

Balance of Bonds Pending Prior Months:  
Less: Prior Months Bonds Forfeited:  
Less: Prior Months Bonds Refunded:  
Balance of Prior Months Bonds Pending

Current Month Bonds Received:  
Current Month Bonds Forfeited:  
Current Month Bonds Refunded:  
Current Month Bonds Pending:

**Total Bonds Pending** 8,950.60

Justice of the Peace, Precinct No. 2  
Mail Log

Form Control Number \_\_\_\_\_

Date Received	Name	Amount	Signature (1) of Employee Opening Mail	Signature (2) of Employee Opening Mail	Docket Number	JIMS Receipt Number	Date Trans Posted in JIMS	Signature of Employee Posting Trans JIMS	Signature of Reviewer	Comments

El Paso County, Texas  
 Justice of the Peace, Precinct No. 2  
 November 2008 - May 2010  
 Review of Mail Log

	Date Received	Name/Docket No.	Amount	Reference No./Comments	Date Posted In JIMS	Number of Days to Post
1	5/12/2010	McCleskey Harriger	31.00	Plains Capital ck 75677	5/14/2010	2
2	5/10/2010	Aaron & Quirk	31.00	Wells Fargo ck 5258	5/14/2010	4
3	5/10/2010	Barrett Daffin Frappier	190.00	Frost Bank ck 136322	5/13/2010	3
4	5/10/2010	210-0711	130.00	Community America CC400168284	5/13/2010	3
5	5/7/2010	Law Office of Carolyn Noack	31.00	Wachovia ck 1128	5/14/2010	7
6	5/6/2010	J208-0459	36.00	Wells Fargo ck 1027	5/13/2010	7
7	4/23/2010	209-2793A	320.00	Frost National cc115002437	4/27/2010	4
8	4/23/2010	209-2793	389.30	Frost National cc115002438	4/27/2010	4
9	4/23/2010	S210-0016	5.00	Bank of America ck 130549513	4/27/2010	4
10	4/23/2010	F210-0118	190.00	Southside ck 106191	4/27/2010	4
11	4/23/2010	210-0608	220.00	JP Morgan Chase ck 34567	4/27/2010	4
12	4/23/2010	210-0615	220.00	JP Morgan Chase ck 34568	4/27/2010	4
13	4/23/2010	209-3011A	200.00	Moneygram mo R201060432496	4/27/2010	4
14	4/19/2010	209-1615	10.00	Wells Fargo ck 7939	4/26/2010	7
15	4/5/2010	J208-0313	8.00	Plains Capital ck 02031	4/8/2010	3
16	4/5/2010	PCP	31.00	Frost National ck 043908	4/8/2010	3
17	4/5/2010	PCP	31.00	Frost National ck 043881	4/8/2010	3
18	4/5/2010	Rausch Sturm Israel	31.00	Associated Bank ck 688340	4/8/2010	3
19	3/22/2010	Gregory Pine Attorney	127.00	Wells Fargo ck 17126	3/25/2010	3
20	3/11/2010	J208-0516	5.00	Compass Bank ck 2870	3/17/2010	6
21	3/11/2010	J208-0336	3.00	Associated Bank ck 674599	3/17/2010	6
22	3/8/2010	Aaron & Quirk	31.00	Wells Fargo ck 5014	3/17/2010	9
23	3/8/2010	209-0860	191.10	Western Union MO 14-043284392	3/11/2010	3
24	3/4/2010	PCP	31.00	Frost National ck 042701	3/9/2010	5
25	3/4/2010	PCP	31.00	Frost National ck 042700	3/9/2010	5
26	3/4/2010	PCP	31.00	Frost National ck 042707	3/9/2010	5
27	3/4/2010	PCP	31.00	Frost National ck 042702	3/9/2010	5
28	3/3/2010	Herb Marsh Jr.	131.00	Chase JP Morgan ck 2388	3/9/2010	6
29	2/23/2010	209-2391CR	90.00	Western Union MO 14-059156064	2/25/2010	2
30	2/22/2010	PCP	31.00	Frost National ck 041443	2/25/2010	3
31	2/22/2010	PCP	31.00	Frost National ck 041448	2/25/2010	3
32	2/22/2010	PCP	31.00	Frost National ck 041516	2/25/2010	3
33	2/22/2010	PCP	31.00	Frost National ck 041515	2/25/2010	3
34	2/22/2010	PCP	31.00	Frost National ck 041513	2/25/2010	3
35	2/22/2010	PCP	31.00	Frost National ck 041446	2/25/2010	3
36	2/22/2010	Aaron & Quirk	31.00	Wells Fargo ck 4972	2/25/2010	3
37	2/17/2010	Catron & Stewart	231.00	Whitney National ck 2321	2/19/2010	2
38	2/2/2010	Aaron & Quirk	31.00	Wells Fargo ck 4901	2/4/2010	2
39	2/2/2010	F209-0438	190.00	West & National ck 2544	2/4/2010	2
40	2/2/2010	207-2074	240.50	Western Union MO 14-037303655	2/8/2010	6
41	2/2/2010	Barrett Daffin Frappier	131.00	Frost Bank ck 0126230	2/4/2010	2
42	1/22/2010	J209-0520	5.00	Bank of the West ck 4270	1/28/2010	6
43	1/4/2010	F209-0481	190.00	Bank of Texas ck 063445	1/6/2010	2
44	12/14/2009	McCleskey Harriger Brazill	27.00	Plains Capital ck 1720	12/18/2009	4
45	12/10/2009	PCP	27.00	Frost National ck 039644	12/18/2009	8
46	12/10/2009	PCP	27.00	Frost National ck 039646	12/18/2009	8
47	12/10/2009	PCP	27.00	Frost National ck 039650	12/18/2009	8
48	12/10/2009	PCP	27.00	Frost National ck 039656	12/18/2009	8



	Date Received	Name/Docket No.	Amount	Reference No./Comments	Date Posted In JIMS	Number of Days to Post
49	12/10/2009	Midland Credit	27.00	Compass Bank ck 45547	12/18/2009	8
50	12/10/2009	Midland Credit	27.00	Compass Bank ck 45056	12/18/2009	8
51	12/10/2009	Midland Credit	27.00	Compass Bank ck 46242	12/18/2009	8
52	12/10/2009	Midland Credit	27.00	Compass Bank ck 44866	12/18/2009	8
53	12/10/2009	Midland Credit	27.00	Compass Bank ck 46177	12/18/2009	8
54	12/10/2009	Midland Credit	27.00	Compass Bank ck 46566	12/18/2009	8
55	12/10/2009	Midland Credit	27.00	Compass Bank ck 46562	12/18/2009	8
56	12/10/2009	PCP	27.00	Frost National ck 038402	12/18/2009	8
57	11/13/2009	Midland Credit	27.00	Compass Bank ck 45019	11/23/2009	10
58	11/13/2009	Midland Credit	27.00	Compass Bank ck 45094	11/24/2009	11
59	11/13/2009	Midland Credit	27.00	Compass Bank ck 45453	11/24/2009	11

Total 4,473.90

El Paso County, Texas  
Justice of the Peace, Precinct No. 2  
November 2008 - May 2010  
Review of Mail Log

	Date	Name/Docket No.	Amount	Reference No./Comments
1	5/10/2010	Barrett Daffin Frappier	131.00	Frost Bank ck 136421
2	4/19/2010	202-3436	200.00	Western Union MO 14-077801709
3	4/5/2010	Anna Brew Baker	200.00	Wells Fargo ck 7843
4	3/8/2010	F210-0039	59.00	Frost Bank ck 129052
5	3/1/2010	EPSO	990.00	International ck 20148
6	2/23/2010	Balcolmlaw firm	131.00	Wells Fargo ck 2163
7	2/22/2010	Mckeskey Harriger	31.00	Plains Capital ck 3943
8	2/19/2010	F210-0039	131.00	Frost Bank ck 41444
9	2/17/2010	Carpenter Law Firm	4.00	First Bank ck 12873
10	2/11/2010	McCleskey Harriger Brazill	31.00	Plains Capital ck 03769
11	2/2/2010	McCleskey Harriger Brazill	4.00	Plains Capital ck 1091
12	1/28/2010	J208-0313	2.00	Centennial Bank ck 560403
13	1/27/2010	Balcolmlaw firm	131.00	Wells Fargo ck 1945
14	1/27/2010	Barrett Daffin Frappier	131.00	Frost Bank ck 0125053
15	1/27/2010	Alicia Williams	86.00	USPS MO 17804106753
16	1/22/2010	Barrett Daffin	4.00	Frost ck 125054
17	1/22/2010	Rausch Sturm	4.00	Aseos Bank ck 659867
18	1/22/2010	Carpenter Law Firm	27.00	First Bank ck 12739
19	1/22/2010	Rausch Sturm	4.00	Assoc Bank ck 659866
20	1/13/2010	Mountain Heights	127.00	First National ck 4899
21	1/13/2010	Barrett Daffin Frappier Turner	127.00	Frost Bank ck 00124028
22	1/13/2010	Mountain Heights	127.00	First National ck 4898
23	1/8/2010	Guevara Rebe Baumann	4.00	Compass Bank ck 6454
24	1/8/2010	Guevara Rebe Baumann	4.00	Compass Bank ck 6453
25	1/4/2010	Robin Gazzo	260.00	GECU Ck 1099
26	1/4/2010	McCleskey Harriger Brazill	27.00	Plains Capital Bank ck 1007
27	1/4/2010	Rausch Sturm Israel Emerson	27.00	Associated Bank ck 649547
28	1/4/2010	Rausch Sturm Israel Emerson	27.00	Associated Bank ck 651175
29	1/4/2010	Guevara Rebe Baumann	82.00	Compass Bank ck 6423
30	1/4/2010	Guevara Rebe Baumann	137.00	Compass Bank ck 6425
31	12/17/2009	Aaron & Quirk	27.00	Wells Fargo ck 4633
32	12/10/2009	PCP	27.00	Frost National ck 038404
33	12/10/2009	Midland Credit	27.00	Compas Bank ck 46576
34	12/10/2009	Brian J Lewis	27.00	Western Union MO 09102983909
35	12/10/2009	Brian J Lewis	55.00	Western Union MO 09919339448
36	12/10/2009	J208-0336	2.75	Wells Fargo ck 5635

	<b>Date</b>	<b>Name/Docket No.</b>	<b>Amount</b>	<b>Reference No./Comments</b>
37	12/1/2009	Don Fueston	20.00	First National cc 4456954050
38	12/1/2009	Brice, Vender, Linden	127.00	First National ck 502624
39	11/24/2009	McLeskey Harriger Brazill	27.00	Plains Capital ck 2699
40	11/24/2009	Mackie Wolf & Zientz	127.00	Southside Bank ck 104642
41	11/23/2009	F209-0442	190.00	Frost Bank ck 00119473
42	11/23/2009	Jack O'Boyle	127.00	Bank of Texas ck 060393
43	11/13/2009	Midland Credit	27.00	Compass Bank ck 44955
44	11/13/2009	Midland Credit	27.00	Compass Bank ck 45182

Total 4,087.75

**Test Results:**

44 out of 216 mail transactions or 21% could not be traced to JIMS.

El Paso County, Texas  
 Justice of the Peace, Precinct 2  
 Future Dated Citation Dates  
 October 2009 - April 2010

JP.CASES..	DOCKET.....	CITATION.DATE	Offense Code Short Desc.
977617	210-0689	4/21/2010	NO DRIVER'S LICENSE TRC
977616	210-0688	4/21/2010	NO VALID INSPECTION CERT
977625	210-0691	4/22/2010	FAIL TO MAINTAIN FINANCI
983054	210-0759	4/22/2010	FTY ROW AT OPEN INTERSEC
977624	210-0690	4/22/2010	NO VALID INSPECTION CERT
983062	210-0760	4/23/2010	DISPLAY WRONG,ALTERED,OB
977738	210-0706	4/23/2010	NO VALID INSPECTION CERT
983064	210-0761	4/23/2010	OPERATION OF UNREGISTERE
981791	210-0743	4/24/2010	SPEEDING (EXCEED PRIMA F
984746	210-0790	4/26/2010	FAIL TO MAINTAIN FINANCI
984744	210-0789	4/26/2010	NO DRIVER'S LICENSE TRC
980151	210-0732	4/27/2010	CHANGED LANES WHEN UNSAF
981888	210-0744	4/27/2010	FAILED TO CONTROL SPEED
978691	208-3913CRA	4/27/2010	FAILURE TO APPEAR
978693	209-2290CRA	4/27/2010	FAILURE TO APPEAR
978696	209-2625CRA	4/27/2010	FAILURE TO APPEAR
978699	209-2719CRA	4/27/2010	FAILURE TO APPEAR
978702	209-2397CRA	4/27/2010	FAILURE TO APPEAR
978708	209-2696CRA	4/27/2010	FAILURE TO APPEAR
978711	209-2923CRA	4/27/2010	FAILURE TO APPEAR
978797	209-2623CRA	4/27/2010	FAILURE TO APPEAR
978802	209-3253CRA	4/27/2010	FAILURE TO APPEAR
978803	209-3330CRA	4/27/2010	FAILURE TO APPEAR
978804	209-3107CRA	4/27/2010	FAILURE TO APPEAR
978808	209-1393CRA	4/27/2010	FAILURE TO APPEAR
978810	209-3109CRA	4/27/2010	FAILURE TO APPEAR
978484	210-0710	4/27/2010	FTY ROW CHANGING LANES W
981893	210-0745	4/27/2010	RECKLESS DAMAGE OR DESTR
984989	210-0802	4/27/2010	SPEED.ON SCHOOL ZONE (RA
984762	210-0793	4/29/2010	NO DRIVER'S LICENSE TRC
984306	210-0780	4/29/2010	SPEEDING (EXCEED PRIMA F
981631	210-0742	4/30/2010	DRIVING OVER 10 HOURS FM
983165	210-0769	4/30/2010	OPERATION OF UNREGISTERE
984774	210-0795	5/1/2010	DRIVING OVER 10 HOURS FM
983673	210-0774	5/3/2010	FAIL TO MAINTAIN FINANCI
983669	210-0773	5/3/2010	PASSING IN SCHOOL ZONE
983674	210-0775	5/3/2010	SEATBELT VIOLATION AT LE
984782	210-0797	5/4/2010	DISREGARD TRAFFIC CONTRO
981068	210-0736	5/5/2010	SPEEDING (EXCEED PRIMA F
981069	210-0737	5/5/2010	SPEEDING (EXCEED PRIMA F
981070	210-0738	5/5/2010	SPEEDING (EXCEED PRIMA F

JP.CASES..	DOCKET.....	CITATION.DATE	Offense Code Short Desc.
981538	210-0740	5/6/2010	FAIL TO MAINTAIN FINANCI
984787	210-0798	5/6/2010	FAIL TO MAINTAIN FINANCI
984791	210-0799	5/6/2010	FAIL TO MAINTAIN FINANCI
983868	210-0776	5/6/2010	NO VALID INSPECTION CERT
984945	210-0801	5/6/2010	OVER WIDTH OR OVER LENGT
981537	210-0739	5/6/2010	SPEEDING (EXCEED PRIMA F
984795	210-0800	5/8/2010	SPEEDING (EXCEED PRIMA F
984776	210-0796	5/11/2010	DRIVE WHILE LIC INVALID
982439	210-0752	5/11/2010	GEN COMP (TRAFFIC OFFENS
982567	210-0753	5/11/2010	NO VALID INSPECTION CERT
982410	210-0751	5/12/2010	FAIL TO MAINTAIN FINANCI
982409	210-0750	5/12/2010	NO DRIVER'S LICENSE TRC
982408	210-0749	5/12/2010	OPERATION OF UNREGISTERE
984295	210-0779	5/12/2010	SPEEDING (EXCEED PRIMA F
983047	210-0758	5/13/2010	FAIL TO MAINTAIN FINANCI
982809	210-0754	5/13/2010	OPERATION OF UNREGISTERE
983017	210-0756	5/14/2010	DRIVE WHILE LIC INVALID
983015	210-0755	5/14/2010	FOLLOWING TOO CLOSE TRC
984077	210-0778	5/18/2010	FAIL TO MAINTAIN FINANCI
984076	210-0777	5/18/2010	NO VALID INSPECTION CERT
956110	209-2927CR	12/14/2010	TRESPASSING
954848	209-3317	12/16/2010	DISREGARD STOP SIGNS AND
957203	209-3370	12/16/2010	SPEEDING (EXCEED PRIMA F
956287	209-3334	12/26/2010	SEATBELT VIOLATION AT LE
958986	209-3446	12/26/2010	SPEEDING (EXCEED PRIMA F
956646	209-3354	12/31/2010	DISPLAY EXPIRED DRIVERS
964433	210-0184	1/11/2020	SPEEDING (EXCEED PRIMA F
961650	210-0106	1/14/2020	SPEEDING (EXCEED PRIMA F

El Paso County, Texas  
Justice of the Peace, Precinct No. 2  
Back-dated and Future-dated Transactions  
October 2009 - April 2010

Docket #	Trans Date	Actual Trans Date	Total Amt	Operator
209-0982		10/8/2009	(611.00)	EJP25781
207-2040		4/8/2010	(385.17)	EJP25781
206-0085A		4/13/2010	(100.00)	EJP25781
209-1966A	1/27/2000	2/3/2010	416.00	EJP25781
	10/6/2005	2/12/2010	5.00	EJP29004
204-0314	9/19/2006	10/22/2009	546.00	EJP25781
206-0085A	10/8/2006	4/13/2010	336.80	EJP25781
206-1140A	12/26/2006	3/19/2010	397.80	EJP25781
206-1140	12/26/2006	3/19/2010	297.00	EJP25781
207-3423CRA	5/5/2008	2/2/2010	449.80	EJP25781
DISPLN 6667	5/13/2008	12/10/2009	27.00	EJP29004
DISPLN 9280	1/12/2009	2/17/2010	82.00	EJP29004
208-0210	4/28/2009	3/16/2010	351.00	EJP25781
208-2459CR	5/24/2009	11/9/2009	640.00	EJP25781
208-3048CR	5/24/2009	11/9/2009	640.00	EJP25781
209-0231CR	6/20/2009	4/30/2010	422.50	EJP25781
DISWOP 8132	7/2/2009	10/20/2009	190.00	EJP29004
PROTECT 9735	7/29/2009	11/10/2009	55.00	EJP29004
JUDGPEND 9525	8/12/2009	12/22/2009	82.00	EJP29004
209-0982	9/17/2009	10/8/2009	497.67	EJP25781
208-0265	9/18/2009	10/8/2009	390.00	EJP25781
208-0264	9/18/2009	10/8/2009	95.00	EJP25781
208-1721	9/24/2009	10/8/2009	390.00	EJP25781
207-1297A	9/24/2009	10/8/2009	404.30	EJP25781
207-1297	9/24/2009	10/8/2009	336.00	EJP25781
207-1298	9/24/2009	10/8/2009	290.50	EJP25781
208-1719A	9/24/2009	10/8/2009	416.00	EJP25781
208-1719	9/24/2009	10/8/2009	611.00	EJP25781
209-1341A	9/25/2009	10/8/2009	416.00	EJP25781
209-1343	9/25/2009	10/8/2009	416.00	EJP25781
209-1342	9/25/2009	10/8/2009	611.00	EJP25781
209-1341	9/25/2009	10/8/2009	285.50	EJP25781
209-0377A	9/28/2009	1/12/2010	416.00	EJP25781
209-0378	9/28/2009	1/12/2010	325.00	EJP25781
209-0377	9/28/2009	1/12/2010	351.00	EJP25781
JUDGPEND 8059	10/1/2009	10/8/2009	27.00	EJP21650
207-0791CR	10/2/2009	10/8/2009	702.80	EJP25781
203-1101A	10/6/2009	11/4/2009	155.00	EJP25781
203-1101	10/6/2009	11/4/2009	420.00	EJP25781
203-1102	10/6/2009	11/4/2009	140.00	EJP25781
205-1016A	10/6/2009	11/4/2009	301.60	EJP25781

Docket #	Trans Date	Actual Trans Date	Total Amt	Operator
205-1016	10/6/2009	11/4/2009	191.10	EJP25781
205-1017	10/6/2009	11/4/2009	451.10	EJP25781
209-1037A	10/6/2009	11/4/2009	412.67	EJP25781
209-1039	10/6/2009	11/4/2009	351.00	EJP25781
209-1038	10/6/2009	11/4/2009	611.00	EJP25781
209-1037	10/6/2009	11/4/2009	390.00	EJP25781
209-2158A	10/6/2009	11/4/2009	320.00	EJP25781
209-2158	10/6/2009	11/4/2009	300.00	EJP25781
208-0940A	10/7/2009	11/4/2009	416.00	EJP25781
208-0940	10/7/2009	11/4/2009	390.00	EJP25781
208-1716A	10/10/2009	11/4/2009	416.00	EJP25781
208-1718	10/10/2009	11/4/2009	596.00	EJP25781
208-1716	10/10/2009	11/4/2009	375.00	EJP25781
209-1484A	10/11/2009	11/4/2009	416.00	EJP25781
209-1484	10/11/2009	11/4/2009	305.50	EJP25781
209-1486	10/11/2009	11/4/2009	611.00	EJP25781
209-1485	10/11/2009	11/4/2009	234.00	EJP25781
208-1682	10/11/2009	11/4/2009	215.00	EJP25781
	10/14/2009	10/21/2009	190.00	EJP21650
DISPLN 10168	10/14/2009	5/13/2010	82.00	EJP29004
DISPLN 10277	10/15/2009	10/27/2009	27.00	EJP29004
FJNONJUR 7526	10/15/2009	10/27/2009	27.00	EJP29004
FJNONJUR 5869	10/15/2009	10/27/2009	27.00	EJP29004
JUDGPEND 6998	10/15/2009	10/27/2009	27.00	EJP29004
NON-SUIT 11253	10/15/2009	10/27/2009	27.00	EJP29004
DECDIV 5983	10/15/2009	10/27/2009	27.00	EJP29004
DISPLN 6240	10/15/2009	10/27/2009	27.00	EJP29004
JUDGPEND 7180	10/15/2009	10/27/2009	27.00	EJP29004
DECDIV 10708	10/15/2009	10/27/2009	27.00	EJP29004
	10/15/2009	10/27/2009	27.00	EJP29004
DEFJUDG 11551	10/15/2009	10/27/2009	27.00	EJP29004
FJNONJUR 4457	10/15/2009	10/27/2009	27.00	EJP29004
DISPLN 6588	10/16/2009	10/23/2009	127.00	EJP21650
208-3315CR	10/17/2009	11/4/2009	640.00	EJP25781
207-2260A	10/18/2009	11/4/2009	449.80	EJP25781
207-2260	10/18/2009	11/4/2009	389.30	EJP25781
DEFJUDG 9698	10/19/2009	10/21/2009	127.00	EJP21650
DECDIV 8908	10/19/2009	11/4/2009	(127.00)	EJP29004
203-3502A	10/20/2009	11/4/2009	170.37	EJP25781
203-3505	10/20/2009	11/4/2009	193.70	EJP25781
203-3504	10/20/2009	11/4/2009	546.00	EJP25781
203-3502	10/20/2009	11/4/2009	193.70	EJP25781
203-3502A	10/20/2009	11/4/2009	133.70	EJP25781
203-3502A	10/20/2009	11/4/2009	170.03	EJP25781
208-1100CR	10/20/2009	11/9/2009	852.10	EJP25781
	10/21/2009	10/22/2009	5.00	EJP29004

Docket #	Trans Date	Actual Trans Date	Total Amt	Operator
DISPLN 8129	10/22/2009	10/23/2009	127.00	EJP21650
209-1748CRA	10/23/2009	11/4/2009	320.00	EJP25781
209-2261	10/23/2009	11/4/2009	300.00	EJP25781
209-1748CR	10/23/2009	11/4/2009	310.00	EJP25781
209-0803A	10/24/2009	11/4/2009	416.00	EJP25781
209-0805	10/24/2009	11/4/2009	325.00	EJP25781
209-0804	10/24/2009	11/4/2009	416.00	EJP25781
209-1064CR	10/24/2009	11/4/2009	455.00	EJP25781
209-0803	10/24/2009	11/4/2009	298.83	EJP25781
209-2426	10/26/2009	11/4/2009	416.00	EJP25781
209-2426A	10/26/2009	11/4/2009	416.00	EJP25781
208-0511CR	10/29/2009	11/9/2009	183.33	EJP25781
204-0553	11/2/2009	11/17/2009	210.20	EJP25781
	11/3/2009	11/4/2009	27.00	EJP29004
DISPLN 5069	11/3/2009	11/5/2009	27.00	EJP29004
AGRJUDG 11246	11/3/2009	11/5/2009	27.00	EJP29004
207-0984A	11/3/2009	12/14/2009	404.30	EJP25781
207-0984	11/3/2009	12/14/2009	318.50	EJP25781
208-2528	11/3/2009	12/14/2009	305.50	EJP25781
206-0519	11/4/2009	11/17/2009	362.00	EJP25781
206-0519A	11/4/2009	11/17/2009	349.27	EJP25781
209-0710CR	11/4/2009	12/14/2009	640.00	EJP25781
209-0710CRA	11/4/2009	12/14/2009	416.00	EJP25781
207-0987	11/4/2009	12/14/2009	305.50	EJP25781
209-1870A	11/5/2009	12/14/2009	416.00	EJP25781
209-1870	11/5/2009	12/14/2009	325.00	EJP25781
209-1871	11/5/2009	12/14/2009	390.00	EJP25781
209-0631A	11/5/2009	12/14/2009	416.00	EJP25781
209-0633	11/5/2009	12/14/2009	351.00	EJP25781
209-0632	11/5/2009	12/14/2009	611.00	EJP25781
209-0631	11/5/2009	12/14/2009	390.00	EJP25781
208-2643A	11/5/2009	12/14/2009	416.00	EJP25781
208-2646	11/5/2009	12/14/2009	351.00	EJP25781
208-2645	11/5/2009	12/14/2009	305.50	EJP25781
208-2644	11/5/2009	12/14/2009	611.00	EJP25781
208-2643	11/5/2009	12/14/2009	390.00	EJP25781
209-1269A	11/7/2009	12/14/2009	416.00	EJP25781
209-1269	11/7/2009	12/14/2009	416.00	EJP25781
207-3073CR	11/7/2009	12/14/2009	176.80	EJP25781
DISPLN 6582	11/9/2009	11/19/2009	27.00	EJP21650
ORDF 8137	11/9/2009	11/19/2009	27.00	EJP21650
	11/11/2009	11/19/2009	27.00	EJP29004
AGRJUDG 9062	11/11/2009	11/19/2009	27.00	EJP29004
ORPC 8118	11/11/2009	11/19/2009	27.00	EJP29004
DISPLN 8198	11/11/2009	11/19/2009	27.00	EJP29004
FINJ 9063	11/11/2009	11/19/2009	27.00	EJP29004



Docket #	Trans Date	Actual Trans Date	Total Amt	Operator
ORDPAT 8544	11/11/2009	11/23/2009	27.00	EJP29004
JUDGPEND 6988	11/11/2009	11/23/2009	27.00	EJP29004
DISPLN 7624	11/11/2009	11/23/2009	27.00	EJP29004
DISWOP 7799	11/11/2009	11/23/2009	27.00	EJP29004
FJNONJUR 7341	11/11/2009	11/23/2009	27.00	EJP29004
DISWOP 11651	11/11/2009	11/23/2009	27.00	EJP29004
ORDF 7940	11/11/2009	11/23/2009	27.00	EJP29004
NON-SUIT 11117	11/11/2009	11/23/2009	27.00	EJP29004
DISPLN 7599	11/11/2009	11/23/2009	27.00	EJP29004
	11/11/2009	11/23/2009	27.00	EJP29004
	11/11/2009	11/23/2009	27.00	EJP29004
JUDGPEND 8437	11/11/2009	11/23/2009	27.00	EJP29004
	11/11/2009	11/24/2009	27.00	EJP29004
FJNONJUR 6478	11/11/2009	11/24/2009	27.00	EJP29004
DISWOP 9278	11/11/2009	11/24/2009	27.00	EJP29004
JUDGPEND 10278	11/11/2009	11/24/2009	27.00	EJP29004
208-1942A	11/16/2009	12/14/2009	416.00	EJP25781
208-1942	11/16/2009	12/14/2009	325.00	EJP25781
208-1943	11/16/2009	12/14/2009	611.00	EJP25781
209-1386A	11/17/2009	12/14/2009	416.00	EJP25781
209-1386	11/17/2009	12/14/2009	234.00	EJP25781
	11/18/2009	11/24/2009	82.00	EJP29004
209-1603A	11/18/2009	12/11/2009	416.00	EJP25781
209-1607	11/18/2009	12/11/2009	611.00	EJP25781
209-1606	11/18/2009	12/11/2009	305.50	EJP25781
209-1605	11/18/2009	12/11/2009	305.50	EJP25781
209-1603	11/18/2009	12/11/2009	390.00	EJP25781
209-1365A	11/18/2009	12/14/2009	416.00	EJP25781
209-1366	11/18/2009	12/14/2009	611.00	EJP25781
209-1365	11/18/2009	12/14/2009	390.00	EJP25781
205-0096A	11/19/2009	12/14/2009	262.60	EJP25781
205-0098	11/19/2009	12/14/2009	156.00	EJP25781
205-0097	11/19/2009	12/14/2009	152.10	EJP25781
205-0096	11/19/2009	12/14/2009	412.10	EJP25781
206-0369T	11/20/2009	11/25/2009	479.27	EJP25781
DISPLN 8263	11/20/2009	12/7/2009	190.00	EJP21650
209-0730CR	11/20/2009	12/11/2009	640.00	EJP25781
208-2759CR	11/20/2009	12/11/2009	640.00	EJP25781
209-1630A	11/20/2009	12/14/2009	416.00	EJP25781
209-1630	11/20/2009	12/14/2009	234.00	EJP25781
209-0706A	11/21/2009	12/14/2009	416.00	EJP25781
209-0707	11/21/2009	12/14/2009	611.00	EJP25781
209-0706	11/21/2009	12/14/2009	390.00	EJP25781
209-0932CR	11/21/2009	12/14/2009	388.00	EJP25781
209-0931CR	11/21/2009	12/14/2009	440.00	EJP25781
208-2720CR	11/22/2009	12/11/2009	852.10	EJP25781

Docket #	Trans Date	Actual Trans Date	Total Amt	Operator
OCDC 11796	11/23/2009	11/24/2009	27.00	EJP29004
208-0503A	11/23/2009	12/11/2009	416.00	EJP25781
208-0503	11/23/2009	12/11/2009	351.00	EJP25781
	11/24/2009	12/1/2009	27.00	EJP29004
PROTECT 8809	11/24/2009	12/3/2009	190.00	EJP21650
209-1360A	11/24/2009	12/11/2009	416.00	EJP25781
209-1360	11/24/2009	12/11/2009	234.00	EJP25781
209-2920	11/24/2009	2/26/2010	62.00	CCLK6905
DECDIV 11254	11/25/2009	12/1/2009	127.00	EJP21650
208-1559A	11/25/2009	12/11/2009	416.00	EJP25781
208-1561	11/25/2009	12/11/2009	351.00	EJP25781
208-1559	11/25/2009	12/11/2009	390.00	EJP25781
DECDIV 8339	11/25/2009	3/1/2010	87.00	EJP29004
208-2746CR	11/27/2009	12/11/2009	719.50	EJP25781
	12/1/2009	12/10/2009	27.00	EJP29004
JUDGPEND 10187	12/3/2009	12/4/2009	127.00	EJP29004
208-2528A	12/3/2009	12/14/2009	416.00	EJP25781
206-0288CR	12/3/2009	1/12/2010	259.30	EJP25781
208-2223A	12/7/2009	1/12/2010	416.00	EJP25781
208-2223	12/7/2009	1/12/2010	390.00	EJP25781
209-0819A	12/8/2009	1/12/2010	416.00	EJP25781
209-0819	12/8/2009	1/12/2010	416.00	EJP25781
208-1807CR	12/10/2009	1/28/2009	754.60	EJP25781
	12/10/2009	12/18/2009	82.00	EJP29004
JUDGPEND 8199	12/10/2009	12/18/2009	27.00	EJP29004
DISPLN 9160	12/10/2009	12/18/2009	27.00	EJP29004
FJNONJUR 7718	12/10/2009	12/18/2009	27.00	EJP29004
OTHER 5702	12/10/2009	12/18/2009	27.00	EJP29004
ORDF 8131	12/10/2009	12/18/2009	27.00	EJP29004
DISWOP 8768	12/10/2009	12/18/2009	27.00	EJP29004
FJNONJUR 7632	12/10/2009	12/18/2009	27.00	EJP29004
CHGVEN 7422	12/10/2009	12/18/2009	27.00	EJP29004
	12/10/2009	12/18/2009	27.00	EJP29004
PROTECT 9518	12/10/2009	12/18/2009	27.00	EJP29004
DISPLN 9453	12/10/2009	12/18/2009	27.00	EJP29004
FJNONJUR 4083	12/10/2009	12/18/2009	27.00	EJP29004
DECDIV 10147	12/10/2009	12/18/2009	27.00	EJP29004
ORDPAT 10196	12/10/2009	12/18/2009	27.00	EJP29004
209-1304	12/10/2009	1/12/2010	234.00	EJP25781
209-1303	12/10/2009	1/12/2010	305.50	EJP25781
208-1011A	12/11/2009	1/12/2010	416.00	EJP25781
208-1011	12/11/2009	1/12/2010	351.00	EJP25781
209-0160CR	12/12/2009	1/5/2010	413.33	EJP25781
	12/14/2009	12/15/2009	127.00	EJP21650
OTHER 4063	12/14/2009	12/18/2009	27.00	EJP29004
207-2770A	12/14/2009	1/12/2010	416.00	EJP25781

Docket #	Trans Date	Actual Trans Date	Total Amt	Operator
207-2770	12/14/2009	1/12/2010	368.50	EJP25781
207-2642	12/15/2009	1/5/2010	214.50	EJP25781
207-2642A	12/15/2009	1/5/2010	321.60	EJP25781
DISWOP 8135	12/16/2009	12/21/2009	127.00	EJP21650
209-1705A	12/16/2009	1/12/2010	416.00	EJP25781
209-1708	12/16/2009	1/12/2010	390.00	EJP25781
209-1707	12/16/2009	1/12/2010	416.00	EJP25781
209-1706	12/16/2009	1/12/2010	611.00	EJP25781
209-1705	12/16/2009	1/12/2010	305.50	EJP25781
DECDIV 10216	12/17/2009	12/21/2009	27.00	EJP29004
DEFJUDG 9377	12/17/2009	12/22/2009	127.00	EJP21650
206-1704A	12/28/2009	1/12/2010	397.80	EJP25781
206-1707	12/28/2009	1/12/2010	577.80	EJP25781
206-1706	12/28/2009	1/12/2010	284.00	EJP25781
206-1704	12/28/2009	1/12/2010	772.80	EJP25781
206-2342A	12/28/2009	1/12/2010	404.30	EJP25781
206-2343	12/28/2009	1/12/2010	577.80	EJP25781
206-2342	12/28/2009	1/12/2010	284.00	EJP25781
208-0929	12/30/2009	1/7/2009	305.50	EJP25781
NON-SUIT 11071	1/4/2010	1/8/2010	141.00	EJP29004
DISPLN 7949	1/4/2010	1/8/2010	86.00	EJP29004
OTHER 5504	1/4/2010	1/27/2010	31.00	EJP29004
OTHER 5126	1/4/2010	1/27/2010	31.00	EJP29004
NON-SUIT 8502	1/4/2010	2/4/2010	31.00	EJP29004
204-1603A	1/4/2010	2/23/2010	262.60	EJP25781
204-1604	1/4/2010	2/23/2010	221.00	EJP25781
204-1603	1/4/2010	2/23/2010	325.00	EJP25781
210-0008	1/6/2010	1/8/2010	260.00	EJP29004
209-1404	1/6/2010	2/24/2010	390.00	EJP25781
209-1403	1/6/2010	2/24/2010	611.00	EJP25781
209-1402	1/6/2010	2/24/2010	302.17	EJP25781
207-2096	1/10/2010	1/19/2010	181.93	EJP25781
207-2096A	1/10/2010	1/19/2010	404.30	EJP25781
207-2098	1/10/2010	1/19/2010	599.30	EJP25781
207-2097	1/10/2010	1/19/2010	305.50	EJP25781
207-2096	1/10/2010	1/20/2010	181.83	EJP25781
201-1338	1/11/2010	2/23/2010	145.00	EJP25781
201-1338A	1/11/2010	2/23/2010	150.00	EJP25781
DECANL 9294	1/13/2010	1/14/2010	131.00	EJP21650
	1/13/2010	1/14/2010	131.00	EJP21650
209-1411A	1/13/2010	2/3/2010	416.00	EJP25781
209-1411	1/13/2010	2/3/2010	305.50	EJP25781
209-1412	1/13/2010	2/3/2010	305.50	EJP25781
209-1413	1/13/2010	2/3/2010	390.00	EJP25781
209-1414	1/13/2010	2/3/2010	611.00	EJP25781
203-0254A	1/15/2010	2/3/2010	159.00	EJP25781

Docket #	Trans Date	Actual Trans Date	Total Amt	Operator
203-0254	1/15/2010	2/3/2010	140.00	EJP25781
209-0702CR	1/15/2010	2/3/2010	390.00	EJP25781
206-0290T	1/16/2010	1/27/2010	468.43	EJP25781
209-1402A	1/16/2010	2/24/2010	416.00	EJP25781
DISPLN 6580	1/17/2010	2/18/2010	231.00	EJP29004
209-0303CR	1/20/2010	2/3/2010	182.00	EJP25781
DISPLN 6141	1/22/2010	2/18/2010	31.00	EJP29004
209-2589	1/23/2010	2/3/2010	611.00	EJP25781
209-2590	1/23/2010	2/3/2010	390.00	EJP25781
209-2589A	1/23/2010	2/3/2010	416.00	EJP25781
208-0317A	1/25/2010	2/3/2010	416.00	EJP25781
208-0317	1/25/2010	2/3/2010	401.00	EJP25781
DISPLN 7949	1/27/2010	1/28/2010	131.00	EJP21650
FJNONJUR 6315	1/27/2010	1/28/2010	131.00	EJP21650
AGRJUDG 9104	1/27/2010	1/28/2010	131.00	EJP21650
209-1394A	1/27/2010	2/3/2010	416.00	EJP25781
209-1394	1/27/2010	2/3/2010	305.50	EJP25781
209-1395	1/27/2010	2/3/2010	611.00	EJP25781
209-1396	1/27/2010	2/3/2010	351.00	EJP25781
209-1966	1/27/2010	2/3/2010	351.00	EJP25781
208-1207	1/28/2010	2/3/2010	390.00	EJP25781
208-1207A	1/28/2010	2/3/2010	416.00	EJP25781
208-1208	1/28/2010	3/29/2010	390.00	EJP25781
208-3020A	2/1/2010	3/29/2010	416.00	EJP25781
208-3021	2/1/2010	3/29/2010	416.00	EJP25781
208-3020	2/1/2010	3/29/2010	611.00	EJP25781
206-0391T	2/2/2010	2/24/2010	599.63	EJP25781
FJNONJUR 4742	2/3/2010	2/4/2010	131.00	EJP21650
FJNONJUR 6101	2/3/2010	2/4/2010	31.00	EJP29004
JUDGPEND 8381	2/3/2010	2/4/2010	31.00	EJP29004
208-0230CR	2/4/2010	2/24/2010	605.33	EJP25781
206-1002T	2/6/2010	3/29/2010	161.80	EJP25781
SUMJUDG 4653	2/8/2010	2/23/2010	131.00	EJP21650
207-3103CR	2/8/2010	3/29/2010	176.80	EJP25781
FJNONJUR 5897	2/9/2010	2/10/2010	86.00	EJP29004
DISPLN 6438	2/9/2010	2/10/2010	86.00	EJP29004
209-1070A	2/9/2010	3/29/2010	416.00	EJP25781
209-1072	2/9/2010	3/29/2010	611.00	EJP25781
209-1071	2/9/2010	3/29/2010	234.00	EJP25781
209-1070	2/9/2010	3/29/2010	390.00	EJP25781
FJNONJUR 6065	2/11/2010	2/16/2010	31.00	EJP29004
209-3113	2/11/2010	2/19/2010	(172.00)	CCLK3121
208-2539	2/13/2010	3/29/2010	158.77	EJP25781
REF 10228	2/16/2010	2/23/2010	131.00	EJP21650
DECDIV 9584	2/16/2010	2/23/2010	131.00	EJP21650
207-2543A	2/16/2010	3/29/2010	449.80	EJP25781

Docket #	Trans Date	Actual Trans Date	Total Amt	Operator
207-3224CRA	2/16/2010	3/29/2010	449.80	EJP25781
207-3224CR	2/16/2010	3/29/2010	404.30	EJP25781
207-2543	2/16/2010	3/29/2010	336.00	EJP25781
DSPREJ 11768	2/17/2010	2/18/2010	31.00	EJP29004
OTHER 6032	2/17/2010	2/18/2010	31.00	EJP29004
	2/18/2010	2/19/2010	231.00	EJP21650
208-1834CR	2/18/2010	3/29/2010	605.33	EJP25781
208-0670	2/21/2010	3/29/2010	275.00	EJP25781
FJNONJUR 4526	2/22/2010	2/25/2010	31.00	EJP29004
DISPLN 5402	2/22/2010	2/25/2010	31.00	EJP29004
ORDC 11348	2/22/2010	2/25/2010	31.00	EJP29004
DEFJUDG 5842	2/22/2010	2/25/2010	31.00	EJP29004
	2/22/2010	2/25/2010	31.00	EJP29004
ORDPAT 9280	2/22/2010	2/25/2010	31.00	EJP29004
	2/22/2010	2/25/2010	31.00	EJP29004
DISPLN 8368	2/22/2010	2/25/2010	31.00	EJP29004
DEFJUDG 8577	2/22/2010	2/25/2010	31.00	EJP29004
DECANL 9549	2/22/2010	3/22/2010	127.00	EJP28855
204-1377A	2/22/2010	3/29/2010	301.60	EJP25781
204-1378	2/22/2010	3/29/2010	299.00	EJP25781
204-1377	2/22/2010	3/29/2010	260.00	EJP25781
209-2425	2/23/2010	3/29/2010	390.00	EJP25781
209-2425A	2/23/2010	3/29/2010	416.00	EJP25781
208-1849A	2/24/2010	3/29/2010	416.00	EJP25781
208-1851	2/24/2010	3/29/2010	611.00	EJP25781
208-1849	2/24/2010	3/29/2010	351.00	EJP25781
	2/25/2010	3/2/2010	31.00	EJP29004
207-0464CR	2/25/2010	3/29/2010	370.60	EJP25781
208-2837CR	2/25/2010	3/29/2010	640.00	EJP25781
208-2837CRA	2/25/2010	3/29/2010	416.00	EJP25781
208-2891CR	2/27/2010	3/29/2010	312.00	EJP25781
DISPLN 7912	3/1/2010	3/2/2010	31.00	EJP29004
	3/1/2010	3/9/2010	131.00	EJP29004
204-0605A	3/2/2010	4/6/2010	262.60	EJP25781
204-0606	3/2/2010	4/6/2010	189.80	EJP25781
204-0605	3/2/2010	4/6/2010	188.50	EJP25781
209-2531A	3/2/2010	4/6/2010	416.00	EJP25781
209-2533	3/2/2010	4/6/2010	390.00	EJP25781
209-2532	3/2/2010	4/6/2010	416.00	EJP25781
209-2531	3/2/2010	4/6/2010	305.50	EJP25781
209-1096A	3/2/2010	4/6/2010	416.00	EJP25781
209-1097	3/2/2010	4/6/2010	611.00	EJP25781
209-1096	3/2/2010	4/6/2010	390.00	EJP25781
207-2828	3/3/2010	4/6/2010	254.50	EJP25781
209-1278CRA	3/3/2010	4/6/2010	416.00	EJP25781
209-1278CR	3/3/2010	4/6/2010	455.00	EJP25781

