



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

04-09

April 8, 2014

The Honorable Veronica Escobar, County Judge
and County Commissioners
County of El Paso County
Room 301, County Courthouse Building
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 October 2012 through September 2013. 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>
Ascarate Golf Course	November 8, 2012	18
El Paso County Auditor's Office-Investments	April 9, 2013	55
El Paso County Clerk	June 13, 2013	123
El Paso County Emergency Services District # 2	July 11, 2013	133
El Paso County Sheriff's Department-Stonegarden	June 6, 2013	107
El Paso County Tax Office-Auto Registration	May 22, 2013	97
El Paso County Tax Office-Contracted Offices	January 18, 2013	26
El Paso County Tax Office-Contracted Offices	April 25, 2013	89
El Paso County Tax Office-Enforcement Division	October 15, 2012	4
El Paso County Tax Office - Licensing Division	March 12, 2013	38
Facilities Management-Parking Garage	July 8, 2013	127
Justice of the Peace, Precinct 1	August 6, 2013	159
Justice of the Peace, Precinct 3	July 31, 2013	146
Justice of the Peace, Precinct 6 Place 2	March 13, 2013	42
Justice of the Peace, Precinct 6 Place 2	August 20, 2013	163
Justice of the Peace, Precinct 7	March 7, 2013	35
West Texas Community Supervision	August 2, 2013	149

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>
Primos Café and Catering-Ascarate Park	August 28, 2013	172

The Honorable Veronica Escobar, County Judge
and County Commissioners
April 9, 2014
Page 2

The following is a listing of departmental responses to audits performed for the period noted above:

<u>Department</u>	<u>Date of Report</u>	<u>Page No.</u>
Domestic Relations Office	June 7, 2013	197
El Paso County Sheriff's Office	May 10, 2013	198
El Paso County Tax Office – Licensing Division	March 12, 2013	199
El Paso County Tax Office-Contracted Offices	April 25, 2013	201

As noted on the list above, there were 18 out of 39 reports or 46 percent, issued by the internal audit division during the period noted above in which the departments 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:JO:ya



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10-02

October 1, 2012

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 and Mr. Phillip Trevizo, internal auditors, dated October 1, 2012, is attached. This memorandum is a report on the County Sheriff auto auction held on Saturday, September 29, 2012. 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.

If we can be of any further assistance, please let us know.

Very truly yours,

Edward A. Dion
County Auditor

EAD:LH:PT:ya

Attachment



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10-03

MEMORANDUM

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

THRU: TERESA MOLINAR, OPERATIONS MANAGER *Teresa Molinar*

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR *James O'Neal*

FROM: LINDA HEMME, INTERNAL AUDITOR *Linda Hemme*
PHILLIP TREVIZO, INTERNAL AUDITOR *Phillip Trevizo*

DATE: OCTOBER 1, 2012

SUBJECT: SHERIFF'S AUTO AUCTION HELD ON SEPTEMBER 29, 2012

The Sheriff's Department Abandoned Motor Vehicle Section held an auto auction on Saturday, September 29, 2012 at the Sheriff's Abandoned Motor Vehicle Lot. Fifteen vehicles were sold generating receipts totaling \$24,525.00, which were verified to the auction list, copy attached. A cash count was performed, with no discrepancies noted.