Docket #	Trans Date	Actual Trans Date	Total Amt	Operator
209-2409A	3/3/2010	4/6/2010	416.00	EJP25781
209-0467A	3/3/2010	4/6/2010	416.00	EJP25781
209-0467	3/3/2010	4/6/2010	390.00	EJP25781
DECADOP 8192	3/4/2010	3/9/2010	31.00	EJP29004
AGRDIS 11124	3/4/2010	3/9/2010	31.00	EJP29004
OTHER 4050	3/4/2010	3/9/2010	31.00	EJP29004
DECDIV 8776	3/4/2010	3/9/2010	31.00	EJP29004
208-0874A	3/5/2010	4/6/2010	416.00	EJP25781
208-0874	3/5/2010	4/6/2010	325.00	EJP25781
208-0850CR	3/8/2010	3/29/2010	447.00	EJP25781
209-2862A	3/8/2010	4/6/2010	320.00	EJP25781
209-2862	3/8/2010	4/6/2010	212.50	EJP25781
207-1990A	3/9/2010	4/6/2010	404.30	EJP25781
207-1990	3/9/2010	4/6/2010	404.30	EJP25781
209-2856	3/9/2010	4/14/2010	108.50	CCLK6905
	3/10/2010	3/17/2010	131.00	EJP21650
209-1229A	3/10/2010	4/6/2010	416.00	EJP25781
209-1230	3/10/2010	4/6/2010	325.00	EJP25781
209-1229	3/10/2010	4/6/2010	305.50	EJP25781
208-1229	3/10/2010	5/17/2010	390.00	EJP28855
208-1230	3/10/2010	5/17/2010	325.00	EJP28855
208-1229A	3/10/2010	5/17/2010	416.00	EJP28855
210-0021	3/10/2010	5/24/2010	25.00	CCLK6905
209-1090A	3/11/2010	4/6/2010	416.00	EJP25781
209-1091	3/11/2010	4/6/2010	611.00	EJP25781
209-1090	3/11/2010	4/6/2010	390.00	EJP25781
209-0424A	3/12/2010	4/6/2010	416.00	EJP25781
209-0425	3/12/2010	4/6/2010	611.00	EJP25781
209-0424	3/12/2010	4/6/2010	390.00	EJP25781
209-0011CR	3/13/2010	4/6/2010	640.00	EJP25781
209-2753A	3/15/2010	3/30/2010	416.00	EJP25781
209-2756	3/15/2010	3/30/2010	305.50	EJP25781
209-2755	3/15/2010	3/30/2010	455.00	EJP25781
209-2754	3/15/2010	3/30/2010	611.00	EJP25781
209-2753	3/15/2010	3/30/2010	390.00	EJP25781
209-1167	3/15/2010	4/6/2010	451.10	EJP25781
209-1166A	3/15/2010	4/6/2010	416.00	EJP25781
209-1166	3/15/2010	4/6/2010	390.00	EJP25781
DISWOP 9194	3/16/2010	3/18/2010	131.00	EJP21650
DISWOP 8768	3/16/2010	3/24/2010	131.00	EJP21650
DECDIV 9922	3/16/2010	3/25/2010	131.00	EJP21650
209-0038A	3/17/2010	4/6/2010	416.00	EJP25781
209-0038	3/17/2010	4/6/2010	390.00	EJP25781
209-0039	3/17/2010	4/6/2010	351.00	EJP25781
FJNONJUR 7438	3/19/2010	5/18/2010	86.00	EJP29004
	3/22/2010	3/23/2010	231.00	EJP21650

Docket #	Trans Date	Actual Trans Date	Total Amt	Operator
DISWOP 10435	3/22/2010	3/25/2010	131.00	EJP21650
209-1644	3/24/2010	4/6/2010	611.00	EJP25781
209-1645	3/24/2010	4/6/2010	416.00	EJP25781
209-0985A	3/24/2010	4/6/2010	416.00	EJP25781
209-0985	3/24/2010	4/6/2010	390.00	EJP25781
209-0986	3/24/2010	4/6/2010	611.00	EJP25781
209-2989	3/26/2010	4/6/2010	310.00	EJP25781
209-2989A	3/26/2010	4/6/2010	320.00	EJP25781
209-2993	3/26/2010	4/6/2010	336.00	EJP25781
209-2992	3/26/2010	4/6/2010	375.00	EJP25781
209-2991	3/26/2010	4/6/2010	596.00	EJP25781
207-2040	3/26/2010	4/8/2010	385.17	EJP25781
207-2040	3/26/2010	4/8/2010	395.17	EJP25781
207-2040A	3/26/2010	4/8/2010	404.30	EJP25781
208-3067CR	3/26/2010	4/13/2010	640.00	EJP25781
208-3067CRA	3/26/2010	4/13/2010	416.00	EJP25781
208-2989A	3/29/2010	4/13/2010	416.00	EJP25781
208-2989	3/29/2010	4/13/2010	305.50	EJP25781
209-1673A	3/30/2010	4/13/2010	416.00	EJP25781
209-1675	3/30/2010	4/13/2010	390.00	EJP25781
209-1674	3/30/2010	4/13/2010	611.00	EJP25781
209-1673	3/30/2010	4/13/2010	302.17	EJP25781
208-1598	4/1/2010	4/8/2010	248.83	EJP25781
209-1293CR	4/3/2010	4/13/2010	640.00	EJP25781
209-0014	4/3/2010	4/13/2010	325.60	EJP25781
	4/5/2010	4/6/2010	131.00	EJP21650
DISWOP 10736	4/5/2010	4/8/2010	31.00	EJP29004
DECDIV 10421	4/5/2010	4/8/2010	31.00	EJP29004
DISPLN 9328	4/5/2010	4/8/2010	31.00	EJP29004
208-1532	4/5/2010	4/13/2010	234.00	EJP25781
206-1422A	4/5/2010	4/13/2010	397.80	EJP25781
206-1422	4/5/2010	4/13/2010	577.80	EJP25781
208-1531	4/5/2010	4/13/2010	403.00	EJP25781
208-1531A	4/5/2010	4/13/2010	416.00	EJP25781
207-1458	4/7/2010	4/19/2010	329.77	EJP25781
DISPLN 4531	4/7/2010	5/24/2010	86.00	EJP29004
202-4580	4/8/2010	4/13/2010	129.00	EJP25781
203-0499	4/9/2010	5/10/2010	145.00	EJP28855
203-0499A	4/9/2010	5/10/2010	159.00	EJP28855
205-3192	4/9/2010	5/10/2010	344.50	EJP28855
205-3193	4/9/2010	5/10/2010	299.00	EJP28855
205-3192A	4/9/2010	5/10/2010	397.80	EJP28855
206-0638TJ	4/10/2010	4/19/2010	499.63	EJP25781
209-0101	4/12/2010	5/10/2010	390.00	EJP28855
209-0102	4/12/2010	5/10/2010	305.50	EJP28855
209-0101A	4/12/2010	5/10/2010	416.00	EJP28855

Docket #	Trans Date	Actual Trans Date	Total Amt	Operator
207-3254	4/12/2010	5/10/2010	404.30	EJP28855
207-3254A	4/12/2010	5/10/2010	455.00	EJP28855
	4/13/2010	4/20/2010	131.00	EJP21650
209-1378	4/13/2010	5/10/2010	234.00	EJP28855
209-1379	4/13/2010	5/10/2010	390.00	EJP28855
209-1378A	4/13/2010	5/10/2010	416.00	EJP28855
ORDPAT 11035	4/14/2010	4/15/2010	31.00	EJP29004
ORDF 6886	4/14/2010	4/15/2010	31.00	EJP29004
DISMPEND 7852	4/14/2010	4/15/2010	31.00	EJP29004
DISWOP 10736	4/14/2010	4/20/2010	231.00	EJP21650
209-2720	4/14/2010	5/10/2010	448.50	EJP28855
209-2720A	4/14/2010	5/10/2010	416.00	EJP28855
208-2501	4/14/2010	5/10/2010	390.00	EJP28855
208-2502	4/14/2010	5/10/2010	305.50	EJP28855
208-2503	4/14/2010	5/10/2010	611.00	EJP28855
208-2501A	4/14/2010	5/10/2010	416.00	EJP28855
209-0314	4/15/2010	5/10/2010	305.50	EJP28855
209-0315	4/15/2010	5/10/2010	416.00	EJP28855
209-0314A	4/15/2010	5/10/2010	416.00	EJP28855
208-2730CR	4/16/2010	5/10/2010	140.00	EJP28855
OENF 9760	4/19/2010	4/22/2010	31.00	EJP29004
208-2475A	4/26/2010	5/7/2010	416.00	EJP28855
208-2475	4/26/2010	5/7/2010	325.00	EJP28855
209-2550	4/26/2010	5/10/2010	234.00	EJP28855
209-2550A	4/26/2010	5/10/2010	416.00	EJP28855
PROTECT 10581	4/27/2010	5/11/2010	5.00	EJP29004
208-1583	4/27/2010	5/11/2010	390.00	EJP28855
208-1583A	4/27/2010	5/11/2010	416.00	EJP28855
208-3042	4/27/2010	5/11/2010	305.50	EJP28855
208-3045	4/27/2010	5/11/2010	416.00	EJP28855
208-3042A	4/27/2010	5/11/2010	416.00	EJP28855
209-1291CR	4/28/2010	5/11/2010	190.00	EJP28855
208-1584	4/29/2010	5/11/2010	611.00	EJP28855
208-1586	4/29/2010	5/11/2010	455.00	EJP28855
208-3936CR	4/30/2010	5/11/2010	667.00	EJP28855





COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

EDWARD A. DION, CPA, CIO  
COUNTY AUDITOR  
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County Administrative Offices  
800 East Overland Street, Rm. 406  
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08-59

August 27, 2010

The Honorable Brian Haggerty  
Justice of the Peace, Precinct Number 2  
4641 Cohen Ave, Ste A  
El Paso, Texas 79924

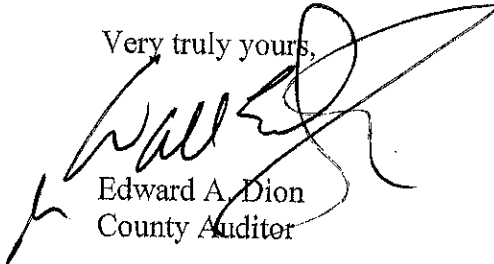
Dear Judge Haggerty:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal audit supervisor, dated August 27, 2010 is attached. This memorandum is a report on a review of your financial records from May 2010 through July 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

  
Edward A. Dion  
County Auditor

EAD:SP:rao

Attachment




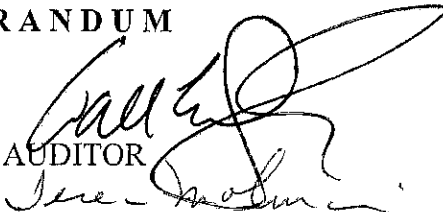
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MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

DATE: AUGUST 27, 2010

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 2,  
FINANCIAL RECORDS FOR MAY 2010 THROUGH JULY 2010.

**Overview**

A review of the financial records for the Justice of the Peace, Precinct Number 2, from May 2010 through July 2010 has been completed. The objective of this review was to verify the information contained within the Justice of the Peace's financial reports. These financial reports, generated from the Justice Information Management System (JIMS), are a recapitulation of all transactions that occurred during each month.

**Scope and Purpose**

The scope and purpose of the review consisted of the following:

1. The operating procedures were reviewed to ensure effective internal controls are in place.
2. A surprise cash count was performed on August 4, 2010, in accordance with *Local Government Code §115.0035*.
3. All deposit slips were compared to the treasury records and daily balance reports in order to verify that collections were deposited in accordance with *Local Government Code §113.022* and properly posted on the Financial Accounting Management Information System (FAMIS).
4. All necessary schedules were prepared for the appropriate allocation of court costs.
5. A sample of 84 confirmation letters was mailed to defendants for criminal cases in order to verify the accuracy of the information in JIMS.

6. A sample of 19, or 20 percent out of 96 mail payments was traced to JIMS to ensure payments were accounted for properly.
7. A sample of six, or 11 percent out of 59 future-dated or back-dated transactions was reviewed to determine the legitimacy of the transactions and ensure that supporting documentation was included to justify the transaction. In addition, a future dated citation date report from JIMS listing cases with citation dates greater than August 2, 2010 was reviewed for legitimacy.
8. A sample of 23, or five percent out of 458 dismissed cases was reviewed to ensure that supporting documentation was included to support the dismissal of the case. No discrepancies were noted.
9. Previous memorandum was reviewed for implementation of prior recommendations.

### General

1. Observation: Upon inquiry, it was noted that the procedures manual has not been developed by Justice of the Peace personnel due to shortage in personnel. It was also explained that once the office is fully staffed, personnel will develop a procedures manual.  
Corrective Action/Recommendation: It was explained that once the office is fully staffed, personnel will develop a procedures manual.
2. Observation: Upon conducting the surprise cash count, the following items were noted:
  - A clerk was out of balance by \$60. The clerk receipted in JIMS a transaction in the amount of \$260, but only charged the defendant's credit card \$200.00. Therefore, resulting in a deficiency of \$60. The clerk immediately identified the error and attempted to contact the defendant. The \$260 transaction was voided and the correct amount was receipted in JIMS.
  - The change fund was over by 25 cents. Upon inquiry, it was explained that the out of balance condition could not be identified.Corrective Action/Recommendation: It is recommended that staff exercise due care in receipting transactions in JIMS to minimize errors. It was recommended to the Court Coordinator to turn in the 25 cents with the daily collections.
3. Observation: While performing the monthly reconciliation of the daily collections, it was noted that the deposits are not sent to the bank on a daily basis. It was further noted that the Justice of the Peace has \$4,504 in pending bonds as of July 31, 2010, copy attached.  
Corrective Action/Recommendation: In order to minimize the risk of loss and to maximize the interest earned, it is recommended that deposits be sent to the bank on a daily basis. It is further recommended that the Justice of the Peace take the appropriate action to refund or forfeit the pending bonds as soon as possible.

4. Observation: Upon review of the confirmation letters, the following items were noted:
- Confirmation letters were returned as undeliverable on 12 out of 84, or 15 percent.
  - There were no discrepancies noted on 11 out of 84, or 13 percent of the confirmation letters.
  - Responses were not received on 61 out of 84, or 73 percent of the confirmation letters.

Corrective Action/Recommendation: It is recommended that accurate and current information be entered in JIMS to reduce the cost of returned mail. Accurate information is especially important when issuing warrants.

5. Observation: Upon review of the mail payments, the following items were noted:
- The case number, JIMS receipt number, date transaction was receipted in JIMS, signature of employee receipting payment, and signature of the reviewer is not always documented on the mail log.
  - One mail payment, which was received on July 30, 2010, in the amount of \$80 could not be traced to JIMS. Pertinent information needed to trace the payment in JIMS was not documented on the log.

Corrective Action/Recommendation: It is recommended that the mail log be completed and reviewed to ensure that all pertinent information is documented and all mail payments are receipted in JIMS. It is important to note that the Justice of the Peace has implemented the suggested log which was noted on the June 16, 2010 report. The mail is also processed under dual control.

6. Observation: While conducting a cursory review of the future dated citation report, it was noted that 31 cases were identified as having a future date greater than August 2, 2010, copy attached. A copy of the report was provided to Ms. Becky Gonzalez, court coordinator, on August 4, 2010. On 11 out of 31 cases, Ms. Gonzalez had already provided an explanation during our last review; however, the citation dates were not corrected. Eighteen out of 31 cases are new questionable items. Two out of 31 cases appeared on the last review; however, Ms. Gonzalez is unable to correct the date since the officer noted the wrong date on the citation.

Corrective Action/Recommendation: It is recommended that staff review the report and correct the citation date if at all possible. It is further recommended that the staff periodically request from the ITD this type of report and review to ensure that citation dates are not future dated inadvertently.

7. Observation: While reviewing the future-dated or back-dated transactions, the following items were noted:
- There are a total of 59 cases that contain back-dated or future-dated transactions, copy attached.
  - There were no discrepancies noted on the sample that was reviewed. Supporting documentation to justify the transaction was in file.
  - There is no set procedure on the required documentation relating to the jail time credit transactions.

EDWARD A. DION  
AUGUST 27, 2010  
PAGE 4

- There is no review process for these types of transactions.

*Corrective Action/Recommendation:* It is recommended that the staff periodically obtain a future-dated and back-dated transaction report to review the legitimacy of the transactions. It is further recommended that the staff review the attached listing of future-dated transaction. Moreover, it is further recommended that written procedures be developed to address the jail time credit transactions. The procedures should document the required documentation needed to support the transaction. Furthermore, it is recommended that Justice of the Peace personnel exercise due care in posting transactions in JIMS. This observation was noted on the June 16, 2010 report.

### **Summary**

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. The internal control structure of the Justice of the Peace, Precinct Number 2, appears to be weak, but should be strengthened with the implementation of the above mentioned recommendations.

SP:rao

Attachments

**JUSTICE OF THE PEACE  
PRECINCT # 2  
BOND SCHEDULE  
July 2010**

	Receipt no.	Amount of Bond	Forfeited	Refunded	Month Received	Month Forfeited or Refunded
213-000020						
<b>Previous Months</b>						
<b>Bonds Pending -Previous Months</b>						
F208-0411		Housing Authority Vs. Martha Fierro	235.00		01/28/09	
208-3017CRA		Avila, Lilitana	320.00	320.00	08/07/09	
209-1762CR	55421J2	Garcia, Alfredo	325.00		09/18/09	
209-0270CRA		Ramos, Tomasa	320.00	320.00		
209-0270CR		Ramos, Tomasa	640.00	640.00		
208-1653A			320.00			
208-1653			350.00			
209-1879CR			325.00			
209-2721A			320.00	320.00		
209-2721			310.00	153.00		
208-0378A			416.00			
208-0378			310.00			
209-0231A			320.00			
208-2230CR			320.00			
209-0231			350.00			
207-2121A		Taylor, Katuscua	311.00			
207-2121		Taylor, Katuscua	245.00			
205-2916		Whetman, Amy	592.80	592.80		
205-2915A		Whetman, Amy	397.80	397.80		
205-2915		Whetman, Amy	377.00	377.00		
209-3011A		Anthony, Eric Dewayne	200.00	200.00		

Bonds pending from previous months 7,304.60 3,320.60 0.00

**Current Month**

210-0805	Castaneda, Francisco	200.00				
209-2848A	Cave, Joseph Albert	320.00				

520.00 0.00 0.00

Balance of Bonds Pending Prior Months:  
Less: Prior Months Bonds Forfeited:  
Less: Prior Months Bonds Refunded:  
Balance of Prior Months Bonds Pending:

7,304.60
(3,320.60)
0.00
3,984.00

Current Month Bonds Received:  
Current Month Bonds Forfeited:  
Current Month Bonds Refunded:  
Current Month Bonds Pending:

520.00
0.00
0.00
520.00

**Total Bonds Pending**

**4,604.00**

El Paso County, Texas									
Justice of the Peace, Precinct No. 2									
List of Future Dated Citations									
Greater than August 2, 2010									
S<20>-LIST	P-CASES DOCKET C	ITATION.DATE O	FF.CODE.S.DESC 03:53:16pm 02 Aug 2010						
PAG									
E 1									
JP_CASES..	DOCKET.....	CITATION.DATE	Offense Code Short Desc.		Comments				
1	968866 209-3372CR	9/23/2010	FAILURE TO ATTEND SCHOOL	B					
2	973052 209-3433CR	9/24/2010	FAILURE TO ATTEND SCHOOL	B					
3	968832 209-3365CR	9/28/2010	FAILURE TO ATTEND SCHOOL	B					
4	965769 209-2941CR	10/9/2010	PARENT CONTRIBUTING TO N	B					
5	961797 210-0018CR	10/14/2010	DISORDERLY CONDUCT PC SE	B					
6	996804 209-2979CR	10/19/2010	PARENT CONTRIBUTING TO N	B					
7	962804 210-0147	10/20/2010	DISRUPTION OF CLASS EDC	C	this is the date the officer gave on the citation				
8	962810 210-0148	10/20/2010	DISORDERLY CONDUCT PC SE	C	this is the date the officer gave on the citation				
9	967176 209-3268CR	10/22/2010	PARENT CONTRIBUTING TO N	B					
10	972234 209-3428CR	11/16/2010	FAILURE TO ATTEND SCHOOL	B					
11	968874 210-0095CR	11/19/2010	FAILURE TO ATTEND SCHOOL	B					
12	368070 201-4758	12/1/2010	FAIL TO MAINTAIN FINANCI	A	this looks like clerk error but too long ago				
13	973261 209-3447CR	12/1/2010	PARENT CONTRIBUTING TO N	B					
14	956112 209-2929CR	12/10/2010	ASSAULT BY CONTACT PC SE	B					
15	956110 209-2927CR	12/14/2010	TRESPASSING	B					
16	954848 209-3317	12/16/2010	DISREGARD STOP SIGNS AND	A	the year was not manually entered system entered current year				
17	957203 209-3370	12/16/2010	SPEEDING (EXCEED PRIMA F	A	the year was not manually entered system entered current year				
18	968838 209-3367CR	12/18/2010	FAILURE TO ATTEND SCHOOL	B					
19	968873 209-3374CR	12/18/2010	FAILURE TO ATTEND SCHOOL	B					
20	973175 209-3443CR	12/18/2010	PARENT CONTRIBUTING TO N	B					
21	956287 209-3334	12/26/2010	SEATBELT VIOLATION AT LE	A	the year was not manually entered system entered current year				
22	995228 210-1441CR	12/30/2010	ASSAULT BY CONTACT PC SE	B					
23	956646 209-3354	12/31/2010	DISPLAY EXPIRED DRIVERS	A	the year was not manually entered system entered current year				
24	181514 297-0397	1/15/2017	SPEEDING ZONED (RADAR) T	A	this looks like clerk error but too long ago				
25	325619 201-1200	4/4/2017	OPERATE VEH W/EXP LIC PL	A	this looks like clerk error but too long ago				
26	906628 209-1235CR	4/4/2017	DISORDERLY CONDUCT PC SE	B					
27	334696 201-1200A	5/4/2017	FAILURE TO APPEAR	B					
28	197665 297-2845	10/10/2017	FAILED TO REPORT ADDRESS	A	this looks like clerk error but too long ago				
29	964433 210-0184	1/11/2020	SPEEDING (EXCEED PRIMA F	A	this looks like clerk error				
30	961650 210-0106	1/14/2020	SPEEDING (EXCEED PRIMA F	A	this looks like clerk error				
31	488023 202-1387A	4/9/2022	FAILURE TO APPEAR	A	this looks like clerk error but too long ago				
A	Explanation provided by Becky during the last review conducted by the Internal Audit Division. Dates have not been corrected.								
B	18 New additional cases appeared on the report that were future dated								
C	Explanation provided by Becky Date was entered incorrectly by the issuing officer.								

Justice of the Peace, Precinct No. 2						
List of Future/Back Dated Transactions						
May 2010 - July 2010						
	Transaction ID	Docket Number	Trans Date	Actual Trans Date	Total Amount	Operator
1	3290877	209-0640CRA	06/01/0103	7/26/2010	416.00	EJP27860
2	1719739	J297-0018	5/20/1998	6/23/2010	5.00	EJP29004
3	1589945	S205-0036	6/27/2005	7/7/2010	5.00	EJP29004
4	3267896	206-2015	11/20/2007	6/24/2010	284.00	EJP28855
5	3267921	206-2015A	11/20/2007	6/24/2010	404.30	EJP28855
6	3248824	209-1761	9/21/2009	6/1/2010	448.50	EJP28855
7	3248838	209-1762	9/21/2009	6/1/2010	416.00	EJP28855
8	3248841	209-1761A	9/21/2009	6/1/2010	416.00	EJP28855
9	3069914	S209-0089	10/14/2009	5/13/2010	82.00	EJP29004
10	3103904	J209-0545	11/11/2009	6/14/2010	27.00	EJP29004
11	3284037	209-1595A	12/21/2009	7/16/2010	416.00	EJP28855
12	3284038	209-1596	12/21/2009	7/16/2010	611.00	EJP28855
13	3284039	209-1595	12/21/2009	7/16/2010	390.00	EJP28855
14	3150375	J210-0007	1/4/2010	7/13/2010	31.00	EJP29004
15	3264157	F210-0252	2/1/2010	6/21/2010	131.00	EJP21650
16	3236944	208-1229	3/10/2010	5/17/2010	390.00	EJP28855
17	3236947	208-1230	3/10/2010	5/17/2010	325.00	EJP28855
18	3236949	208-1229A	3/10/2010	5/17/2010	416.00	EJP28855
19	3189489	J210-0034	3/19/2010	5/18/2010	86.00	EJP29004
20	3201949	S210-0033	4/7/2010	5/24/2010	86.00	EJP29004
21	3230049	203-0499	4/9/2010	5/10/2010	145.00	EJP28855
22	3230050	203-0499A	4/9/2010	5/10/2010	159.00	EJP28855
23	3230051	205-3192	4/9/2010	5/10/2010	344.50	EJP28855
24	3230054	205-3193	4/9/2010	5/10/2010	299.00	EJP28855
25	3230058	205-3192A	4/9/2010	5/10/2010	397.80	EJP28855
26	3230017	209-0101	4/12/2010	5/10/2010	390.00	EJP28855
27	3230019	209-0102	4/12/2010	5/10/2010	305.50	EJP28855
28	3230021	209-0101A	4/12/2010	5/10/2010	416.00	EJP28855
29	3230027	207-3254	4/12/2010	5/10/2010	404.30	EJP28855
30	3230029	207-3254A	4/12/2010	5/10/2010	455.00	EJP28855
31	3230038	209-1378	4/13/2010	5/10/2010	234.00	EJP28855
32	3230039	209-1379	4/13/2010	5/10/2010	390.00	EJP28855
33	3230040	209-1378A	4/13/2010	5/10/2010	416.00	EJP28855
34	3230031	209-2720	4/14/2010	5/10/2010	448.50	EJP28855
35	3230036	209-2720A	4/14/2010	5/10/2010	416.00	EJP28855
36	3230087	208-2501	4/14/2010	5/10/2010	390.00	EJP28855
37	3230090	208-2502	4/14/2010	5/10/2010	305.50	EJP28855
38	3230094	208-2503	4/14/2010	5/10/2010	611.00	EJP28855
39	3230097	208-2501A	4/14/2010	5/10/2010	416.00	EJP28855
40	3230043	209-0314	4/15/2010	5/10/2010	305.50	EJP28855
41	3230046	209-0315	4/15/2010	5/10/2010	416.00	EJP28855
42	3230048	209-0314A	4/15/2010	5/10/2010	416.00	EJP28855



	Transaction ID	Docket Number	Trans Date	Actual Trans Date	Total Amount	Operator
43	3230077	208-2730CR	4/16/2010	5/10/2010	140.00	EJP28855
44	3260084	208-3340CR	4/18/2010	6/14/2010	613.33	EJP28855
45	3228906	208-2475A	4/26/2010	5/7/2010	416.00	EJP28855
46	3228907	208-2475	4/26/2010	5/7/2010	325.00	EJP28855
47	3230167	209-2550	4/26/2010	5/10/2010	234.00	EJP28855
48	3230280	209-2550A	4/26/2010	5/10/2010	416.00	EJP28855
49	3218011	S210-0016	4/27/2010	5/11/2010	5.00	EJP29004
50	3230944	208-1583	4/27/2010	5/11/2010	390.00	EJP28855
51	3230947	208-1583A	4/27/2010	5/11/2010	416.00	EJP28855
52	3230952	208-3042	4/27/2010	5/11/2010	305.50	EJP28855
53	3230963	208-3045	4/27/2010	5/11/2010	416.00	EJP28855
54	3230965	208-3042A	4/27/2010	5/11/2010	416.00	EJP28855
55	3230971	209-1291CR	4/28/2010	5/11/2010	190.00	EJP28855
56	3230973	208-1584	4/29/2010	5/11/2010	611.00	EJP28855
57	3230984	208-1586	4/29/2010	5/11/2010	455.00	EJP28855
58	3230985	208-3936CR	4/30/2010	5/11/2010	667.00	EJP28855
59	3281670	S210-0030	7/14/2010	8/2/2010	15.58	EJP29004

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**Justice of the Peace,  
Precinct No. 3**



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03-24

April 6, 2010

The Honorable Guadalupe Aponte  
Justice of the Peace, Precinct Number 3  
500 E. San Antonio  
3rd Floor, Suite 308  
El Paso, Texas 79901

Dear Judge Aponte:

A copy of a memorandum from Mr. Rene Balderrama, internal auditor, dated April 6, 2010 is attached. This memorandum is a report on a review of your financial records for October 2009 through February 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mr. Balderrama.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:RB:ya

Attachment




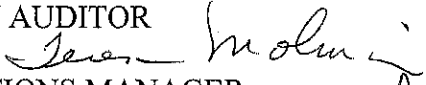


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03-29

MEMORANDUM

  
TO: EDWARD A. DION, COUNTY AUDITOR  
THRU: TERESA MOLINAR, OPERATIONS MANAGER   
THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR   
FROM: RENE BALDERRAMA, INTERNAL AUDITOR   
DATE: APRIL 6, 2010  
SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 3,  
FINANCIAL RECORDS FOR OCTOBER 2009 THROUGH FEBRUARY 2010.

**Overview**

A review of the financial records for Justice of the Peace, Precinct Number 3, for October 2009 through February 2010 has been completed. The objective of this review was to verify the information contained within the Justice of the Peace's financial reports. These financial reports, generated off the Justice Information Management System (JIMS), are a recapitulation of all transactions that occurred during each month.

**Scope and Purpose**

The scope and purpose of the review consisted of the following:

1. A surprise cash count was performed on March 3, 2010 in accordance with *Local Government Code §115.0035*. No discrepancies were noted.
2. A report listing future dated citations was reviewed to determine the reasonableness of those transactions.
3. All deposit slips were compared to daily balance reports and treasury records in order to verify that collections were deposited timely in accordance with *Local Government Code §113.022* and properly posted on the Financial Accounting Management Information System (FAMIS).
4. All necessary schedules were prepared for the appropriate allocation of court costs.

5. A review of the Texas Law Enforcement Officers Fund (TLEOF) and Child Safety Seat Fund (CSSF) fees effective January 1, 2010 was preformed. No discrepancies were noted.
6. All payments collected by the Sheriff's Office from October 2009 to February 2010 were reviewed to verify they were promptly and accurately entered in JIMS.
7. Previous memoranda recommendations were reviewed for implementation.

### **General**

1. Observation: While reviewing cases for future dated citations, it was noted that 30 cases had a citation date that was future dated. Upon inquiry, the court coordinator stated that the cases will be reviewed and corrected.  
Corrective Action/Recommendation: It is recommended that the Justice of the Peace personnel review the cases being entered in JIMS and ensure that all the information entered is correct. As of March 12, 2010 this recommendation has been implemented.
2. Observation: While reviewing the daily collections, it was noted that one deposit warrant was issued for two or more daily collections. It was further noted that the collections are not deposited at the bank on a daily basis.  
Corrective Action/Recommendation: It is recommended that the daily collection information be submitted to Treasury on a daily basis as soon as the collections are submitted for deposit at the bank to ensure timely accountability. It is further recommended that the collections be deposited at the bank on a daily basis to minimize the risk of losing funds.
3. Observation: While reviewing the daily deposits, it was noted that on January 11, 2010, the tender types entered into JIMS did not match the tender types on the deposit slip.  
Corrective Action/Recommendation: It is recommended that the Justice of the Peace personnel exercise due care when posting payments into JIMS. It is further recommended that the balance report be printed by payment method and matched to the deposit slips and ultimately to the actual tender type received.
4. Observation: While reviewing the Sheriff's collections, it was noted that case number 304-16534 had not been entered into JIMS, yet the supporting documentation was delivered on December 11, 2009 to the Justice of the Peace Office.  
Corrective Action/Recommendation: It is recommended that the Justice of the Peace personnel enter the payments delivered by the Sheriff's Office in a timely manner. It is further recommended that Justice of the Peace personnel reconcile to the Sheriff's collections listing provided by the Sheriff's Office to ensure that all transactions have been posted in JIMS.

**Review of Past Memoranda**

5. Observation: While reviewing the outstanding bonds, it was noted that the bond schedule currently has 38 cases pending dating back from 2003 to 2008, copy attached. It is further noted that the bond schedule is not being reviewed periodically and the cases have not been resolved in a timely manner.

Corrective Action/Recommendation: It is recommended that the Justice of the Peace personnel assign a staff member to periodically review and resolve the cases listed on the bond schedule.

**Summary**

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. The Justice of the Peace, Precinct 3 has implemented some of the previous recommendations and made improvements in the operations. However, based on this review, the internal control structure appears to be weak, but should be strengthened with the implementation of the above mentioned recommendations.

RB:ya

**Justice Of The Peace No. 3**  
**MONTHLY BOND REPORT**  
**FEBRUARY 2010**

3/11/2010

213 000021			Amount	Amount	Amount
Name	Date	Case #	of Bond	Forfeited	Refunded
<b>Prior Months</b>					
WELCH KEVIN CARL	11/13/03	303-07626	74.00		
AGUILAR SERGIO A	10/23/03	303-1790	395.00		
Cuen, Alberto	10/20/05	303-4968	396.00		
Perez, Malinda	01/11/06	305-22758	138.00		
Garcia-Salazar, Alejandro	01/20/06	305-17005FTA	250.00		
Oropeza, Hipolito	02/16/06	305-20517FTA	250.00		
Oropeza, Hipolito	02/16/06	305-20517	229.00		
Urbina, Franco Fernando	05/11/06	306-0418CR	500.00		
Dykema-Black, Paul	06/07/06	306-1433	148.00		
Hernandez-Ledezma,	07/21/06	306-2583	183.00		
Enriquez, Consuelo	10/27/06	306-0295JM	178.00		
Enriquez, Alfonso	10/27/06	306-0295JF	178.00		
Valenzuela, Sandra Lucia	10/17/06	305-0206JM	550.00		
Ponce, Patricia	11/16/06	306-0268JMFTA	250.00		
Ponce, Patricia	11/16/06	306-0268JM	228.00		
Ponce, Patricia	11/16/06	306-0596CRFTA	250.00		
Varela, Maria Del	03/22/07	307-0161JMFTA	250.00		
Varela, Maria Del	03/22/07	307-0161JM	550.00		
OLIVAS, DAVID	05/08/07	304-13890	149.00		
Rubio, Alfredo	06/07/07	305-20164FTA	250.00		
Rubio, Alfredo	06/07/07	305-20164	184.00		
DE LEON, BRENDA	08/28/07	307-0291JMFT	250.00		
SAPIEN, YVONNE MARIE	02/05/08	307-0172CRFTA	250.00		
HERNANDEZ EMILIANO	03/05/08	302-0079FTA	250.00		
HERNANDEZ LUCIA	05/27/08	307-0804CRFTA	250.00		
MALDONADO-AVILA RA	06/09/08	307-0355	352.90		
MALDONADO-AVILA RA	06/09/08	307-0355fta	250.00		
VILLA-LOBATOS ALFR	06/27/08	307-0828	283.00		
VILLA-LOBATOS ALFR	06/27/08	307-0828fta	250.00		
DAVIS, MARK	07/02/08	307-2936	199.00		
DAVIS, MARK	07/02/08	307-2936FTA	230.00		
ESCOTO-JIMENEZ, JES	07/17/08	307-1426	283.00		
ESCOTO-JIMENEZ, JES	07/17/08	307-1426FTA	250.00		
GALLEGOS-BUGARINI,	09/04/08	307-2899	286.00		
REYES-GERARDO, ALEJ	09/18/08	307-2773FTA	250.00		
REYES-GERARDO, ALEJ	09/18/08	307-2773	283.00		
DIAZ, JESUS	10/10/08	307-5401	183.00		
DIAZ, JESUS	10/10/08	307-5400	249.00		
Evangelista-Alvarez	07/23/09	305-21473FTA	325.00		
Evangelista-Alvarez	07/23/09	305-22956FTA	325.00		
Evangelista-Alvarez	07/23/09	305-22956	302.90		
Evangelista-Alvarez	07/23/09	305-21473	282.00		
<b>HERNANDEZ MARIA</b>	<b>10/07/09</b>	<b>309-0418JMFTA</b>	<b>250.00</b>		
<b>ORTIZ-NUNEZ MANUEL</b>	<b>11/03/09</b>	<b>307-1775</b>	<b>333.40</b>		
ORTIZ-NUNEZ MANUEL	11/03/09	307-1775FTA	250.00		
ALEMAN-REYES VICENTE	11/10/09	307-3104FTS	325.00		
ALEMAN-REYES VICENTE	11/10/09	307-3104	367.90		
Rodriguez, Arali	<b>01/11/10</b>	<b>305-21787FTA</b>	<b>250.00</b>		
Rodriguez, Arali	01/11/10	305-21787	158.00		

Bonds



**Justice Of The Peace No. 3  
MONTHLY BOND REPORT  
FEBRUARY 2010**

3/11/2010

213 000021					
Name	Date	Case #	Amount of Bond	Amount Forfeited	Amount Refunded
CORDERO, SAMUEL	01/11/10	309-4256FTA	250.00		
CORDERO, SAMUEL	01/11/10	309-4255FTA	250.00		
CORDERO, SAMUEL	01/11/10	309-4256	282.00		
CORDERO, SAMUEL	01/11/10	309-4255	449.00		
WINGO, CRYSTAL	01/11/10	310-0064	187.00		
GASCA, SERGIO LOPEZ	01/13/10	309-3927	187.00		
RAMOS, DELIA	01/20/10	307-1118CR	400.40		
MEDRANO-REYES, JUAN	01/20/10	307-5105	352.90		
MEDRANO-REYES, JUAN	01/20/10	307-5105FTA	250.00		
SALIDO, ISAC	01/22/10	308-5375	204.10		
SALIDO, ISAC	01/22/10	308-5374	483.60		
<b>Totals</b>			16,411.10	0.00	0.00
<b>CURRENT MONTH :</b>	<b>Jan-10</b>				
<b>NEW BONDS COLLECTED BY J</b>	<b>Receipt</b>			<b>Amount Forfeited</b>	<b>Amount Refunded</b>
	<b>Date</b>	<b>Case #</b>			
Acosta, Armando	02/16/10	309-3922	157.00		
Ponce, Isabel	02/19/10	310-0364	372.00		
Ponce, Isabel	02/19/10	310-0363	249.00		
Gardea, Margarita	02/22/10	303-8492	128.70		
Gardea, Margarita	02/22/10	303-8489	167.70		
Gardea, Margarita	02/22/10	303-8487	128.70		
Gardea, Margarita	02/22/10	303-8486	401.70		
<b>Total prior month Bonds.</b>			16,411.10		
<b>Less: Prior Months Bonds Forfeited</b>			0.00		
<b>Less: Prior Months Bonds Refunded</b>			0.00		
<b>Balance of Prior Months Bonds Pending</b>					16,411.10
<b>Current Month Bonds Received</b>				1,604.80	
<b>Less: Current Month Bonds Forfeited</b>				0.00	
<b>Less: Current Month Bonds Refunded</b>				0.00	
<b>Balance of Current Month Bonds Pending</b>					1,604.80
<b>Total Bonds Pending:</b>					<b>18,015.90</b>
<b>Total amount of bonds refunded</b>			0.00		
<b>Total amount of bonds forfeited</b>			0.00		

Bonds



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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09-20

September 17, 2010

The Honorable Guadalupe Aponte  
Justice of the Peace, Precinct Number 3  
500 E. San Antonio, Suite 308  
El Paso, Texas 79901

Dear Judge Aponte:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal audit supervisor, dated September 17, 2010 is attached. This memorandum is a report on a review of your financial records. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:SP:ya

Attachment



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09-21

MEMORANDUM

*Edward A. Dion*  
TO: EDWARD A. DION, COUNTY AUDITOR  
*Teresa Molinar*  
THRU: TERESA MOLINAR, OPERATIONS MANAGER  
*Sylvia Pacheco*  
FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR  
DATE: SEPTEMBER 17, 2010  
SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 3,  
FINANCIAL RECORDS

**Overview**

A review of the financial records for the Justice of the Peace, Precinct Number 3, has been completed. The objective of this review was to verify the information contained within the Justice of the Peace's financial reports. These financial reports, generated off the Justice Information Management System (JIMS), are a recapitulation of all transactions that occurred during each month.

**Scope and Purpose**

The scope and purpose of the review consisted of the following:

1. The constable manual receipts were traced to JIMS to ensure that transactions were accounted for properly.
2. Dismissed cases were reviewed to ensure that supporting documentation was included to support the dismissal of the case.
3. Cash balancing procedures were reviewed to ensure that proper internal controls are in place.

**General**

1. Observation: It was noted that Justice of the Peace personnel will occasionally work at the International Bridge in an attempt to collect on outstanding warrants. The clerk does not receipt the payments in JIMS upon payment acceptance. The clerk will issue a constable manual receipt to the defendant as proof of payment.

Corrective Action/Recommendation: It is recommended that the court coordinator review the constable manual receipts to ensure that all transactions are accounted for, especially the transactions being processed at the International Bridge. It is further recommended that collections be receipted in JIMS upon payment acceptance.

2. Observation: Upon review of the constable manual receipts, the following items were noted:

- Five receipts could not be traced to JIMS.
- Manual receipt number 13201 was issued on December 10, 2009 in the amount of \$478.40, which pertained to a case for precinct number five. It was explained that the money was kept in the safe for an extended period of time. In August 2010, Justice of the Peace personnel realized that they still had the money in the safe. The payment was sent to the respective Justice of the Peace and was receipted in JIMS on August 25, 2010; ultimately eight months later.

Corrective Action/Recommendation: It is recommended that due care be exercised in receipting transactions in JIMS. Collections pertaining to other precincts should be sent promptly for receipting of payment in JIMS.

3. Observation: While reviewing the dismissed cases the following items were noted:

- In several instances, the supporting documentation to justify the dismissals could not be located.
- In several instances, the motions to dismiss were not signed by the Judge.
- It appears that there is no supervisory review to verify the legitimacy of the dismissals.

Corrective Action/Recommendation: It is recommended that supporting documentation be scanned in JIMS for safekeeping and accessible for review. It is further recommended that the court coordinator obtain from the County's Information Technology Department a listing of dismissed cases and review the list to ensure that dismissed cases are being dismissed properly and that all authorized signatures are obtained.

4. Observation: While reviewing the cash balancing procedures, it was noted that the clerks do not prepare a cash count sheet per clerk at the end of the day to reconcile the daily collections; instead the court coordinator prepares one in the aggregate.

Corrective Action/Recommendation: It was recommended that clerks complete a cash count sheet to reconcile the daily collections. The Justice of the Peace has agreed to implement this measure.

5. Observation: It was noted that the office does not have a change fund to provide change to defendants. Clerks frequently had to request change from each other in order to provide change to the defendant. If not enough change was available, then the defendant was asked to go to the County Clerk's Office to obtain change.

Corrective Action/Recommendation: It is recommended that the Justice of the Peace establish a change fund for the office. It is further recommended that each clerk be provided a change fund every morning to avoid commingling of funds. The Justice of the Peace must obtain Commissioners Court approval in order to establish a change fund.

**Summary**

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. The internal control structure of the Justice of the Peace, Precinct Number 3, appears to be weak, but should be strengthened with the implementation of the above mentioned recommendations.

SP:ya

**Justice of the Peace,  
Precinct No. 4**



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04-64

April 29, 2010

The Honorable Rosalio Munoz, Jr.  
Justice of the Peace, Precinct Number 4  
1219 Barranca, Suite B  
El Paso, Texas 79925

Dear Judge Munoz:

A copy of a memorandum from Ms. Ruth Bernal, internal auditor, dated April 29, 2010 is attached. This memorandum is a report on a review of your financial records for August 2009 through March 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Ms. Bernal.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:RB:ya

Attachment




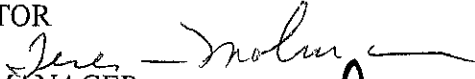
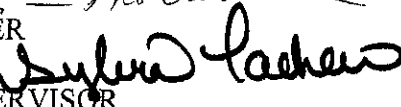

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04-65

MEMORANDUM

  
TO: EDWARD A. DION, COUNTY AUDITOR  
THRU: TERESA MOLINAR, OPERATIONS MANAGER   
THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR   
FROM: RUTH BERNAL, INTERNAL AUDITOR   
DATE: APRIL 29, 2010  
SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 4, FINANCIAL RECORDS FOR AUGUST 2009 THROUGH MARCH 2010

A review of the financial records for the Justice of the Peace, Precinct Number 4, from August 2009 through March 2010 has been completed. The objective of this review was to verify the information contained within the Justice of the Peace's financial reports. These financial reports, generated from the Justice Information Management System (JIMS), are a recapitulation of all transactions that occurred during each month.

**Scope and Purpose**

The scope and purpose of the review consisted of the following:

1. A surprise cash count was performed on April 7, 2010 in accordance with *Local Government Code §115.0035*. No discrepancies were noted.
2. Deposit warrants were compared to daily balance reports in order to verify that collections were deposited in accordance with *Local Government Code §113.022* and properly posted on the Financial Accounting Management Information System (FAMIS).
3. All necessary schedules were prepared for the appropriate allocation of court costs.
4. A sample of 15 cases, or two percent out of 759 criminal cases with dismissed disposition was reviewed to verify supporting documentation and proper disposition of the cases.
5. A sample of 12 cases, or eight percent out of 163 criminal cases with driver safety course disposition was reviewed to verify that the certificate was received or fine was paid.
6. A sample of 29 cases, or one percent out of 3,613 criminal cases was reviewed to verify that proper court costs were assessed.



7. Criminal cases were reviewed for the implementation of the new fee Texas Law Enforcement Officer Fund (TLEOF) that was effective January 1, 2010.
8. Civil cases were reviewed to verify that the increment of the Indigent Legal Services (IND) fee from \$2.00 to \$6.00 that went into effect on January 1, 2010 was updated on JIMS. Minimal discrepancies were noted.
9. Manual receipt books were reviewed to ensure that they are completed properly, cross-referenced to JIMS and to verify the posting and timeliness of transactions.
10. Previous memorandum was reviewed for implementation of prior recommendations.

### General

1. Observation: It was noted that on a couple of cases, credit card payments were accepted to post bonds. It was also noted that a refund that was processed through the defendant's credit card on December 28, 2009 was posted in JIMS on January 26, 2010. Upon review of the cash count sheet and the JIMS daily balance report for December 28, 2009, it was noted that the clerk did not balance the days' collections correctly. The clerk was out of balance \$158.00, since the refund was not posted in JIMS the same day it was processed. The clerk did not balance the Link2Gov summary transaction report to the JIMS daily balance report. Consequently, it appears that the clerk was in balance.  
Corrective Action/Recommendation: It is recommended that credit cards not be accepted for posting bonds. It is further recommended that the Link2Gov summary report be reconciled to the JIMS daily balance report to ensure that all transactions are posted and accounted for in JIMS.
2. Observation: While reviewing the dismissed cases, it was noted that a couple of cases contained a guilty and not guilty judgment. The judgment should reflect as dismissed.  
Corrective Action/Recommendation: It is recommended that due care be exercised when closing the cases and that the information be properly posted in JIMS in order to reflect the correct judgment.
3. Observation: It was noted that on one case, the defendant was allowed to take the defensive driving course; however, the citation was issued for speeding at 90 miles per hour (mph) on a 60 mph zone. According to *Code of Criminal Procedure § 45.0511*, copy attached, a defensive driving course cannot be taken if speeding over 25 mph or more over the posted speed limit.  
Corrective Action/Recommendation: It is recommended that due care be exercised, and not allow the defendants to take the defensive drive course when an impermissible condition exists.
4. Observation: It was noted that in several instances, the docket supporting documentation was not scanned, as it was indicated on JIMS' events field.  
Corrective Action/Recommendation: It is recommended that due care be exercise when processing the cases and scan all necessary supporting documentation.

5. Observation: While reviewing a sample of criminal cases, it was noted that on some cases the offense description was changed. It was further noted that offense codes were added to the list of the offenses listed on JIMS; however, those offenses were already listed. There was an offense that was added up to nineteen times.  
Corrective Action/Recommendation: It is recommended that the offense description not be changed. It is further recommended that the offense codes that are already listed on JIMS be utilized.
6. Observation: While reviewing the manual receipts, it was noted that the manual receipt number was not cross referenced in JIMS and the JIMS receipt number was not cross referenced on the manual receipt.  
Corrective Action/Recommendation: It is recommended that the JIMS generated receipt number be cross referenced on the manual receipt, and the manual receipt number should be cross referenced in JIMS. It is also recommended that manual receipts be legible, completely filled, and accurate information be documented. It is further recommended that the Justice of the Peace establish policies and procedures for writing, voiding, safekeeping, and reviewing of manual receipts.

#### **Review of Past Memoranda**

7. Observation: Upon review of the fee structure, it was noted that the new TLEOF fee has not been added on some offenses. Also, it was previously recommended that office management review the fee structure periodically to ensure that the correct fees are assessed. This measure has not been implemented.  
Corrective Action/Recommendation: It is strongly recommended that the fee structure be reviewed to ensure that the correct fees are assessed.
8. Observation: It was previously recommended that bonds be forfeited upon receipt of the court judgment so that the allocation of court costs and fines are distributed to the County and the State in a timely manner. Currently, there are six bonds received before July 2009 with a judgment that the Auditor's Office has not received any notice if the cases are going to be forfeited or refunded.  
Corrective Action/Recommendation: It is strongly recommended that these bonds be processed as soon as possible. Attached is a copy of the bond schedule.

#### **Summary**

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. The internal control structure of the Justice of the Peace, Precinct Number 4, continues to appear weak, but it should be strengthened with the implementation of the above mentioned recommendations.

**JUSTICE OF THE PEACE, PRECINCT 4**  
**BOND SCHEDULE (SUB-SIDIARY BALANCE 213-000022)**  
**MARCH 2010**

<b>Previous Mths:</b>		<u>Bond</u>	<u>Forfeited</u>	<u>Refunded</u>	<u>Month Received</u>	<u>Mth Forfeited or Refunded</u>
401-9781C	Garcia, Luis Lorenzo	90.00			Jun-03	
401-9780C	Garcia, Luis Lorenzo	90.00			Jun-03	
402-4022C	Garcia, Luis Lorenzo	160.00			Jun-03	
409-1122C	Maldonado Cristobal	227.00			05/12/09	
409-1122FTA	Maldonado Cristobal	250.00			05/12/09	
407-3067C	Diaz, Norma Angelica	203.00			07/16/09	
409-2122FTA	Jimenez, Danila	250.00			11/02/09	
402-6066FTA	Jimenez, Danila	615.00			11/02/09	
402-6066C	Jimenez, Danila	145.00			11/02/09	
402-6065C	Jimenez, Danila	145.00			11/02/09	
409-2122C	Jimenez, Danila	163.00			11/02/09	
402-6065FTA	Jimenez, Danila	615.00			11/02/09	
408-401C	Watson, Wyatt M	228.00		228.00	11/19/09	
408-401FTA	Watson, Wyatt M	222.00		222.00	11/19/09	
409-1983C	Draper, Michael Hug	368.00			11/23/09	
409-1983C	Draper, Michael Hug	158.00			11/23/09	
408-2282C	Morales, Alonso	158.00			12/16/09	
408-2283C	Morales, Alonso	158.00			12/16/09	
408-2282FTA	Morales, Alonso	250.00			12/16/09	
409-3481C	Amato, Brandon Mich	163.00			02/03/10	
409-3482C	Amato, Brandon Mich	133.00			02/03/10	
409-3481FTA	Amato, Brandon Mich	250.00			02/03/10	
409-4009C	Raya, Brian	158.00			02/22/10	
409-4010C	Raya, Brian	368.00			02/22/10	
409-4011C	Raya, Brian	158.00			02/22/10	
409-4009FTA	Raya, Brian	250.00			02/22/10	

5,975.00      0.00      450.00

**Current Month:** MARCH

410-1010TS	Alvarado, Marc Anth	650.00			03/01/10
410-1010TS/FTA	Alvarado, Marc Anth	220.00			03/01/10
409-7715TS	Marquez, David	650.00			03/02/10

5,525.00

Balance of Bonds Pending Prior Months:	5,975.00
Less: Prior Months Bonds Forfeited:	(450.00)
Less: Prior Months Bonds Refunded:	(450.00)
Balance of Prior Months Bonds Pending	5,525.00

Current Month Bonds Received:	1,520.00
Current Month Bonds Forfeited:	0.00
Current Month Bonds Refunded:	0.00
Current Month Bonds Pending:	1,520.00

**Total Bonds Pending** **7,045.00**

Art. 45.0511. DRIVING SAFETY COURSE OR MOTORCYCLE OPERATOR COURSE DISMISSAL PROCEDURES. (a) Except as provided by Subsection (a-1), this article applies only to an alleged offense that:

- (1) is within the jurisdiction of a justice court or a municipal court;
- (2) involves the operation of a motor vehicle; and
- (3) is defined by:
  - (A) Section 472.022, Transportation Code;
  - (B) Subtitle C, Title 7, Transportation Code; or
  - (C) Section 729.001(a)(3), Transportation Code.

(a-1) If the defendant is younger than 25 years of age, this article applies to any alleged offense that:

- (1) is within the jurisdiction of a justice court or a municipal court;
- (2) involves the operation of a motor vehicle; and
- (3) is classified as a moving violation.

(b) The judge shall require the defendant to successfully complete a driving safety course approved by the Texas Education Agency or a course under the motorcycle operator training and safety program approved by the designated state agency under Chapter 662, Transportation Code, if:

- (1) the defendant elects driving safety course or motorcycle operator training course dismissal under this article;
- (2) the defendant:
  - (A) has not completed an approved driving safety course or motorcycle operator training course, as appropriate, within the 12 months preceding the date of the offense; or
  - (B) does not have a valid Texas driver's license or permit, is a member, or the spouse or dependent child of a member, of the United States military forces serving on active duty, and has not completed a driving safety course or motorcycle operator training course, as appropriate, in another state within the 12 months preceding the date of the offense;
- (3) the defendant enters a plea under Article 45.021 in person or in writing of no contest or guilty on or before the answer date on the notice to appear and:
  - (A) presents in person or by counsel to the court a request to take a course; or

(B) sends to the court by certified mail, return receipt requested, postmarked on or before the answer date on the notice to appear, a written request to take a course;

(4) the defendant:

(A) has a valid Texas driver's license or permit; or

(B) is a member, or the spouse or dependent child of a member, of the United States military forces serving on active duty;

(5) the defendant is charged with an offense to which this article applies, other than speeding at a speed of:

(A) 95 miles per hour or more; or

(B) 25 miles per hour or more over the posted speed limit; and

(6) the defendant provides evidence of financial responsibility as required by Chapter 601, Transportation Code.

(c) The court shall enter judgment on the defendant's plea of no contest or guilty at the time the plea is made, defer imposition of the judgment, and allow the defendant 90 days to successfully complete the approved driving safety course or motorcycle operator training course and present to the court:

(1) a uniform certificate of completion of the driving safety course or a verification of completion of the motorcycle operator training course;

(2) unless the judge proceeds under Subsection (c-1), the defendant's driving record as maintained by the Department of Public Safety, if any, showing that the defendant had not completed an approved driving safety course or motorcycle operator training course, as applicable, within the 12 months preceding the date of the offense;

(3) an affidavit stating that the defendant was not taking a driving safety course or motorcycle operator training course, as applicable, under this article on the date the request to take the course was made and had not completed such a course that is not shown on the defendant's driving record within the 12 months preceding the date of the offense; and

(4) if the defendant does not have a valid Texas driver's license or permit and is a member, or the spouse or dependent child of a member, of the United States military forces serving on active

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COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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COUNTY AUDITOR  
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County Administrative Offices  
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EL PASO, TEXAS 79901-2407  
(915) 546-2040  
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07-33

July 15, 2010

The Honorable Rosalio Munoz, Jr.  
Justice of the Peace, Precinct Number 4  
1219 Barranca, Suite B  
El Paso, Texas 79925

Dear Judge Munoz:

A copy of a memorandum from Mrs. Gaby Paredes-Ferro and Mr. Rene Balderrama, internal auditors, dated July 15, 2010 is attached. This memorandum is a report on a review of your financial records for April 2010 through June 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Paredes-Ferro and Mr. Balderrama.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edward A. Dion".

Edward A. Dion  
County Auditor

EAD:RB:rao

Attachment




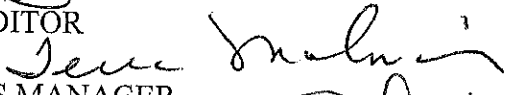
COUNTY OF EL PASO  
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MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

FROM: GABY PAREDES-FERRO, INTERNAL AUDITOR  
RENE BALDERRAMA, INTERNAL AUDITOR 

DATE: JULY 15, 2010

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 4,  
FINANCIAL RECORDS FROM APRIL 2010 THROUGH JUNE 2010

**Overview**

A review of the financial records for the Justice of the Peace, Precinct Number 4, from April 2010 through June 2010 has been completed. The objective of this review was to verify the accuracy of information contained in the financial reports of the Justice of the Peace. The financial reports, generated off the Justice Information Management System (JIMS), are a recapitulation of all transactions that occurred during each month. In addition, an inventory of the fixed assets was conducted by the Purchasing Department.

**Scope and Purpose**

The scope and purpose consisted of:

1. The operating procedures were reviewed to ensure effective internal controls are in place.
2. Deposit warrants were reconciled to the daily balance reports. The cash count sheets were reviewed and compared to the deposit warrants and monthly schedules of obligations were prepared for the appropriate allocation of court costs.
3. A surprise cash count was performed on June 29, 2010, in accordance with the *Texas Local Government Code §115.0035*.



4. The daily bank deposit log was reviewed to ensure that the daily collections are recorded and deposited in a timely manner.
5. The manual receipt book was reviewed to ensure that receipts were posted in JIMS in a timely manner.
6. The mail log was reviewed to ensure that mailed payments were posted in JIMS in a timely manner.
7. A sample of dismissed cases was reviewed to ensure that supporting documentation was included to support the dismissal of the case.
8. A sample of 32, or eight percent of 392 future-dated or back-dated transactions was reviewed to determine the legitimacy of the transactions and ensure that supporting documentation was included to justify the transaction.
9. Previous memoranda were reviewed for implementation of prior recommendations.

**General**

1. Observation: It was noted that there are 13 items that were not located during the physical inventory conducted by the Purchasing Department. A copy of the missing inventory items was sent to the Justice of the Peace on July 14, 2010, copy attached.  
Corrective Action/Recommendation: It is recommended that the inventory items not located during the physical inventory review be located immediately. It is further recommended that the department periodically review the physical inventory and the items not located be reported to the Purchasing Department for review.
2. Observation: It was noted that the operating procedures manual was not available for the internal auditor to review on June 29, 2010. It was explained that, Ms. Yolanda Enriquez, Court Coordinator, safeguards the operating procedures manual in her office. Ms. Enriquez's office was locked; therefore, the operating procedures manual could not be obtained. Furthermore, one of the clerks indicated that a copy was at home and was not available to review.  
Corrective Action/Recommendation: It is recommended that the operating procedures manual always be available for employees to use as a reference.
3. Observation: While doing the security vault search, it was noted that a check payable to Judge Felix Saldivar, dated January 29, 1990, was being held. Upon inquiry, it was explained that this is a campaign contribution that Judge Saldivar never picked up. There seems to have been no further attempt to return the check either to the payor or payee.  
Corrective Action/Recommendation: It is recommended that if all attempts to contact the payor or payee have failed, the check should be voided.

4. Observation: While performing the cash count, it was noted a clerk had a \$2 shortage. After bringing this to the clerk's attention, she immediately contacted the Constable for more information. It was noted that the Constable should have collected \$618.00; however, he only collected \$616.00. A few minutes later the Constable came into the office to pay for the \$2 difference.  
Corrective Action/Recommendation: It is recommended that due care be exercised when accepting payments from the defendants or Constables to ensure correct amount is being collected.
5. Observation: While reviewing the manual receipts, it was noted that two receipts were issued incomplete.  
Corrective Action/Recommendation: It is recommended that all manual receipts include the case number, the amount paid, and the method of payment with a reference number, to ensure correct supporting documentation is saved to the defendant's file.
6. Observation: Upon review of the incoming mail procedures, the following items were noted:
  - The receptionist opens the mail and logs it in the mail log.
  - The receptionist distributes the mail according to the respective division.Corrective Action/Recommendation: In order to improve the internal control structure of processing the mail, it is recommended that two employees should simultaneously open and log in the mail. The mail log should document the date received, payor, the check amount, the signature of employees opening and logging in the mail, the case number, the JIMS receipt number, the date transaction was posted in JIMS, the signature of employee posting the payment in JIMS, and the signature of the reviewer. The log should not be limited to the suggested recommendations. A sample of a proposed log is attached.
7. Observation: While reviewing the mail log it was noted that there were a few discrepancies between the log and JIMS; the discrepancies included unmatched amounts, different names, and a check number discrepancy.  
Corrective Action/Recommendation: It is recommended that due care be exercised when listing the mail on the log; all information must match. It is also recommended that the attached mail log take effect immediately to avoid any more discrepancies.
8. Observation: Upon review of the sample of dismissed cases, it was noted that although 83 percent of the cases did include supporting documentation, 24 percent of those cases did not include documentation of the judge's signature to validate the dismissal. Furthermore, out of the 65 cases sampled, eight did not provide any supporting documentation scanned on JIMS, two cases were entered twice in JIMS and one case number was incomplete.  
Corrective Action/Recommendation: It is recommend that due care be exercised to ensure that all supporting documentation is scanned.

9. Observation: It was noted that deposit slip number 21212497 dated June 24, 2010, in the amount of \$4,100.40 was completed incorrectly. The deposit slip indicated that \$30.00 in coin was deposited. The correct amount should have been noted as \$.30. A bank correction of \$29.70 was processed by the bank. Additionally, the bank charges the County \$5.00 per correction.  
Corrective Action/Recommendation: It is recommended that the clerks exercise due care in preparing bank deposits. It is further recommended that the deposit be verified by two employees to avoid bank corrections and charges.
10. Observation: In reconciling the deposit warrants with the daily balance reports, it was noted that the deposit for July 28, 2009 was over \$83. Manual receipt number 57784 was issued on July 28, 2009, for \$83 and was not credited to the corresponding case in JIMS. Ms. Enriquez explained that the funds were not posted in JIMS since the amount collected was short \$20. Additionally, Ms. Enriquez explained that the defendant was notified of the amount pending.  
Corrective Action/Recommendation: It is recommended that office staff exercise due care in processing transactions in JIMS to ensure that accurate fees are collected and posted in JIMS. In addition, the supervisor should review the daily balance report and cash count sheets to ensure the clerks are balancing. It is further recommended that if office staff is not sure on the assessment of court costs for a particular case, they should request guidance and instruction from the immediate supervisor to resolve these issues. Most importantly, it is recommended that the collections be posted in JIMS upon acceptance.
11. Observation: In reviewing the daily bank deposit log, no discrepancies were noted.
12. Observation: In reviewing all 108 cases for the violations of expired drivers license and failure to maintain financial responsibility (violation codes 9 and 17, respectively), it was noted that 100 percent of the cases were assessed both the State Traffic Fine (STF) \$30 and the State Traffic Uniform Act (TFC) \$3 fee; therefore, the Justice of the Peace over collected \$3,564. According to the Justice Court manual these State fees do not apply to these violations.  
Corrective Action/Recommendation: It is recommended that office management review the fee structure periodically to ensure that the correct fees are assessed. This will ensure that the distribution of fees to the State and County are accurate.
13. Observation: While reviewing the future-dated or back-dated transactions, the following items were noted:
- There are a total of 392 cases that contain back-dated or future-dated transactions. A listing of these transactions was provided to the court coordinator on July 6, 2010.
  - There are an additional 24 transactions which contain a future-dated citation date. A listing of these transactions was provided to the court coordinator on July 6, 2010.

- In many cases, the back-dated transactions were created by jail time credit transactions.

Corrective Action/Recommendation: It is recommended that the court coordinator periodically obtain a future-dated and back-dated transaction report to review the legitimacy of the transactions.

14. Observation: While review the requirements for jail time credit transactions, the following items were noted:

- There is no set procedure on the required documentation relating to the jail time credit transactions.
- There is no review process for these types of transactions.
- In several cases, there was no supporting documentation to justify the jail time credit and back-dating of transaction.

Corrective Action/Recommendation: It is recommended that written procedures be developed to address the jail time credit transactions. The procedures should identify the required documentation needed to support the transaction. Furthermore, it is recommended that Justice of the Peace personnel exercise due care in posting transactions in JIMS.

#### **Review of Past Memoranda**

15. Observation: It is again noted that as of the date of this memorandum, bonds totaling \$7,447.10 are still pending to be forfeited in JIMS. The events screen in JIMS indicates that a judgment to forfeit is on file. This item was previously noted on May 12, 2009, January 13, 2009, August 25, 2008, May 1, 2008, and September 21, 2007 memoranda.

Corrective Action/Recommendation: It is again recommended that bonds be forfeited upon receipt of the court judgment so that the allocation of court costs and fines are distributed to the County and the State in a timely manner. On August 13, 2009, and again on June 29, 2010, a list of bonds to be forfeited was provided to Ms. Enriquez.

#### **Summary**

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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Based on this review, the internal control structure of the Justice of the Peace, Precinct Number 4 appears to be extremely weak, but should be strengthened with the implementation of the above mentioned recommendations.

RB:rao



Inventory Detail Report

Inventory Id: 0000000271

STATUS - ORIGINAL	BARCODE	SCAN LOCATION	FAACS LOCATION	VALUE	DESCRIPTION
Not Found	yes 0039266		JP4 - ADMN	\$250.00	COMPUTER SOFTWARE-PC 3 1/2" WORDPERFEC
Not Found	yes 0065134		JP4 - ADMN	\$144.00	CHAIR-STENO FABRIC/METAL BROWN
Not Found	yes 0078728A		JP4 - ADMN	\$795.00	COMPUTER MAINFRAME CONTROLLER
Not Found	yes 0086385		JP4 - ADMN	\$1.00	COMPUTER PRINTER JET DIRECT EX PLUS
Not Found	yes 0090994		JP4 - ADMN	\$1,069.00	COMPUTER PC BASE
Not Found	yes 0091006		JP4 - ADMN	\$1,069.00	COMPUTER PC BASE
Not Found	yes 0094939		JP4 - ADMN	\$203.00	COMPUTER PRINTER ACCESSORY JET DIRECT E
Not Found	yes 0100410		JP4 - ADMN	\$773.00	COMPUTER MULTIPURPOSE MACHINE OFFICE JI
Not Found	yes 0108976		JP4 - ADMN	\$49.95	SURGE ARREST
Not Found	yes 0109379		JP4 - ADMN	\$28.48	FILE BOX PORTABLE BLACK GRANITE
Not Found	yes 127832		JP4 - ADMN	\$1.00	COMPUTER BASE MONITOR 17" FLAT SCREEN
Not Found	yes 136214		JP4 - ADMN	\$312.75	FILE CABINET LATERAL PUTTY 5 DRW
Not Found	yes 137403		JP4 - ADMN	\$960.00	CALLPILOT 2 PORT 4 CHANNEL
Found	yes 0033122	JP4 - ADMN	JP4 - ADMN	\$159.41	FILE CABINET LEGAL GRAY 2 DRW/CASTERS
Found	yes 0054461	JP4 - ADMN	JP4 - ADMN	\$373.33	CHAIR-SIDE FABRIC/WOOD BLUE/ROSE ARMS
Found	yes 0054481	JP4 - ADMN	JP4 - ADMN	\$373.33	CHAIR-SIDE FABRIC/WOOD BLUE/ROSE ARMS
Found	yes 0054528	JP4 - ADMN	JP4 - ADMN	\$373.33	CHAIR-SIDE FABRIC/WOOD BLUE/ROSE ARMS
Found	yes 0054530	JP4 - ADMN	JP4 - ADMN	\$373.33	CHAIR-SIDE FABRIC/WOOD BLUE/ROSE ARMS
Found	yes 0054544	JP4 - ADMN	JP4 - ADMN	\$373.33	CHAIR-SIDE FABRIC/WOOD BLUE/ROSE ARMS
Found	yes 0065137	JP4 - ADMN	JP4 - ADMN	\$397.20	CHAIR-EXECUTIVE FABRIC/WOOD BROWN
Found	yes 0065138	JP4 - ADMN	JP4 - ADMN	\$1,250.00	BENCH-JUDGES WOOD WALNUT 95"X47"X36"1/4 DF
Found	yes 0065139	JP4 - ADMN	JP4 - ADMN	\$550.00	STAND-WITNESS WOOD WALNUT 39"X27"X34"
Found	yes 0065140	JP4 - ADMN	JP4 - ADMN	\$550.00	STAND-WITNESS WOOD WALNUT 39"X27"X34"
Found	yes 0065141	JP4 - ADMN	JP4 - ADMN	\$722.00	CABINET-DOCKET METAL GREEN 30"X14"X17/36"
Found	yes 0065142	JP4 - ADMN	JP4 - ADMN	\$722.00	CABINET-DOCKET METAL GREEN 30"X14"X17/36"
Found	yes 0065143	JP4 - ADMN	JP4 - ADMN	\$642.00	CABINET-DOCKET METAL GREEN 24 DRW
Found	yes 0065144	JP4 - ADMN	JP4 - ADMN	\$642.00	CABINET-DOCKET METAL GREEN 24 DRW
Found	yes 0065145	JP4 - ADMN	JP4 - ADMN	\$722.00	CABINET-DOCKET METAL GREEN 30"X14"X17/36"
Found	yes 0065146	JP4 - ADMN	JP4 - ADMN	\$750.00	SAFE-COMBINATION LOCK GRAY 23"X23"X29"1/1 DI
Found	yes 0066026	JP4 - ADMN	JP4 - ADMN	\$363.87	CHAIR-EXECUTIVE VINYL/WOOD BROWN
Found	yes 0066027	JP4 - ADMN	JP4 - ADMN	\$363.87	CHAIR-EXECUTIVE VINYL/WOOD BROWN
Found	yes 0068703	JP4 - ADMN	JP4 - ADMN	\$459.95	BENCH W/BACK WOOD WALNUT 14"
Found	yes 0068704	JP4 - ADMN	JP4 - ADMN	\$459.95	BENCH W/BACK WOOD WALNUT 14"
Found	yes 0078220	JP4 - ADMN	JP4 - ADMN	\$38.88	BOARD PLANNING 90 DAY DESIGNER LAMINATED
Found	yes 0090997	JP4 - ADMN	JP4 - ADMN	\$373.00	COMPUTER PC MONITOR COLOR 14"
Found	yes 0091012	JP4 - ADMN	JP4 - ADMN	\$595.00	COMPUTER SOFTWARE NETWORK V.4 1/5 USER I
Found	yes 0094222	JP4 - ADMN	JP4 - ADMN	\$631.63	COMPUTER NETWORK HARDWARE CISCO 12 POI
Found	yes 0094637	JP4 - ADMN	JP4 - ADMN	\$827.20	COPY MACHINE

STATUS - ORIGINAL	BARCODE	SCAN LOCATION	FAACS LOCATION	VALUE	DESCRIPTION
Found	yes 0094638	JP4 - ADMIN	JP4 - ADMIN	\$55.00	CHAIR STENO FABRIC METAL BURGUNDY/ARMS
Found	yes 0094639	JP4 - ADMIN	JP4 - ADMIN	\$55.00	CHAIR STENO FABRIC METAL BURGUNDY/ARMS
Found	yes 0094640	JP4 - ADMIN	JP4 - ADMIN	\$55.00	CHAIR STENO FABRIC METAL BURGUNDY/ARMS
Found	yes 0094643	JP4 - ADMIN	JP4 - ADMIN	\$55.00	CHAIR STENO FABRIC METAL BURGUNDY/ARMS
Found	yes 0108939	JP4 - ADMIN	JP4 - ADMIN	\$84.97	2.5 MICROWAVE OVEN, 800 WATTS
Found	yes 0108940	JP4 - ADMIN	JP4 - ADMIN	\$139.97	3.7 CUBIC FOOT REFRIGERATOR WHITE
Found	yes 0108974	JP4 - ADMIN	JP4 - ADMIN	\$470.05	COMPUTER PRINTER
Found	yes 0110630	JP4 - ADMIN	JP4 - ADMIN	\$116.51	VACUUM CLEANER
Found	yes 0111529	JP4 - ADMIN	JP4 - ADMIN	\$64.34	STAPLER-ELECTRIC
Found	yes 0112262	JP4 - ADMIN	JP4 - ADMIN	\$86.00	CHAIR FABRIC
Found	yes 121227A	JP4 - ADMIN	JP4 - ADMIN	\$485.00	RADIOS PHONES MOTOROLA W/BATTERY
Found	yes 121228A	JP4 - ADMIN	JP4 - ADMIN	\$485.00	RADIOS PHONES MOTOROLA W/BATTERY
Found	yes 122586	JP4 - ADMIN	JP4 - ADMIN	\$204.85	CHAIR FABRIC
Found	yes 122587	JP4 - ADMIN	JP4 - ADMIN	\$112.00	FILE CABINET 2 DRWR LEGAL SIZE
Found	yes 125698	JP4 - ADMIN	JP4 - ADMIN	\$1,171.81	COMPUTER BASE PC W/ KEYBOARD AND MOUSE
Found	yes 125699	JP4 - ADMIN	JP4 - ADMIN	\$1.00	COMPUTER BASE MONITOR
Found	yes 125710	JP4 - ADMIN	JP4 - ADMIN	\$1,746.00	COMPUTER PRINTER HP LASERJET 4250DIN
Found	yes 126453	JP4 - ADMIN	JP4 - ADMIN	\$2,895.00	COMPUTER SCANNER W/ADAPTEK 2940 SCSI BO
Found	yes 126474	JP4 - ADMIN	JP4 - ADMIN	\$1,800.00	COMPUTER LAPTOP W/CARRYING CASE
Found	yes 127823	JP4 - ADMIN	JP4 - ADMIN	\$1,291.55	COMPUTER BASE W/KEYBOARD/SPEAKERS/MOL
Found	yes 127824	JP4 - ADMIN	JP4 - ADMIN	\$1.00	COMPUTER BASE MONITOR 17" FLAT SCREEN
Found	yes 127825	JP4 - ADMIN	JP4 - ADMIN	\$1,291.55	COMPUTER BASE W/KEYBOARD/SPEAKERS/MOL
Found	yes 127826	JP4 - ADMIN	JP4 - ADMIN	\$1.00	COMPUTER BASE MONITOR 17" FLAT SCREEN
Found	yes 127827	JP4 - ADMIN	JP4 - ADMIN	\$1,291.55	COMPUTER BASE W/KEYBOARD/SPEAKERS/MOL
Found	yes 127828	JP4 - ADMIN	JP4 - ADMIN	\$1.00	COMPUTER BASE MONITOR 17" FLAT SCREEN
Found	yes 127829	JP4 - ADMIN	JP4 - ADMIN	\$1,291.55	COMPUTER BASE W/KEYBOARD/SPEAKERS/MOL
Found	yes 127830	JP4 - ADMIN	JP4 - ADMIN	\$1.00	COMPUTER BASE MONITOR 17" FLAT SCREEN
Found	yes 127831	JP4 - ADMIN	JP4 - ADMIN	\$1,291.55	COMPUTER BASE W/KEYBOARD/SPEAKERS/MOL
Found	yes 130365	JP4 - ADMIN	JP4 - ADMIN	\$1.00	COMPUTER BASE MONITOR 17" FLAT SCREEN
Found	yes 130366	JP4 - ADMIN	JP4 - ADMIN	\$675.00	RECEIPT PRINTER
Found	yes 130367	JP4 - ADMIN	JP4 - ADMIN	\$675.00	RECEIPT PRINTER
Found	yes 130368	JP4 - ADMIN	JP4 - ADMIN	\$675.00	RECEIPT PRINTER
Found	yes 130369	JP4 - ADMIN	JP4 - ADMIN	\$675.00	RECEIPT PRINTER
Found	yes 133695	JP4 - ADMIN	JP4 - ADMIN	\$1,550.00	COMPUTER PRINTER
Found	yes 133696	JP4 - ADMIN	JP4 - ADMIN	\$5,739.00	COMPUTER SCANNER DR3080CII
Found	yes 133697	JP4 - ADMIN	JP4 - ADMIN	\$5,739.00	COMPUTER SCANNER DR3080CII
Found	yes 133698	JP4 - ADMIN	JP4 - ADMIN	\$5,739.00	COMPUTER SCANNER DR3080CII
Found	yes 133699	JP4 - ADMIN	JP4 - ADMIN	\$5,739.00	COMPUTER SCANNER DR3080CII
Found	yes 133700	JP4 - ADMIN	JP4 - ADMIN	\$2,139.00	COMPUTER SCANNER DR3080CII
Found	yes 133701	JP4 - ADMIN	JP4 - ADMIN	\$146.99	COMPUTER WORKSTATION
Found	yes 133702	JP4 - ADMIN	JP4 - ADMIN	\$75.96	PAPER SHREDDER
Found	yes 133703	JP4 - ADMIN	JP4 - ADMIN	\$105.90	CHAIR STENO BLACK W/CASTERS
Found	yes 134478	JP4 - ADMIN	JP4 - ADMIN	\$322.85	FILE CABINET-LEGAL BONE 5 DRW
Found	yes 134479	JP4 - ADMIN	JP4 - ADMIN	\$164.91	FILE CABINET-LEGAL BONE 4 DRW/LOCK
Found	yes 134997	JP4 - ADMIN	JP4 - ADMIN	\$312.75	FILE CABINET
Found	yes 135450	JP4 - ADMIN	JP4 - ADMIN	\$56.83	RUBBERMAID DUAL ACTION SWEEPER
Found	yes 137404	JP4 - ADMIN	JP4 - ADMIN	\$135.00	TRUNK CARTRIDGE

STATUS - ORIGINAL	BARCODE	SCAN LOCATION	FAACS LOCATION	VALUE	DESCRIPTION
Found	yes 140507	JP4 - ADMIN	JP4 - ADMIN	\$3,200.00	COPY MACHINE MULTIPURPOSE
Found	yes 141532	JP4 - ADMIN	JP4 - ADMIN	\$651.92	TELEVISION, INSIGNIA 32" LCD
Found	yes 142130	JP4 - ADMIN	JP4 - ADMIN	\$697.00	FILE CABINET LATERAL 4 DRW METAL
Found	yes 142286	JP4 - ADMIN	JP4 - ADMIN	\$65.55	CHAIR ARMLESS STACKING (ARMETHYST)
Found	yes 142287	JP4 - ADMIN	JP4 - ADMIN	\$65.55	CHAIR ARMLESS STACKING (ARMETHYST)
Found	yes 142288	JP4 - ADMIN	JP4 - ADMIN	\$383.15	CHAIR HI BACK (AMETHYST)
Found	yes 142289	JP4 - ADMIN	JP4 - ADMIN	\$924.88	FILE LATERAL 4 DRW MAHOAGANY
Found	yes 142290	JP4 - ADMIN	JP4 - ADMIN	\$924.88	FILE LATERAL 4 DRW MAHOAGANY
Found	yes 142291	JP4 - ADMIN	JP4 - ADMIN	\$836.92	DESK DOUBLE PEDESTAL MAHOAGANY
Found	yes 142292	JP4 - ADMIN	JP4 - ADMIN	\$1,358.36	CREDENZA WHUTCH, TACKBOARD
Found	yes 142293	JP4 - ADMIN	JP4 - ADMIN	\$795.90	FILE CABINET LATERAL MAHOAGANY
Found	yes 142294	JP4 - ADMIN	JP4 - ADMIN	\$65.55	CHAIR ARMLESS STACKING (CHERRYFIELD)
Found	yes 142295	JP4 - ADMIN	JP4 - ADMIN	\$65.55	CHAIR ARMLESS STACKING (CHERRYFIELD)
Found	yes 142296	JP4 - ADMIN	JP4 - ADMIN	\$65.55	CHAIR ARMLESS STACKING (CHERRYFIELD)
Found	yes 142297	JP4 - ADMIN	JP4 - ADMIN	\$65.55	CHAIR ARMLESS STACKING (CHERRYFIELD)
Found	yes 142298	JP4 - ADMIN	JP4 - ADMIN	\$65.55	CHAIR ARMLESS STACKING (CHERRYFIELD)
Found	yes 142299	JP4 - ADMIN	JP4 - ADMIN	\$383.15	CHAIR HI BACK CHERRYFIELD
Found	yes 142300	JP4 - ADMIN	JP4 - ADMIN	\$383.15	CHAIR HI BACK CHERRYFIELD
Found	yes 142301	JP4 - ADMIN	JP4 - ADMIN	\$383.15	CHAIR HI BACK CHERRYFIELD
Found	yes 142302	JP4 - ADMIN	JP4 - ADMIN	\$383.15	CHAIR HI BACK CHERRYFIELD
Found	yes 142303	JP4 - ADMIN	JP4 - ADMIN	\$383.15	CHAIR HI BACK CHERRYFIELD
Found	yes 142304	JP4 - ADMIN	JP4 - ADMIN	\$383.15	CHAIR HI BACK CHERRYFIELD
Found	yes 142305	JP4 - ADMIN	JP4 - ADMIN	\$383.15	CHAIR HI BACK CHERRYFIELD
Found	yes 142306	JP4 - ADMIN	JP4 - ADMIN	\$383.15	CHAIR HI BACK CHERRYFIELD
Found	yes 142307	JP4 - ADMIN	JP4 - ADMIN	\$1,120.69	CREDENZA WHUTCH,TACK BOARD 4DRW KIT
Found	yes 142308	JP4 - ADMIN	JP4 - ADMIN	\$721.05	DESK SINGLE PED. W/RIGHT RETURN
Found	yes 142309	JP4 - ADMIN	JP4 - ADMIN	\$721.05	DESK SINGLE PED. W/LEFT RETURN
Found	yes 142310	JP4 - ADMIN	JP4 - ADMIN	\$1,120.69	CREDENZA WHUTCH,TACK BOARD 4DRW KIT
Found	yes 142311	JP4 - ADMIN	JP4 - ADMIN	\$721.05	DESK SINGLE PED. W/LEFT RETURN
Found	yes 142312	JP4 - ADMIN	JP4 - ADMIN	\$721.05	DESK SINGLE PED. W/LEFT RETURN
Found	yes 142313	JP4 - ADMIN	JP4 - ADMIN	\$1,120.69	CREDENZA WHUTCH,TACK BOARD 4DRW KIT
Found	yes 142314	JP4 - ADMIN	JP4 - ADMIN	\$825.50	FILE CABINET LATERAL MAHOAGANY 4 DRW
Found	yes 142315	JP4 - ADMIN	JP4 - ADMIN	\$721.05	DESK SINGLE PED. W/LEFT RETURN
Found	yes 142316	JP4 - ADMIN	JP4 - ADMIN	\$825.50	FILE CABINET LATERAL MAHOAGANY 4 DRW
Found	yes 142317	JP4 - ADMIN	JP4 - ADMIN	\$825.50	FILE CABINET LATERAL MAHOAGANY 4 DRW
Found	yes 142318	JP4 - ADMIN	JP4 - ADMIN	\$721.05	DESK SINGLE PED. W/LEFT RETURN
Found	yes 142319	JP4 - ADMIN	JP4 - ADMIN	\$1,120.69	CREDENZA WHUTCH,TACK BOARD 4DRW KIT
Found	yes 142320	JP4 - ADMIN	JP4 - ADMIN	\$825.50	FILE CABINET LATERAL MAHOAGANY 4 DRW
Found	yes 142321	JP4 - ADMIN	JP4 - ADMIN	\$721.05	DESK SINGLE PED. W/LEFT RETURN
Found	yes 142322	JP4 - ADMIN	JP4 - ADMIN	\$1,120.69	CREDENZA WHUTCH,TACK BOARD 4DRW KIT
Found	yes 142323	JP4 - ADMIN	JP4 - ADMIN	\$260.08	CHAIR HIGH BACK W/GLIDES (PICANTE)
Found	yes 142324	JP4 - ADMIN	JP4 - ADMIN	\$260.08	CHAIR HIGH BACK W/GLIDES (PICANTE)
Found	yes 142325	JP4 - ADMIN	JP4 - ADMIN	\$260.08	CHAIR HIGH BACK W/GLIDES (PICANTE)
Found	yes 142326	JP4 - ADMIN	JP4 - ADMIN	\$260.08	CHAIR HIGH BACK W/GLIDES (PICANTE)
Found	yes 142327	JP4 - ADMIN	JP4 - ADMIN	\$260.08	CHAIR HIGH BACK W/GLIDES (PICANTE)
Found	yes 143933	JP4 - ADMIN	JP4 - ADMIN	\$419.00	CONFERENCE TABLE (JUDGES CRT. RM.) PO08166
Found	yes 143934	JP4 - ADMIN	JP4 - ADMIN	\$419.00	CONFERENCE TABLE (JUDGES CRT. RM.) PO08166
Found	yes 143933	JP4 - ADMIN	JP4 - ADMIN	\$98.95	FLASHLIGHT W/AC-DC CHARGER
Found	yes 143934	JP4 - ADMIN	JP4 - ADMIN	\$98.95	FLASHLIGHT W/AC-DC CHARGER

STATUS - ORIGINAL	BARCODE	SCAN LOCATION	FAACS LOCATION	VALUE	DESCRIPTION
Found	yes 143935	JP4 - ADMIN	JP4 - ADMIN	\$98.95	FLASHLIGHT W/AC-DC CHARGER
Found	yes 143936	JP4 - ADMIN	JP4 - ADMIN	\$98.95	FLASHLIGHT W/AC DC CHARGER
Found	yes 144106	JP4 - ADMIN	JP4 - ADMIN	\$234.95	SAMSUNG SF-565PR MF PRINTER FAX
Found	yes 144670	JP4 - ADMIN	JP4 - ADMIN	\$64.70	HAND TRUCK HD(EQUIP/RITE)
Found	yes 144813	JP4 - ADMIN	JP4 - ADMIN	\$1,978.04	COMPUTER SCANNER(CANON DR-4010C)
Found	yes 145046	JP4 - ADMIN	JP4 - ADMIN	\$151.60	COPY MACHINE BROTHER MFC465CN SN U6182LL
Found	yes 145811	JP4 - ADMIN	JP4 - ADMIN	\$95.00	PAPER SHREDDER
Found	yes 147123	JP4 - ADMIN	JP4 - ADMIN	\$158.00	METAL DETECTOR HAND HELD
Found	yes 147195	JP4 - ADMIN	JP4 - ADMIN	\$3,849.00	METAL DETECTOR WALK THROUGH
Found	yes 147196	JP4 - ADMIN	JP4 - ADMIN	\$1,175.00	MONITOR W/CAMERAS (YOLIE'S OFFICE)
Found	yes 147197	JP4 - ADMIN	JP4 - ADMIN	\$2,662.00	DVR SECURITY SYSTEM (YOLIE'S OFFICE)
Found	yes 147198	JP4 - ADMIN	JP4 - ADMIN	\$1,175.00	MONITOR SECURITY SYSTEM (CONSTABLES OFF)
Bad Location	no 0094221	JP4 - ADMIN	TAX - ZARAGOZA	\$631.63	COMPUTER NETWORK HARDWARE CISCO 12 POI
Bad Location	no 0095006	JP4 - ADMIN	CDP - ADMIN	\$293.00	COMPUTER PRINTER ACCESSORY JET DIRECT E
Bad Location	no 104427	JP4 - ADMIN	CDP - ADMIN	\$1,651.47	COMPUTER PRINTER
Bad Location	no 104428	JP4 - ADMIN	CDP - ADMIN	\$1,651.47	COMPUTER PRINTER
Bad Location	no 115937	JP4 - ADMIN	CDP - ADMIN	\$1,767.58	COMPUTER PRINTER
Bad Location	no 116505	JP4 - ADMIN	CDP - ADMIN	\$1.00	COMPUTER MONITOR W/KEYBOARD AND MOUS
Bad Location	no 116506	JP4 - ADMIN	CDP - ADMIN	\$991.98	COMPUTER PC
Bad Location	no 120876	JP4 - ADMIN	CDP - ADMIN	\$2,705.12	COMPUTER SWITCH BOXES
Bad Location	no 129295	JP4 - ADMIN	CDP - ADMIN	\$1,549.00	COMPUTER PRINTER HP LASERJET 425DTN
Bad Location	no 130799	JP4 - ADMIN	CDP - ADMIN	\$1.00	COMPUTER BASE DISPLAY MONITOR 17" FLAT PA
Bad Location	no 148293	JP4 - ADMIN	JP4 - ADMIN	\$50.00	MONITOR E190S
Bad Location	no 148294	JP4 - ADMIN	JP4 - ADMIN	\$1,007.08	CPU OPTIPLEX 780
Unknown	no 0095516	JP4 - ADMIN	JP4 - ADMIN	\$0.00	
Unknown	no 106773	JP4 - ADMIN	JP4 - ADMIN	\$0.00	
Unknown	no 107333	JP4 - ADMIN	JP4 - ADMIN	\$0.00	
Unknown	no 109364	JP4 - ADMIN	JP4 - ADMIN	\$0.00	
Unknown	no 127833	JP4 - ADMIN	JP4 - ADMIN	\$0.00	

TOTAL ITEMS: 161

Signature \_\_\_\_\_ Date \_\_\_\_\_



Justice of the Peace, Precinct No. 4  
Mail Log

Form Control Number \_\_\_\_\_

Date Received	Name	Amount	Signature (1) of Employee Opening Mail	Signature (2) of Employee Opening Mail	Docket Number	JIMS Receipt Number	Date Trans Posted in JIMS	Signature of Employee Posting Trans JIMS	Signature of Reviewer	Comments

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**Justice of the Peace,  
Precinct No. 5**



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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01-48

January 28, 2010

The Honorable Monica Teran  
Justice of the Peace, Precinct Number 5  
9521 Socorro Rd. Suite B-2  
El Paso, Texas 79927


Dear Judge Teran:

A copy of a memorandum from Mr. Rene Balderrama, internal auditor, dated January 28, 2010 is attached. This memorandum is a report on a review of your financial records for July 2009 through December 2009. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mr. Balderrama.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

  
Edward A. Dion  
County Auditor

EAD:RB:ya

Attachment




COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

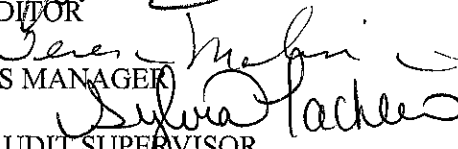
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01-49

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

FROM: RENE BALDERRAMA, INTERNAL AUDITOR 

DATE: JANUARY 28, 2009

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 5, FINANCIAL RECORDS FOR JULY 2009 THROUGH DECEMBER 2009

Overview

A review of the financial records for Justice of the Peace, Precinct Number 5, for July 2009 through December 2009 has been completed. The objective of this review was to verify the information contained within the Justice of the Peace's financial reports. These financial reports, generated off the Justice Information Management System (JIMS), are a recapitulation of all transactions that occurred during each month.