LH:PT:ya

EL PASO COUNTY SHERIFF'S OFFICE
 ABANDONED MOTOR VEHICLE SECTION
 12501-F MONTANA, EL PASO COUNTY, TEXAS

PAGE 1 OF 1

ABANDONED MOTOR VEHICLES AUCTION
 AUCTION DATE: SEPTEMBER 29, 2012

#	CASE#	YR	MAKE/MODEL	STYLE	VIN:	BUYER	PRICE
1	AD/2012-00585	2005	YAMAHA YFS200	ATV	JY4AG02315C032970	30	550 ⁰⁰
2	AD/2012-03720	1993	FORD TAURUS GL <i>K</i>	4DRHT	1FALP5212PG266199	17	525 ⁰⁰
3	SO/2012-04836	2002	JEEP LIBERTY LTD <i>K</i>	SUV	1J4GK58K32W299358	35	2350 ⁰⁰
4	SO//2012-06926	2007	CHRYSLER 300	4DRHT	2C3KA43R17H721302	PULLED	—
5	AD/2012-02587	2001	FORD TAURUS <i>K</i>	4DRHT	1FAFP53U91G168395	6	800 ⁰⁰
6	AD/2012-03719	1998	AUDI A-4 QUATRO <i>K</i>	4DRHT	WAUED68D6WA005272	16	1625 ⁰⁰
7	AD/2012-03721	1998	CADILLAC DEVILLE <i>K</i>	4DRHT	1G6KD54Y9WU739933	13	950 ⁰⁰
8	AD/2012-03722	1995	MAZDA 929 - REBUILT SALVAGE	4DRHT	JM1HD4615S0402663	54	500 ⁰⁰
9	SO/2012-02151	2002	SATURN L200 <i>K</i>	4DRHT	1G8JU54F22Y587482	44	1300 ⁰⁰
10	SO/2012-07445	1999	NISSAN QUEST <i>K</i>	VAN	4N2XN11T0XD825292	5	2050 ⁰⁰
11	AD/2012-04261	1998	FORD WINDSTAR - SALVAGE <i>K</i>	VAN	2FMZA5148WBD39823	54	575 ⁰⁰
12	AD/2012-03522	1993	OLDSMOBILE CUTLASS	4DRHT	1G3WH54T0PD339364	36	600 ⁰⁰
13	AD/2012-02477	2007	HONDA ACCORD SE <i>K</i>	4DRHT	1HGCM66497A049444	2	7800 ⁰⁰
14	AD/2012-05269	1997	CHEVROLET BLAZER 1/2 TON <i>K</i>	SUV	1GN2T13W2V2233251	55	675 ⁰⁰
15	AD/2012-09110	1998	FORD EXPLORER XL <i>K</i>	SUV	1FMRU17L8WLB67310	40	1025 ⁰⁰
16	AD/2012-07444	1998	GMC SIERRA 1/2 TON <i>K</i>	P/U	1GTEC14W0WZ504652	8	3,000 ⁰⁰

TOTAL SALE:

\$24,525⁰⁰

GATES OPEN AT 07:30 AM. THE AUCTION STARTS AT 09:00 AM SHARP.

NOTE: NO PERSONS UNDER THE AGE OF 16 WILL BE ALLOWED INSIDE THE SALE LOT AT ANY TIME.

THE TERMS OF THE SALE ARE CASH ONLY--ALL VEHICLES ARE SOLD "AS IS/WHERE IS"

PAYMENT IS REQUIRED IMMEDIATELY AFTER THE SALE ENDS.

EL LOTE SE ABRIRA A LAS 07:30 AM. LA SUBASTA COMENSARA A LAS 09:00 AM EN PUNTO.

NOTA: PERSONAS DE MENOR DE 16 AÑOS NO SE LES PERMITIRA ENTRAR.

LOS TERMINOS DE LA VENTA SON - DINERO EN EFECTIVE--TODOS LOS VEHICULOS SON VENDIDOS

"EN LAS CONDICIONES QUE ESTEN". PAGO SE REQUIERE INMEDIATAMENTE AL TERMINAR LA SUBASTA.



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09-44

October 15, 2012

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 October 15, 2012 is attached. This memorandum is a report on a review of the Enforcement Division financial reports from January 2011 through July 2012. 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,

Edward A. Dion
County Auditor

EAD:RB:ya

Attachment



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09-43

MEMORANDUM

Edward A. Dion

TO: EDWARD A. DION, COUNTY AUDITOR

THRU: TERESA MOLINAR, OPERATIONS MANAGER *Teresa Molinar*

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR *J. O'Neal*

FROM: RENE BALDERRAMA, INTERNAL AUDITOR *R. Balderrama*

DATE: OCTOBER 15, 2012

SUBJECT: REVIEW OF THE COUNTY TAX OFFICE – ENFORCEMENT DIVISION
FINANCIAL RECORDS FOR JANUARY 2011 THROUGH JULY 2012.

A review of the financial records for the County Tax Assessor-Collector's Office Enforcement Division has been completed from January 2011 through July 2012. 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 September 7, 2012 in accordance with *Local Government Code § 115.0035*.
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 Tax (V.I.T.) escrow and discretionary accounts were verified against the cash receipt and disbursement journals for accuracy and completeness.
4. Discretionary account disbursements were reviewed in order to verify that expenditures were made in accordance with *Tax Code § 23.122 (c)*.
5. Previous memorandum was reviewed for proper implementation of prior recommendations.