Scope and Purpose

The scope and purpose of the review consisted of the following:

1. A surprise cash count was performed on January 6, 2010 in accordance with *Local Government Code §115.0035*, copy attached.
2. All deposit slips were compared to daily balance reports and treasury records in order to verify that collections were deposited timely and in accordance with *Local Government Code §113.022* and properly posted on the Financial Accounting Management Information System (FAMIS).
3. All necessary schedules were prepared for the appropriate allocation of court costs.
4. The following samples were reviewed in order to verify that documentation was filed in accordance with *Code of Criminal Procedures § 45.017* and *Texas Rules of Civil Procedure Rule 524*:
  - A sample of 6 cases, or 6 percent, from 102 civil cases
  - A sample of 97 cases, or 5 percent, from 1944 criminal cases
  - A sample of 8 cases, or 5 percent, from 164 Forcible Entry and Detainer (FED) cases
  - A sample of 3 cases, or 5 percent, from 55 small claims cases

5. Previous memoranda recommendations were reviewed for implementation.

### General

1. *Observation:* While performing the surprise cash count, it was noted that the previous day's collection was not picked up by the armored vehicle service. Upon inquiry, it was noted that the clerk had not completed the daily deposit in time for the armored vehicle service daily pick up.  
*Corrective Action/Recommendation:* It is recommended that all deposits be prepared on a daily basis and should be ready for the armored vehicle service to pick up.
2. *Observation:* While reviewing the daily deposits, it was noted that an additional \$91.00 was deposited to the bank, but had not been credited to the case as an overpayment.  
*Corrective Action/Recommendation:* It is recommended that all money received be credited to the correct cases.
3. *Observation:* While reviewing the criminal cases, it was noted that on six cases the plea date was expired and had not been charged with a failure to appear. It was further noted that these six cases did not have a ten day demand letter and neither was a warrant issued.  
*Corrective Action/Recommendation:* It is recommended that due care be exercised when processing cases and ensure that the events in JIMS indicate the status of the cases. It is further recommended that the senior clerk ensure that cases that have expired plea dates be charged with a failure to appear and a ten day demand letter be issued.
4. *Observation:* While reviewing the Forcible Entry and Detainer cases, it was noted that on one case the identification number was not documented; therefore, it could not be determined if the plaintiff's identity was verified.  
*Corrective Action/Recommendation:* It is recommended that all the information in the documents be verified and include the verification stamp and required signatures on the documents.

### Review of Past Memoranda

5. *Observation:* To strengthen the internal controls, it was previously recommended that a clerk prepare a mail log of all funds received by mail and a second clerk post the payments on the system. This measure has been implemented; however, it was noted that the mail log is not signed by the person who received the mail and/or the clerk that posted the payment.  
*Corrective Action/Recommendation:* It is once again recommended that the mail log be signed by the person who received the mail and by the clerk that enters the payment in JIMS.

### Summary

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. The Justice of the Peace, Precinct 5 has implemented some of the previous recommendations and made improvements in the operations. However, based on this review, the internal control structure continues to appear to be weak, but should be strengthened with the implementation of the above mentioned recommendations.

Sec. 115.0035. EXAMINATION OF FUNDS COLLECTED BY COUNTY ENTITY OR THE DISTRICT ATTORNEY: (a) For purposes of this section, "accounts" means all public funds that are subject to the control of any precinct, county or district official, including the accounts of law enforcement agencies and the attorney for the state composed of money and proceeds of property seized and forfeited to those officials.

(b) At least once each county fiscal year, or more often if the county auditor desires, the auditor shall, without advance notice, fully examine the accounts of all precinct, county and district officials.

(c) The auditor shall verify the correctness of the accounts and report the findings of the examination to the commissioners court of the county at its next term beginning after the date the audit is completed.

(d) This section does not apply to funds received by the attorney for the state from the comptroller of public accounts pursuant to the General Appropriations Act, or to federal or state grant-in-aid funds received by precinct, county or district officials.



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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06-19

June 7, 2010

The Honorable Monica Teran  
Justice of the Peace, Precinct Number 5  
9521 Socorro Rd. Suite B-2  
El Paso, Texas 79927

Dear Judge Teran:

A copy of a memorandum from Mrs. Gaby Paredes-Ferro, internal auditor, dated June 7, 2010 is attached. This memorandum is a report on a review of your financial records for January 2010 through March 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Paredes-Ferro.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:GPF:ya

Attachment






COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

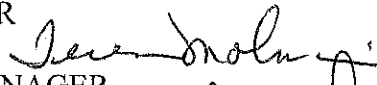
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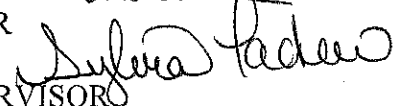
County Administrative Offices  
800 East Overland Street, Rm. 406  
EL PASO, TEXAS 79901-2407  
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(915) 546-8172 FAX


06-20

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

FROM: GABY PAREDES-FERRO, INTERNAL AUDITOR 

DATE: JUNE 7, 2010

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 5,  
FINANCIAL RECORDS FOR JANUARY 2010 THROUGH MARCH 2010.

**Overview**

A review of the financial records for Justice of the Peace, Precinct Number 5, for January 2010 through March 2010 has been completed. The objective of this review was to verify the information contained within the Justice of the Peace's financial reports. These financial reports, generated off the Justice Information Management System (JIMS), are a recapitulation of all transactions that occurred during each month.

**Scope and Purpose**

The scope and purpose of the review consisted of the following:

1. A surprise cash count was performed on May 27, 2010, in accordance with *Local Government Code §115.003*.
2. All deposit slips were compared to daily balance reports and treasury records in order to verify that collections were deposited timely and in accordance with *Local Government Code §113.022* and properly posted on the Financial Accounting Management Information System (FAMIS). No discrepancies were noted.
3. All necessary schedules were prepared for the appropriate allocation of court costs. No discrepancies were noted.
4. A sample of dismissed cases was reviewed for supporting documentation and proper disposition of the case.
5. A sample of criminal cases was reviewed for the implementation of the new Texas Law Enforcement Officer Fund (TLEOF) fee and Child Safety Seat Violation/Fee (CSSF) that went into effect January 1, 2010.

6. Manual receipt books were reviewed to ensure their completeness, cross-referenced to JIMS, and to verify the posting and timeliness of transactions. No discrepancies were noted.
7. A sample of mail log payments were reviewed to ensure completeness of the log and that the payments were posted to JIMS.
8. Previous memoranda recommendations were reviewed for implementation.

### General

1. *Observation:* While doing the security vault search, it was noted that a check payable to JP5, dated July 9, 2009, was being held. The Justice of the Peace personnel last contacted the payer on July 9, 2009. There appears to be no other attempt to return the check. Upon inquiry, it was explained that the staff could not post the check since it was a partial payment. This could not be confirmed since the court coordinator could not recall the case number.  
*Corrective Action/Recommendation:* It is recommended that all checks be deposited the day they are received or soon thereafter. If the check needs to be returned to the sender, mark the check "VOID". Furthermore, it is recommended that all checks include the case number.
2. *Observation:* While reviewing the sample of dismissed cases, it was noted that five out of the 14 cases did not have the required supporting documentation.  
*Corrective Action/Recommendation:* It is recommended that due care be exercised when scanning to ensure correct supporting documentation is saved to the defendant's file.
3. *Observation:* While reviewing the criminal cases, it was noted that 15 out of the 16 cases considered moving violations did not get charged the \$.10 TLEOF fee. It was also noted that 10 moving/nonmoving violation cases out of the 62 sampled did not have supporting documentation.  
*Corrective Action/Recommendation:* It is recommended that all moving violations be charged a \$.10 TLEOF fee. On the August 6, 2009 report, it was previously recommended that the Justice of the Peace personnel review the fee structure in JIMS to ensure that the proper court costs are being assessed.
4. *Observation:* While reviewing the mail log payments, it was noted that the January through mid February logs are missing and could not be located. It was also noted that the mail is not opened under dual control as requested in prior memoranda.  
*Corrective Action/Recommendation:* It is recommended that all mail log sheets be kept together to avoid misplacement. It is further recommended that the Justice of the Peace personnel utilize the suggested mail log sheet, copy attached, and most importantly that dual control be exercised while opening mail. For future reference, the date that should be documented on the mail log should be the date it was received, not the postmarked date.

### **Review of Past Memoranda**

1. *Observation:* While reviewing the criminal cases, it was noted that on seven cases the plea date was expired and had not been charged with a failure to appear. It was further noted that these seven cases did not have a ten day demand letter and neither was a warrant issued. This observation was noted on the January 28, 2009 report.  
*Corrective Action/Recommendation:* It is again recommended that due care be exercised when processing cases and ensure that the events in JIMS indicate the status of the cases. It is further recommended that the senior clerk ensure that cases that have expired plea dates be charged with a failure to appear and a ten day demand letter be issued.
  
2. *Observation:* In the August 6, 2009 report, it was recommended that an operating procedures manual be developed. It was previously noted that the manual is in progress.  
*Corrective Action/Recommendation:* It is strongly recommended that the operating procedures manual be completed to clearly delineate the operations of the office, and a copy be available for review by the Auditor's Office.

### **Summary**

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. The Justice of the Peace, Precinct 5 has implemented some of the previous recommendations and made improvements in the operations. However, based on this review, the internal control structure continues to appear weak, but should be strengthened with the implementation of the above mentioned recommendations.

GPF:ya

**Justice of the Peace, Precinct No. 5 Mail Log -**

Date Received	For Civil/Crim	From/Case No	Amount	Check/MO Number	Signature #1 Opening Mail	Signature #2 Opening Mail	Signature Employee Posting

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COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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(915) 546-8172 FAX

07-49

July 29, 2010

The Honorable Monica Teran  
Justice of the Peace, Precinct Number 5  
9521 Socorro Rd. Suite B-2  
El Paso, Texas 79927

Dear Judge Teran:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal auditor, dated July 29, 2010 is attached. This memorandum is a report on a review of your financial records for April 2010 through June 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edward A. Dion".

Edward A. Dion  
County Auditor

EAD:SP:ya

Attachment



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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07-53

MEMORANDUM

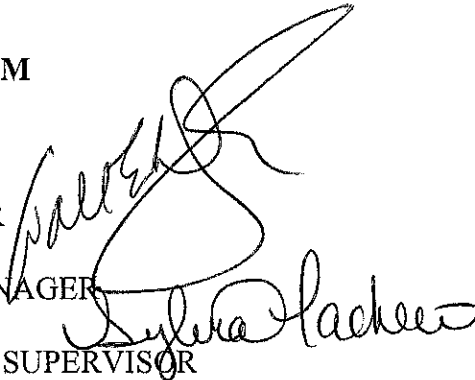
TO: EDWARD A. DION, COUNTY AUDITOR

THRU: TERESA MOLINAR, OPERATIONS MANAGER

FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR

DATE: JULY 28, 2010

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 5,  
FINANCIAL RECORDS FOR APRIL 2010 THROUGH JUNE 2010.



**Overview**

A review of the financial records for Justice of the Peace, Precinct Number 5, for April 2010 through June 2010 has been completed. The objective of this review was to verify the information contained within the Justice of the Peace's financial reports. These financial reports, generated off the Justice Information Management System (JIMS), are a recapitulation of all transactions that occurred during each month.

**Scope and Purpose**

The scope and purpose of the review consisted of the following:

1. The operating policies and procedures were reviewed to ensure that proper internal controls are in place.
2. A surprise cash count was performed on July 20, 2010, in accordance with *Local Government Code §115.003*.
3. All deposit slips were compared to daily balance reports and treasury records in order to verify that collections were deposited timely in accordance with *Local Government Code §113.022* and properly posted on the Financial Accounting Management Information System (FAMIS).
4. All necessary schedules were prepared for the appropriate allocation of court costs.
5. A sample of 66, or 10 percent out of 659 dismissed cases was reviewed for supporting documentation and proper disposition of the case.
6. Manual receipt books were reviewed to ensure completeness, cross-referenced to JIMS, and to verify the posting and timeliness of transactions.

7. Mail in payment logs were reviewed to ensure completeness of the log and that the payments were posted to JIMS.
8. A sample 24, or 15 percent out of 162 future-dated or back-dated transactions was reviewed to determine the legitimacy of the transactions and ensure that supporting documentation was included to justify the transaction. In addition, a future dated citation date report from JIMS listing cases with citation dates greater than July 19, 2010 was reviewed for legitimacy.
9. Previous memoranda recommendations were reviewed for implementation.

### General

1. Observation: The procedures manual was submitted to the County Auditor's Office on July 22, 2010. Upon review of the operating procedures, it was noted that it does not address mail payments.  
Corrective Action/Recommendation: It is recommended that the following procedures be implemented and incorporated in the operating procedures manual:
  - Two employees should simultaneously open and log in the mail. The log should document the date received, payor, the check amount, the signature of employees opening and logging in the mail, the docket number, the JIMS receipt number, the date transaction was posted in JIMS, the signature of employee posting the payment in JIMS, and the signature of reviewer. The log should not be limited to the suggested recommendations. A sample log was included in the June 7, 2010 report.
  - The checks, money orders, and cashier's checks should be restrictively endorsed upon receipt.
  - The checks should be distributed to the appropriate clerk soon after logging them in.
  - The checks should be posted in JIMS immediately upon receipt, but no later than the next business day. Checks held for the next business day should be secured overnight in the safe. Checks should never be left unattended or unsecured.
  - The Court Coordinator should review the log and trace the payments to JIMS to ensure accountability of the transaction.
2. Observation: Upon review of the operating procedures manual, it was noted that the procedures do not address on issuing, voiding, reviewing, and safeguarding of manual receipts.  
Corrective Action/Recommendation: It is recommended the following procedures be implemented and incorporated in the operating procedures in order to improve the internal control structure:
  - A supervisor should safeguard and distribute the unused manual receipts.
  - A supervisor should periodically review the manual receipts.
  - Manual receipts should only be issued when JIMS is unavailable.
  - The manual receipt number should be cross-referenced in JIMS and the JIMS receipt number should be cross-referenced on the manual receipt.



- In the event that a manual receipt needs to be voided, a detailed explanation should be documented on the manual receipt. The original manual receipt should be attached to the carbon copy. Furthermore, supervisor approval should be obtained and documented on the manual receipt.
3. Observation: While conducting the cash count, it was noted that the collections for various clerks were combined. It was explained by the Court Coordinator, Ms. Eileen Ashley, that at the end of the day, each clerk prepares a calculator tape listing all the collections. Ms. Ashley then reconciles the collections to the JIMS report.
- Corrective Action/Recommendation: In order to provide better accountability of the clerk's collections, it is recommended that each clerk prepare a cash count sheet at the end of the day and document any out of balance conditions. The collections should be verified by a second employee. A copy of a cash count sheet is attached.
4. Observation: While verifying the collections, the following items were noted:
- The Sheriff's Office collected \$53.34 for case number T07-01445JP5 on March 26, 2010. The payment was receipted in JIMS on July 21, 2010; four months after the defendant paid the amount due.
  - The Sheriff's Office collected \$293.00 for case number T07-01455JP5 on March 30, 2010. The payment was receipted in JIMS on July 20, 2010; four months after the defendant paid the amount owed.
  - The Sheriff's Office collected \$318.00 for case numbers T07-01447JP5FTA and T07-01447JP5 on April 7, 2010. The transactions type was posted in JIMS as waiver instead of payment; therefore, causing a reconciling item in the monthly reconciliations.
- Untimely and incorrect receipting of payments in JIMS results in unnecessary research and waste of resources by the County Auditor's Office in identifying these payments while reconciling the monthly collections. Unnecessary journal vouchers must be prepared monthly to move the funds in FAMIS from one month to the next until transactions are receipted correctly in JIMS. It takes a significant amount of time and resources to process a journal voucher as it requires several levels of approval before a journal voucher is posted in FAMIS. Additionally, the County Auditor's Office continually has to communicate with Justice of the Peace personnel to receipt or correct payments in JIMS as soon as possible. It is important to note that the Bond and Inmate Trust Supervisor, Ms. Blanca Enriquez, mails the supporting documentation to each Justice of the Peace via certified mail. In addition, Ms. Enriquez provides the JP court coordinators a weekly report listing the various collections made by the Sheriff's Office for the JP courts.
- Corrective Action/Recommendation: It is recommended that clerks exercise due care in receipting transactions in JIMS. It is further recommended that the Sheriff's collections be receipted as soon as possible. In order to ensure that all Sheriff's collections have been posted and accounted for, it is recommended that the Court Coordinator review and reconcile the weekly report that is prepared by the BITS supervisor.

5. Observation: While reviewing the sample of dismissed cases, it was noted that four cases were dismissed because the cases were over four years old. It was further noted that on one case, or two percent out of 66 dismissed cases, the supporting documentation to justify the dismissal was not available for review.  
Corrective Action/Recommendation: It is recommended that old cases not be dismissed, since the Scofflaw Program will be launched August 1, 2010. The Scofflaw Program will attempt to collect on outstanding cases. Defendants will not be allowed to renew their auto registration if the defendant has an outstanding balance with the County. It is further recommended that supporting documentation be scanned in JIMS to justify the dismissal of the case.
6. Observation: While reviewing the manual receipts, it was noted that one manual receipt was issued during the period under review. The manual receipt was traced to JIMS to ensure that it was accounted for properly. No discrepancies were noted.
7. Observation: While reviewing the mail payments, the following items were noted:
  - The case number is not always documented on the mail log.
  - The mail is not opened under dual control.
  - The Justice of the Peace staff has not incorporated the mail log that was suggested on the June 7, 2010 report.Corrective Action/Recommendation: Please reference the recommendations noted on observation number one.
8. Observation: While reviewing the sample of future dated and back dated transaction report, it was noted that all transactions were back dated due to jail time credit. It was further noted that there is no monitoring of these types of transactions..  
Corrective Action/Recommendation: It is recommended that the Court Coordinator periodically request a report of future dated and back dated transactions from the County's Information Technology Department (ITD) and review the report to ensure that these transactions are legitimate.
9. Observation: While conducting a cursory review of the future dated citation report, it was noted that 44 cases were identified as having a future date greater than July 19, 2010. A copy of the report was provided to Ms. Ashley on July 22, 2010. It was explained by Ms. Ashley that several of the cases listed on the report reflect a future citation date because the officer issuing the citation entered the incorrect citation date.  
Corrective Action/Recommendation: It is recommended that the Court Coordinator review the report to determine the legitimacy of the transactions. It is further recommended that the Court Coordinator periodically request from the ITD and review this type of report to ensure that citation dates are not future dated inadvertently.

**Summary**

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. The internal control structure of the Justice of the Peace, Precinct Number 5 appears to be extremely weak, but should be strengthened with the implementation of the above mentioned recommendations.

SP:ya



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10-46

October 22, 2010

The Honorable Monica Teran  
Justice of the Peace, Precinct Number 5  
9521 Socorro Rd. Suite B-2  
El Paso, Texas 79927

Dear Judge Teran:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal auditor, dated October 22, 2010 is attached. This memorandum is a report on a review of your financial records for July 2010 through September 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:SP:rao

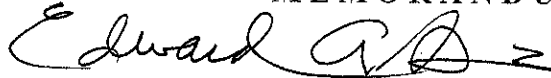


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MEMORANDUM



TO: EDWARD A. DION, COUNTY AUDITOR

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

DATE: OCTOBER 22, 2010

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 5,  
FINANCIAL RECORDS FOR JULY 2010 THROUGH SEPTEMBER 2010.

**Overview**

A review of the financial records for Justice of the Peace, Precinct Number 5, for July 2010 through September 2010 has been completed. The objective of this review was to verify the information contained within the Justice of the Peace's financial reports. These financial reports, generated off the Justice Information Management System (JIMS), are a recapitulation of all transactions that occurred during each month.

**Scope and Purpose**

The scope and purpose of the review consisted of the following:

1. The operating policies and procedures were reviewed to ensure that proper internal controls are in place.
2. A surprise cash count was performed on October 14, 2010, in accordance with *Local Government Code §115.003*.
3. All deposit slips were compared to daily balance reports and treasury records in order to verify that collections were deposited timely in accordance with *Local Government Code §113.022* and properly posted on the Financial Accounting Management Information System (FAMIS).
4. All necessary schedules were prepared for the appropriate allocation of court costs.
5. A sample of 46, or 10 percent out of 457 dismissed cases was reviewed for supporting documentation and proper disposition of the case. No discrepancies were noted.

6. Manual receipt books were reviewed to ensure completeness, cross-referenced to JIMS, and to verify the posting and timeliness of transactions. No discrepancies were noted.
7. Mail in payment logs were reviewed to ensure completeness of the log and that the payments were posted in JIMS.
8. A sample of 77 confirmation letters was mailed to defendants for criminal cases in order to verify the accuracy of the information in JIMS.
9. A future dated citation report from JIMS listing cases with citation dates greater than October 13, 2010, was reviewed for legitimacy.
10. A deleted case file was reviewed for legitimacy.
11. Previous memoranda was reviewed for implementation of prior recommendations.

### **General**

1. Observation: It was noted that the procedures manual has not been updated to reflect the suggested recommendations noted on the July 29, 2010 report.  
Corrective Action/Recommendation: It is recommended that the procedures include the following proposed recommendations:
  - Two employees should simultaneously open and log in the mail. The log should document the date received, payor, the check amount, the signature of employees opening and logging in the mail, the docket number, the JIMS receipt number, the date transaction was posted in JIMS, the signature of employee posting the payment in JIMS, and the signature of reviewer. The log should not be limited to the suggested recommendations. A sample log is attached.
  - The checks, money orders, and cashier's checks should be restrictively endorsed upon receipt.
  - The checks should be distributed to the appropriate clerk soon after logging them in.
  - The checks should be posted in JIMS immediately upon receipt, but no later than the next business day. Checks held for the next business day should be secured overnight in the safe. Checks should never be left unattended or unsecured.
  - The Court Coordinator should review the log and trace the payments to JIMS to ensure accountability of the transaction.
2. Observation: While reviewing the operating procedures manual, it was noted that the procedures have not been updated to reflect the proposed recommendations regarding the issuing, voiding, reviewing, and safeguarding of manual receipts, which were noted on the July 29, 2010 report.

Corrective Action/Recommendation: It is recommended that the procedures be updated to reflect the following proposed recommendations:

- A supervisor should safeguard and distribute the unused manual receipts.
- A supervisor should periodically review the manual receipts.
- Manual receipts should only be issued when JIMS is unavailable.
- The manual receipt number should be cross-referenced in JIMS and the JIMS receipt number should be cross-referenced on the manual receipt.
- In the event that a manual receipt needs to be voided, a detailed explanation should be documented on the manual receipt. The original manual receipt should be attached to the carbon copy. Furthermore, supervisor approval should be obtained and documented on the manual receipt.

3. Observation: While conducting the surprise cash count, it was noted that the collections for various clerks were combined. It was explained by Court Coordinator, Eileen Ashley, that at the end of the day, each clerk prepares a calculator tape listing all the collections. Ms. Ashley then reconciles the collections to the JIMS report. This observation was noted on the July 29, 2010 report.

Corrective Action/Recommendation: In order to provide better accountability of the clerk's collections, it is recommended that each clerk prepare a cash count sheet at the end of the day and document any out of balance conditions. The collections should be verified by a second employee. A copy of a cash count sheet is attached.

4. Observation: While reconciling the collections, the following items were noted:
- A court order to dismiss case number T07-01578JP5 was signed by the Justice of the Peace on February 8, 2010. The refund request in the amount of \$185.00 was received at the County Auditor's Office on July 6, 2010, five months after the court order was signed. The County Auditor's Office was unable to process the refund because the fines and court costs were not zeroed out to reflect the refund in JIMS. On August 31, 2010, the fees were updated in JIMS by the court coordinator to reflect the dismissal of the case at the request of the internal audit supervisor. Finally, a check was issued to the defendant seven months after the case was dismissed.
  - A court order to dismiss case number T08-02379JP5FTA was signed by the Justice of the Peace on April 26, 2010. The refund request in the amount of \$185.00 was received at the County Auditor's Office on July 6, 2010, more than two months after the court order was signed. The refund amount was incorrectly noted on the refund request. The refund should have been requested for \$213.20. The internal auditor contacted the Justice of the Peace personnel to request a corrected refund form. The corrected refund form was received at the County Auditor's Office on August 30, 2010 and the fees were zeroed out in JIMS the same day. Finally, a check was issued to the defendant five months after the case was dismissed.

- A refund was issued on case numbers T08-01723JP5, T09-03286JP5 and T08-01723JP5FTA which were processed in July 2010, but the cases did not reflect the refund, dismissal of the case, and fees were not zeroed out in JIMS. The cases were not updated in JIMS until August 31, 2010, at the request of the internal audit supervisor.
- Justice of the Peace personnel submits to the County Auditor's Office refund requests without ensuring that JIMS has been updated to reflect current and updated information.
- There is an extreme delay in processing refunds, updating the cases in JIMS, and most importantly defendants receiving their money.
- Untimely updating the cases in JIMS results in unnecessary research and waste of resources by the County Auditor's Office in identifying these transactions while reconciling the monthly collections. Unnecessary journal vouchers must be prepared monthly to move the funds in FAMIS from one month to the next until transactions are updated in JIMS. It takes a significant amount of time and resources to process a journal voucher as it requires several levels of approval before a journal voucher is posted in FAMIS. Additionally, the County Auditor's Office continually has to communicate with Justice of the Peace personnel to update JIMS as soon as possible.

Corrective Action/Recommendation: It is recommended that the JP staff process refunds in a timely manner. A refund request should be submitted to the County Auditor's Office as soon as the court order is signed by the Judge. The Court Coordinator should review all refund forms to ensure that the correct refund amount is being requested by JP staff.

5. Observation: The following bank corrections were noted:

- On deposit slip number 22222343 dated August 27, 2010, the bank correction amounted to 10 cents. The deposit slip was prepared for \$1,138.10, but did not include the 10 cents.
- On deposit slip number 22222342 dated August 26, 2010, the bank correction amounted to \$840.00. The deposit slip was prepared for \$3,567.10 by the Justice of the Peace personnel. The bank noted that the correct amount should have been \$4,407.10.
- On deposit slip number 22222322 dated July 28, 2010, the bank correction amounted to 10 cents. The deposit slip was prepared for \$1,351.00, but the correct amount should have been \$1,351.10. Coin was listed as 10 cents, but did not include the coin.



The bank charges \$5.00 for each bank correction. Additionally, the County Auditor's Office has to prepare a journal voucher to reduce or increase the deposit warrant amount in FAMIS. As noted in the previous observation, it takes a significant amount of time and resources to process a journal voucher, as it requires several levels of approval before a journal voucher is posted in FAMIS.

Corrective Action/Recommendation: It is recommended that the staff exercise due care in preparing the daily deposit. It is further recommended that a second level of verification be implemented to minimize errors and ultimately eliminate unnecessary bank charges.

6. Observation: Upon review of the mail in payment logs, the following items were noted:
- The case number is not always documented on the mail log; therefore, it makes it extremely difficult to trace the payments to JIMS.
  - The mail is not opened under dual control.
  - The Justice of the Peace staff has not incorporated the checks by mail log that was suggested on the July 29, 2010 and June 7, 2010 report.

Corrective Action/Recommendation: It is again recommended that the checks by mail log be used to document all the payments received by mail.

7. Observation: Upon review of the confirmation letters, the following items were noted:
- Confirmation letters were returned as undeliverable on eight out of 77, or 11 percent.
  - There were no discrepancies noted on 12 out of 77, or 16 percent of the confirmation letters.
  - On three out of 77, or four percent, the defendant did not provide sufficient information pertaining to the case status to verify the accuracy in JIMS.
  - Responses were not received on 54 out of 77, or 71 percent of the confirmation letters.

Corrective Action/Recommendation: It is recommended that accurate and current information be entered in JIMS to reduce the cost of returned mail. Accurate information is especially important when issuing and executing warrants.

8. Observation: While conducting a cursory review of the future dated citation report, it was noted that 26 cases were identified as having a future date greater than October 13, 2010.
- Corrective Action/Recommendation: A copy of the report was provided to the Court Coordinator on October 14, 2010. It is recommended that the Court Coordinator review the report to determine the legitimacy of the transactions. It is further recommended that the Court Coordinator periodically request from the ITD and review this type of report to ensure that citation dates are not future dated inadvertently. This recommendation was noted on the July 29, 2010 report.

9. Observation: Upon review of the deleted case file, it was noted that on September 9, 2010, case number CR10-0029JP5 with case identification number 1006481 was deleted from JIMS. A second case was added using the same case number and case identification number 1006482 on the same day. Upon inquiry, it was explained that the employee

EDWARD A. DION  
OCTOBER 22, 2010  
PAGE 6

does not recall deleting the case from JIMS. It was further explained that the employee who deleted the case is unfamiliar with deleting cases. Ultimately, the employee had no explanation to justify the deletion of the case.

Corrective Action/Recommendation: It is recommended that the JP staff desist from deleting cases in JIMS.

### Summary

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. The internal control structure of the Justice of the Peace, Precinct Number 5 continues to appear extremely weak, but should be strengthened with the implementation of the above mentioned recommendations.

EAD;SP:rao

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**Justice of the Peace,  
Precinct No. 6 Place 1**



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06-23

June 14, 2010

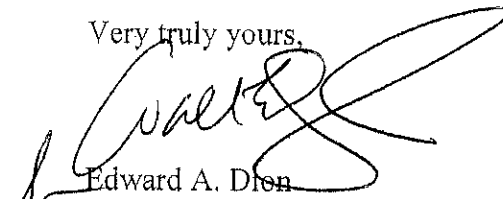
The Honorable Ruben Lujan  
Justice of the Peace, Precinct Number 6  
P.O. Box 597  
Clint, Texas 79836

Dear Judge Lujan:

A copy of a memorandum from Ms. Bertha Tafoya, internal auditor, dated June 14, 2010, is attached. This memorandum is a report on a review of your financial records for June 2009 through April 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Ms. Tafoya.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

Very truly yours,



Edward A. Dion  
County Auditor

EAD:BT:ya

Attachment



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06-24

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR  
THRU: TERESA MOLINAR, OPERATIONS MANAGER  
THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR  
FROM: BERTHA TAFOYA, INTERNAL AUDITOR  
DATE: JUNE 14, 2010  
SUBJECT: REVIEW OF JUSTICE OF THE PEACE PRECINCT NUMBER 6 PLACE 1

**Overview**

A review of the financial records for the Justice of the Peace, Precinct Number 6 Place 1, for June 2009 through April 2010 has been completed. The objective of this review was to verify the information contained within the Justice of the Peace's financial reports and to evaluate office operations and internal controls. These financial reports, generated from the Justice Information Management System (JIMS), are a recapitulation of all transactions that occurred during each month.

**Scope and Purpose**

The scope and purpose of this review consisted of:

1. A surprise cash count was performed on April 8, 2010, in accordance with the *Texas Local Government Code (TLGC) §115.0035*. No discrepancies were noted.
2. Daily balance reports were reviewed for appropriateness and completeness.
3. A sample of 31 cases or 1.33 percent out of 2,336 cases was reviewed to verify that the Texas Law Enforcement Officer Fund (TLEOF), the Child Safety Seat Fund (CSSF), and the Indigent civil filing fee (IND), which became effective on January 1, 2010, were properly assessed.
4. A sample of 54 cases, or 12 percent out of 452 cases dismissed was reviewed to ensure that the proper documentation was on file.
5. A report was generated from JIMS to identify any future and back dating of transactions.

**Review of Prior Memorandum**

- I. Observation: Previously, it was recommended that shortages and overages be closely monitored; however, it appears that mistakes continue to be a problem.  
Corrective Action/Recommendation: Again, it is recommended that due care be exercised when handling money and posting transactions into JIMS.

**Summary**

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, and 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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Currently, the internal control structure of the Justice of the Peace, Precinct Number 6 Place 1, appears to be adequate and should be further strengthened by implementing the above-mentioned recommendations.

BT:ya

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10-41

October 20, 2010

The Honorable Ruben Lujan  
Justice of the Peace, Precinct Number 6  
P.O. Box 597  
Clint, Texas 79836

Dear Judge Lujan:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal audit supervisor, and Ms. Bertha Tafoya, internal auditor, dated October 20, 2010, is attached. This memorandum is a report on a review of your financial records for May 2010 through August 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco and Ms. Tafoya.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:BT:ya

Attachment




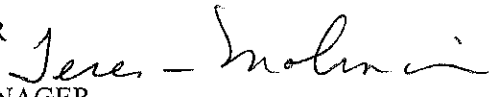
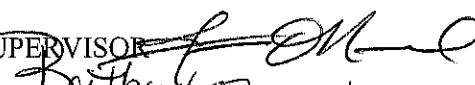
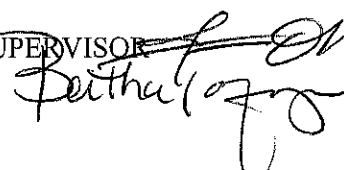
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10-42

MEMORANDUM

  
TO: EDWARD A. DION, COUNTY AUDITOR  
THRU: TERESA MOLINAR, OPERATIONS MANAGER   
FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR   
BERTHA TAFOYA, INTERNAL AUDITOR   
DATE: OCTOBER 20, 2010  
SUBJECT: REVIEW OF JUSTICE OF THE PEACE PRECINCT NUMBER 6 PLACE 1

Overview

A review of the financial records for the Justice of the Peace, Precinct Number 6 Place 1, for May 2010 through August 2010 has been completed. The objective of this review was to verify the information contained within the Justice of the Peace's financial reports and to evaluate office operations and internal controls. These financial reports, generated from the Justice Information Management System (JIMS), are a recapitulation of all transactions that occurred during each month.

Scope and Purpose

The scope and purpose of this review consisted of:

1. The operating procedures were reviewed to ensure effective internal controls are in place.
2. A surprise cash count was performed on August 4, 2010, in accordance with the *Texas Local Government Code (TLGC) §115.0035*.
3. Deposits were reviewed and compared to treasury records and daily balance reports to ensure that they are deposited in accordance with the rapid deposit law, *TLGC § 113.022* and properly posted on the Financial Accounting Management Information System. No discrepancies were noted.
4. All necessary schedules were prepared for the appropriate allocation of court costs. No discrepancies were noted.
5. Manual receipt books were reviewed to ensure completeness, cross-referenced to JIMS, and to verify the posting and timeliness of transactions. No discrepancies were noted.
6. A sample of 42, or 12 percent of 360 mail payments was traced to JIMS to ensure that payments were accounted for properly.
7. A random sample of 83, or three percent of 2,776 cases with balances was selected for review. Confirmation letters were mailed to defendants to ensure that the information recorded in Judicial Information Management System (JIMS) is accurate.

8. A sample of 84, or 10 percent of 835 cases with a dismissed disposition was reviewed to ensure proper supporting documentation was on file and ensure proper disposition of the case, with no discrepancies noted.
9. A sample of 62, or seven percent out of 966 future-dated or back-dated transactions was reviewed to determine the legitimacy of the transactions and ensure that supporting documentation was included to justify the transaction. In addition, a future dated citation report from JIMS, listing cases with citation dates greater than August 3, 2010 was reviewed for legitimacy.
10. Prior memorandum was reviewed for proper implementation of prior recommendations.

### **General**

1. Observation: It was noted that the JP office has policies and procedures; however, the internal audit division was not able to access or review.  
Corrective Action/Recommendation: According to Judge Lujan, the policies and procedures need to be updated. A copy would be available for the internal audit division to review once they are finalized.
2. Observation: While conducting the surprise cash count, it was noted that a clerk was out of balance by \$10. The clerk receipted a transaction in JIMS in the amount of \$20, but only collected \$10. The clerk immediately identified the error and corrected the transaction in JIMS.  
Corrective Action/Recommendation: It is recommended that employees exercise due care in receipting transactions in JIMS to minimize errors.
3. Observation: Upon review of the mail payments, the following items were noted:
  - There is no indication of supervisory review.
  - One mail payment for case number 610-05547 in the amount of \$260 was received on June 17, 2010; however, the payment was receipted in JIMS in July 14, 2010. The payment was posted 18 working days after it was received.
  - One mail payment for case number 610-06791 in the amount of \$303 was received on May 24, 2010; however, the payment was receipted in JIMS on June 21, 2010. The payment was posted 20 working days after it was received.Corrective Action/Recommendation: It is recommended that a supervisor or an employee that is not involved in the processing of mail review the mail log to ensure that all payments are accounted for. It is further recommended that mail payments be receipted the same day they are received, but no later than the next business day.
4. Observation: Upon review of the confirmation letters, the following items were noted:
  - Confirmation letters were returned as undeliverable on 16 out of 83, or 20 percent.
  - There were no discrepancies noted on seven out of 83, or nine percent of the confirmation letters.
  - Responses were not received on 60 out of 83, or 73 percent of the confirmation letters.Corrective Action/Recommendation: It is recommended that accurate and current information be entered in JIMS to reduce the cost of returned mail. Accurate information is especially important when issuing and executing warrants.
5. Observation: Upon inquiry of future and back dated transactions, Ms. Rosie Perez, court coordinator, indicated that while time served transactions are recorded in JIMS, the system records the date that the defendant was released from jail as the disposition date. The date that the time served is recorded in the defendant's case may be days or even months after the defendant is released from jail; consequently, creating the appearance that the transactions are being back dated.

Corrective Action/Recommendation: It is recommended that a report of future/back dated transactions be requested from the Information Technology Department (ITD) and that the report be reviewed periodically to ensure that transactions are dated properly. This recommendation was noted on the June 14, 2010 report.

6. Observation: While conducting a cursory review of the future dated citation report, it was noted that six cases were identified as having a citation date greater than August 3, 2010.

Corrective Action/Recommendation: A copy of the report was provided to the Court Coordinator on August 4, 2010. Ms. Perez immediately corrected the citation dates. This observation was noted on the June 14, 2010 and June 25, 2009 report. It is recommended that the Court Coordinator continue to periodically request this type of report from ITD and review to ensure that citation dates are not future dated inadvertently.

#### **Review of Prior Memorandum**

1. Observation: While reviewing the daily transactions, it was noted that shortages and overages continue to be a problem. Ms. Perez indicated that deposit discrepancies are addressed on the day that they occur and that cashiers are written up.

#### **Summary**

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, and 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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Currently, the internal control structure of the Justice of the Peace, Precinct Number 6 Place 1, appears to be adequate and should be further strengthened by implementing the above-mentioned recommendations.

BT:ya

**Justice of the Peace,  
Precinct No. 6 Place 2**



COUNTY OF EL PASO  
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03-14

March 5, 2010

The Honorable Rosalie Dominguez  
Justice of the Peace, Precinct Number 6 Place 2  
14608 Greg Drive  
El Paso, Texas 79938

Dear Judge Dominguez:

A copy of a memorandum from Ms. Linda Hemme, internal auditor, dated March 5, 2010, is attached. This memorandum is a report on a review of your financial records for June 2009 through February 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Ms. Hemme.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edward A. Dion", with a long horizontal flourish extending to the right.

Edward A. Dion  
County Auditor

EAD:LH:ya

Attachment




COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

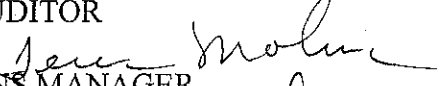
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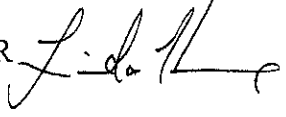
03-15

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU:  TERESA MOLINAR, OPERATIONS MANAGER

THRU:  SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR

FROM:  LINDA HEMME, INTERNAL AUDITOR

DATE: MARCH 5, 2010

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 6 PLACE 2

**Overview**

A review of the financial records for the Justice of the Peace, Precinct Number 6 Place 2, for June 2009 through February 2010 has been completed. The objective of this review was to verify the information contained within the Justice of the Peace's financial reports and to evaluate office operations and internal controls. These financial reports, generated from the Justice Information Management System (JIMS), are a recapitulation of all transactions that occurred during each month.

**Scope and Purpose**

The scope and purpose of this review consisted of:

1. A surprise cash count was performed on February 24, 2010, in accordance with the *Texas Local Government Code (TLGC) §115.0035*. No discrepancies were noted.
2. Daily balance reports were reviewed and compared to the deposit warrants. Deposits were also verified for proper posting in the Financial Accounting Management System (FAMIS).
3. Deposits were reviewed to ensure that they were deposited in accordance with the rapid deposit law, *TLGC § 113.02*.
4. A sample of 17 cases or 2 percent, out of 851 cases with a fine disposition was reviewed to verify that the proper court costs and fees were assessed.

5. A sample of 23 or 52 percent, out of 44 cases with a violation code number 34, unrestrained child, was reviewed to verify that the proper court costs and fees were assessed.
6. A sample of 18 cases or 2 percent, out of 907 cases with a dismissed disposition was reviewed for justification and proper documentation. No discrepancies were noted.
7. A sample of 10 cases or 3.5 percent, out of 290 cases with a disposition of jail time served was reviewed to verify that the credit applied to the case had supporting documentation. No discrepancies were noted.
8. A sample of 23 cases or 2 percent, out of 1,144 criminal cases was reviewed to verify that the new Texas Law Enforcement Fee (TEOLF) and Child Safety Seat Fee (CSSF) fees that went into effect on January 1, 2010 were appropriately assessed.
9. A review of the Justice of the Peace bond schedule was performed to ensure timely resolution of pending cases.
10. Prior memorandum was reviewed for implementation of prior recommendations.

### General

1. Observation: Upon review of the court costs and fees, it was noted that one of the 17 cases sampled or six percent had an incorrect court cost assessed. This case had a \$3.00 court cost fee assessed instead of \$70.00 for violation number 148, expired commercial motor vehicle inspection certificate.  
Recommendation/Corrective Action: It is recommended that all mandated court costs be accurately coded in the Judicial Information Management System (JIMS). It is also recommended that the Justice of the Peace personnel periodically review the fee and court cost structure in order to verify that the correct fees are assessed. It is further recommended that the court costs and fines be reviewed before accepting payments or issuing warrants to ensure that they are properly assessed.
2. Observation: Upon review of the court costs and fees, it was noted that the county fee for violation code 34, unrestrained child violation, did not have the correct county fine assessed. *Transportation Code Chapter 545 Section 412* states that the fine should not be less than \$100.00 or more than \$200.00. All of the sampled 2009 cases had the county fines assessed at \$87.00. Furthermore, effective January 1, 2010, *Senate Bill number 61* passed that changed the fine to not more than \$25.00 for the first offense and not more than \$250.00 for second or subsequent offenses. There were only nine cases with a 34 violation code posted in JIMS from January 1, 2010 to March 1, 2010. All of these cases had the county fine assessed at \$86.90 or \$86.75.  
Recommendation/Corrective Action: Justice of the Peace personnel was contacted and the county fine for the 2010 cases was updated to reflect the correct fine. It is recommended that the Justice of the Peace personnel periodically review the fee and court cost structure in order to verify that the correct fees are assessed.
3. Observation: While reviewing the assessment of the new TEOLF and CSSF fees that went into effect on January 1, 2010, it was noted that of the sampled violation code number 34 cases, there were three cases or thirteen percent of the sample, in which the CSSF fees have not been assessed to the cases filed after the effective date.



Recommendation/Corrective Action: Justice of the Peace personnel was notified on March 1, 2010, and these cases were immediately updated to include the CSSF fee. It is recommended that the Justice of the Peace personnel periodically review the fee and court cost structure in JIMS in order to verify that the correct fees are assessed.

4. Observation: A copy of the Justice of the Peace bond schedule, which lists \$4,268.00 of outstanding bonds, was provided to the Justice of the Peace personnel for their information. The Justice of the Peace personnel will review the bonds and provide the County Auditor's Office with an update as to the status of these pending cases.

Recommendation/Corrective Action: It is recommended that Justice of the Peace personnel resolve pending cases on the bond schedule in a timely manner.

### Summary

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, and 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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Currently, the internal control structure of the Justice of the Peace, Precinct Number 6 Place 2, appears to be adequate and should be further strengthened by implementing the above-mentioned recommendations.

LH:ya



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11-36

November 17, 2010

The Honorable Rosalie Dominguez  
Justice of the Peace, Precinct Number 6 Place 2  
14608 Greg Drive  
El Paso, TX 79938

Dear Judge Dominguez:

A copy of a memorandum from Ms. Linda Hemme, internal auditor, dated November 17, 2010 is attached. This memorandum is a report on a review of your financial records for March 2010 through September 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Ms. Hemme.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:LH:ya

Attachment






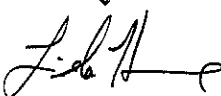
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11-37

MEMORANDUM

  
TO: EDWARD A. DION, COUNTY AUDITOR  
THRU: TERESA MOLINAR, OPERATIONS MANAGER   
THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR   
FROM: LINDA HEMME, INTERNAL AUDITOR   
DATE: NOVEMBER 17, 2010  
SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 6 PLACE 2

**Overview**

A review of the financial records for the Justice of the Peace, Precinct Number 6 Place 2, for March 2010 through September 2010 has been completed. The objective of this review was to verify the information contained within the Justice of the Peace's financial reports and to evaluate office operations and internal controls. These financial reports, generated from the Justice Information Management System (JIMS), are a recapitulation of all transactions that occurred during each month.

**Scope and Purpose**

The scope and purpose of this review consisted of:

1. A surprise cash count was performed on October 20, 2010, in accordance with the *Texas Local Government Code (TLGC) §115.0035*. No discrepancies were noted.
2. Daily balance reports were reviewed and compared to the deposit warrants. Deposits were also verified for proper posting in the Financial Accounting Management System (FAMIS).
3. Daily balance reports were reviewed for excessive out of balance conditions.
4. Deposits were reviewed to ensure that they were deposited in accordance with the rapid deposit law, *TLGC § 113.02*. No discrepancies were noted.
5. A sample of 39 cases, or five percent out of 809 cases with a disposition of jail time served was reviewed to verify that the credit applied to the case had supporting documentation.

6. A sample of 12 cases, or 21 percent out of 58 cases with a disposition of community service was reviewed to verify that credit applied to the case had supporting documentation.
7. A report was generated from the Judicial Information Management System (JIMS) to identify future and back dated transactions.
8. The Justice of the Peace Judge's bond was verified to ensure that the judge is properly bonded in accordance to *Government Code Sect. 27.001*. No discrepancies were noted.
9. A sample of 67 confirmation letters was mailed to defendants for criminal cases in order to verify the accuracy of the information in JIMS.
10. Manual receipt books were reviewed to ensure that they are completed properly, cross-referenced to JIMS and to verify the posting and timeliness of transactions, no discrepancies were noted.
11. The Justice of the Peace Judge's continuing education requirements were verified in accordance with *Government Code Sect. 27.005*. No discrepancies were noted.

### **General**

1. Observation: While reviewing a sample daily balance reports and deposits for excessive out of balance conditions, it was noted that there was one deposit that was short \$20.00.  
Recommendation/Corrective Action: It is recommended that due care be exercised when handling money. It is further recommended that the immediate supervisor monitor for excessive out of balances and immediately address any discrepancies.
2. Observation: It was noted that Justice of the Peace personnel returned a money order to a defendant after it had been receipted in JIMS. Upon inquiry, it was explained that the transaction was voided because the defendant who is from out of town, requested defensive driving. However, Justice of the Peace personnel had already endorsed the money order which prevented the defendant from being able to cash the money order.  
Recommendation/Corrective Action: It is recommended that once funds are received and negotiable instruments are endorsed, JP personnel should refrain from returning money. Refunds should be requested through the County Auditor's Office.
3. Observation: While reviewing a sample of cases with a disposition of jail time served and community service, it was noted that 25 or 64 percent, and two or 17 percent, respectively, of the sampled cases did not have the time served and community service documentation scanned on file. However, if a defendant receives credit for time served or community service for several cases, the Justice of the Peace staff will scan the supporting documentation in only one case instead of all cases. It gives the appearance that there is lack of documentation for cases that have a disposition of jail time served or community service.  
Recommendation/Corrective Action: It is recommended that the case that has the scanned jail time credit and the community service documentation be referenced in all of the other cases that the documentation pertains to.

4. Observation: Upon review of the confirmation letters, the following items were noted:
- Confirmation letters were returned as undeliverable on 15 out of 67, or 23 percent.
  - There were no discrepancies noted on six out of 67, or nine percent of the confirmation letters.
  - Responses were not received on 46 out of 67, or 69 percent of the confirmation letters.

Corrective Action/Recommendation: It is recommended that accurate and current information be entered in JIMS to reduce the cost of returned mail. Accurate information is especially important when issuing and executing warrants.

### Summary

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, and 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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Currently, the internal control structure of the Justice of the Peace, Precinct Number 6 Place 2, appears to be adequate, and should be further strengthened by implementing the above-mentioned recommendations.

LH:ya

**Justice of the Peace,  
Precinct No. 7**



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06-27

June 22, 2010

The Honorable Bruce King  
Justice of the Peace, Precinct Number 7  
P.O. Box 1936  
Canutillo, Texas 79835

Dear Judge King:

A copy of a memorandum from Mr. James O'Neal, internal auditor, dated June 22, 2010 is attached. This memorandum is a report on your financial records for September 2009 through April 2010. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the Justice of the Peace as defined by AICPA professional standards. However, our review was performed with objectivity and due professional care. I concur with the recommendations made by Mr. O'Neal.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward A. Dion".

Edward A. Dion  
County Auditor

EAD:JO:ya

Attachments



COUNTY OF EL PASO  
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06-28

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR

THRU: TERESA MOLINAR, OPERATIONS MANAGER

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR

FROM: JAMES O'NEAL, INTERNAL AUDITOR

DATE: JUNE 22, 2010

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 7, FINANCIAL RECORDS FOR SEPTEMBER 2009 THROUGH APRIL 2010

Overview

A review of the financial records for Justice of the Peace, Precinct Number 7, for September 2009 through April 2010 has been completed. The objective of this review was to verify the information contained in the financial records of the Justice of the Peace and to verify the implementation of any new fees. The financial reports, generated off the Justice Information Management System (JIMS), are a recapitulation of all transactions that occurred during each month.

Scope and Purpose

The scope and purpose of the review consisted of:

1. Daily balance reports and cash count sheets were reviewed and compared to the deposit warrants. Deposits were verified for proper posting in the Financial Accounting Management System (FAMIS).
2. Deposits were reviewed to ensure that they were deposited in accordance with the rapid deposit law, *Texas Local Government Code §113.02*.
3. An analysis of fees collected was performed to ensure that all new fees have been implemented and assessed correctly.
4. A cash count was performed on May 5, 2010, in accordance with *Local Government Code §115.0035*.
5. Manual receipt books were reviewed to ensure that receipts were completed properly, cross-referenced to JIMS, and to verify proper posting and timeliness of transactions.
6. Collections received and deposited by the Sheriff's Department were reviewed to ensure accurate and timely posting to JIMS, with no discrepancies noted.



7. A sample of 158 cases or eight percent out of 1,975 cases dismissed or acquitted during the audit time period was reviewed to ensure that proper information was entered into the JIMS system.
8. Previous memoranda were reviewed for proper implementation of prior recommendations.

### **General**

1. Observation: While reviewing bank deposits, it was noted that deposit information is now being verified by two clerks and all deposit slips are being initialed by a secondary clerk. This has resulted in a decrease in the number of deposit discrepancies since the last review.  
Corrective Action/Recommendation: It is recommended that the process of both the cashier and the verifying clerk comparing actual collections with the daily balance report continue, in order to ensure the correct amount be sent to the bank.
2. Observation: A sample of 100 new cases, for offenses committed after January 1, 2010, was reviewed to ensure the implementation of new fees. An email from Becky Gonzalez, JP2 court coordinator, was sent to all JP clerks on January 4, 2010, informing them of two new fees to be implemented as of January 1, 2010. Of the 100 sampled cases, 31 cases did not have the new fees assessed.  
Corrective Action/Recommendation: It is recommended that any new fees be implemented as soon as the justice of the peace is notified and that the correct amount be collected.
3. Observation: A sample of 158 out of 1,975 dismissed or acquitted cases during the audit time period was reviewed to ensure that proper information was entered into the JIMS system. It was noted that a majority of the cases (124 cases) were documented with additional information as to the reason why the case was dismissed or acquitted. Upon further review, it was noted that two dismissed cases had dismissal dates occurring in the future.  
Corrective Action/Recommendation: It is recommended that due care be exercised when entering information into the JIMS system. It is further recommended that the additional case information continue to be entered to ensure all cases are updated with the most current information.
4. Observation: While reviewing manual receipts, it was noted that the manual receipt book covering January 2009 thru April 2010 could not be located. It was further noted that receipt number 54379 was dated on a Saturday when the office was closed and did not include all case numbers associated with the payment. Furthermore, it was not entered until six business days after payment was received. It was also noted that none of the manual receipts are referenced in JIMS.  
Corrective Action/Recommendation: It is recommended that all payments be receipted in JIMS in a timely manner and that all manual receipts be filled out correctly. It also recommended that manual receipts and system generated receipts be cross-referenced and that all manual receipt books, new and used, be kept in a secured location.

### **Review of Past Memoranda**

1. Observation: It was previously recommended that checks received by mail be logged to establish an audit trail. As of the date of this report, this recommendation has not been implemented.  
Corrective Action/Recommendation: In order to have better accountability, it is strongly recommended that a checks by mail log be maintained.

2. Observation: It was previously recommended that all collections be deposited in a more timely manner and in accordance with the rapid deposit law, *Texas Local Government Code § 113.02*. After reviewing the bank statements, it was noted that this recommendation has been implemented.  
Corrective Action/Recommendation: It is recommended that the Justice of the Peace continue to ensure that all collections are deposited in a timely manner.

### Summary

This 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. Based on this review, the internal control structure of the Justice of the Peace, Precinct Number 7, continues to be weak, but should be strengthened with the implementation of the above mentioned recommendations.

JO:ya



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11-27

November 12, 2010

The Honorable Bruce King  
Justice of the Peace, Precinct Number 7  
P.O. Box 1936  
Canutillo, Texas 79835

Dear Judge King:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal audit supervisor, dated November 12, 2010 is attached. This memorandum is a report on your financial records for May 2010 through September 2010. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the Justice of the Peace as defined by AICPA professional standards. However, our review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Division.

If we can be of any assistance in this regard, please let us know.

Sincerely,

Edward A. Dion  
County Auditor

EAD:SP:ya

Attachments




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11-28

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU:  TERESA MOLINAR, OPERATIONS MANAGER

FROM:  SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR

DATE: NOVEMBER 12, 2010

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 7,  
FINANCIAL RECORDS FOR MAY 2010 THROUGH SEPTEMBER 2010

**Overview**

A review of the financial records for Justice of the Peace, Precinct Number 7, for May 2010 through September 2010 has been completed. The objective of this review was to verify the information contained in the financial records of the Justice of the Peace. The financial reports, generated off the Justice Information Management System (JIMS), are a recapitulation of all transactions that occurred during each month.

**Scope and Purpose**

The scope and purpose of the review consisted of:

1. The operating policies and procedures were reviewed to ensure that proper internal controls are in place.
2. Daily balance reports and cash count sheets were reviewed and compared to the deposit warrants. Deposits were verified for proper posting in the Financial Accounting Management System (FAMIS).
3. Deposits were reviewed to ensure that they were deposited in accordance with the rapid deposit law, *Texas Local Government Code §113.02*.
4. A surprise cash count was performed on August 12, 2010, in accordance with *Local Government Code §115.0035*. No discrepancies were noted.

5. The manual receipts were reviewed to ensure that receipts were completed properly, cross-referenced to JIMS, and to verify proper posting and timeliness of transactions.
6. An inventory of unused manual receipt books was conducted.
7. A sample of 14, or 10 percent out of 147 future-dated or back-dated transactions was reviewed to determine the legitimacy of the transactions and ensure that supporting documentation was included to justify the transaction. Additionally, a future dated citation report from JIMS listing cases with citation dates greater than October 19, 2010, was reviewed for legitimacy.
8. A sample of 53 cases, or three percent out of 1,776 cases dismissed was reviewed to ensure that proper documentation was on file.
9. Previous memoranda were reviewed for proper implementation of prior recommendations.

### **General**

1. *Observation:* Upon review of the operating procedures manual, it was noted that the procedures manual was last updated on November 26, 2007. It was further noted that the procedures manual does not delineate the operations of the office.  
*Corrective Action/Recommendation:* It is recommended that the procedures manual be updated to clearly delineate the operations of the office and a copy be available for review by the County Auditor's Office. It is important to note that the warrant clerk developed a procedures manual for his assigned position. A copy was provided to the County Auditor's Office on November 2, 2010. It is further recommended that the Texas Justice Court Financial Management Manual be utilized in updating the procedures manual. A copy of the Texas Justice Court Financial Management Manual was mailed to the Justice of the Peace Office on November 2, 2010.
2. *Observation:* Upon review of the operating procedures manual, it was noted that the procedures do not address the processing of incoming mail.  
*Corrective Action/Recommendation:* It is recommended that the procedures include the following proposed recommendations:
  - Two employees should simultaneously open and log in the mail payments. The log should document the date received, payor, the check amount, the signature of employees opening and logging in the mail, the docket number, the JIMS receipt number, the date transaction was posted in JIMS, the signature of employee receipting the payment in JIMS, and the signature of reviewer. A sample log was e-mailed to the Court Coordinator on November 2, 2010. The log should not be limited to the suggested recommendations.

- The checks, money orders, and cashier's checks should be restrictively endorsed upon receipt.
  - The checks should be distributed to the appropriate clerk soon after logging them in.
  - The checks should be posted in JIMS immediately upon receipt, but no later than the next business day. Checks held for the next business day should be secured overnight in the safe. Checks should never be left unattended or unsecured.
  - The Court Coordinator or an employee not involved in the processing of mail should review the log and trace the payments to JIMS to ensure accountability of the transaction. Additionally, the employee reviewing the manual receipts should sign and date the log to document the review.
3. Observation: While reviewing the operating procedures, it was noted that the procedures do not address the issuing, voiding, reviewing, and safeguarding of the manual receipts. Corrective Action/Recommendation: It is recommended that the procedures be updated to reflect the following proposed recommendations:
- A supervisor should safeguard and distribute the unused manual receipts.
  - A supervisor should periodically review the manual receipts.
  - Manual receipts should only be issued when authorized by supervisory staff.
  - The manual receipt number should be cross-referenced in JIMS and the JIMS receipt number should be cross-referenced on the manual receipt.
  - In the event that a manual receipt needs to be voided, a detailed explanation should be documented on the manual receipt. The original manual receipt should be attached to the carbon copy. Furthermore, supervisor approval should be obtained and documented on the manual receipt.
4. Observation: While performing the monthly reconciliation of the daily collections, it was noted that the Justice of the Peace has \$12,043.80 pending bonds as of September 30, 2010. On November 10, 2010, a copy of the bond schedule was provided to the Court Coordinator. Corrective Action/Recommendation: It is recommended that the Justice of the Peace take the appropriate action to refund or forfeit the pending bonds as soon as possible.
5. Observation: Upon review of the manual receipts, it was noted that the office utilizes the manual receipts to issue receipts for transactions that are received from 4:00 to 4:30 p.m. Staff counts their daily collections at 4:00 p.m. and the deposit is prepared shortly thereafter, but the office does not close until 4:30 p.m. It was further noted that there is no indication of supervisory review on the manual receipts. It was further noted that seven manual receipts were not posted timely during the period under review. This observation was noted on the June 22, 2010 and October 8, 2009 reports. The following chart lists the manual receipts that were not posted timely:

Manual Receipt No.	Case No.	Date Issued	Date Received	No. of Working Days to Receipt	Amount of Receipt
54381	710-02522	6/28/2010	7/1/2010	3	\$105.00
54383	710-02599/600	6/29/2010	7/7/2010	6	\$251.10
54389	710-04026	8/17/2010	8/26/2010	7	\$113.10
54390	710-03728	8/20/2010	8/25/2010	3	\$20.00
54400	708-04600/01/02	9/14/2010	9/21/2010	5	\$866.30
54410	710-04402	9/30/2010	10/5/2010	3	\$20.00
54411	710-04010	9/30/2010	10/6/2010	4	\$70.00

Corrective Action/Recommendation: It is recommended that manual receipts be received as soon as possible, but no later than the next business day.

6. Observation: Upon review of the incoming mail procedures, the following items were noted:

- The Internal Audit Division was unable to trace the incoming mail payments to JIMS since the JP staff does not maintain a log of the incoming mail. Therefore, accountability and timeliness of receipting payments could not be verified. This observation was noted on the June 22, 2010 report.
- The Court Coordinator is unable to review or follow up on incoming mail, since there is no record or audit trail of the incoming mail.
- The mail is not processed under dual control.
- The Senior Clerk processes the mail and distributes the checks to the appropriate division for payment to be receipted in JIMS.

Corrective Action/Recommendation: In order to provide an audit trail and improve the accountability of incoming mail payments, it is recommended that the proposed recommendations noted on observation number two be implemented.

7. Observation: During the November 2, 2010 on site visit, it was noted that a \$20.00 check dated September 22, 2010 was found in the safe. This check pertained to case number 710-04324. Upon inquiry, it was explained that the check could not be applied to the case because the proof of inspection was pending from the defendant. A letter was mailed to the defendant requesting proof of inspection. The case was pending to be dismissed with a \$20.00 administrative fee upon submitting proof of a valid inspection.

Corrective Action/Recommendation: It is recommended that the Justice of the Peace establish procedures to address this type of situations. It is further recommended that JP staff return payments to the defendant if they are unable to receipt the transaction in JIMS when supporting documentation is lacking in order to update the case.

8. Observation: Upon review of the future dated and back dated transactions, it was noted that on case number 708-05722 the disposition date was future dated to December 22, 2010.

Corrective Action/Recommendation: It is recommended that the JP staff exercise due care in posting transactions in JIMS. It is further recommended that the JP staff seek guidance from ITD on how to correct the disposition date on the case noted above. Furthermore, it is recommended that procedures be established to address future and back dated transactions. Moreover, it is recommended that the Court Coordinator periodically obtain from ITD a report listing future/back dated transactions and review to verify the legitimacy of the transactions. Additionally, the Court Coordinator should verify that these cases have supporting documentation to justify the transaction.

9. Observation: While conducting a cursory review of the future dated citation report, it was noted that 14 cases were identified as having a future date greater than October 19, 2010.

Corrective Action/Recommendation: A copy of the report was provided to the Court Coordinator on October 22, 2010. The Senior Clerk reviewed and corrected the citation dates. It is further recommended that the Court Coordinator periodically request from ITD and review this type of report to ensure that citation dates are not inadvertently future dated.

10. Observation: While reviewing the dismissed cases, it was noted that case numbers 709-07213, 709-01281, and 709-06260 were dismissed in JIMS prior to obtaining the Judge's signature authorizing the dismissal.

Corrective Action/Recommendation: It is recommended that the JP staff obtain the judge's signature prior to dismissing the case in JIMS. It is further recommended that the Court Coordinator periodically review the dismissed cases to verify the legitimacy of the dismissal.

### **Review of Past Memoranda**

11. Observation: It was previously noted that checks and money orders were not restrictively endorsed upon acceptance.

Corrective Action/Recommendation: While conducting the August 12, 2010 surprise cash count, it was noted that all checks were restrictively endorsed.

### **Summary**

This 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. Based on this review, the internal control structure of the Justice of the Peace, Precinct Number 7, appears to be weak, but should be strengthened with the implementation of the above mentioned recommendations.

SP:ya



**Juvenile Probation  
Department**



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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06-01

June 1, 2010

Mr. Roger Martinez  
Chief Juvenile Probation Officer  
Juvenile Justice Center  
6400 Delta Drive  
El Paso, TX 79905

Dear Mr. Martinez,

A copy of a memorandum from Mrs. Gaby Paredes-Ferro, internal auditor, dated June 1, 2010 is attached. This memorandum is a report on a review of your financial records for September 2009 through March 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Paredes-Ferro.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:GPF:ya

Attachment



COUNTY OF EL PASO  
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06-02

MEMORANDUM

*Edward A. Dion*  
TO: EDWARD A. DION, COUNTY AUDITOR  
*Teresa Molinar*  
THRU: TERESA MOLINAR, OPERATIONS MANAGER  
*Sylvia Pacheco*  
THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR  
*Gaby Paredes-Ferro*  
FROM: GABY PAREDES-FERRO, INTERNAL AUDITOR  
DATE: JUNE 1, 2010  
SUBJECT: REVIEW OF THE JUVENILE PROBATION DEPARTMENT FOR  
SEPTEMBER 2009 THROUGH MARCH 2010

**Overview**

A review of the Juvenile Probation Department's (JPD) financial records for September 2009 through March 2010 has been completed. The objective of this review was to provide reasonable assurance that all funds were accounted for properly, deposited in a timely manner, and appropriately disbursed.

**Scope and Purpose**

The scope and purpose of this review consisted of:

1. A surprise cash count was performed on May 5, 2010, in accordance with the *Texas Local Government Code §115.0035*, copy attached. No discrepancies were noted.
2. All Daily Fee Summary Reports were compared to the deposit slips, the monthly reconciliations, and Financial Management Information System (FAMIS) to ensure that all revenue has been coded correctly. No discrepancies were noted.
3. All mail payments were reviewed to ensure completeness of log and that the payments were deposited in accordance with the *Texas Local Government Code §113.02*. No discrepancies were noted.

4. A random sample of waived cases was reviewed for required signature on supporting documentation. No discrepancies were noted.
5. A random sample of transferred cases was reviewed to verify that funds were appropriately allocated. No discrepancies were noted.
6. A random sample of restitution checks was reviewed to verify the legitimacy of the payment by reviewing the supporting documentation and tracing to CaseWorker to ensure restitution payment amount agrees. No discrepancies were noted.
7. Manual receipts were reviewed for completion and accountability. No discrepancies were noted.
8. Previous memorandum was reviewed for implementation of prior recommendations.

#### **Review of Prior Memoranda**

1. *Observation:* It was previously recommended that the cashier's collections be verified by someone other than the cashier at the end of the day. Both the cashier and the verifier should sign the cash count sheet after the money has been verified. Any discrepancies should be addressed immediately.

*Corrective Action/ Recommendation:* Upon inquiry, it was explained that the Juvenile Department did not implement this recommendation. The recommendation was reviewed and was determined by management that there is adequate internal control to verify the cashier's collection. It was further explained that the recommendation would also require two employees to work approximately 30 to 45 minutes after their regular work day; thus, increasing their comp/over time. It was also stated that the collections are verified the following business day by the accounting clerk in the presence of the cashier. Any discrepancies are researched the same day and the Assistant Director of Financial Services/Deputy Chief is notified. The Assistance Director of Financial Services or the Accountant will verify the deposit in the presence of the accounting clerk and cashier. The funds are then placed in a sealed plastic bank bag.

#### **Summary**

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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. The internal control structure of the JPD appears to be adequate, and should be further strengthened with implementation of the above-mentioned recommendations.

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08-31

August 13, 2010

Mr. Roger Martinez  
Chief Juvenile Probation Officer  
Juvenile Justice Center  
6400 Delta Drive  
El Paso, TX 79905

Dear Mr. Martinez,

A copy of a memorandum from Mrs. Gaby Paredes-Ferro, internal auditor, dated August 13, 2010 is attached. This memorandum is a report on a review of your financial records for April 2010 through June 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Paredes-Ferro.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:GPF:ya

Attachment




COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

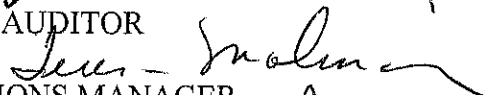
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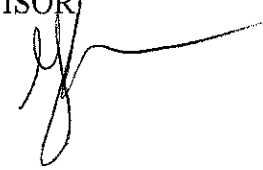
08-32

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

FROM: GABY PAREDES-FERRO, INTERNAL AUDITOR 

DATE: AUGUST 13, 2010

SUBJECT: REVIEW OF THE JUVENILE PROBATION DEPARTMENT FOR APRIL 2010 THROUGH JUNE 2010

**Overview**

A review of the Juvenile Probation Department's (JPD) financial records for April 2010 through June 2010 has been completed. The objective of this review was to provide reasonable assurance that all funds were accounted for properly, deposited in a timely manner, and appropriately disbursed.

**Scope and Purpose**

The scope and purpose of this review consisted of:

1. A surprise cash count was performed on July 22, 2010, in accordance with the *Texas Local Government Code §115.0035*, copy attached. No discrepancies were noted.
2. All Daily Fee Summary Reports were compared to the deposit slips, the monthly reconciliations, and Financial Management Information System (FAMIS) to ensure that all revenue has been accounted correctly.
3. All mail payments were reviewed to ensure proper controls are in effect and that the payments were deposited in accordance with the *Texas Local Government Code §113.02*.
4. A random sample of waived cases was reviewed to ensure that the supporting documentation justifies the waiver. No discrepancies were noted.
5. A random sample of transferred cases was reviewed to verify that funds were appropriately allocated. No discrepancies were noted.
6. A random sample of restitution disbursements was reviewed to verify the legitimacy of the payment by reviewing the supporting documentation and tracing to CaseWorker to ensure restitution payment amount agrees. The actual restitution payment procedures were compared to the written policies and procedures to ensure compliance.

7. Manual and daily receipts were reviewed for completeness and accountability.
8. Parking logs were reviewed to ensure policy and procedure compliance.
9. Gas card and vehicle logs were reviewed to ensure policy and procedure compliance and compared to Authorized Employee list to verify authorized usage.
10. The policies and procedures were reviewed specifically for parking cards, gas cards, and restitution payments, to ensure effective internal controls are in place.
11. Previous memorandum was reviewed for implementation of prior recommendations.

### General

1. Observation: On April 29, 2010, a bank correction to the deposit was identified in the amount of \$.02. On June 24, 2010, two bank corrections were noted as a result of the transposing of numbers on the cash total listed. The Inter National Bank charges \$5 per correction, resulting in a \$15 total bank charge.  
Corrective Action/Recommendation: It is recommended that due care be exercised when preparing the deposit slips to avoid unnecessary bank charges.
2. Observation: While reviewing the mail logs, it was noted that on April 1, 2010, the money order number was not cross-referenced in CaseWorker, and on May 7, 2010, the money order number was referenced incorrectly.  
Corrective Action/Recommendation: It is recommended that due care be exercised when posting payments to ensure all necessary information is present in the juvenile's file in order to facilitate referencing when needed.
3. Observation: While reviewing the restitution disbursements, it was noted that in six instances the amount paid out to the victim was originally receipted for a different victim. Upon inquiry, it was explained that after a payment is received from the juvenile, the restitution payment will be applied to a victim. When gathering the monthly information for pay out, the payment might then, if applicable, be applied to a different victim. However, according to the policies and procedures, every restitution payment received should be applied equally to all victims.  
Corrective Action/Recommendation: It is recommended that upon receipt of payment from the juvenile, funds should be allocated adequately to each victim as stated in the policies and procedures. It is also recommended that the policies and procedures be updated to reflect new changes that have taken effect throughout the years.
4. Observation: After reviewing the daily receipts issued, it was noted that many receipt numbers had been altered after issuance; for example, sequence number 108XXX subsequently showed as 105XXX, and would be corrected manually after issuance. Upon inquiry, it was explained that the current batch of receipts was defective. The vendor had been contacted and will ensure numerical consistency and accuracy is present in the new receipt batch. This discrepancy had been discussed with the County Auditor's Office.  
Corrective Action/Recommendation: It is recommended that upon delivery of a new receipt box, all receipts be checked to ensure numerical order, and request a replacement box immediately, if needed.



5. Observation: While reviewing the parking card logs, it was noted the log indicates the parking cards must be turned in by 5:00 pm. Additionally, the procedures do not indicate whether the card must be turned in the same day it was issued or the time limit a card may be kept by the employee. It was further noted that 35 percent returned the parking cards two to four days after the checkout date and one parking card was returned 33 days after. The remaining entries were overnight returns.  
Corrective Action/Recommendation: It is recommended that the policies and procedures be updated to indicate parking cards must be returned immediately upon completion of official business use. At no time must the parking cards be used for personal use.
  
6. Observation: After comparing the gas card log to the vehicle logs, it was noted that incomplete log entries, missing supporting documentation, different odometer readings, and different authorized users for same entry were identified. It was also noted that on 10 instances, the gas cards were returned after 3:30 pm, resulting in non-compliance of the policies and procedures.  
Corrective Action/Recommendation: It is recommended that the vehicle log be reviewed when a vehicle is returned to ensure completeness and accuracy. It is further recommended that the policies and procedures be updated to reflect any new changes.
  
7. Observation: While reviewing the policies and procedures, it was noted that they have not been updated to reflect changes that have been implemented throughout the years.  
Corrective Action/Recommendation: It is recommended that all departmental policies and procedures be updated to reflect all new changes.

### Summary

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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. The internal control structure of the JPD appears to be adequate, and should be further strengthened with implementation of the above-mentioned recommendations.

GFP:ya



COUNTY OF EL PASO  
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11-54

November 30, 2010

Mr. Roger Martinez  
Chief Juvenile Probation Officer  
Juvenile Justice Center  
6400 Delta Drive  
El Paso, TX 79905

Dear Mr. Martinez:

A copy of a memorandum from Mrs. Gaby Paredes-Ferro, internal auditor, dated November 30, 2010 is attached. This memorandum is a report on a review of your financial records for July 2010 through September 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Paredes-Ferro.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

A handwritten signature in black ink that reads "Edward A. Dion".

Edward A. Dion  
County Auditor

EAD:GPF:ya

Attachment




COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

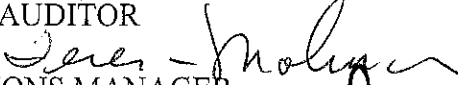
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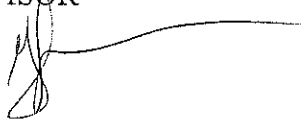
11-55

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU:  TERESA MOLINAR, OPERATIONS MANAGER

THRU:  SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR

FROM:  GABY PAREDES-FERRO, INTERNAL AUDITOR

DATE: NOVEMBER 30, 2010

SUBJECT: REVIEW OF THE JUVENILE PROBATION DEPARTMENT FOR JULY 2010 THROUGH SEPTEMBER 2010

**Overview**

A review of the Juvenile Probation Department's (JPD) financial records for July 2010 through September 2010 has been completed. The objective of this review was to provide reasonable assurance that all funds were accounted for properly, deposited in a timely manner, and appropriately disbursed.

**Scope and Purpose**

The scope and purpose of this review consisted of:

1. A surprise cash count was performed on October 29, 2010, in accordance with the *Texas Local Government Code §115.0035*. No discrepancies were noted.
2. All Daily Fee Summary Reports were compared to the deposit slips, the monthly reconciliations, and Financial Management Information System (FAMIS) to ensure that all revenue has been accounted correctly. No discrepancies were noted.
3. All mail payments were reviewed to ensure proper controls are in effect and that the payments were deposited in accordance with the *Texas Local Government Code §113.02*.
4. A random sample of waived cases was reviewed to ensure that the supporting documentation justifies the waiver. No discrepancies were noted.

5. A random sample of transferred cases was reviewed to verify that funds were appropriately allocated. No discrepancies were noted.
6. A random sample of restitution disbursements was reviewed to verify the legitimacy of the payment by reviewing the supporting documentation and tracing to CaseWorker to ensure restitution payment amount agrees.
7. Manual and daily receipts were reviewed for completeness and accountability. No discrepancies were noted.
8. Previous memorandum was reviewed for implementation of prior recommendations.

### **General**

1. *Observation:* While reviewing the mail logs, two discrepancies were noted throughout the testing period. On July 5, 2010, the juvenile's personal identification number was used as the reference instead of the money order number; and on July 22, 2010, the money order number was referenced incorrectly.  
*Corrective Action/Recommendation:* It is recommended that due care be exercised when posting payments to ensure all necessary information is present in the juvenile's file in order to facilitate referencing when needed.

### **Review of Previous Memoranda**

1. *Observation:* While reviewing the restitution payments it was noted that on nine instances the amount paid out to the victim was originally receipted to a different victim. It was previously recommended that policies and procedures be updated to reflect new changes that have taken effect throughout the years. This measure has not been implemented.  
*Corrective Action/Recommendation:* On November 22, 2010, the Juvenile Department and the County Auditor's Office met to discuss the restitution policies and procedures. It was noted that CaseWorker will be replaced by the Juvenile Case Management System (JCMS) in January 2011; therefore, it was agreed that the updating of the restitution policies and procedures be postponed until the new system is operational.

### **Summary**

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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. The internal control structure of the JPD appears to be adequate, and should be further strengthened with implementation of the above-mentioned recommendations. '

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# Law Library



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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06-47

June 21, 2010

Ms. Lynn Sanchez  
Law Library Manager  
Law Library  
Room 1202, County Courthouse Building  
El Paso, TX 79901

Dear Ms. Sanchez:

A copy of a memorandum from Mrs. Gaby Paredes-Ferro, internal auditor, dated June 21, 2010 is attached. This memorandum is a report on a review of your financial records for May 2009 through April 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Paredes-Ferro.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:GP:ya

Attachment




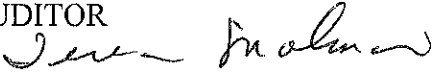

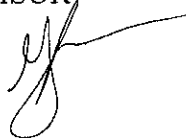
COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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06-48

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR   
THRU: TERESA MOLINAR, OPERATIONS MANAGER   
THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR   
FROM: GABY PAREDES-FERRO, INTERNAL AUDITOR   
DATE: JUNE 21, 2010  
SUBJECT: REVIEW OF THE LAW LIBRARY FINANCIAL RECORDS FOR MAY 2009 THROUGH APRIL 2010

**Overview**

A review of the Law Library's financial records for May 2009 through April 2010 has been completed. The objective of this review was to provide reasonable assurance that all funds were accounted for properly and deposited in a timely manner.

**Scope and Purpose**

The scope and purpose of this review consisted of:

1. A surprise cash count was performed on June 4, 2010, in accordance with the *Texas Local Government Code §115.0035*.
2. The daily cash box reports and deposit detail logs were reviewed and compared to the deposit warrants for accuracy. The deposits were verified for proper posting in the Financial Accounting Management System (FAMIS). No discrepancies were noted.
3. The deposits were reviewed to ensure that they were deposited in accordance with the rapid deposit law, *Local Government Code §113.022*.
4. Previous memorandum was reviewed for implementation of prior recommendations.



## General

1. Observation: During the June 4, 2010 surprise cash count, it was noted that the counters on the new copy machines are not operating properly. There is a discrepancy between the balance reflected by the counter and the cash being inserted; therefore, they were not in balance. Maintenance on the counters has been performed; however, the counters are still not counting accurately.  
Recommendation: It is recommended that the counters continue to be monitored until the problem has been fixed.
  
2. Observation: While reviewing the daily deposits, it was noted that on nine different occasions, the daily collections were deposited after the seventh business day. One of those deposits was deposited 106 days later. Upon inquiry, it was explained that Lynn Sanchez, Law Librarian, received a refund check for a duplicate payment. Miss Sanchez was not able to verify its validity through her records and began researching it with the check writer, West Corporation. After months of not being able to find a valid response, Miss Sanchez deposited the check, eventhough she is still uncertain if it was correctly issued.  
Recommendation: It is recommended that all collections be deposited in accordance with the *Texas Local Government Code §113.022*. If a check from a vendor is questionable, it should be forwarded to the County Auditor for research.

## Summary

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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. The internal control structure of the Law Library appears to be adequate, and should be further strengthened with implementation of the above-mentioned recommendations.

GP:ya

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# **Long Distance Telephone Bill Review**



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

EDWARD A. DION, CPA, CIO  
COUNTY AUDITOR  
edion@epcounty.com  
www.epcounty.com/auditor

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800 East Overland Street, Rm. 406  
EL PASO, TEXAS 79901-2407  
(915) 546-2040  
(915) 546-8172 FAX

07-22

July 12, 2010

Mr. Victor Montes  
Communication Director  
County Communications Center  
Room 309, County Courthouse Building  
El Paso, Texas 79901

Dear Mr. Montes:

A copy of a memorandum from Ms. Ruth Bernal, internal auditor, dated July 8, 2010 is attached. This memorandum is a report on a review of the Long distance telephone billing for January 2010 through March 2010. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the Communications Department as defined by AICPA professional standards. However, our review was performed with objectivity and due professional care. I concur with the recommendations made by Ms. Bernal.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:RB:ya

Attachment




COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

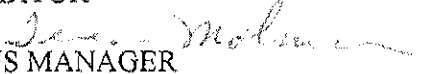
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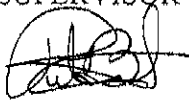
07-23

MEMORANDUM

TO:   
EDWARD A. DION, COUNTY AUDITOR

THRU:   
TERESA MOLINAR, OPERATIONS MANAGER

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR

FROM: RUTH BERNAL, INTERNAL AUDITOR 

DATE: JULY 12, 2010

SUBJECT: REVIEW OF THE LONG DISTANCE TELEPHONE BILLING

Overview

A review of the long distance telephone and fax billings for El Paso County departments from January 2010 through March 2010 has been completed. The objective of this review was to verify that the calls placed were work related and that employees have logged all calls and faxes.

Scope and Purpose

The scope and purpose of the review was as follows:

A sample of 18 percent, or 73 accounts out of 411 account codes was selected to issue confirmation letters. Confirmation letters were sent to 21 departments in order to confirm that the calls were business related and that the departments are reviewing their long distance bills on a regular basis.

General

1. Observation: It was noted that there are no County wide policies and procedures in place to address long distance calls.  
Corrective Action/Recommendation: It is recommended that the Communications Department coordinate with Human Resources to establish the policies and procedures for the long distance call usage. It is also recommended that once the policies and procedures are completed, a copy should be submitted to the County Auditor's Office for review.

2. Observation: While reviewing the long distance bills, it was noted that several departments are assigned one account code for the whole office.  
Corrective Action/Recommendation: It is recommended that an account code be assigned to each County employee that is authorized to make long distance calls and desist from assigning a general code per department. This will provide a better accountability of the long distance call usage.
3. Observation: The following items were noted upon reviewing the confirmation letters:
- 11 departments, or 53 percent indicated that the long distance phone bills are reviewed.
  - Four departments, or 19 percent indicated that the long distance phone bills are not reviewed.
  - Two departments, or 10 percent did not indicate if the long distance phone bills are reviewed.
  - Four departments, or 19 percent did not respond to the confirmation letter. An attempt was made to call these departments, to no avail.
  - 14 long distance account codes were under former employee names.
  - Two employees did not recognize several of the long distance calls. Upon inquire, it was explained that there is the possibility that someone else had access to the code.
  - Six departments are assigned one long distance code for the office as a whole.
- Corrective Action/Recommendation: The following recommendations are proposed:
- A long distance code should be assigned to each County employee authorized to make long distance calls.
  - Employees should not share the assigned codes.
  - Each employee should keep a log of the long distance calls.
  - The department supervisor should monitor the long distance calls logs on the long distance phone bill regularly.
  - The Human Resource Department should include the cancelation of the long distance code as part of the employee exit check list and coordinate with Communications Department.
  - All recommend actions should be included as part of the policies and procedures for long distance call usage.
  - The long distance policy should state the card access is for official business only.

### Summary

This 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. The internal control structure of the long distance call usage appears to be extremely weak, but should be strengthened with the implementation of the above mentioned recommendations.

RB:ya

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# **Medical Examiner's Office**





COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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05-17

May 12, 2010

Dr. Paul Shrode  
Medical Examiner's Office  
4505 Alberta  
El Paso, Texas 79905

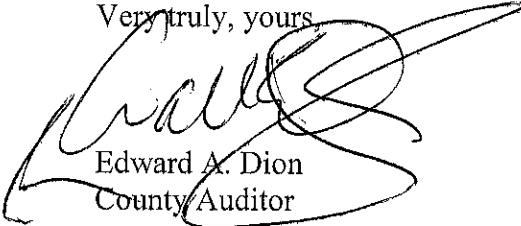
Dear Dr. Shrode:

A copy of a memorandum from Ms. Ruth Bernal, internal auditor, dated May 12, 2010 is attached. This memorandum is a report on a review of the Medical Examiner's financial records for October 2009 through February 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Ms. Bernal

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly, yours,



Edward A. Dion  
County Auditor

EAD:RB:ya

Attachment



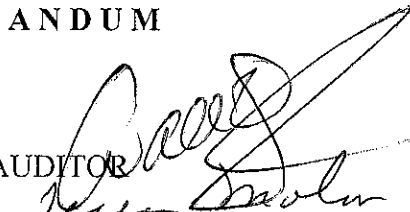
COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

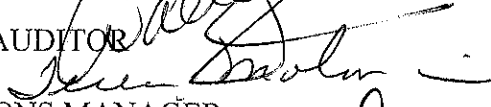
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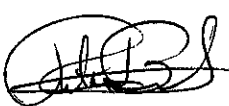
05-18

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

FROM: RUTH BERNAL, INTERNAL AUDITOR 

DATE: MAY 12, 2010

SUBJECT: REVIEW OF THE MEDICAL EXAMINER'S OFFICE FROM OCTOBER 2009 THROUGH FEBRUARY 2010

**Overview**

A review of the Medical Examiner's Office financial records for October 2009 through February 2010 has been completed. The objective of this review was to verify the information contained within the Medical Examiner's financial records.