General

1. Observation: While reviewing the disbursements for the V.I.T. discretionary funds account, an expenditure of \$11,402.18 for brochures and mail inserts was questioned to determine if the charges met the criteria, as stated in the *Tax Code §23.122 (c)*. According to *Tax Code §23.122 (c)*, funds from the discretionary account shall only be used to defray the cost of administration. It appears that the expenditure did not fully meet the requirements set forth by *Tax Code §23.122 (c)*.
Corrective Action/Recommendation: It is recommended that the enforcement division review expenditures to ensure compliance with *Tax Code §23.122 (c)*. It is further recommended that expenditures be accompanied by the justifications as how it relates to the V.I.T. In addition, the Tax Office needs to prorate expenses that are not exclusively for V.I.T. purposes.
2. Observation: While reviewing the Inventory Tax account, it was noted that tax overages were not disbursed to taxing entities for 2008. The disbursements should have been done by February 15, 2011, totaling \$172,241.24. However, funds were not disbursed until March 2012.
Corrective Action/Recommendation: It is recommended that all disbursements to the taxing entities be made by the deadline as stated in the *Tax Code § 23.122 (k)*, copy attached.

Review of past Memoranda

3. Observation: It was previously recommended that the Tax Office operating procedures 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 provided with an updated manual.

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 weak, but should be strengthened with the implementation of the above mentioned recommendations.

Sec. 23.122. PREPAYMENT OF TAXES BY CERTAIN TAXPAYERS. (a) In this section:

(1) "Aggregate tax rate" means the combined tax rates of all relevant taxing units authorized by law to levy property taxes against a dealer's motor vehicle inventory.

(2) "Chief appraiser" has the meaning given it in Section 23.121 of this code.

(3) "Collector" has the meaning given it in Section 23.121 of this code.

(4) "Dealer's motor vehicle inventory" has the meaning given it in Section 23.121 of this code.

(5) "Declaration" has the meaning given it in Section 23.121 of this code.

(6) "Owner" has the meaning given it in Section 23.121 of this code.

(7) "Relevant taxing unit" means a taxing unit, including the county, authorized by law to levy property taxes against a dealer's motor vehicle inventory.

(8) "Sales price" has the meaning given it in Section 23.121 of this code.

(9) "Statement" means the Dealer's Motor Vehicle Inventory Tax Statement filed on a form promulgated by the comptroller as required by this section.

(10) "Subsequent sale" has the meaning given it in Section 23.121 of this code.

(11) "Total annual sales" has the meaning given it in Section 23.121 of this code.

(12) "Unit property tax factor" means a number equal to one-twelfth of the prior year aggregate tax rate at the location where a dealer's motor vehicle inventory is located on January 1 of the current year.

(b) Except for a vehicle sold to a dealer, a vehicle included in a fleet transaction, or a vehicle that is the subject of a subsequent sale, an owner or a person who has agreed by contract to pay the owner's current year property taxes levied against the owner's motor vehicle inventory shall assign a unit property tax to each motor vehicle sold from a dealer's motor vehicle inventory. The unit property tax of each motor vehicle is determined by multiplying

the sales price of the motor vehicle by the unit property tax factor. On or before the 10th day of each month the owner shall, together with the statement filed by the owner as required by this section, deposit with the collector a sum equal to the total of unit property tax assigned to all motor vehicles sold from the dealer's motor vehicle inventory in the prior month to which a unit property tax was assigned. The money shall be deposited by the collector in or otherwise credited by the collector to the owner's escrow account for prepayment of property taxes as provided by this section. An escrow account required by this section is used to pay property taxes levied against the dealer's motor vehicle inventory, and the owner shall fund the escrow account as provided by this subsection.

(c) The collector shall maintain the escrow account for each owner in the county depository. The collector is not required to maintain a separate account in the depository for each escrow account created as provided by this section but shall maintain separate records for each owner. The collector shall retain any interest generated by the escrow account to defray the cost of administration of the prepayment procedure established by this section. Interest generated by an escrow account created as provided by this section is the sole property of the collector, and that interest may be used by no entity other than the collector. Interest generated by an escrow account may not be used to reduce or otherwise affect the annual appropriation to the collector that would otherwise be made.

(d) The owner may not withdraw funds in an escrow account created pursuant to this section.

(e) The comptroller shall promulgate a form entitled a Dealer's Motor Vehicle Inventory Tax Statement. Each month, a dealer shall complete the form regardless of whether a motor vehicle is sold. A dealer may use no other form for that purpose. The statement may include the information the comptroller deems appropriate but shall include at least the following:

- (1) a description of each motor vehicle sold;
- (2) the sales price of the motor vehicle;
- (3) the unit property tax of the motor vehicle if any; and
- (4) the reason no unit property tax is assigned if no unit property tax is assigned.