**Scope and Purpose**

The scope and purpose consisted of:

1. All deposit warrants were reconciled and compared to the manual cash receipts. All manual receipts were reviewed to ensure accountability. In addition, deposit warrants were reviewed to ensure that funds were deposited in accordance with the rapid deposit law, *Texas Local Government Code, §113.022*.
2. The inventory of the unused manual receipt books was reviewed.
3. A cash count was performed on April 9, 2010, for the inspection of funds in accordance with the *Texas Local Government Code §115.0035*.

**General**

1. Observation: In comparing the manual receipts to the deposit warrants, no discrepancies were noted. Also, in reviewing the manual receipts, it was noted that funds were deposited in a timely manner and receipts were issued in sequential order.

2. Observation: In reviewing all unused manual receipt books, no discrepancies were noted.
3. Observation: It was noted that the monthly lease payment for the second floor of the Medical Examiner's building has not been received since November 2009. It was explained that the lease is not going to be billed to the City until the contract is signed by both parties.
4. Observation: A cash count was not performed at the time of the on-site visit to the Medical Examiner's office, because no funds were collected. The funds collected for the last receipt issued were already received at the Treasury Division.
5. Observation: It was noted that County Attorney's Office received some funds for copies of autopsy reports. The checks were forwarded to the Treasury Division and deposited to the general account under index COUNTYATTORNEY and subobject R7008. Upon inquiry, it was explained that the County Attorney's Office assists the Medical Examiner's Office with legal review of Public Information Act (PIA's) requests. The requestors were advised to send any charges associated with their request to the County Attorney's Office. This practice was ceased in December 2009. Currently, if the requestor incurred charges as a result of their request, the attorneys advise the requestor to send their checks/money orders to the Medical Examiner's attention and payable to the County of El Paso.  
Corrective Action/Recommendation: It is recommended that the Medical Examiner's Office collect the appropriate fees before any autopsy reports are released. Also, it is recommended that the fees collected be periodically reconciled to FAMIS.

### Summary

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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Based on this review, the internal control structure of the Medical Examiner's Office appears to be adequate, and should be further strengthened with implementation of the above mentioned recommendations.

RB:ya

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(915) 546-8172 FAX

09-22

September 17, 2010

Ms. Irene Santiago  
Office Administrator – Support Manager  
Medical Examiner's Office  
4505 Alberta  
El Paso, Texas 79905

Dear Ms. Santiago:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal audit supervisor, dated September 17, 2010 is attached. This memorandum is a report on a review of the Medical Examiner's financial records for March 2010 through August 2010. 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 review was performed with objectivity and due professional care.

If we can be of any assistance in this regard, please let us know.

Very truly, yours,

A handwritten signature in black ink, appearing to read "Edward A. Dion".

Edward A. Dion  
County Auditor

EAD:SP:ya

Attachment




COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

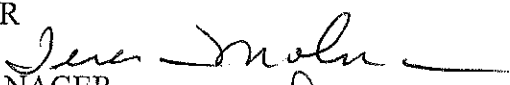
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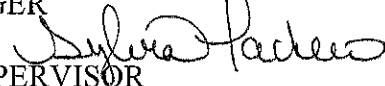
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09-23

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

DATE: SEPTEMBER 17, 2010

SUBJECT: REVIEW OF THE MEDICAL EXAMINER'S OFFICE FROM MARCH 2010 THROUGH AUGUST 2010

**Overview**

A review of the Medical Examiner's Office financial records for March 2010 through August 2010 has been completed. The objective of this review was to verify the information contained within the Medical Examiner's financial records.

**Scope and Purpose**

The scope and purpose consisted of:

1. All deposit warrants were reconciled and compared to the manual cash receipts. All manual receipts were reviewed to ensure accountability. In addition, deposit warrants were reviewed to ensure that funds were deposited in accordance with the rapid deposit law, *Texas Local Government Code, §113.022*.
2. The inventory of the unused manual receipt books was conducted.
3. A cash count was performed on August 13, 2010, for the inspection of funds in accordance with the *Texas Local Government Code §115.0035*. No discrepancies were noted.
4. The amounts invoiced for the lease agreement pertaining to the 2<sup>nd</sup> floor of the Medical Examiner's Office were compared to deposit warrants to ensure that payments were received in full and in a timely manner.

**General**

1. Observation: It was noted that the Medical Examiner's Office issues manual receipts as proof of receipt of payment.

Corrective Action/Recommendation: It was recommended that the Medical Examiner consider the possibility of utilizing the RecWare Cashiering System instead of issuing manual receipts. The Medical Examiner's Office will start using the RecWare cashiering system on October 1, 2010.

2. Observation: Upon review of the payments for the second floor of the Medical Examiner's Office lease agreement, it was noted that the lease payments from October 2009 through July 2010 were received at the County Auditor's Office on July 12, 2010. The August 2010 lease payment is pending from the City of El Paso.

### Review of Past Memorandum

3. Observation: It was previously recommended that the Medical Examiner's Office obtain pre-numbered security bags to ensure that unclaimed property is secured.  
Corrective Action/Recommendation: According to Ms. Irene Santiago, the Medical Examiner's Office will not purchase pre-numbered security bags due to budget constraints. Management has implemented an alternate internal control to ensure accountability of the unclaimed property. Unclaimed items are placed in a plastic or paper bag. The items are listed on a receipt ticket and the receipt ticket is stapled to the bag. A list of evidence bags is maintained by the investigators. An inventory count of these bags is conducted in every shift. Bags are also examined to ensure they have not been tampered with. The investigator signs off on the log to document inspection and accountability of bags.

### Summary

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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Based on this review, the internal control structure of the Medical Examiner's Office appears to be adequate.

SP:ya

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# **Oaths of Office**



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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08-36

August 16, 2010

The Honorable Delia Briones  
El Paso County Clerk's Office  
500 East Overland, Room 105  
El Paso, TX 79901

Dear Ms. Briones:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal audit supervisor, dated August 16, 2010 is attached. This memorandum is a report on a review of the Oaths of Office from July 2009 through June 2010. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the County Clerk's Office, as defined by the AICPA professional standards. However, this review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

If we can be of any further assistance, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:SP:ya

Attachment




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OFFICE OF THE COUNTY AUDITOR


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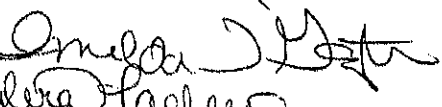
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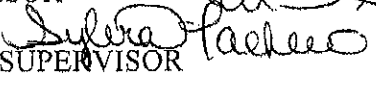
08-37

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU:  TERESA MOLINAR, OPERATIONS MANAGER

THRU:  IMELDA GAYTAN, PAYROLL SUPERVISOR

FROM:  SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR

DATE: AUGUST 16, 2010

SUBJECT: REVIEW OF THE OATHS OF OFFICE FROM JULY 2009 THROUGH JUNE 2010

**Overview**

The objective of this review was to ensure compliance with the oath requirements of *Texas Local Government Code, §154.043(b)* and *Article XVI of the Texas Constitution*.

**Scope and Purpose**

The scope and purpose of the review was as follows:

1. A review of the oaths of office was conducted for new hired employees during the period under review, to ensure that required oaths of office were in file at the County Auditor's Payroll Division and the County Clerk's Office.
2. Previous memorandum was reviewed for proper implementation of prior recommendations.

**General**

1. *Observation:* While reviewing the Oaths of Office for new hired employees, the following items were noted:
  - Eleven out of 44, or 29 percent, the oaths of office were not on file at the County Auditor's Payroll Division or the County Clerk's Office. The County Auditor's Internal Audit Division contacted the department supervisors and obtained six signed oaths of office.

- Eleven out of 44, or 29 percent, the oaths of office were not in file at the County Clerk's Office, but were filed at the County Auditor's Payroll Division. The County Auditor's Internal Audit Division contacted the department supervisors and obtained the signed oath of office.

Corrective Action/Recommendation: A copy of the oaths of office obtained by the County Auditor's Internal Audit Division was provided to the County Auditor's Payroll Division and County Clerk's Office. It is recommended that the County Auditor's Payroll Division contact the department heads and obtain a signed oath of office for the County employees listed on the attached schedule and provide a copy to the County Clerk's Office.

#### **Review of Past Memorandum**

2. Observation: It was previously noted that two oaths of office were not on file at the County Auditor's Office or the County Clerk's Office. One employee has separated from the County. As of August 13, 2010, the oath of office for the second active employee was not on file at either office.

Corrective Action/Recommendation: It is again recommended that the County Auditor's Payroll Division contact the department head and obtain a signed oath of office for the County employee listed on the attached schedule and provide the County Clerk's Office a copy.

#### **Summary**

Based on this review, the internal control structure of the County, as it relates to oath of office requirements continues to be weak, but should be strengthened with the implementation of the above-mentioned recommendations.

SP:ya

El Paso County, Texas  
 Oath of Office  
 Review of Past Memorandum

Note: Could not locate an oath of office for the following employee.

EMPLOYEE NAME	DEPARTMENT	ORIGINAL HIRE DATE	JOB TITLE	Signed Oath	Signed Date	In Compliance	Comments
SERNA, MONICA	DIST CLERK CRIMINAL 1	03/06/2009	OFFICE SPECIALIST	No		No	

El Paso County, Texas  
 Oaths of Office  
 July 2009 - June 2010

Note: Could not locate an oath of office for the following employees.

DEPT NAME	EMPLOYEE NAME	HIRE DATE	Signed Oath	Signed Date	In Compliance
COUNTY CLERK CASHIERS	CANALES, MARISOL	06/01/2010	No		No
COUNTY CLERK CASHIERS	MEJIA, JACQUELINE	06/01/2010	No		No

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# Parking Garage





COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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09-24

September 21, 2010

Ms. Monique Aguilar  
Office Administrator/Support Manager  
Facilities Management Department  
Room M-1, County Courthouse Building  
500 East San Antonio Street  
El Paso, Texas 79901

Dear Ms. Aguilar:

A copy of a memorandum from Ms. Linda Hemme, internal auditor, dated September 21, 2010 is attached. This memorandum is a report on a review of the records of the County's parking facility for June 2009 through July 2010. Our review was performed with objectivity and due professional care. I concur with the recommendations made by Ms. Hemme.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:LH:ya

Attachment




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09-25

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

FROM: LINDA HEMME, INTERNAL AUDITOR 

DATE: SEPTEMBER 21, 2010

SUBJECT: REVIEW OF THE EL PASO COUNTY PARKING FACILITY

**Overview**

A review of the El Paso County Parking Facility for June 2009 through July 2010 has been completed. The objective of this review was to ensure that all applicable fees were collected and that card deposits and commissions were deposited to the County Auditor's Treasury Division in a timely manner.

**Scope and Purpose**

1. The facility's monthly revenue reports were reviewed to ensure that commission calculations were accurate. In addition, all the facility's monthly commissions were traced to the deposit warrants to ensure that they were received timely.
2. All daily revenue received for July 2010 was reviewed and traced to deposit warrants to ensure that all funds were collected.
3. The deposit warrants for the \$10 key card fee were reviewed to ensure that funds were deposited in accordance with the rapid deposit law, *Texas Local Government Code, §113.022*. No discrepancies were noted.
4. Surprise cash counts were performed on June 30, 2010 and July 9, 2010 for the inspection of funds.

**General**

1. *Observation:* In tracing the deposit warrants for monthly commissions, it was noted that all commissions received from AMPCO were accounted for and received timely.

2. Observation: Ms. Monique Aguilar, Office Administrator/Support Manager, discovered and notified the County Auditor's Office that several checks totaling \$1,747.43 made payable to AMPCO were not deposited by AMPCO. The County Auditor's Office contacted AMPCO and the checks were mailed out to them on August 11, 2010. These checks were returned to the Parking Garage by AMPCO who refused to accept the checks. One check was from the County's Consolidated Account and the rest from other entities.  
Corrective Action/Recommendation: The County issued check will be voided and reissued payable to the County and the Parking Garage staff is contacting the rest of the payers to reissue their check payable to the County of El Paso.
3. Observation: It was noted that receipts are not being issued to monthly parkers who make payments by check. However, manual receipts are being issued to monthly parkers who pay in cash.  
Corrective Action/Recommendation: The Information Technology Department (ITD) is working on developing a receipting system for the Parking Garage. It is unknown as to when this system will be completed. It was recommended to ITD and the Parking Garage staff to explore the possibility of using Recware as a receipting system.
4. Observation: As of July 1, 2010, El Paso County is operating the parking garage. While reviewing the daily deposits for July 2010, it was noted that there were several overages and shortages in the daily deposits. There is a net overage of \$59.50 for July 2010.  
Corrective Action/Recommendation: It is recommended that due care be exercised in handling the daily monetary transactions.
5. Observation: A cash count was performed on June 30, 2010, AMPCO's last day of operations at the County Parking Garage. It was noted that it was difficult to determine what the correct collections for the day were. The funds collected for the day did not balance to the register tape and to the number of tickets issued. The cash on hand for attendant number 1 was short \$0.03, when compared to the register tape. However, when comparing the cash on hand to the number of tickets issued, there was an overage of \$3.78. The cash count for attendant number 2 resulted in a \$0.22 shortage when compared to the register tape and a \$1.78 overage when compared to the number of tickets issued.  
Corrective Action/Recommendation: It is recommended that staff exercise due care when collecting money. Facilities Management is also exploring the possibility of replacing the garage equipment and software.
6. Observation: A cash count was performed at the County run Parking Garage on July 9, 2010. It was noted that it was difficult to determine what the correct collections for the day were. The funds collected for the day did not balance to the register tape and to the number of tickets issued. The cash count performed on attendant number 1 resulted in a shortage of \$11.00 when comparing the cash on hand to the register tape and a \$0.50 shortage when compared to the tickets issued. The cash count for attendant number 2 resulted in a shortage of \$13.45 when compared to the register tape and a \$1.55 overage when compared to the number of tickets issued.

Corrective Action/Recommendation: It is recommended that staff exercise due care when collecting money.

7. Observation: While performing the cash count at the County run Parking Garage, it was also noted that there were seven fifty cent penny rolls in one of the desk drawers. Upon inquiry, Mr. Randy Monroe, Parking Garage Manager, stated that these were from change found throughout the garage.

Corrective Action/Recommendation: It is recommended that any unclaimed funds found be deposited at the bank along with the daily collections.

### **Summary**

This review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the County's assets from lost, 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. The internal control structure of the Parking Garage Facility appears to be extremely weak, but should be strengthened with the implementation of the above-mentioned recommendations.

LH:ya

# Parking Lot



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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08-24

August 13, 2010

Ms. Hilda Ortiz  
General Manager  
U.S. Parking Systems  
710 Texas Avenue  
El Paso, TX 79901

Dear Ms. Ortiz:

A copy of a memorandum from Ms. Linda Hemme, internal auditor, dated August 13, 2010 is attached. This memorandum is a report on a review of your revenue records for June 2009 to July 2010. Our review was performed with objectivity and due professional care

If we can be of any assistance in this regard, please let us know.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edward A. Dion", with a long horizontal flourish extending to the right.

Edward A. Dion  
County Auditor

EAD:LH:ya

Attachment

cc: Ms. Monique Aguilar, Office Administrator/Support Manager  
Facilities Management Department



COUNTY OF EL PASO  
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08-25

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR  
THRU: TERESA MOLINAR, OPERATIONS MANAGER  
THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR  
FROM: LINDA HEMME, INTERNAL AUDITOR  
DATE: AUGUST 13, 2010  
SUBJECT: REVIEW OF THE CONTRACT FOR THE EL PASO COUNTY PARKING LOT

**Overview**

A review of the contract for the El Paso County Parking Lot located at 801 E. Overland has been completed for June 2009 to July 2010. The objective of this review was to ensure compliance with the terms stipulated in the agreement.

**Scope and Purpose**

The scope and purpose of the review was as follows:

1. The facility's monthly revenue reports were reviewed to ensure that commission calculations were accurate and in accordance with the agreement.
2. The facility's monthly commissions were traced to the deposit warrants to ensure that they were received timely.

**General**

1. Observation: While reviewing the calculations of the monthly commissions, no discrepancies were noted.
2. Observation: While tracing deposit warrants to the monthly commissions, it was noted that the June 2010 commission has not been received by the County in accordance to the agreement.

Corrective Action/Recommendation: Ms. Hilda Ortiz, U.S. Parking Systems General Manager, was contacted by the County Auditor's office. According to Ms. Ortiz, the commission check was mailed out to the County Auditor's office. However, there is no record of the check being received at the County Auditor's office. Ms. Ortiz is working on issuing a replacement check for the \$7,000.00 monthly commission.

3. Observation: It was noted that Diversified Parking Inc, took over the operation of the County parking lot on July 1, 2010.

**Summary**

Based on this review, U.S. Parking Systems is not in compliance with the provisions of the contract as it relates to the commissions submitted to the County Auditor's Office.

LH:ya



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**Primo's Café and Catering**  
**County Courthouse**



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02-16

February 11, 2010

Mr. Saul Nanez  
Facilities Manager  
El Paso County Facilities Management  
Room M-1, County Courthouse Building  
500 E. San Antonio Street  
El Paso, Texas 79901

Dear Mr. Nanez:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal audit supervisor, dated February 11, 2010 is attached. This memorandum is a report on a review of the Primo's Café & Catering for July 2009 through December 2009. Our review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:SP:ya

Attachments

cc: Mr. & Mrs. Dominguez, Owners  
Primo's Café & Catering



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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02-17

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR  
THRU: TERESA MOLINAR, OPERATIONS MANAGER  
FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR  
DATE: FEBRUARY 11, 2010  
SUBJECT: REVIEW OF PRIMO'S CAFÉ & CATERING LOCATED AT THE COUNTY COURTHOUSE FOR JULY 2009 THROUGH DECEMBER 2009

**Overview**

A review of the Courthouse Cafeteria contract with Primo's Café & Catering for July 2009 through December 2009 has been completed. The objective of this review was to ensure compliance with contract stipulations.

**Scope and Purpose**

The scope and purpose of the review was as follows:

1. The contract was reviewed to identify the requirements of the agreement.
2. A surprise cash count was conducted on December 21, 2009. Minimal discrepancies were noted.
3. All monthly commission reports were compared to treasury records to ensure deposits were in compliance with contract stipulations. Additionally, the commission reports were compared to the sales tax reports submitted to the State Comptroller's Office to verify that the sales reported to both entities agree. No discrepancies were noted.
4. An analysis was prepared reflecting revenues to the County from January through June for years 2007, 2008, and 2009, copy attached.
5. Previous memoranda were reviewed for implementation of prior recommendations.

**Review of Past Memoranda**

1. Observation: It was previously noted that the contract had expired on November 30, 2008.  
Corrective Action/Recommendation: The new contract was received by the County Auditor's Office on September 10, 2009.

EDWARD A. DION  
FEBRUARY 11, 2010  
PAGE 2

2. Observation: It was previously noted that Primo's Café and Catering does not issue receipts to all customers. Receipts are only issued at customer's request.  
Corrective Action/Recommendation: It is again recommended that a receipt be issued to all customers. It is a sound business practice to issue a receipt to all customers in order to provide better accountability.

### **Summary**

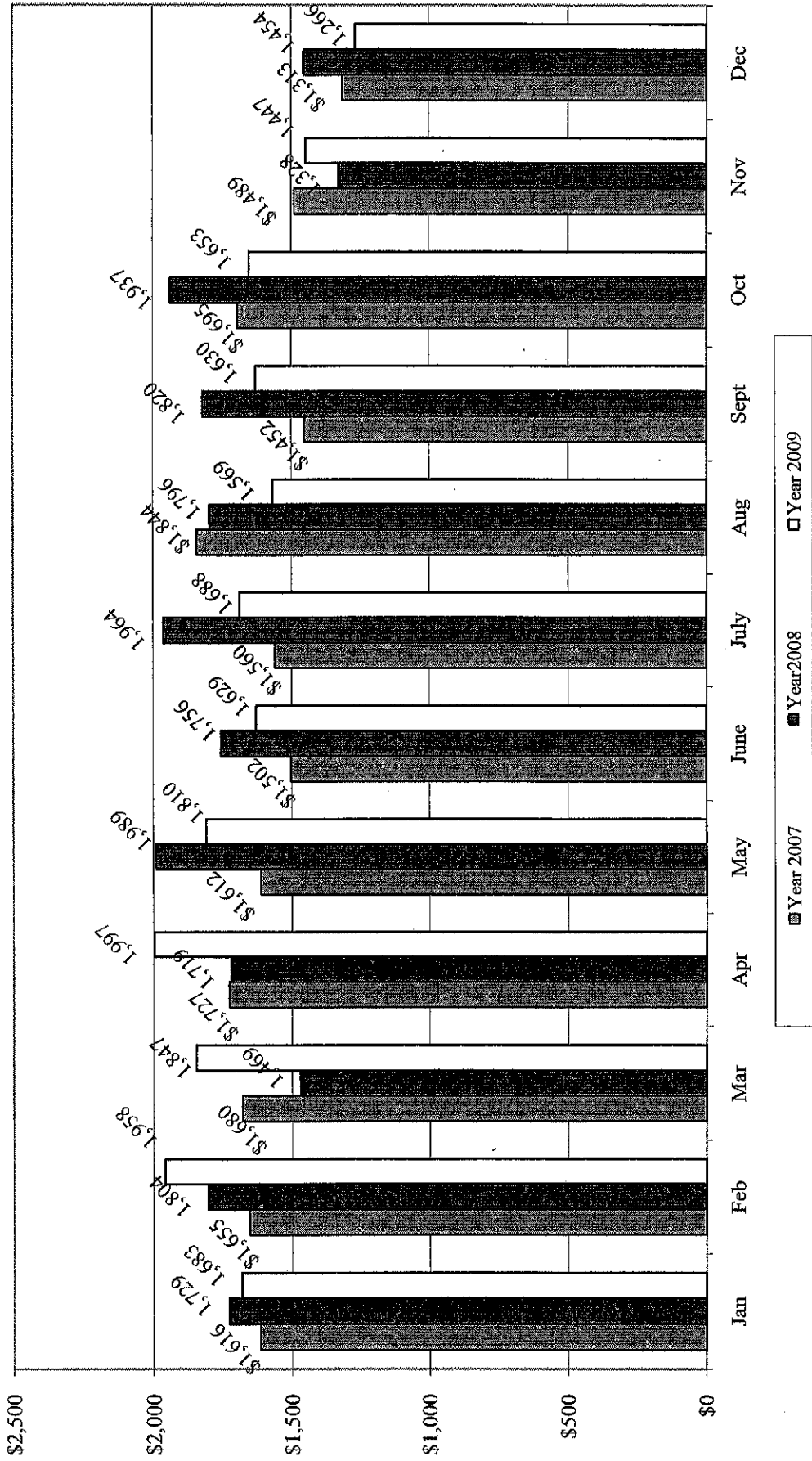
Based on this financial review, it appears that Primo's Café & Catering is in compliance with the contract.

SP:ya

**Primo's Café**  
**Comparison of Yearly Commissions**  
**Year 2007 Through 2009**  
**(Figure 1)**

	<b>Year 2009</b>	<b>Year 2008</b>	<b>Year 2007</b>	<b>Variance From PY</b>	<b>% Change</b>
Jan	\$1,683	\$1,729	\$1,616	(46.00)	-2.66%
Feb	1,958	1,804	1,655	154.00	8.54%
Mar	1,847	1,469	1,680	378.00	25.73%
Apr	1,997	1,719	1,727	278.00	16.17%
May	1,810	1,989	1,612	(179.00)	-9.00%
June	1,629	1,756	1,502	(127.00)	-7.23%
July	1,688	1,964	1,560	(276.00)	-14.05%
Aug	1,569	1,796	1,844	(227.00)	-12.64%
Sept	1,630	1,820	1,452	(190.00)	-10.44%
Oct	1,653	1,937	1,695	(284.00)	-14.66%
Nov	1,447	1,328	1,489	119.00	8.96%
Dec	1,266	1,454	1,313	(188.00)	-12.93%
<b>Total</b>	<b>\$20,177</b>	<b>\$20,765</b>	<b>\$19,145</b>	<b>(\$588)</b>	<b>-2.83%</b>

Comparison of Commissions  
 For Primo's Café  
 Years 2007 Through 2009  
 (Figure 1 Continued)



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10-04

October 12, 2010

Ms. Monique Aguilar  
Office Administrator/ Support Manager  
El Paso County Facilities Management  
Room M-1, County Courthouse Building  
500 E. San Antonio Street  
El Paso, TX 79901

Dear Ms. Aguilar:

A copy of a memorandum from Ms. Ruth Bernal, internal auditor, dated October 12, 2010 is attached. This memorandum is a report on a review of the Primo's Café & Catering for January 2010 through July 2010. Our review was performed with objectivity and due professional care. I concur with the recommendations made by Ms. Bernal.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

*for* Edward A. Dion  
County Auditor

EAD:RB:ya

Attachments

cc: Martha Bañales, Office Administrator/ Support Manager  
Mr. & Mrs. Dominguez, Owners  
Primo's Café & Catering



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10-05

MEMORANDUM

TO: *for* EDWARD A. DION, COUNTY AUDITOR *Teresa Molinar*

THRU: TERESA MOLINAR, OPERATIONS MANAGER *Teresa Molinar*

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR *Sylvia Pacheco*

FROM: RUTH BERNAL, INTERNAL AUDITOR *RB*

DATE: OCTOBER 12, 2010

SUBJECT: REVIEW OF PRIMO'S CAFÉ & CATERING LOCATED AT THE COUNTY COURTHOUSE FOR JANUARY 2010 THROUGH JULY 2010.

**Overview**

A review of the Courthouse Cafeteria contract with Primo's Café & Catering for January 2010 through July 2010 has been completed. The objective of this review was to ensure compliance with contract stipulations.

**Scope and Purpose**

The scope and purpose of the review was as follows:

1. A surprise cash count was conducted on September 17, 2010. Minor discrepancies were noted.
2. All monthly commission reports were compared to treasury records and RecWare Cashiering reports to ensure deposits were in compliance with contract stipulations. Additionally, the commission reports were compared to the sales tax reports submitted to the State Comptroller's Office to verify that the sales reported to both entities agree.
3. An analysis was prepared reflecting revenues to the County from January through July for years 2008, 2009, and 2010, copy attached.
4. A review of the invoices issued was performed in order to verify the accuracy of the information on the commission reports and compare to the County juror meal payments.
5. Previous memoranda were reviewed for implementation of prior recommendations.

### **Review of Past Memoranda**

1. *Observation:* While reviewing the invoices issued by Primo's Café, it was noted that some of the invoices were not issued in chronological order. It was further noted that in one instance the jury meals were provided on September 23, 2009, but the invoice was not submitted to the office manager for payment approval until May 2010. Also, it was noted that the amounts reported in RecWare as jury meals did not correspond to the amount of the invoices submitted for payment. Upon inquiry, it was explained that the bailiff submits the juror panel meal voucher to the office manager. Once it is verified by the office manager, then Primo's Café issues the invoice and the office manager signs it authorizing it for payment.  
*Corrective Action/Recommendation:* It is recommended that Primo's Café submit the juror meal invoice for approval to the office manager timely after services have been rendered. Once the invoices are verified and approved by the office manager, the invoice and the juror panel meal voucher should be submitted for payment to the County Auditor's Office.
  
2. *Observation:* While comparing the Primo's Café commission reports to the RecWare reports, it was noted that the commission reports for February and March 2010 did not agree to the RecWare reports. The sales with tax amount listed on the commission report did not agree to the cash distribution by account on the RecWare report. This resulted in commissions being under stated by \$7.79 for February and \$6.30 for March.  
*Corrective Action/Recommendation:* It is recommended that due care be exercised when preparing the commission reports. The commission reports should agree to the RecWare report. Any discrepancies should be documented on the commission report to justify the variance between both reports. It is also recommended that the commissions balance due be paid as soon as possible.

### **Summary**

Based on this financial review, it appears that the internal control structure of the Primo's Café & Catering presents some weakness, but should be strengthened with the implementation of the above mentioned recommendations in order to be in compliance with the contract.

EAD:RB:ya

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**Primo's Café and Catering**  
**Sheriff's Headquarters**



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04-35

April 21, 2010

The Honorable Richard D. Wiles  
El Paso County Sheriff  
3850 Justice Drive  
El Paso, TX 79938

Dear Sheriff Wiles:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal audit supervisor dated April 21, 2010 is attached. This memorandum is a report on a review of the Primo's Café & Catering at the Sheriff's Headquarters from September 2009 through February 2010. Our review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:SP:ya

Attachments

cc: Mr. & Mrs. Dominguez, Owners  
Primo's Café & Catering  
Ms. Lucille Samuel, Budget Director



COUNTY OF EL PASO  
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04-36

MEMORANDUM

*Edward A. Dion*  
TO: EDWARD A. DION, COUNTY AUDITOR  
*Teresa Molinar*  
THRU: TERESA MOLINAR, OPERATIONS MANAGER  
*Sylvia Pacheco*  
FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR  
DATE: APRIL 21, 2010  
SUBJECT: REVIEW OF PRIMO'S CAFÉ & CATERING LOCATED AT THE SHERIFF'S HEADQUARTERS FOR SEPTEMBER 2009 THROUGH FEBRUARY 2010

**Overview**

A review of the Sheriff's Headquarters Cafeteria contract with Primo's Café & Catering for September 2009 through February 2010 has been completed. The objective of this review was to ensure compliance with contract stipulations.

**Scope and Purpose**

The scope and purpose of the review was as follows:

1. The contract between the County of El Paso and Primo's Café was reviewed.
2. A surprise cash count was conducted on January 11, 2010. Minimal discrepancies were noted.
3. All monthly commission reports were compared to treasury records to ensure accuracy of commission payments and verify compliance with contract stipulations. Additionally, the commission reports were compared to the sales tax reports submitted to the State Comptroller's Office to verify that the sales reported to both entities agree.
4. A schedule was prepared reflecting commissions to the County, copy attached.

**General**

1. Observation: The commission payments for the months of October 2009 and December 2009 were submitted late. As stipulated in section 7.2 of the management agreement, a penalty of one percent per month shall be assessed against concessionaire commission payments in arrears. The penalties owed amount to \$3.99, as reflected on the attached schedule.

EDWARD A. DION  
APRIL 21, 2010  
PAGE 2

Corrective Action/Recommendation: It is recommended that Primo's Café submit the payment for the penalties assessed as soon as possible.

**Summary**

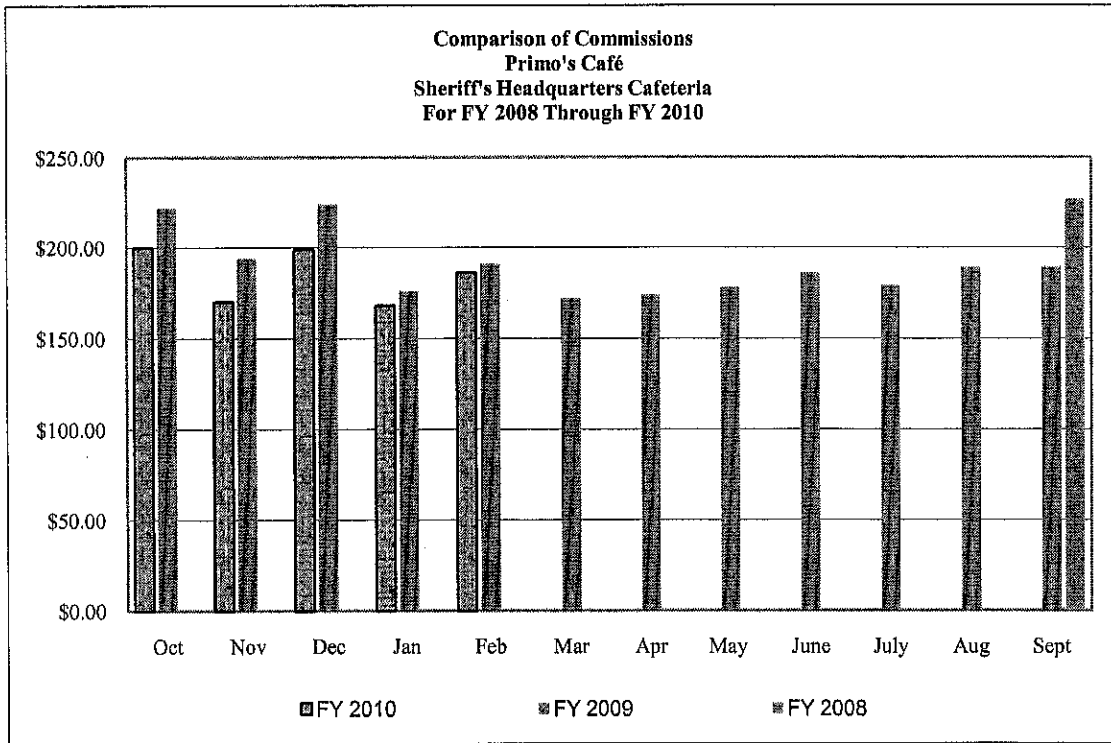
Based on this financial review, it appears that Primo's Café & Catering is in compliance with the contract.

SP:ya



El Paso County, Texas  
 Primo's Café - Sheriff's Headquarters Cafeteria  
 Commission Payments for FY 2008 through FY 2010

Month	FY 2010	FY 2009	FY 2008
Oct	\$200	\$222	
Nov	\$170	\$194	
Dec	\$199	\$224	
Jan	\$168	\$176	
Feb	\$186	\$191	
Mar		\$172	
Apr		\$174	
May		\$178	
June		\$186	
July		\$179	
Aug		\$189	
Sept		\$189	\$227



**El Paso County, Texas**  
**Primo's Café**  
**Sheriff's Headquarters Location**

The following schedule lists the commission payments that were submitted late by Primo's Café. A 1% penalty per month should be assessed for commissions in arrears as stipulated in section 7.2 of the management agreement.

<u>Month</u>	<u>Commission</u>	<u>Due by:</u>	<u>Received On:</u>	<u>% Penalty</u>	<u>Penalty Due:</u>	<u>Penalties Paid on:</u>	<u>DW# for Penalties</u>
September 2009	188.90	October 31, 2009	November 6, 2009	1%	1.89	November 6, 2009	10208514
October 2009	200.05	November 30, 2009	December 2, 2009	1%	2.00		
November 2009	170.01	December 31, 2009	December 28, 2009	No penalty			
December 2009	198.77	January 30, 2010	February 4, 2010	1%	1.99		
January 2010	168.07	February 28, 2010	February 26, 2010	No penalty			
February 2010	186.42	March 31, 2010	March 20, 2010	No penalty			
<b>Total Penalties Due:</b>					<b>3.99</b>		

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11-13

November 4, 2010

The Honorable Richard D. Wiles  
El Paso County Sheriff  
3850 Justice Drive  
El Paso, TX 79938

Dear Sheriff Wiles:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal audit supervisor dated November 4, 2010 is attached. This memorandum is a report on a review of the Primo's Café & Catering at the Sheriff's Headquarters from March 2010 through August 2010. Our review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edward A. Dion".

*for* Edward A. Dion  
County Auditor

Attachments

cc: Mr. & Mrs. Dominguez, Owners  
Primo's Café & Catering  
Ms. Lucille Samuel, Budget Director



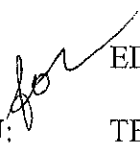

COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR


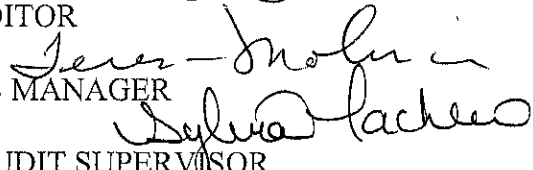
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11-14

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR 

THRU:  TERESA MOLINAR, OPERATIONS MANAGER 

FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR

DATE: NOVEMBER 4, 2010

SUBJECT: REVIEW OF PRIMO'S CAFÉ & CATERING LOCATED AT THE SHERIFF'S HEADQUARTERS FOR MARCH 2010 THROUGH AUGUST 2010.

**Overview**

A review of the Sheriff's Headquarters Cafeteria contract with Primo's Café & Catering for March 2010 through August 2010 has been completed. The objective of this review was to ensure compliance with contract stipulations.

**Scope and Purpose**

The scope and purpose of the review was as follows:

1. The contract between the County of El Paso and Primo's Café was reviewed.
2. A surprise cash count was conducted on August 26, 2010. Minimal discrepancies were noted.
3. All monthly commission reports were compared to treasury records to ensure accuracy of commission payments and verify compliance with contract stipulations. Additionally, the commission reports were compared to the sales tax reports submitted to the State Comptroller's Office to verify that the sales reported to both entities agree. No discrepancies were noted.
4. An analysis of commissions to the County for fiscal year 2009 through 2010 was prepared, copy attached.

**General**

1. Observation: It was noted that IOU's are accepted from County employees.  
Corrective Action/Recommendation: If IOU's will be accepted, it is recommended that the sales transaction be captured in RecWare at the time the service is rendered. This will ensure that the County is paid the commissions based on services rendered rather than the collection of sale transactions.

EDWARD A. DION  
NOVEMBER 4, 2010  
PAGE 2

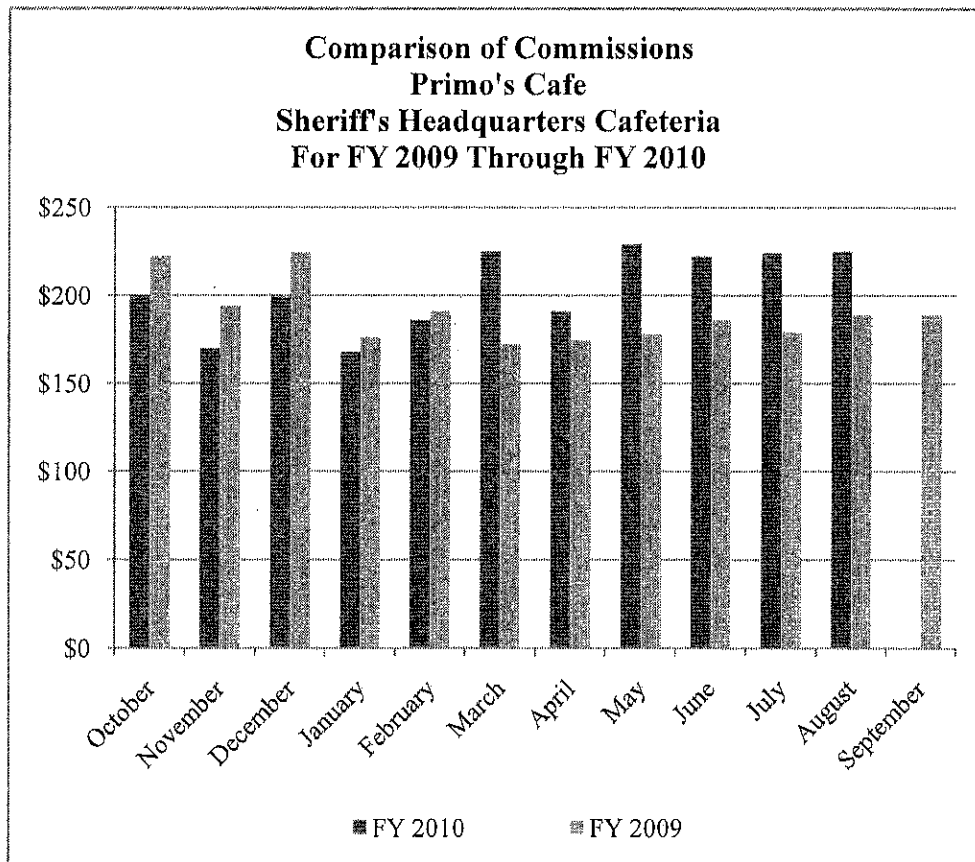
**Summary**

Based on this financial review, it appears that Primo's Café & Catering is in compliance with the contract.

SP:ya

**El Paso County, Texas**  
**Primo's Café - Sheriff's Headquarters Cafeteria**  
**Commission Payments for FY 2009 Through FY 2010**

Month	FY 2010	FY 2009	Variance From FY
October	\$200	\$222	\$22
November	\$170	\$194	\$24
December	\$199	\$224	\$25
January	\$168	\$176	\$8
February	\$186	\$191	\$5
March	\$225	\$172	(\$53)
April	\$191	\$174	(\$17)
May	\$229	\$178	(\$51)
June	\$222	\$186	(\$36)
July	\$224	\$179	(\$45)
August	\$225	\$189	(\$36)
September		\$189	\$189
	\$2,239	\$2,274	\$35



# **Purchasing Department**





COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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10-44

October 21, 2010

Mr. Piti Vasquez, Purchasing Agent  
Purchasing Department  
800 E. Overland, Suite 300  
El Paso, Texas 79901

Dear Mr. Vasquez:

A copy of a memorandum from Mr. Rene Balderrama, internal auditor, dated October 21, 2010 is attached. This memorandum is a report on a review of your financial records for July 2009 through July 2010. 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 review was performed with objectivity and due professional care. I concur with the recommendations made by Mr. Balderrama.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:RB:ya

cc: The Honorable Anthony Cobos, County Judge  
The Honorable Ana Perez, Commissioner Precinct 1  
The Honorable Veronica Escobar, Commissioner Precinct 2  
The Honorable Willie Gandara, Jr., Commissioner Precinct 3  
The Honorable Dan Haggerty, Commissioner Precinct 4




COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

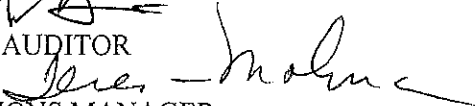
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10-45

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU:  TERESA MOLINAR, OPERATIONS MANAGER

THRU:  SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR

FROM:  RENE BALDERRAMA, INTERNAL AUDITOR

DATE: OCTOBER 19, 2010

SUBJECT: REVIEW OF THE PURCHASING DEPARTMENT FOR JULY 2009 THROUGH JULY 2010

Overview

A review of the Purchasing Department for July 2009 through July 2010 has been completed. The objective of this review was to obtain a clear understanding of the quotation process, sample and review formal and informal bids, review the copy center procedures, and review a sample of items of the surplus inventory.

Scope and Purpose

The scope and purpose of this review consisted of:

1. An evaluation of the internal controls was performed to ensure effective segregation of duties is in place.
2. A random sample of formal bids was reviewed to ensure that documentation was complete and in compliance with the *Texas Local Government Code (TLGC) §262* and *Government Code (GC) §2253*.
3. A random sample of informal bids was reviewed to ensure that protocol on the quotation process has been followed.
4. A surprise cash count was performed on September 30, 2010, at the Purchasing Copy Room in accordance with the *TLGC §115.0035*
5. A random sample of surplus inventory was reviewed to ensure that items are being properly accounted for.
6. Review prior memoranda for previous recommendations.

General

1. Observation: Upon reviewing a sample of 10 formal bids, the following discrepancies were noted:

- 20 percent of the audit sample did not have a checklist
- 20 percent did not have written documentation of Commissioners Court award approval
- 10 percent did not have proof of advertisement
- 10 percent did not have award letters
- 100 percent did not contain documentation of supervisory review
- Two files contained incorrect amounts reported as the bid; one file had the itemized amounts incorrectly calculated and the other file had an incorrect bid amount stated.

Corrective Action/Recommendation: It is recommended that the Purchasing Department verify and ensure that all required documentation is on file. It is highly recommended that the checklist be followed and used as a guide to ensure that all pertinent documentation was obtained. It is further recommended that all files be reviewed by management for completeness and accuracy. It is also recommended that the bid technicians review the bids for accuracy and completeness.

2. Observation: While reviewing a sample of 24 informal bids, the following items were noted:
- Although the Advanced Purchasing and Inventory Control System (ADPICS) reflects several vendors under each bid, we were unable to confirm a vendor was actually contacted.
  - 25 percent of the bids had only one quote from the several vendors listed.
  - 25 percent of the bids selected were not awarded to the lowest bidder.
  - 100 percent did not have supervisory review.

Corrective Action/Recommendation: It is recommended that the operations and procedures manual be updated to include the informal bid process. It is further recommended that the proper documentation be attached to the informal bids to record the quotation process and avoid inconsistency between the buyers.

3. Observation: While reviewing the deposit warrants for the Copy Room, it was noted that back up is not being provided to the Treasury department.

Corrective Action/Recommendation: It is recommended that the Copy Room personnel provide back up with their deposits to the Treasury department to ensure that all deposits are accurate and timely in accordance with *TLGL code §113.022*. It is further recommended that the cash count sheet be reviewed by two employees to verify the amounts being reported on RecWare to agree to the amounts being deposited to Treasury.

4. Observation: It was noted that the Copy Room invoices do not always have the index section filled out or the proper signatures to process payments by the County Auditor's Office.

Corrective Action/Recommendation: It is recommended that the Copy Room review the invoices for completeness and accuracy before they are sent to the Auditor's Office for processing.

5. Observation: While performing a review of the surplus inventory, the following items were noted:

- Three inventory items were not located due to the items being destroyed by the U. S. Attorney's Office in San Antonio without consent and knowledge that the equipment was County Property. The items were purchased through West Texas HIDTA ISC funds for use in the U.S. Attorney's Office in 1999 and were disposed in 2007.
- An additional three items; a copy machine, facsimile machine and voting machine were not located at the surplus inventory facility.

Corrective Action/Recommendation: It is recommended that all items that have been disposed be removed from the surplus inventory to reflect an accurate inventory. It is further recommended that all items be located to prevent loss and misuse of county property.

**Review of prior memorandum**

6. *Observation:* It was previously noted that the policies and procedures manual does not detail the work duties by job position.  
*Corrective Action/Recommendation:* It is again recommended that the policies and procedures manual be expanded in order to establish internal controls. It is further recommended that a job description by job position be included in the policies and procedures manual. This will ensure a level of competency and expectation of each staff member and will further provide proper guidelines for each staff member to follow at all times.
7. *Observation:* While reviewing the purchasing process, it was previously noted that buyers are assigned specific commodities and are not rotated periodically.  
*Correction Action:* The Assistant Purchasing Agent explained that they rotate buyers only if there is sloppiness in the work. It was further explained that they prefer their buyers be specialized in a particular commodity to obtain the best product at the best price.
8. *Observation:* Upon review of the purchasing process, the reviewing of the purchase order states the quantity and the amount of the merchandise ordered.  
*Corrective Action:* It was previously recommended that the copy of the receiving report exclude the quantity, amount, and cost of merchandise. The Assistant Purchasing Agent explained that the department does not agree with excluding the quantity, amount, and cost of merchandise because if an employee accepts twelve items when we should have only accepted ten items, the County is responsible for paying for twelve items instead of ten. By documenting the quantity and amount on the receiving report, there is the risk of misappropriation of County assets.
9. *Observation:* It is required by the *Local Government Code § 262.011* for the purchasing agent to have completed at least 25 of related educational hours every two years. The record of the educational credits was requested on August 27, 2009 and again on October 12, 2010 from the Purchasing Agent, and as of the date of this memo, the information has not been provided.  
*Corrective Action/Recommendation:* It is again recommended that the educational credits be submitted and or immediately completed.

**Summary**

This 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 inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. The internal control structure of the Purchasing Department continues to be weak, but should be strengthened with the implementation of the above-mentioned recommendations.

RB:ya



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EL PASO, TEXAS 79901  
(915) 546-2048  
FAX: (915) 546-8180



### Memorandum

To: Mr. Edward A Dion, County Auditor  
Thru: Piti Vasquez El Paso County Purchasing Agent  
From: Jose Lopez, Jr., Assistant Purchasing Agent  
Date: November 3, 2010  
Re: Internal Audit Dated October 21, 2010

A handwritten signature in black ink, appearing to be "Jose Lopez, Jr.", written over the "From:" line of the memorandum.

Thank you for the copy of the observations submitted by your internal audit section. In the past, we have found their observations and recommendations helpful, and they keep us looking into doing our jobs better; however, I have to add that this year I believe the process to be challenging and a bit problematic. As a rule, we have always cooperated with your staff and have given them free access to whatever files, documentation, and staff they choose; despite that our audit continually is scheduled while we are closing out the year for State, grant, and County funds. We have always accepted your staff's observations and recommendations with an open mind and view this process as an opportunity to improve our functions; and finally we have always met and discussed your audit to utilize as an efficiency tool, and have always agreed that we can disagree. Regrettably, we were not afforded that opportunity this audit and I must respond through my customary memorandum to you regarding your observations to disagreements that we would normally had discussed during the exit interview. I have reviewed their observations and what follows is our response to their observations; forgive the length of the memo but I must to both observations and recommendations completely because of the lack of dialogue in this matter.

Observation: Upon reviewing the sample of 10 formal bids, the following discrepancies were noted:

- 20% of audit sample did not have a checklist
- 20% did not have written documentation of Commissioners Court award approval
- 10% did not have proof of advertisement.
- 10% did not have award letters
- 100% did not contain documentation of supervisory review
- 2 files contained incorrect amounts reported as the bid: 1 file had the itemized amounts incorrectly calculated and the other file had an incorrect bid amount stated.

*Recommendation:* It is recommended that the Purchasing Department verify and ensure that all required documentation is on file. It is highly recommended that the checklist be followed and used as a guide to ensure that all pertinent documentation was obtained. It is further recommended that all files reviewed by management for completeness and accuracy. It is also recommended that the bid technicians review the bid for accuracy and completeness.

First, I agree that all required documentation must be on file; but it is my department that determines what is required documentation. As I have explained in previous internal audit exit interviews, the bid checklist is not a required document, nor is the copy of the minutes stating that the bid is awarded. The bid checklist is a document I created for the bid technicians to help assure that all required processes were being accomplished; it is a working tool for the bid technician. Award minutes may be helpful, but we require a bid summary sheet that details the bid from cradle to grave: from the moment the bid specs are received to the moment the bid is disposed of by the court. It is timelier and maintains accuracy to detail the events on the summary sheet rather than wait for the official minutes to be posted.

The bid technicians do review the bids for accuracy, but like any other department, sometimes mistakes happen—there is always a human factor, and I will address the mistakes your staff has pointed out: bid #10-050 Vehicles for Sheriff's department did have proof of advertisement in the file, it was attached along with the copy of the ad submitted to the Inc., a spelling correction, copies of the fax coversheets to the Inc., and the last page was the proof of advertisement with ad attached. The bid that did not have the award letter was a bid for drug screening supplies for Adult Probation and periodic purchase orders are issued throughout the bid period for the procurement of those supplies, much like the food for the jail.

The 2 bids with pricing mistakes; the first bid was for the backstops and dugouts for Ascarate Park, and the addition error was made by the vendor submitting the bid. The bid was awarded by lump sum, and therefore we cannot change the price on the vendors bid to correct the error, my staff would be altering a sealed and confidential bid. The vendor was told that of the error and that we would like the vendor to bill the County the correct amount of \$79,893 instead of the \$79,984.

As for the mistake on the wrong pricing of our bid spreadsheet for bid #09-083 road in Campo Bello Estates, I have talked with the bid technician and pointed out the error and discussed the need for more attention for detail. The mistake was noted by my staff and the reviewing department but since the vendor never submitted a mandatory CIQ form it was a non-responsive bid. I have corrected this and instructed my technicians that whether a bid is responsive or not the bid spreadsheet must reflect accurate figures.

Finally, myself or the Purchasing Agent reviews every bid before we present the spreadsheets to Commissioners Court, if there are any problems, or discrepancies, we correct them before we go to court. We do not believe supervisory review initials are necessary.

Observation: While reviewing a sample of 24 informal bids, the following items were noted:

- Although the Advanced Purchasing Inventory Control System (ADPICS) several vendors under each bid, we were unable to confirm a vendor was actually contacted.
- 25% of the bids had only one quote from the several vendors listed.
- 25% of the bids selected were not awarded to the low bidder.
- 100% did not have supervisory review.

Recommendation: It is recommended that the operations and procedures manual be updated to include the informal bid process. It is further recommended that the proper documentation be attached to the informal bids to record the quotation process and avoid inconsistency between the buyers.

I am at a loss for words on this recommendation. To begin, of the 24 requisitions sampled; 2 were emergency services needed by the Sheriff's Department for testing and fixing of their fire suppression systems in order to pass the jail standards inspection, 5 requisitions were processed as part of services or equipment tied to formal solicitations, 3 payments were part of single source contract with a financial agency and one of our intelligence agencies for research and back ground checks, 3 more are part of a contract for shared bandwidth on a transmission tower with another law enforcement agency, and the final 3 requisitions were single source authorized dealer items noted on the documentation. 6 requisitions had multiple bids solicited and were awarded to the low bid. Only one requisition had multiple bids solicited and only one response, and only one requisition was not awarded to the low bidder with more than one bid received and the auditor states that justification was given in that instance.

I do not know what the observation is based on, but I do not believe his observation that he cannot confirm any vendors were actually contacted is warranted, and I take umbrage to such a statement. The Purchasing Department went through a manual informal bid process for many years and when the County moved to an automated financial management system we complied: first we maintained both an manual and automated system to track and process informal bids until systems could be improved, when the integrated financial system was brought on lined we discussed with your department the migration to an automated paperless system where requisitions and bids would no longer be printed or on paper, and all documents and records would be maintained electronically and could be reproduced at any time. As we are working on the final pieces of the puzzle to bring on line accounts payable to have a clear audit trail from the creation of a requisition all the way to the payment and the check voucher, I am now being chastised for not maintaining a manual paper process that was previously agreed upon by your department. If this is the case, please let me know so that my department may stop our efforts in the fully automated and integrated financial system and focus our efforts elsewhere. In an effort to appease your audit staff I will instruct my buyers to now document in the note pad of the bid entry screen who they spoke to from the bidding vendors so that you auditor may call them and verify the conversation took place. If that is not adequate I would be willing to revert back to a manual purchasing system with paper documentation.

Observation: While reviewing the deposit warrants for the Copy Room, it was noted that back

*up is not being provided to the Treasury Department.*

*Recommendation:* *It is recommended that the Copy Room personnel provide back up with their deposits to the Treasury department to ensure that all deposits are accurate and timely in accordance with TLGL code 112.022. It is further recommended that the cash count sheet be reviewed by two employees to verify the amounts being reported on RecWare.*

I appreciate your department's help on this item, on your recommendation our cash is counted and verified by two employees now, prior to turning in the deposit to the treasury department. I was not aware that both employees are not signing the cash sheet, it will be corrected. As for the supporting documentation, it is being provided with the treasury department at the time the money is deposited and verified, we have just not been giving the treasury department a copy of the documentation, nor have they asked for a copy. We will begin this process.

*Observation:* *It was noted that the Copy room invoices do not always have the index section filled out or the proper signatures to process payments by the County Auditor's Office.*

*Recommendation:* *It is recommended that the Copy Room review the invoices for completeness and accuracy before they are sent to the Auditor's Office for processing.*

The Purchasing Copy Room does not complete that portion of the billing; we take our monthly meter readings and bill the departments for their copies, it is the department's responsibility to identify the funding source, and to sign off on the invoice that it is authorized for payment, and turn the invoice into the auditor's office. I do not believe it would be efficient to add another step to the process and have all copy room bills turned into my office for verification. We would still need to defer funding authorization and coding to your office anyway. I believe no action is necessary on our part.

*Observation:* *While performing a review of the surplus inventory, the following items were noted:*

- 3 inventory items were not located due to the items being destroyed by the U.S. Attorney's office in San Antonio without consent and knowledge that the equipment was County property.*
- An addition three items; a copy machine, facsimile machine, and voting machine were not located at the surplus inventory facility.*

*Recommendation:* *it is recommended that all items that have been disposed be removed from the surplus to reflect an accurate inventory. It is further recommended that all items be located to prevent loss and misuse of county property.*

Although there has been much improvement in this area, the inventory section needs to improve on their recordkeeping skills. The voting machine was one of many punch voting machines auctioned by the County, all items disposed of must be processed individually in our inventory system and the operator just skipped the disposition. As for the other equipment, it is a case of wrong information, input in the system. On recommendations of previous audits we have begun an internal process of policy for this section and all the other purchasing sections where the workers define what they believe the proper processes are and we work



together to a common policy and procedure that all can take ownership off.

As for the prior recommendations, as stated we are already in the process of working with our staff on defining processes and goals so that we might be more efficient in all aspects of purchasing. The Staff already has a copy of their individual job descriptions.

Finally, the purchasing agent's completion of educational hours was not addressed because Mr. Vasquez maintains his own records for his compliance and Mr. Vasquez as out ill for approximately a week or more when first requested. Mr. Vasquez does have documentation that was made available for review afterwards: 15.5 hours earned at our National Conference, and 16 hours earned at the LBJ School of Public Affairs in Austin. He also completed hours in College Station and recently in Las Vegas.

In closing, I understand that the events of this audit have been the exception not the norm and my department will continue to work with your department to find efficiencies and maintain the integrity of the county, but I request that we be allowed to review your finding and explain why things were done, or listen to the logic of your recommendations. We have always used these audits and those of the external auditor as learning and improvement tools, but that can only be achieved if we work together. Please contact me at anytime if you have any questions or wish to discuss this further. I will implement and perform all corrective measures I've stated immediately.

Cc: Anthony Cobos, County Judge  
Ana Perez, Commissioner Precinct #1  
Veronica Escobar, Commissioner Precinct #2  
Willie Gandara, Jr., Commissioner Precinct #3  
Dan Haggerty, Commissioner Precinct #4  
Patrick Garcia, District Judge 383<sup>rd</sup> District Court.

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# **Retirees and COBRA**



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MEMORANDUM

TO: *Teresa Molinar* EDWARD A. DION, COUNTY AUDITOR  
THRU: *Teresa Molinar* TERESA MOLINAR, OPERATIONS MANAGER  
THRU: *Imelda T. Gaytan* IMELDA T. GAYTAN, PAYROLL SUPERVISOR  
FROM: *Sylvia Pacheco* SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR  
*Ruth Bernal* RUTH BERNAL, INTERNAL AUDITOR  
DATE: MAY 3, 2010  
SUBJECT: REVIEW OF RETIREES AND COBRA PLAN INSURANCE PREMIUMS FOR AUGUST 2008 THROUGH JANUARY 2010

**Overview**

A review of Consolidated Omnibus Budget Reconciliation Act (COBRA) and Retirees Plan Insurance premiums has been completed for August 2008 through January 2010. The objective of this review was to verify insurance premiums for eligible employees under the COBRA and retiree plan.

**Scope and Purpose**

The scope and purpose of the review was as follows:

1. A sample of 10 beneficiaries was selected and traced all the insurance premium payments to the Financial Accounting Management Information Systems (FAMIS) and ultimately the bank. Secondly, the beneficiaries were traced to the billing statements and verified that the retiree monthly premium, the monthly County contribution, and the fees assessed by HealthScope are accurate.
2. Changes in premiums were traced to the supporting documentation maintained in the retiree file to justify the change in premiums. No discrepancies were noted.
3. Premium payments were judgmentally selected and traced to FAMIS and the bank statements to verify that payments were deposited.
4. Deposit warrants for COBRA payments were reconciled to the Financial Accounting Management Information Systems (FAMIS) to verify that collections were properly posted.

5. Eight COBRA participants' payment history was traced to HealthScope and payroll division records to verify the accuracy of the records.
6. COBRA participants were traced to the billing statements. No discrepancies were noted.
7. Previous memorandum was reviewed for proper implementation of prior recommendations.

**General**

1. *Observation:* While reviewing the deposit warrants, the following items were noted:
  - Carol D. White paid \$927.18 on February 12, 2009, which paid for the January and February 2009 insurance premiums. The January payment was over 30 days late. Upon inquiry, it was explained that the beneficiary had overlooked paying the January 2009 insurance premium. The payroll division contacted the beneficiary to inform of the lack of payment. The beneficiary paid the premium and signed up for automatic payment.
  - The following schedule reflects the payment history for Estela E. Veliz:

Date Paid	Payment Amount	DW	Month Coverage	Comments
7/23/2008	\$189.45	08193068	July 2008	Paid late
9/3/2008	\$189.45	08194387	August 2008	Paid over 30 days late
10/9/2008	\$189.45	09195589	September 2008	Paid over 30 days late
12/3/2008	\$189.45	09197214	October 2008	Paid over 30 days late
1/14/2009	\$189.45	09198331	November 2008	Paid over 30 days late
2/11/2009	\$189.45	09199283	December 2008	Paid over 30 days late
3/2/2009	\$378.90	09199894	January & February 2009	January paid over 30 days late
4/6/2009	\$189.45	09201108	March 2009	Paid over 30 days late
4/8/2009	\$189.45	09201205	April 2009	
5/29/2009	\$189.45	09203014	May 2009	Paid late
6/30/2009	\$189.45	09204178	June 2009	Paid late
7/9/2009	\$189.45	09204474	July 2009	
8/31/2009	\$189.45	09206401	August 2009	Paid late
9/30/2009	\$189.45	09207396	September 2009	Paid late
11/13/2009	\$189.45	09208701	October 2009	Paid over 30 days late
12/2/2009	\$189.45	09209168	November 2009	Paid over 30 days late
1/4/2010	\$189.45	09209963	December 2009	Paid over 30 days late

As reflected on the chart above, the retiree has consistently paid late. On nine occasions, payments were submitted more than 30 days late. Upon inquiry, it was

explained that the beneficiary is struggling to make the monthly payments. It was also explained that the payroll division is hesitant to cancel the insurance. The Payroll Division has allowed some flexibility to the beneficiaries in allowing the beneficiary to pay the premiums late, due to the above mentioned circumstance.

- The following schedule reflects the payment history for Carlos Saucedo:

Date Paid	Payment Amount	DW	Month Coverage	Comments
9/11/2009	\$378.91	09206762	August 2009	Paid more than 30 days late.
10/6/2009	\$378.91	10207547	September 2009	Paid more than 30 days late.
11/2/2009	\$378.91	10208336	October 2009	Paid more than 30 days late.
11/4/2009	\$378.91	10208447	November 2009	
12/2/2009	\$378.91	10209170	December 2009	
2/1/2010	\$378.91	10210726	January 2010	Paid more than 30 days late.
2/1/2010	\$189.45	10210726	February 2010	Primary beneficiary passed away on February 5, 2010; therefore, premiums changed.
2/1/2010	\$189.45	10210726	March 2010	
4/13/2010	\$189.45	10212735	April 2010	

As reflected on the chart above, the retiree has consistently paid late. On four occasions, payments were submitted more than 30 days late.

- Esther Rosales's automatic draft payments for the months of June 2008 and July 2008 were returned as account closed. On June 25, 2008, a letter was sent to Ms. Rosales by the Payroll Division requesting payment for the June 2008 insurance premiums. The letter did not provide a deadline for submitting payment. On October 14, 2008, a second letter was sent to Ms. Rosales by the Payroll Division providing notice that the health insurance coverage was terminated effective June 1, 2008. The internal audit supervisor contacted Ms. Mitzy Carrillo from HealthScope confirming that the health insurance coverage was terminated as of June 1, 2008. Ms. Carrillo also confirmed that the Payroll Division notified HealthScope of the cancellation on August 27, 2008. Additionally, Ms. Carrillo confirmed that claims were paid for services provided after June 1, 2008, which amounted to \$573.03. On August 5, 2008, a payment was received from the beneficiary in the amount of \$189.45. On August 20, 2008, the Payroll Division requested a refund for the insurance premium received on August 5, 2008. The Payroll Division failed to verify if any insurance claims had been paid after June 1, 2008, before requesting the refund.

Corrective Action/Recommendation: The following recommendations are proposed:

- The Payroll Division should monitor closely the insurance premiums and ensure that all the beneficiaries are submitting the payments timely.

- The Payroll Division should utilize an automated software to track premium payments and generate aging reports.
  - Immediately after the grace period, the Payroll Division should send demand letters to beneficiaries who have not remitted payment and demand payment within ten days of receipt of letter.
  - The Payroll Division should immediately cancel insurance coverage if a beneficiary has not remitted payment within five days.
  - The Payroll Division should contact HealthScope to direct HealthScope to attempt to recover from Esther Rosales the amount owed of \$573.03 for claims paid after June 1, 2008.
2. Observation: Upon review of the payment ledger, it was noted that the carrying balances are not always accurate. It was further noted that the payment ledger is maintained on Microsoft Excel workbook.  
Corrective Action/Recommendation: It is recommended that the Payroll Division utilize the Contract Collector Software to track payment information. The Contract Collector Software has the capability to generate an aging report. This aging report would assist the Payroll Division to monitor and track late payments more effectively and efficiently. On February 17, 2010, the County's Information Technology Department provided the Payroll Division a demonstration of the Contract Collector Software.
3. Observation: Based on a review of the returned insurance premium payments, it was noted that the \$30.00 returned check/draft fee is not always collected. According to Treasury personnel, Treasury advises the Payroll Division that a retiree has not paid the \$30.00 fee.  
Corrective Action/Recommendation: It is recommended that the Treasury Division make every attempt to collect the \$30.00 fee.
4. Observation: It was noted that some of the COBRA beneficiaries' balances are not always accurate. It was explained that the premium for the first partial month, if applicable, is prorated for the remaining number of days from the termination date to the end of the month. It was further explained that HealthScope does not provide the Payroll Division the list of new COBRA enrollees. The payroll accountant finds out when he reconciles the COBRA payments.  
Corrective Action/Recommendation: It is recommended that payroll division coordinate with HealthScope in order to obtain the new COBRA participants and the corresponding premiums amounts as soon as they are enrolled or any changes occurs in COBRA.
5. Observation: While reviewing the COBRA deposit warrants, it was noted that a deposit warrant was posted incorrectly in FAMIS.  
Corrective Action/Recommendation: It is recommended that deposit warrants be reconciled in FAMIS and any errors be corrected as soon as they are identified.

6. Observation: It was noted that the COBRA worksheet does not reflect the current balance since the information is posted a month behind. This information is provided by HealthScope from the prior month's collections. It was also noted that the formulas are not cell protected to ensure that information is not mistakenly changed or deleted. This reconciliation is done to ensure that the monthly collections are posted correctly in FAMIS.

Corrective Action/Recommendation: It is recommended that the payroll division explore the usefulness of this report and consider utilizing the Contract Collector Software.

### Review of Past Memoranda

7. Observation: It was previously recommended that the payroll worksheet have formulas that will detect and reflect variances. This will assist the accountant in identifying and resolving potential discrepancies. As noted on observation number three, the carrying balances are not always accurate.

Corrective Action/Recommendation: It is recommended that the Payroll Division utilize an automated software to track premium payments and generate aging reports to identify any gaps in premium payments.

8. Observation: It was previously noted that a few retiree names on the payroll division's worksheet did not correspond with the names listed on the monthly statement from HealthScope. An inquiry revealed that the primary plan participants died and the surviving spouses' name were not updated to reflect the change. This was again observed during our current review.

Corrective Action/Recommendation: It is again recommended the Payroll Division explore the possibility of utilizing an automated software to capture insurance premiums.

### Summary

This 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. Based on this review, the internal control structure as it pertains to the processing of COBRA and Retirees Plan Insurance premiums appears to be adequate, and should be further strengthened with the implementation of the above mentioned recommendations.



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# **Sheriff's Department**



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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02-05

February 2, 2010

The Honorable Richard D. Wiles  
El Paso County Sheriff  
3850 Justice Drive  
El Paso, TX 79938

Dear Sheriff Wiles:

A copy of a memorandum from Ms. Linda Hemme, internal auditor, dated February 2, 2010 is attached. This memorandum is a report on a review of your financial records from June 2009 through November 2009. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the Sheriff's Department, as defined by the AICPA professional standards. However, this review was performed with objectivity and due professional care. I concur with the recommendations made by Ms. Hemme.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Division.

If we can be of further assistance, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:LH:ya

Attachment





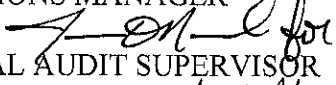

COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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EL PASO, TEXAS 79901-2407  
(915) 546-2040  
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02-06

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR   
THRU: TERESA MOLINAR, OPERATIONS MANAGER   
THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR   
FROM: LINDA HEMME, INTERNAL AUDITOR   
DATE: FEBRUARY 2, 2010  
SUBJECT: REVIEW OF SHERIFF'S DEPARTMENT FINANCIAL RECORDS

Overview

A review of the Sheriff's Department financial records for June 2009 through November 2009 has been completed. The objective of this review was to provide reasonable assurance that the records are accurate in all material respects.

Scope and Purpose

The scope and purpose of the review was as follows:

1. The commission payments received for inmate telephone revenues from DSI/ITI were reviewed for accuracy.
2. The bank reconciliations for the state forfeiture fund, justice forfeiture fund, asset sharing fund, general, legal, abandoned vehicle, abandoned vehicle escrow, and special bond accounts through November 2009 were reviewed for accuracy and completeness. No discrepancies were noted.
3. A review of the Sheriff's forfeiture funds was conducted to ensure that incurred expenses were allowable under the "Guide to Equitable Sharing for Foreign Countries and Federal, State, & Local Law Enforcement Agencies". Also, the Federal Annual Certification and Chapter 59 Asset Forfeiture reports were reviewed.
4. A sample of receipts for execution of sales, foreign civil, identification & record and justice of the peace fines was reviewed, and all deposits were traced to the County Auditor's Treasury Division and the Financial Accounting Management Information System (FAMIS) to ensure that all transactions were accounted for properly.

5. The State monthly paper ready inmate reports from July 2009 to December 2009 that are submitted to the Texas Commission on Jail Standards (TCJS) were reviewed for accuracy. Minor discrepancies were noted.
6. The Sheriff's monthly Bail Bond Posting fee reports were reviewed to ensure that all transactions were accounted for properly. A sample of receipts was verified and all deposits were traced to FAMIS. Bond fees were transferred to the State, as required. No discrepancies were noted.
7. A sample of abandoned motor vehicle receipts was reviewed for accuracy and traced to bank deposits. No discrepancies were noted.
8. The Confidential Informant/Operations Fund from the Criminal Investigation Division was reviewed, and a surprise cash count was performed on January 13, 2010. No discrepancies were noted.
9. A surprise cash count was performed on the Strike Team Fund on January 14, 2010.
10. On January 13, 2010, surprise cash counts were performed at the Sheriff's Civil Process section, and for all fees collected and deposited into the Sheriff's Legal Account. No discrepancies were noted.

#### General

1. Observation: Commission reports were generated from the DSI/ITI Offender Communication System and balanced to the commission amounts paid for inmate telephone service for the period under review, except for July 2009. The County Auditor's Office contacted Mr. Corby Kenter, DSI/ITI Regional Sales Manager, and requested the ITI Commission Statement and commission payment information for July 2009.  
Corrective Action/Recommendation: The County Auditor's Office was contacted by Ms. Michele Boland, DSI/ITI Representative. She explained that the original check issued to the County of El Paso had not cleared their bank for the July 2009 Commission payment. Therefore, a replacement check was issued on January 29, 2010. The County Auditor's Office was unable to confirm if the original check was sent to the County. Ms. Boland submitted a copy of the replacement check; and, it appears that the commission amount paid for July 2009 is short. Ms. Boland and the DSI technicians are looking into it and will notify the County Auditor's office of the outcome.
2. Observation: While reviewing the State Forfeiture expenses, it was noted that there was a questionable \$1,108.80 expense for birthday, baby and sympathy cards.  
Corrective Action/Recommendation: Chapter 59 of the *Criminal Code Procedures* states that State Forfeiture funds are to be used solely for law enforcement purposes. The County Auditor's Office contacted the County Attorney's Office for an opinion on the appropriateness of this expense. As of the date of this memorandum, the County Attorney's Office has not responded.
3. Observation: On January 13, 2010, the County Auditor's Office along with Ms. Blanca Enriquez, BITS supervisor met with Sergeant Raymond Hernandez, Ms. Mary Lou Almonte, civil process supervisor, and Ms. Lucy Velasco, civil process clerk, to review and discuss the accounting procedures of the Civil Process Section. Currently the Sheriff's Civil Process section is issuing a check for each case from the Sheriff's Legal Account to be deposited into the El Paso County Consolidated Fund.

Corrective Action/Recommendation: Beginning February 1, 2010, the Sheriff's Civil Process Section will internally transfer all of the towing and storage reimbursements and tax fees collected to the El Paso County Consolidated Fund. An internal transfer will be initiated when Sheriff Civil Process personnel provide documentation to BITS on the amounts that should be transferred to the El Paso County Consolidated fund. An internal transfer will stream line this process by eliminating the issuance of multiple checks and reduce cost.

4. Observation: It was noted that two of the six monthly State Paper Ready reports reviewed were submitted with incorrect totals to the Texas Commission on Jail Standards (TCJS). There were errors in the reported number of state paper ready inmates that were released during the reporting month, and in the reported total daily paper ready inmate count.  
Corrective Action/Recommendation: It was recommended to Mr. Donald Collins, TDCJ Coordinator Clerk, that the reports be corrected and all reports be thoroughly reviewed before submitting to TCJS. As of the date of this memorandum, all reports were corrected and resubmitted to TCJS.
5. Observation: It was noted that Justice Forfeiture funds were used to fund the Strike Team Fund. A surprise cash count was performed and supporting documentation for the disbursements of these funds was reviewed. Commander Jesus Campa is maintaining a log that lists the amounts received and disbursed. No discrepancies were noted.

#### Previous Memorandum

6. Observation: In the previous memorandum, it was noted that the February 2009 commission payment received did not balance to the monthly reports provided by DSI/ITI.  
Corrective Action/Recommendation: According to DSI/ITI, their transfer application failed to bring up a batch of 82 calls and therefore commissions were not paid. A \$268.36 check from DSI/ITI was received in September 2009 to pay for commissions that were not originally included for February 2009.

#### Summary

This review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the County's assets from lost, 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. The internal control structure of the Sheriff's Department appears to be adequate, and should be further strengthened with the implementation of the above-mentioned recommendations.

LH:ya



COUNTY OF EL PASO  
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05-02

May 4, 2010

The Honorable Richard D. Wiles  
El Paso County Sheriff  
3850 Justice Drive  
El Paso, TX 79938

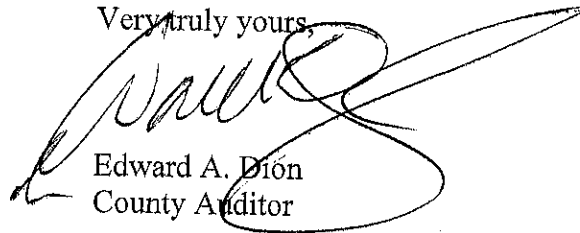
Dear Sheriff Wiles:

A copy of a memorandum from Ms. Linda Hemme, internal auditor, dated May 4, 2010 is attached. This memorandum is a report on a review of your board bill reports for November 2009 through January 2010. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the Sheriff's Department, as defined by the AICPA professional standards. However, this review was performed with objectivity and due professional care. I concur with the recommendations made by Ms. Hemme.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendation noted on the report provided by the County Auditor's Internal Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,



Edward A. Dion  
County Auditor

EAD:LH:rao





COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

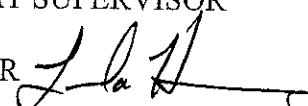
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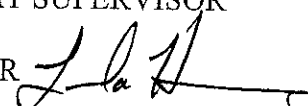
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MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: <sup>for</sup> TERESA MOLINAR, OPERATIONS MANAGER 

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

FROM: LINDA HEMME, INTERNAL AUDITOR 

DATE: MAY 4, 2010

SUBJECT: REVIEW OF THE SHERIFF'S DEPARTMENT BOARD BILLS

**Overview**

A review of the Sheriff's Department board bills for November 2009 through January 2010 has been completed. The objective of this review was to verify the accuracy and timeliness of these billings.

**Scope and Purpose**

The scope and purpose of the review was as follows:

1. The federal board bill reports were reviewed and verified against inmate reports for accuracy. The February, March, and April 2010 reports were not available for review and will be reviewed in the next audit.
2. A sample of prisoner remands was traced to the monthly federal board bill reports for November 2009 through January 2010.
3. Report detail was vouched to the prisoner remands on file and the Judicial Information Management System (JIMS).
4. The documentation for federal hospitalized inmates was reviewed to verify the accuracy and legitimacy of the adjustments made to the monthly federal inmate reports invoiced to the U.S. Marshals.
5. Federal board bill revenues were reviewed and all payments were traced to the Treasury Division and the Financial Accounting Management Information System (FAMIS) to ensure that all transactions were accounted for properly.



### General

1. *Observation:* While reviewing the monthly Federal Board Bill reports, it was noted that the January 2010 invoice was finalized and billed in April 12, 2010. It was further noted that the February 2010 and March 2010 invoices have not been finalized. At the beginning of each month, the Sheriff's Department submits a monthly invoice and report (initial) that lists the federal inmates that were housed in the county jails for the previous month. A revised invoice is submitted after the Sheriff's initial report is reconciled with the U.S. Marshals' report. This process can take several months before the U.S. Marshals are billed. According to the U.S. Marshals, the reason the January 2010 report was billed late was because they have implemented a new system that has caused problems and delays for them.

*Corrective Action/Recommendation:* It is recommended that the Sheriff's Department request that the U.S. Marshals pay from the initial federal board bill invoice rather than the finalized revised invoice, since the difference between the two report amounts are less than one percent.

2. *Observation:* It was noted that the City of El Paso has not paid their monthly board bill invoices since March 2009. The total amount owed to the County of El Paso is \$2,390,509.81. The City of El Paso is disputing their current contract with the County and therefore, has submitted a proposed new contract for the housing of their inmates at the jail facilities. The County Attorney's office is reviewing and negotiating the contract. The Sheriff's Department has continued to bill the City based on the current contract in place.

### Summary

This 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. Based on this review, the internal control structure of the Sheriff's Department as it pertains to the bookkeeping, billing, and receipting of board bills appears to be adequate, and should be further strengthened with implementation of the above-mentioned recommendation.

LH:rao

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06-41

June 22, 2010

The Honorable Richard D. Wiles  
El Paso County Sheriff  
3850 Justice Drive  
El Paso, TX 79938

Dear Sheriff Wiles:

A copy of a memorandum from Ms. Linda Hemme, internal auditor, dated June 22, 2010 is attached. This memorandum is a report on a review of your financial records from December 2009 through April 2010. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the Sheriff's Department, as defined by the AICPA professional standards. However, this review was performed with objectivity and due professional care. I concur with the recommendations made by Ms. Hemme.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Division.

If we can be of further assistance, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:LH:ya

Attachment







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06-42

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR   
THRU: TERESA MOLINAR, OPERATIONS MANAGER   
THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR   
FROM: LINDA HEMME, INTERNAL AUDITOR   
DATE: JUNE 22, 2010  
SUBJECT: REVIEW OF SHERIFF'S DEPARTMENT FINANCIAL RECORDS

**Overview**

A review of the Sheriff's Department financial records for December 2009 through April 2010 has been completed. The objective of this review was to provide reasonable assurance that the records are accurate in all material respects.

**Scope and Purpose**

The scope and purpose of the review was as follows:

1. The commission payments received for inmate telephone revenues from DSI/ITI were reviewed for accuracy.
2. An overtime reimbursement invoice to the United States Treasury for joint operations expenses incurred October 27, 2009 through January 12, 2010 was reviewed for accuracy.
3. The bank reconciliations for the state forfeiture fund, justice forfeiture fund, asset sharing fund, general, legal, abandoned vehicle, abandoned vehicle escrow, and special bond accounts from December 2009 through April 2010 were reviewed for accuracy and completeness. No discrepancies were noted.
4. A review of the Sheriff's forfeiture funds was conducted to ensure that incurred expenses were allowable under the "Guide to Equitable Sharing for Foreign Countries and Federal, State, & Local Law Enforcement Agencies".
5. A sample of receipts for execution of sales, foreign civil, identification & record and justice of the peace fines was reviewed. Further, all deposits were traced to the County

- Auditor's Treasury Division and the Financial Accounting Management Information System (FAMIS) to ensure that all transactions were accounted for properly.
6. The State monthly paper ready inmate reports from December 2009 to April 2010, that are submitted to the Texas Commission on Jail Standards (TCJS) were reviewed for accuracy. No discrepancies were noted.
  7. The Sheriff's monthly Bail Bond Posting fee reports were reviewed to ensure that all transactions were accounted for properly. A sample of receipts was verified and all deposits were traced to FAMIS. Bond fees were transferred to the State, as required. No discrepancies were noted.
  8. Sheriff & inmate travel expenditure reports were reviewed for timeliness, accuracy and proper documentation. No major discrepancies were noted.
  9. A sample of abandoned motor vehicle receipts was reviewed for accuracy and traced to bank deposits. No discrepancies were noted.
  10. A sample of receipts and disbursements from the Sheriff's Cash Bond Account were reviewed to ensure that all transactions were accounted for properly. The receipts and disbursements were traced to the Sheriff's Cash Bond account and the Judicial Information System (JIMS) monthly reports. No discrepancies were noted.
  11. A surprise cash count was performed at the Crime Records, Evidence and Forensics Section (CREFS) to account for the receipts collected for the day.

### **General**

1. Observation: The Sheriff's billing for reimbursement for joint operations expenses for October 27, 2009 to January 12, 2010 was reviewed for accuracy. It was noted that the current over time rate at the time the invoice was billed was used instead of the actual rate for the payroll period that the officers worked overtime. Since a contract was not provided by the Sheriff's Department, it was difficult to determine if fringe benefits should also be billed. If fringe benefits were to be billed, the Sheriff's Department under billed the US Department of Treasury by \$1,171.23. Not including fringe benefits, the Sheriff's Department over billed by \$247.44.  
Corrective Action/Recommendation: It is recommended that verification be made with the US Department of Treasury as to whether fringe benefits can be included in the reimbursement amount. It is also recommended that a contract be provided to the County Auditor's office for review, and that the overtime hours and rates to be billed be verified with Kronos and payroll reports.
2. Observation: The Sheriff's Department Budget section notified the County Auditor's Office that there were several unpaid invoices by bail bond companies for reimbursement of extradition expenses. These invoices are dated from September 2002 to May 2010 and total \$16,272.62. The bail bond company submits a letter to the Sheriff's Warrants section to request extradition services. In their letter, the bail bond company agrees to reimburse the Sheriff's department for all extradition expenses incurred. The Sheriff's Budget section bills the bail bond company when extradition costs have been incurred and paid by the Sheriff's Department.

Corrective Action/Recommendation: It is recommended that since the Bail Bond Board Administrator is in contact with the bail bond companies, the Bail Bond Administrator should contact the bail bond companies and request that they reimburse the Sheriff's Department for their extradition expenses. It is also recommended that a copy of any future extradition services requests be forwarded to the Bail Bond Board Administrator so that incurred expenses can be billed. In addition, it is recommended that the Bail Bond Board Administrator should notify the Bail Bond Board of these delinquent invoices and request that the bail bond companies pay immediately or decide on a corrective action. It is further recommended that follow-up procedures be set up to ensure that these expenses are reimbursed in a timely manner.

3. Observation: A surprise cash count at CREFS resulted in a \$6.00 overage. According to the cashier, she was distracted by a phone call when receiving the money and did not issue a receipt.

Corrective Action/Recommendation: It is recommended that due care be exercised when collecting money. It is further recommended that the cashiers ensure that a receipt is issued for all funds received.

### Summary

This review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the County's assets from lost, 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. The internal control structure of the Sheriff's Department appears to be adequate, and should be further strengthened with the implementation of the above-mentioned recommendations.

LH:ya

# **Tax Office**



COUNTY OF EL PASO  
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03-17

March 5, 2010

The Honorable Victor Flores  
County Tax Assessor- Collector  
500 East Overland  
El Paso, Texas 79901

Dear Mr. Flores:

A copy of a memorandum from Ms. Ruth Bernal, internal auditor, dated March 5, 2010 is attached. This memorandum is a report on a review of your financial records pertaining to the Automobile Registration Division from June 2009 through December 2009. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the Tax Office, as defined by AICPA professional standards. However, this review was performed with objectivity and due professional care. I concur with the recommendations made by Ms. Bernal.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edward A. Dion".

Edward A. Dion  
County Auditor

EAD:RB:ya

Attachment






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OFFICE OF THE COUNTY AUDITOR

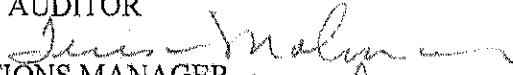
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03-18

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

FROM: RUTH BERNAL, INTERNAL AUDITOR 

DATE: MARCH 5, 2010

SUBJECT: REVIEW OF THE COUNTY TAX OFFICE - AUTO REGISTRATION D  
DIVISION FROM JUNE 2010 THROUGH DECEMBER 2009

A review of the financial records for the County Tax Assessor-Collector's Office Auto Registration division has been completed. The objective of this review was to verify the information contained within the Tax Office's financial reports. These financial reports, generated off the Registration and Titling System (RTS), and the monthly reports prepared by the Tax Office Accounting Division are a recapitulation of all transactions that occurred during each month.

**Scope and Purpose**

The scope and purpose of the review consisted of the following:

1. A surprise cash count was performed on January 12, 2010 at the Tax Office Satellite Offices in accordance with *Texas Local Government Code § 115.0035*. Minor discrepancies were noted.
2. Bank reconciliations for the Automobile and Sales Tax Accounts were reconciled against the cash receipts and disbursements journals for accuracy and completeness.
3. Monthly reports were reviewed to verify that the County Auditor's Treasury Division received the corresponding fees and were properly posted in FAMIS.
4. A total of 1,298 voided transactions from December 1, 2009 through January 31, 2010 were analyzed.
5. A sample of 61, or 5 percent out of 1,226 refunds issued was reviewed to verify that proper procedures were followed.
6. Previous memoranda were reviewed for proper implementation of prior recommendations.

**General**

1. Observation: An analysis of change funds utilized by the Tax Office was performed. It was noted that in the past three cash counts performed, an average of 15 change funds of \$100.00 each were in the vault and not in use at the time of the cash count.  
Corrective Action/Recommendation: It is recommended that the Tax Office analyze their change fund needs and consider the possibility of submitting to the County Treasury the funds that are not being utilized.
  
2. Observation: While reviewing the manual receipts books, the following items were noted:
  - The receipt book log does not include a space to document when the used receipt books are returned to the main office.
  - The Ysleta branch had a used receipt book that had not been submitted to main tax office. The main office was unaware that the receipt book was completed and that the Ysleta branch was holding on it.
  - Main office does not keep a log of the receipt books handled by the Enforcement Division.
  - There were three manual receipts that could not be traced to the bank deposit.
  - It is unclear as to who is responsible for accounting for the manual receipt books.Corrective Action/Recommendation: It is recommended that receipt books be submitted back to the main tax office as soon as the books are completed. It is also recommended that the main tax office document when the books are returned. In addition, it is recommended that the main office include in the log the inventory of the receipt books handled at the Enforcement Division. Furthermore, it is recommended that management establish who is responsible to account for all receipts issued and keep records of when the funds were deposited.
  
3. Observation: While reviewing the voided transactions the following items were noted:
  - There is an average of 25 voided transactions per day.
  - Seventy percent of the voided transactions originated at the Contracted Offices; and 30 percent at the Tax Offices.
  - Express Auto Titling Service I and II had the most voided transactions.
  - Some returned stickers are not marked as void and are archived in this manner.Corrective Action/Recommendation: It is recommended that management consider ~~retaining~~ the personnel from the offices that had more voided transactions. It is also recommended that each office mark the sticker as void before submitting the documentation to the main office.
  
4. Observation: While reviewing the refunds, it was noted that the policies and procedures does not reflect the actual procedures followed when processing the refunds.  
Corrective Action/Recommendation: It is recommended that the policies and procedures be updated in order to reflect the actual procedures being followed for the refunds and the personnel responsible for those transactions.

**Review of Past Memoranda**

5. *Observation:* It was previously recommended that the accounting department not accept payments for the non-sufficient fund (NSF) checks. The payments should be accepted at the Motor Vehicle Registration Division. This measure has not been implemented.  
*Corrective Action/Recommendation:* Once again, it is recommended that the NSF payments be accepted at the Motor Vehicle Registration Division; and the accounting department should not accept any payments.
  
6. *Observation:* It was previously recommended that the Tax Office obtain official pre-numbered receipt books through the Purchasing Department's copy room. The official receipts books should contain the County's logo and in triplicate form. Currently, the Tax Office is utilizing the generic prenumbered receipt books previously acquired and stamping them with the Tax Office information; however, not all the receipts books are stamped.  
*Corrective Action/Recommendation:* It is recommended that the receipt books be stamped with the Tax Office information before a book is assigned.

**Summary**

This 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. Based on this review, the internal control structure of the County Tax Office, as it relates to Automobile Registration, appears to be weak, but should be strengthened with the implementation of the above mentioned recommendations.

RB:ya



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04-20

April 12, 2010

The Honorable Victor Flores  
County Tax Assessor- Collector  
500 East Overland  
El Paso, Texas 79901

Dear Mr. Flores:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal audit supervisor dated April 12, 2010 is attached. This memorandum is a report on a review of your financial records pertaining to the Licensing Division for November 2009 through February 2010. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the Tax Office, as defined by AICPA professional standards. However, this review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edward A. Dion".

Edward A. Dion  
County Auditor

EAD:SP:ya

Attachment




COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

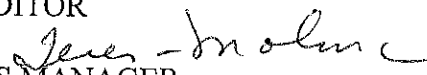
EDWARD A. DION, CPA, CIO  
COUNTY AUDITOR  
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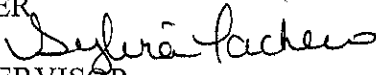
County Administrative Offices  
800 East Overland Street, Rm. 406  
EL PASO, TEXAS 79901-2407  
(915) 546-2040  
(915) 546-8172 FAX

04-21

MEMORANDUM

TO:   
EDWARD A. DION, COUNTY AUDITOR

THRU:   
TERESA MOLINAR, OPERATIONS MANAGER

FROM:   
SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR

DATE: APRIL 12, 2010

SUBJECT: REVIEW OF THE COUNTY TAX OFFICE – LICENSING DIVISION FOR  
NOVEMBER 2009 THROUGH FEBRUARY 2010

**Overview**

A review of the financial records for the County Tax Assessor-Collector's Office pertaining to the Licensing Division from November 2009 through February 2010 has been completed. The objective of this review was to verify the information contained within the Tax Office's financial reports. These financial reports are a recapitulation of all transactions that occurred during each month.

**Scope and Purpose**

The scope and purpose of the review consisted of the following:

1. The bank reconciliation for the Ad Valorem account was reviewed for accuracy and completeness and verified that supervisor review was performed. No discrepancies were noted.
2. A random sample of 29, or 10 percent out of 292 manual receipts for the Beer and Wine was reviewed to ensure accuracy and legitimacy of the transactions. Additionally, the manual receipts were traced to the weekly balance sheets and the bank statements to ensure the receipts were accounted for properly. No discrepancies were noted.
3. The manual receipt logs were reviewed to ensure that the issuance and completion of books are properly documented and inventory of all unused manual receipt books were noted. No discrepancies were noted.
4. The collections listed on the weekly balance sheets were traced to the bank statements to ensure that the collections were deposited and accounted for properly. The weekly balance sheets were compared to the RecWare cashiering reports to verify that both reports agree. No discrepancies were noted.

5. A review was conducted to verify that management is performing periodic reviews of the manual receipts processed by the licensing division.
6. A surprise cash count was performed on March 29, 2010 in accordance with *Local Government Code §115.0035*. No discrepancies were noted.
7. The checks pending processing log was reviewed to ensure payments were processed and verify that the Tax Office Accounting Manager accounted for all the transactions.
8. A sample of 30, or 30 percent out of 101 disbursements from the Ad Valorem account was selected to determine the legitimacy of the transactions, verify the supporting documentation and that supervisor approval was obtained. No discrepancies were noted.
9. The voided transactions were reviewed to verify legitimacy, proper documentation for justification, and that supervisor approval was obtained and documented.
10. A sample of 22, or 16 percent out of 139 hotel/motel tax payments was selected to verify that the taxes were paid timely. Additionally, the quarterly statements were reviewed to ensure that the taxes were calculated correctly based on the information provided by the taxpayer. Furthermore, the gross sales reported to the County were compared to the State Comptroller's website to ensure that the gross sales reported to both entities agree.
11. A comparative analysis of the revenue collected by the licensing division was prepared, as reflected on the attachment.
12. Past memoranda were reviewed for implementation of prior recommendations.

**General**

1. Observation: It was noted that management has not performed a periodic review of the licensing division. This observation was noted on the November 20, 2009 report.  
Corrective Action/Recommendation: It is again recommended that management perform a periodic review of the licensing division.
2. Observation: Upon review of the voided transactions, it was noted that there is no indication of supervisor approval or review. There were five voided transactions during the period under review. This observation was noted on the November 20, 2009 report.  
Corrective Action/Recommendation: It is again recommended that supervisor approval be obtained before voiding the transaction. Supervisor approval should be documented on the voided receipt.
3. Observation: Upon review of the checks pending to be processed, it was noted that the checks are not deposited upon acceptance. It was further noted that a continuous log is not maintained for these types of transactions. These two observations were noted on the November 20, 2009 report. Furthermore, it was noted that the checks pending to be processed logs do not always contain the information of when these transaction were processed. Moreover, it was noted that the RecWare receipt number issued is not documented on the log.  
Corrective Action/Recommendation: It is again recommended that checks be immediately deposited upon acceptance. It is further recommended that the checks pending to be processed log capture all the information when the transaction is processed.

4. Observation: Upon review of the hotel/motel tax payments, the following items were noted:
- On two quarterly reports, the tax due was calculated incorrectly. The overpayment amount was minimal.
  - Twenty two tax payments were submitted late.

Corrective Action/Recommendation: It is recommended that the licensing specialist review the quarterly statement provided by the taxpayer to ensure accuracy. It is further recommended that a penalty be assessed on late payments.

#### **Review of Past Memoranda**

1. Observation: To improve the internal control structure on disbursements, it was previously recommended that the accounting department be removed as an authorized signer on the bank accounts.

Corrective Action/Recommendation: The accounting manager has been removed as an authorized signer on the bank accounts; however, the accounting manager was not removed from the online services.

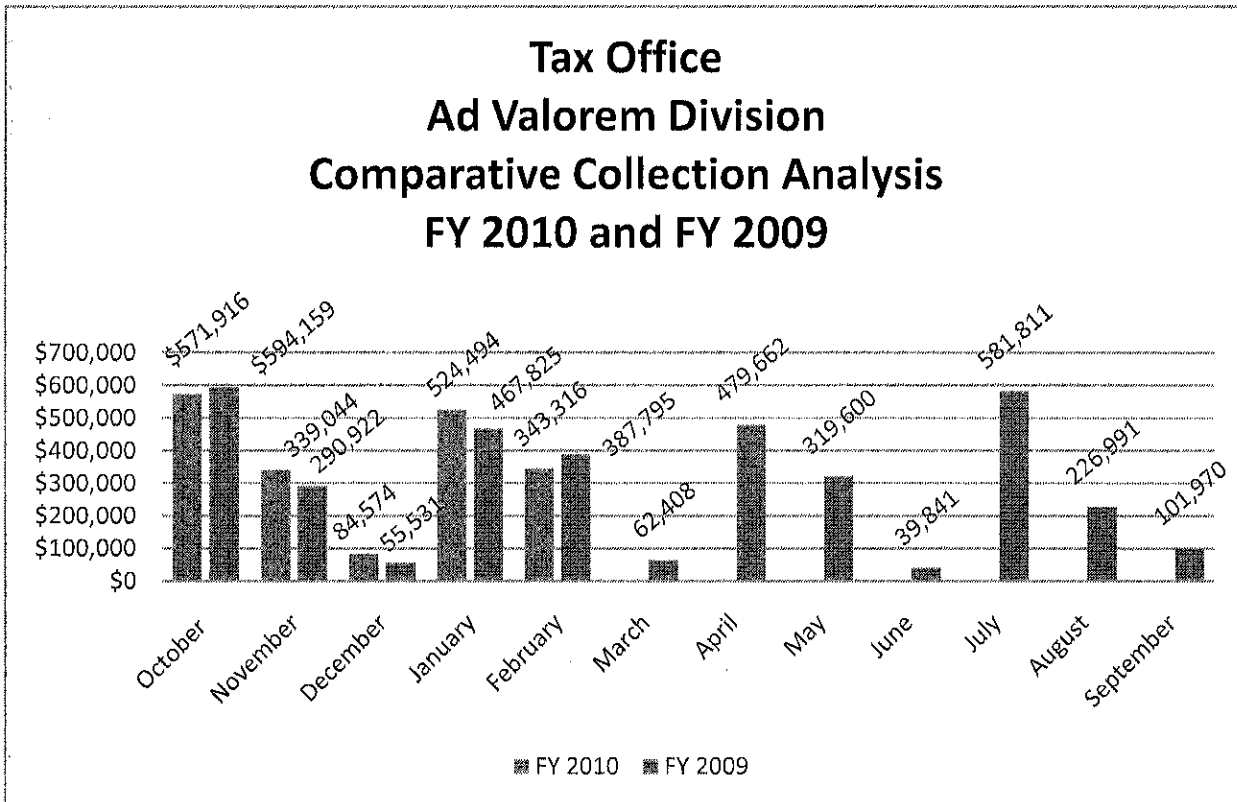
#### **Summary**

This 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. Based on this review, the internal control structure of the County Tax Office as it relates to the Licensing Division appears to be adequate, and should be further strengthened with the implementation of the above mentioned recommendations.

SP:ya

**Tax Office  
Comparative Collection Analysis  
FY 2010 and FY 2009**

Month	FY 2010	FY 2009	Variance	% Variance
October	\$571,916	\$594,159	-22,243	-3.74%
November	339,044	290,922	48,122	16.54%
December	84,574	55,531	29,043	52.30%
January	524,494	467,825	56,669	12.11%
February	343,316	387,795	-44,479	-11.47%
March		62,408	-62,408	-100.00%
April		479,662	-479,662	-100.00%
May		319,600	-319,600	-100.00%
June		39,841	-39,841	-100.00%
July		581,811	-581,811	-100.00%
August		226,991	-226,991	-100.00%
September		101,970	-101,970	-100.00%





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05-06

May 19, 2010

The Honorable Victor Flores  
County Tax Assessor- Collector  
500 East Overland  
El Paso, Texas 79901

Dear Mr. Flores:

A copy of a memorandum from Mr. Rene Balderrama, internal auditor, dated May 19, 2010 is attached. This memorandum is a report on a review of the Enforcement Division financial reports from October 2009 through April 2010. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the Tax Office, as defined by AICPA professional standards. However, this review was performed with objectivity and due professional care. I concur with the recommendations made by Mr. Balderrama.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edward A. Dion".

Edward A. Dion  
County Auditor

EAD:RB:ya

Attachment




COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

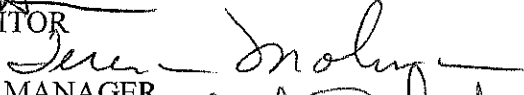
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05-07

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

FROM: RENE BALDERRAMA, INTERNAL AUDITOR 

DATE: MAY 19, 2010

SUBJECT: REVIEW OF THE COUNTY TAX OFFICE -- ENFORCEMENT DIVISION  
FINANCIAL RECORDS FOR OCTOBER 2009 THROUGH APRIL 2010.

A review of the financial records for the County Tax Assessor-Collector's Office Enforcement Division has been completed from October 2009 through April 2010. The objective of this review was to verify the information contained within the Tax Office Enforcement Division financial reports.

**Scope and Purpose**

The scope and purpose of the review consisted of the following:

1. A surprise cash count was performed on April 27, 2010 in accordance with *Local Government Code § 115.0035*. No discrepancies were noted.
2. Deposit slips were compared to the treasury records and daily balance reports to verify that collections were deposited in accordance with *Local Government Code §113.022* and properly posted on the Financial Accounting Management Information System (FAMIS).
3. Bank reconciliations for the Vehicle Inventory Escrow and Discretionary accounts were verified against the cash receipts and disbursements journals for accuracy and completeness. No discrepancies were noted.
4. Discretionary account disbursements were reviewed in order to verify that expenditures were made in accordance with the *Tax Code §23.122(c)*.
5. A review of the Vehicle Registration Abuse Program (VRAP) cases to ensure that the proper fines and taxes were paid.
6. A review of manual receipts was conducted to verify that all receipts are accounted for.
7. A review of the Enforcement Division inventory was review to ensure that all items are properly recorded and entered into the County inventory system.
8. Previous memorandum was reviewed for proper implementation of prior recommendations.

### General

1. *Observation:* While reviewing the Enforcement Division inventory, it was noted that the Motorola portable radios did not have the County inventory tag number.  
*Corrective Action/Recommendation:* It is recommended that the Enforcement Division contact the Purchasing Department to request the radios be tagged with an inventory number. It is further recommended that the Enforcement Division ensure that all items purchased are reflected on the department's inventory list. It is also recommended that any future items be properly tagged with a County inventory number.

### Review of past Memoranda

2. *Observation:* It was previously recommended that the V.I.T. office manual be updated to include policies and procedures for the different programs of the Enforcement Division. At the time of this review, the County Auditor's Office was not provided with an updated manual.  
*Corrective Action/Recommendation:* Once again, it is recommended that the policies and procedure manual be submitted to the County Auditor's Office as soon as possible.
3. *Observation:* It was previously recommended that the Enforcement Division keep a log of the County vehicles being used.  
*Corrective Action/Recommendation:* It was noted that this recommendation has been implemented.
4. *Observation:* It was previously recommended that Enforcement Division develop a log to record manual receipt books and to whom they have been assigned.  
*Correction Action/Recommendation:* It was noted that the unused manual receipt books were returned to the Tax Office downtown. The Downtown Tax Office has developed a log and manual receipt books will be issued as needed.
5. *Observation:* It was previously recommended that Programs Coordinator not have check signing capabilities and not post customer payments.  
*Corrective Action:* It was noted that the Programs Coordinator no longer has the capability to sign check and no longer posts customer's payments.

### Summary

This 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. Based on this review, the internal control structure of the County Tax Office, as it relates to the Enforcement Division, appears to be adequate, but should be further strengthened with the implementation of the above mentioned recommendations.

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06-39

June 16, 2010

The Honorable Victor Flores  
County Tax Assessor- Collector  
500 East Overland  
El Paso, Texas 79901

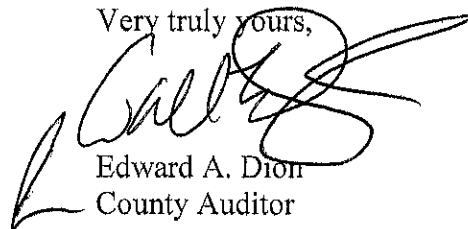
Dear Mr. Flores:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal audit supervisor dated June 16, 2010 is attached. This memorandum is a report on a review of your financial records pertaining to the Licensing Division for March 2010 through May 2010. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the Tax Office, as defined by AICPA professional standards. However, this review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,



Edward A. Dion  
County Auditor

EAD:SP

Attachment




COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

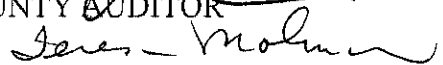
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06-40

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR 

DATE: JUNE 16, 2010

SUBJECT: REVIEW OF THE COUNTY TAX OFFICE – LICENSING DIVISION FOR  
MARCH 2010 THROUGH MAY 2010

**Overview**

A review of the financial records for the County Tax Assessor-Collector's Office pertaining to the Licensing Division from March 2010 through May 2010 has been completed. The objective of this review was to verify the information contained within the Tax Office's financial reports. These financial reports are a recapitulation of all transactions that occurred during each month.

**Scope and Purpose**

The scope and purpose of the review was as follows:

1. The bank reconciliation for the Ad Valorem account was reviewed for accuracy and completeness and verified that supervisor review was performed. No discrepancies were noted.
2. A random sample of 29, or nine percent out of 317 manual receipts for the Beer and Wine was reviewed to ensure accuracy and legitimacy of the transactions. Additionally, the manual receipts were traced to the weekly balance sheets and the bank statements to ensure the receipts were accounted for properly. No discrepancies were noted.
3. The manual receipt logs were reviewed to ensure that the issuance and completion of books are properly documented and inventory of all unused manual receipt books were noted. No discrepancies were noted.

4. The collections listed on the weekly balance sheets were traced to the bank statements to ensure that the collections were deposited and accounted for properly. The weekly balance sheets were compared to the RecWare cashing reports to verify that both reports agree. No discrepancies were noted.
5. A review was conducted to verify that management is performing periodic reviews of the manual receipts processed by the licensing division.
6. A surprise cash count was performed on June 10, 2010, in accordance with *Local Government Code §115.0035*. No discrepancies were noted.
7. The checks pending processing log was reviewed to ensure payments were processed and verify that the Tax Office Accounting Manager accounted for all the transactions.
8. The voided transactions were reviewed to verify legitimacy, proper documentation for justification, and that supervisor approval was obtained and documented.
9. A comparative analysis of the revenue collected by the licensing division was prepared, as reflected on the attachment.
10. Past memoranda were reviewed for implementation of prior recommendations.

### **General**

1. Observation: It was noted that management has not performed a periodic review of the licensing division. This observation was noted on the April 12, 2010 and November 20, 2009 reports.  
Corrective Action/Recommendation: It is again strongly recommended that management perform a periodic review of the licensing division.
2. Observation: Upon review of the voided receipts, it was noted that there is no indication of supervisor approval or review. This observation was noted on the April 12, 2010 and November 20, 2009 reports. It was further noted that beer and wine manual receipt 571063 was voided, but the original receipt was not attached to the carbon copy. Additionally, beer and wine manual receipt number 571064 was issued to replace voided receipt number 571063. At a minimum, one of the original receipts should have been attached. It appears that the customer may have received two original receipts. Furthermore, it was noted that there were seven voided receipts during the period under review.  
Corrective Action/Recommendation: It is again recommended that supervisor approval be obtained before voiding the receipt. Supervisor approval should be documented on the voided receipt. It is further recommended that the original voided receipt be attached to the carbon copy. This will ensure that the customer is provided with only one receipt.
3. Observation: Upon review of the checks pending to be processed, it was noted that the checks are not deposited upon acceptance. It was further noted that a continuous log is not maintained for these types of transactions. These two observations were noted on the April 12, 2010 and November 20, 2009 reports.  
Corrective Action/Recommendation: It is again recommended that checks be immediately deposited upon acceptance. It is further recommended that a continuous log be maintained for these types of transactions to track when they are due to be processed.



**Summary**

This 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. Based on this review, the internal control structure of the County Tax Office as it relates to the Licensing Division appears to be weak, but should be strengthened with the implementation of the above mentioned recommendations.

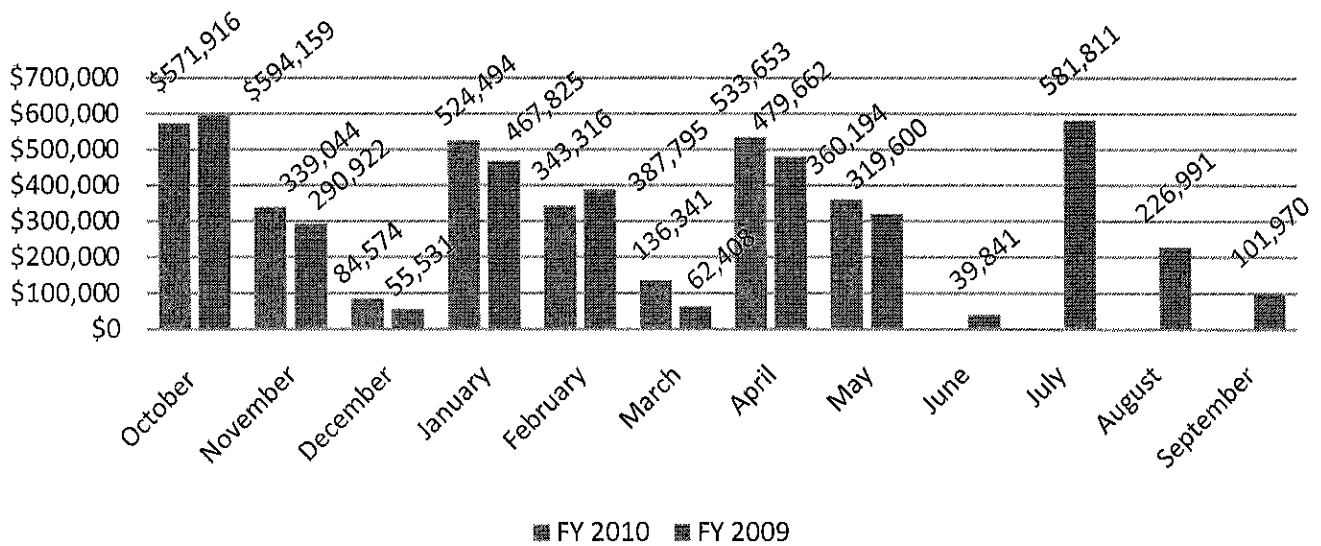
**Tax Office**

**Revenue Analysis for the Licensing Division**

**FY 2010 and FY 2009**

<b>Month</b>	<b>FY 2010</b>	<b>FY 2009</b>	<b>Variance</b>	<b>% Variance</b>
October	\$571,916	\$594,159	-22,243	-3.74%
November	339,044	290,922	48,122	16.54%
December	84,574	55,531	29,043	52.30%
January	524,494	467,825	56,669	12.11%
February	343,316	387,795	-44,479	-11.47%
March	136,341	62,408	73,933	118.47%
April	533,653	479,662	53,991	11.26%
May	360,194	319,600	40,594	12.70%
June		39,841	-39,841	-100.00%
July		581,811	-581,811	-100.00%
August		226,991	-226,991	-100.00%
September		101,970	-101,970	-100.00%

## Tax Office Licensing Division Revenue Analysis FY 2010 and FY 2009





COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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10-26

October 13, 2010

The Honorable Victor Flores  
County Tax Assessor- Collector  
500 East Overland  
El Paso, Texas 79901

Dear Mr. Flores:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal audit supervisor dated October 13, 2010 is attached. This memorandum is a report on a review of your financial records pertaining to the Licensing Division for June 2010 through August 2010. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the Tax Office, as defined by AICPA professional standards. However, this review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division.

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:SP:ya

Attachment



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10-27

MEMORANDUM

TO: *for* EDWARD A. DION, COUNTY AUDITOR *Teresa Molinar*

THRU: TERESA MOLINAR, OPERATIONS MANAGER *Teresa Molinar*

FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR *Sylvia Pacheco*

DATE: OCTOBER 14, 2010

SUBJECT: REVIEW OF THE COUNTY TAX OFFICE – LICENSING DIVISION FOR  
JUNE 2010 THROUGH AUGUST 2010

**Overview**

A review of the financial records for the County Tax Assessor-Collector's Office pertaining to the Licensing Division from June 2010 through August 2010 has been completed. The objective of this review was to verify the information contained within the Tax Office's financial reports. These financial reports are a recapitulation of all transactions that occurred during each month.

**Scope and Purpose**

The scope and purpose of the review consisted of the following:

1. The bank reconciliation for the Ad Valorem account was reviewed for accuracy and completeness and verified that supervisor review was performed. No discrepancies were noted.
2. A random sample of 23, or 11 percent out of 203 manual receipts for the Beer and Wine was reviewed to ensure accuracy and legitimacy of the transactions. Additionally, the manual receipts were traced to the weekly balance sheets and the bank statements to ensure the receipts were accounted for properly. No discrepancies were noted.
3. The manual receipt logs were reviewed to ensure that the issuance and completion of receipt books are properly documented and inventory of all unused manual receipt books were noted. No discrepancies were noted.
4. The collections listed on the weekly balance sheets were traced to the bank statements to ensure that the collections were deposited and accounted for properly. The weekly balance sheets were compared to the RecWare cashiering reports to verify that both reports agree. No discrepancies were noted.

5. A review was conducted to verify that management is performing periodic reviews of the manual receipts processed by the licensing division. No discrepancies were noted.
6. A surprise cash count was performed on August 19, 2010, in accordance with *Local Government Code §115.0035*. No discrepancies were noted.
7. The checks pending processing log was reviewed to ensure payments were processed and verify that the Tax Office Accounting Manager accounted for all the transactions.
8. The voided transactions were reviewed to verify legitimacy, proper documentation for justification, and that supervisor approval was obtained and documented.
9. A listing of hotel/motels was compiled utilizing the internet and the phone book. The quarterly reports were reviewed to verify that taxes were paid timely for small local hotel/motels.
10. A comparative analysis of the revenue collected by the licensing division was prepared, as reflected on the attachment.
11. Past memoranda were reviewed for implementation of prior recommendations.

### **General**

1. Observation: Upon review of the voided receipts, it was noted that there is no indication of supervisor approval or review. This observation was noted on the June 16, 2010, April 12, 2010, and November 20, 2009 reports. It was further noted that the reason for voiding beer and wine manual receipt number 571152 was not documented on the weekly balance sheet.  
Corrective Action/Recommendation: Ms. Norma Favela, chief deputy, agreed to institute a procedure which will require the licensing clerk to obtain supervisor approval prior to voiding a receipt. It is recommended that supervisor approval be documented on the voided receipt. It is further recommended that an explanation be documented on the weekly balance sheet.
2. Observation: Upon review of the checks pending to be processed, it was noted that the checks are not deposited upon acceptance. It was further noted that a continuous log is not maintained for these types of transactions. These two observations were noted on the June 16, 2010, April 12, 2010 and November 20, 2009 reports.  
Corrective Action/Recommendation: Ms. Favela has agreed to deposit checks upon acceptance, except for post-dated checks. The licensing clerk will log in the checks in the checks pending to be processed log to account for these types of transactions.
3. Observation: Upon review of the hotel/motel tax payments, the following items were noted:
  - Thirteen hotel/motels paid their taxes late. A late penalty or interest was not assessed for reporting or paying the taxes late.
  - The licensing division does not have an enforcement method of ensuring that all hotel/motels in El Paso County pay the taxes. The licensing clerk relies on the State's website to determine if a hotel/motel has not reported to the County's Tax Assessor Collector's Office. In the event that a hotel/motel does not report to the State, the licensing clerk would not be able to identify if the entity failed to pay the taxes to the County of El Paso.

Corrective Action/Recommendation: It is recommended that the Tax Office assess a penalty and/or interest to hotel/motels that do not report or pay the taxes timely in accordance with *Tax Code §352.004*, copy attached. It is further recommended that the Tax Office explore the feasibility of developing an enforcement method to ensure that hotel/motels conducting business in El Paso County report and pay the taxes due. Moreover, it is recommended that Tax Office personnel conduct an on-site visit to determine if the Artisan Hotel El Paso is open for business.

### **Summary**

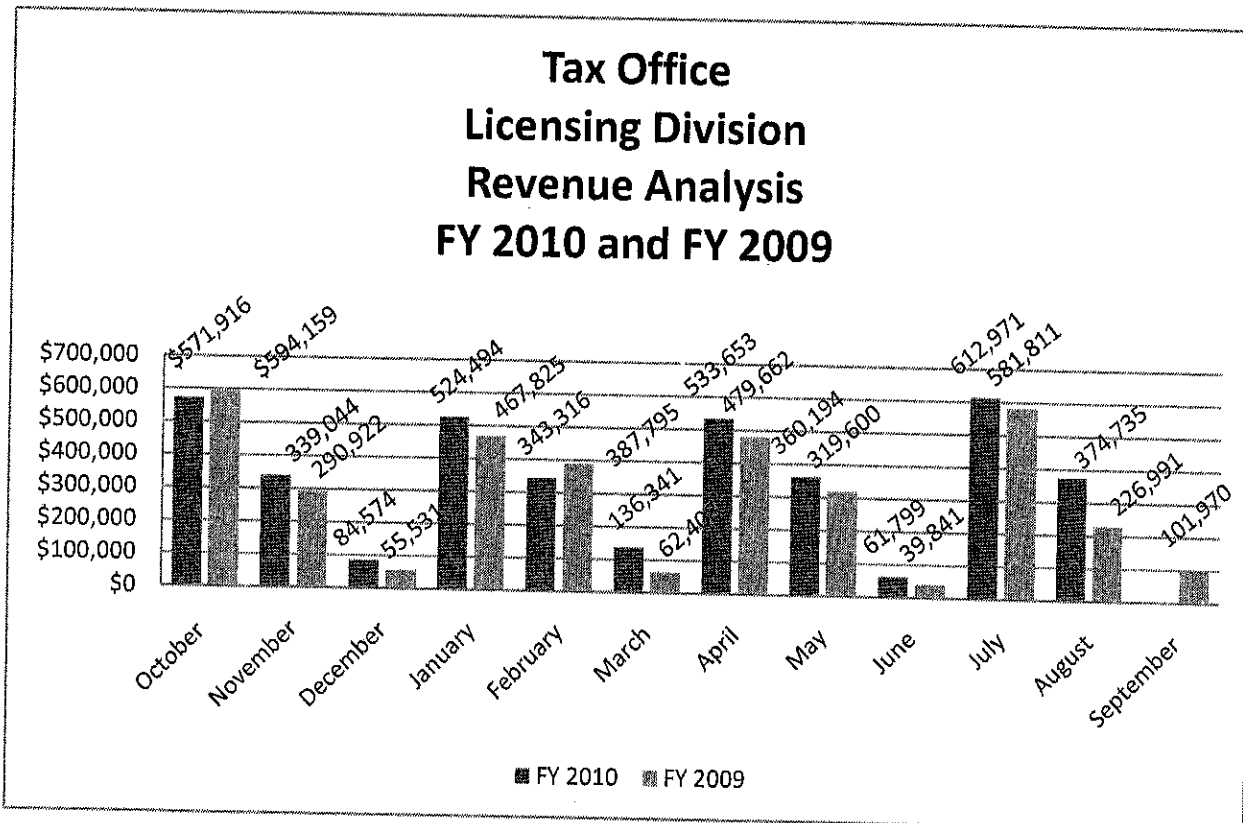
This review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the County's assets from loss, theft, or misuse. The County's internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. 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. Based on this review, the internal control structure of the County Tax Office as it relates to the Licensing Division appears to be weak, but should be strengthened with the implementation of the above mentioned recommend

SP:ya

# Tax Office

## Revenue Analysis for the Licensing Division FY 2010 and FY 2009

Month	FY 2010	FY 2009	Variance	% Variance
October	\$571,916	\$594,159	-22,243	-3.74%
November	339,044	290,922	48,122	16.54%
December	84,574	55,531	29,043	52.30%
January	524,494	467,825	56,669	12.11%
February	343,316	387,795	-44,479	-11.47%
March	136,341	62,408	73,933	118.47%
April	533,653	479,662	53,991	11.26%
May	360,194	319,600	40,594	12.70%
June	61,799	39,841	21,958	55.11%
July	612,971	581,811	31,160	5.36%
August	374,735	226,991	147,744	65.09%
September		101,970	-101,970	-100.00%





Sec. ~~352.0040~~. TAX COLLECTION; PENALTY. (a) The owner or operator of a hotel shall report and send the taxes collected under this chapter to the county as provided by the resolution or order imposing the tax.

(b) If the owner fails to report when required or pay the tax when due, the owner shall pay a penalty of five percent of the amount of the tax due. If the owner fails to file the report or pay the tax before the 31st day after the date that the report or tax payment was due, he shall pay an additional penalty of five percent of the amount of the tax due.

(c) Delinquent taxes and accrued penalties draw interest at the rate of 10 percent a year beginning 60 days after the date on which the tax was due.

(d) The county attorney may bring suit against a person who is required to collect the tax imposed by this chapter and pay the collections over to the county and who has failed to file a tax report or pay the tax when due to collect the tax not paid or to enjoin the person from operating a hotel in the county until the tax is paid or the report filed, as applicable, as provided by the court's order. The remedy provided by this subsection is in addition to other available remedies.

**West Texas Community  
Supervision and Correction  
Department**



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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04-10

April 8, 2010

Mr. Stephen Enders, Director  
West Texas Community Supervision  
And Correction Department  
800 East Overland, Suite 100  
El Paso, Texas 79901

Dear Mr. Enders:

A copy of a memorandum from Mrs. Sylvia Pacheco, internal audit supervisor and Ms. Ruth Bernal, internal auditor, dated March 23, 2010 is attached. This memorandum is a report on a review of the financial records for April 2009 through January 2010. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the West Texas Community Supervision and Correction Department, as defined by AICPA professional standards. However, this review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. Pacheco and Ms. Bernal.

As a follow up to this report, please provide a written management response relating to each recommendation. The management response should provide feedback on how management will implement the recommendations noted on the report provided by the County Auditor's Internal Audit Division

If we can be of any assistance in this regard, please let us know.

Very truly yours,

Edward A. Dion  
County Auditor

EAD:SP:RB:ya

Attachment



COUNTY OF EL PASO  
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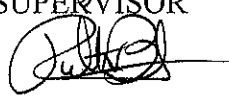
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04-14

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

FROM: SYLVIA PACHECO, INTERNAL AUDIT SUPERVISOR   
RUTH BERNAL, INTERNAL AUDITOR 

DATE: APRIL 8, 2010

SUBJECT: REVIEW OF THE WEST TEXAS COMMUNITY SUPERVISION AND  
CORRECTION DEPARTMENT'S FINANCIAL RECORDS FROM  
APRIL 2009 THROUGH JANUARY 2010

**Overview**

A review of the financial records for the West Texas Community Supervision and Corrections Department (WTCSC) for the period of April 2009 through January 2010 has been completed. The objective of this review was to verify the information contained within the financial records of the WTCSC.

**Scope and Purpose**

The scope and purpose of the review consisted of the following:

1. Policies and procedures were reviewed to ensure that effective internal controls are in place as they pertain to the issuance of manual receipts.
2. A sample of 1,035 or 30.71 percent out of 3,370 manual receipts issued from April 1, 2009 through January 26, 2010 by the various satellite offices was reviewed to ensure that the collections were recorded in JIMS.
3. A surprise cash count was performed on January 26, 2010 in accordance with *Local Government Code §115.0035*.
4. The bank reconciliations for the four accounts were reviewed for accuracy and completeness.

5. Deposits were reviewed to ensure that they were deposited in accordance *Local Government Code §113.022*. No major discrepancies were noted.
6. Prior memoranda were reviewed to verify the implementation of recommendations.

**General**

1. Observation: It was noted that management has not updated the policies and procedures relating to the issuance of manual receipts.  
Corrective Action/Recommendation: According to Ms. Nicole Pinon, fiscal officer, management is in the process of updating the policies and procedures relating to the issuance of manual receipts for all the satellite offices.
2. Observation: Upon review of the internal controls in safeguarding and distribution of the unused manual receipt books, it was noted that the secretaries at the Administrative Office safeguard and distribute the unused manual receipt books. It was further noted that the same two secretaries are responsible for reviewing the used manual receipts issued by all the satellite offices, including their own office. Furthermore, it was noted that the two secretaries perform cashiering functions.  
Corrective Action/Recommendation: It is recommended that the unused manual receipt books be safeguarded and reviewed by a supervisor that is not involved in the cashiering functions. On the August 18, 2009 report, it was recommended that management evaluate the procedures for ordering, receiving, safeguarding, distributing, and accounting for the manual receipt books to ensure that effective segregation of duties are in place. On February 8, 2009, management agreed to assign the responsibility of safekeeping the unused manual receipts to a supervisor. Additionally, the manual receipts issued by the satellite offices will be reviewed by the secretaries at the Administrative Office. The manual receipts issued by the secretaries at the Administrative Office will be reviewed by a supervisor that is not involved in the cashiering functions.
3. Observation: While reviewing the manual receipts, the following items were noted:
  - There were three manual receipts that were not posted in JIMS. A schedule listing the manual receipts is attached.
  - There were eight manual receipts that were not posted in JIMS, however, the money is being safeguarded by the secretaries. The tender types consist of cash, checks, and a money order. The money was not deposited with the daily collections. Upon inquiry, it was explained that payments cannot be entered in JIMS until the cases are set up on the system.
  - Eighty-one manual receipts were not posted timely in JIMS. The manual receipts were posted in JIMS between three to 30 days after the manual receipt was issued.
  - The incorrect manual receipt number was cross-referenced on eighty-one manual receipts.
  - The manual receipt number was not cross-referenced on eight manual receipts.
  - On eighteen manual receipts, the wrong case number was noted on the manual receipt. Consequently, it was difficult to trace the manual receipts to JIMS.

- The manual receipts are not always completely filled.
- On one manual receipt, there is a discrepancy on the date when the payment was accepted and the date when it was posted in JIMS. The manual receipt was dated May 7, 2009, but the payment was posted in JIMS on May 6, 2009.
- The majority of the manual receipts were not legible.
- Several manual receipts were voided, but no explanation was documented on the manual receipt to justify the void. Additionally, there was no supervisor approval noted on the manual receipt to document approval.
- On one manual receipt, the date was not documented on the manual receipt.
- An analysis of manual receipts issued by the various satellite offices was prepared, copy attached. There were 3,370 manual receipts issued during the period under review. There appears to be an excessive amount of manual receipts being issued.

Corrective Action/Recommendation: The following recommendations are proposed:

- A supervisor should safeguard and distribute the unused manual receipts.
- A supervisor should review the used manual receipts for all the satellite offices.
- Manual receipts should only be issued when JIMS is unavailable. According to the County's Information Technology Department, it is unusual for the JIMS system to be unavailable for extended periods of time. This recommendation was noted on the August 18, 2009 report. Management should evaluate staffing needs and schedule accordingly to ensure that an employee is always available to post transactions in JIMS. This will reduce the number of manual receipts issued and minimize the cost of ordering manual receipt books. On February 8, 2009, it was explained that management has addressed this issue with staff and will make every effort to avoid issuing manual receipts.
- Manual receipts should be posted as soon as JIMS is available, but no later than the next business day. This recommendation was noted on the August 18, 2009 report.
- The secretaries should exercise due care in cross-referencing the manual receipt number in JIMS and the JIMS receipt number to the manual receipt. Secondly, the manual receipts should be legible, completely filled and accurate information should be documented on the manual receipt.
- In the event that a manual receipt needs to be voided, a detailed explanation should be documented on the manual receipt. Furthermore, supervisor approval should be obtained and documented on the manual receipt.

4. Observation: Upon review of the manual receipts used to capture community service payments, the following items were noted:
- On one receipt, the community service payment was posted incorrectly in JIMS. The manual receipt was issued for \$80.00, which is equivalent to 40 hours of community service, yet JIMS reflects 160 hours of community service.
  - There were several community service payments that were posted two to three months after the manual receipt was issued.
  - The manual receipt number is not cross-referenced in JIMS and the JIMS receipt is not cross-referenced to the manual receipt.

Corrective Action/Recommendation: Currently, the community service payments can be posted directly in JIMS and the system will apply the corresponding hours. According to Ms. Pinon, the community service payments will be posted directly in JIMS.

5. Observation: While performing the cash count at the Administrative Office, the following items were noted:

- Old signature plates were in the safe.
- The community service mail payments are safeguarded inside the manual receipt book in the safe. Receipts are not issued until they are ready to prepare the deposit. According to Ms. Pinon, the deposits are not prepared daily because there is a bank charge for depositing more than four deposits a month.
- A log is not maintained for the community service payments. Also, community service payments are equivalent to \$2.00 per hour; however, the rate per hour noted in JIMS amounts to \$5.15.
- The two secretaries log into JIMS on the same computer. When payments are processed in JIMS, the secretary will switch to their JIMS' sign in. The two sessions are always available to post.
- One of the secretaries was short \$4.00.

Corrective Action/Recommendation: The old signature plates were destroyed on January 27, 2009 by the County Auditor's Office. It is recommended that a log be developed to account for the community service payments as they are received. According to Ms. Pinon, effective January 29, 2010, the community service payments will be deposited on a weekly basis. Moreover, it is recommended that the community service payments be evaluated and potentially increase the rate per hour. It is further recommended that the secretaries log off from JIMS when they are not processing payments. Furthermore, it is recommended that the secretaries exercise due care in processing transactions to avoid out of balance conditions.

6. Observation: While performing the cash count at the Airport Office, the following items were noted:

- The money orders were not endorsed. Upon inquiry, it was explained that the secretaries were instructed to only endorse the checks and not the money orders. This observation was noted on the June 25, 2009 report.
- The canvass bag securing the prior day's collections was not safeguarded in the safe. The canvass bag was placed on top of the desk awaiting to be picked up by Miracle Delivery Armored Service. This observation was noted on the May 30, 2008 report.

Corrective Action/Recommendation: It is recommended that money orders be restrictively endorsed upon acceptance. It is further recommended that the collections be secured in the safe at all times.

7. Observation: While reviewing the bank reconciliations, the following items were noted:

- Bank reconciliation was not prepared for the Graffiti Wipeout Program account.
- On February 13, 2009, check number 26056 in the amount of \$10.14 cleared the bank account. The check should have cleared the WTCS&CD main account.

Because the department does not reconcile the bank account, this error went unidentified and unresolved for a year.

Corrective Action/Recommendation: WTCSC submitted the bank reconciliations for the Graffiti Wipeout Program account from March 2007 through January 2010. It is recommended that the bank reconciliation be prepared on a monthly basis. It is also recommended that the bank be notified immediately of any transaction that do not correspond to the account, and carry that adjustment on the bank reconciliation until the bank corrects the mistake.

8. Observation: It was noted that the satellite offices submit the daily collections to the Administrative Office for verification. The Administrative Office personnel prepare the deposit and submit to the bank.

Corrective Action/Recommendation: It is recommended that the satellite offices submit the daily collections directly to the bank. It is further recommended that the satellite offices fax the deposit information to the Administrative Office to reconcile the collections. Moreover, it is recommended that the fiscal clerk have inquiry access to the online banking system in order to verify that the satellite collections were deposited. This process would eliminate redundant verification of the collections by the Administrative Office.

#### **Review of Past Memoranda**

9. Observation: It was previously noted that some invoices were not date stamped upon receipt; therefore, it could not be determined if the department was in compliance with *Government Code §2251.021*.

Corrective Action/Recommendation: On February 8, 2010, it was explained that all invoices are now date stamped upon receipt.

10. Observation: It was previously noted that several disbursements had no indication of supervisory authorization before payments were processed.

Corrective Action/Recommendation: On February 8, 2010, it was explained that all disbursements are now reviewed prior to signing the disbursements.

11. Observation: It was previously noted that the restitution disbursements are issued to the victim at the beginning of the month, even though all checks have not cleared the bank.

Corrective Action/Recommendation: Currently, the victim restitution checks corresponding to the check payments received on the last week of the month are held for a period of time to ensure that the payments have cleared the bank.

12. Observation: It was previously recommended that WTCSC department develop written policies and procedures on the recovery of non-sufficient (NSF) checks. It was also recommended that a worksheet be prepared to keep track of the status of the NSFs and submit the worksheet with the monthly bank reconciliation to the County Auditor's Office.



Corrective Action/Recommendation: On February 8, 2010, it was explained that management has not developed policies and procedures on the recovery of non-sufficient (NSF) checks. A worksheet was developed to track the NSF checks. The worksheet is submitted to the County Auditor's Office as part of the bank reconciliation.

13. Observation: It was previously noted that Ms. Pinon has access to receipt and void payments in JIMS.

Corrective Action/Recommendation: On February 8, 2010, ITD confirmed that Ms. Pinon has viewing and inquiry capabilities only.

14. Observation: It was previously recommended that the Community Service Division prepare a policies and procedures manual that details the controls in place to maintain the integrity of the archived files and to prevent possible unauthorized destruction of records.

Corrective Action/Recommendation: On February 8, 2010, it was explained that management has not developed the policies and procedures.

### Summary

This 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. Based on this review, the internal control structure of the West Texas Community Supervision and Correction department appears to be weak, but should be strengthened with the implementation of the above mentioned recommendations.

SP:RB:ya

West Texas Community Supervision and Corrections Department  
 Review of Manual Receipts  
 April 1, 2009 - January 26, 2010  
 Manual Receipts Unaccounted for

Office	Receipt No.	Amount	Date on Man Receipt	Employee Issuing Rec	Comments
Westside	012645	25.00	11/2/2009	?????	
Westside	012655	20.00	11/6/2009	????	
Westside	012744	100.00	1/22/2010	Serang	

Total Unaccounted      145.00