(f) On or before the 10th day of each month a dealer shall file with the collector the statement covering the sale of each motor vehicle sold by the dealer in the prior month. On or before the 10th

day of a month following a month in which a dealer does not sell a motor vehicle, the dealer must file the statement with the collector and indicate that no sales were made in the prior month. A dealer shall file a copy of the statement with the chief appraiser and retain documentation relating to the disposition of each motor vehicle sold. A chief appraiser or collector may examine documents held by a dealer as required by this subsection in the same manner, and subject to the same provisions, as are set forth in Section 23.121(g).

(g) The requirements of Subsection (f) of this section apply to all dealers, without regard to whether or not the dealer owes vehicle inventory tax for the current year. A dealer who owes no vehicle inventory tax for the current year because he was not in business on January 1 may neither assign a unit property tax to a motor vehicle sold by the dealer nor remit money with the statement unless pursuant to the terms of a contract as provided by Subsection (l) of this section.

(h) A collector may establish a procedure, voluntary or mandatory, by which the unit property tax of a vehicle is paid and deposited into an owner's escrow account at the time of processing the transfer of title to the motor vehicle.

(i) A relevant taxing unit shall, on its tax bill prepared for the owner of a dealer's motor vehicle inventory, separately itemize the taxes levied against the dealer's motor vehicle inventory. When the tax bill is prepared by a relevant taxing unit for a dealer's motor vehicle inventory, the assessor for the relevant taxing unit, or an entity, if any, other than the collector, that collects taxes on behalf of the taxing unit, shall provide the collector a true and correct copy of the tax bill sent to the owner, including taxes levied against the dealer's motor vehicle inventory. The collector shall apply the money in the owner's escrow account to the taxes imposed and deliver a tax receipt to the owner. The collector shall apply the amount to each relevant taxing unit in proportion to the amount of taxes levied, and the assessor of each relevant taxing unit shall apply the funds received from the collector to the taxes owed by the owner.

(j) If the amount in the escrow account is not sufficient to pay the taxes in full, the collector shall apply the money to the taxes and deliver to the owner a tax receipt for the partial payment and a tax bill for the amount of the deficiency together with a

statement that the owner must remit to the collector the balance of the total tax due.

(k) The collector shall remit to each relevant taxing unit the total amount collected by the collector in deficiency payments. The assessor of each relevant taxing unit shall apply those funds to the taxes owed by the owner. Taxes that are due but not received by the collector on or before January 31 are delinquent. Not later than February 15 the collector shall distribute to relevant taxing units in the manner set forth in this section all funds collected pursuant to the authority of this section and held in escrow by the collector as provided by this section. This section does not impose a duty on a collector to collect delinquent taxes that the collector is not otherwise obligated by law or contract to collect.

(l) A person who acquires the business or assets of an owner may, by contract, agree to pay the current year vehicle inventory taxes owed by the owner. The owner who owes the current year tax and the person who acquires the business or assets of the owner shall jointly notify the chief appraiser and the collector of the terms of the agreement and of the fact that the purchaser has agreed to pay the current year vehicle inventory taxes owed by the selling dealer. The chief appraiser and the collector shall adjust their records accordingly. Notwithstanding the terms of Section 23.121 of this code, a person who agrees to pay current year vehicle inventory taxes as provided by this subsection is not required to file a declaration until the year following the acquisition. This subsection does not relieve the selling owner of tax liability.

(m) A dealer who fails to file a statement as required by this section commits an offense. An offense under this subsection is a misdemeanor punishable by a fine not to exceed \$100. Each day during which a dealer fails to comply with the terms of this subsection is a separate violation.

(n) In addition to other penalties provided by law, a dealer who fails to file or fails to timely file a statement as required by this section shall forfeit a penalty. A tax lien attaches to the dealer's business personal property to secure payment of the penalty. The appropriate district attorney, criminal district attorney, county attorney, collector, or person designated by the collector shall collect the penalty established by this section in the name of the collector. Venue of an action brought under this subsection is in the county in which the violation occurred or in the county in which

the owner maintains the owner's principal place of business or residence. A penalty forfeited under this subsection is \$500 for each month or part of a month in which a statement is not filed or timely filed after it is due.

(o) An owner who fails to remit unit property taxes due as required by this section shall pay a penalty of five percent of the amount due. If the amount is not paid within 10 days after the due date, the owner shall pay an additional penalty of five percent of the amount due. Notwithstanding the terms of this section, unit property taxes paid on or before January 31 of the year following the date on which they are due are not delinquent. The collector, the collector's designated agent, or the county or district attorney shall enforce the terms of this subsection. A penalty under this subsection is in addition to any other penalty provided by law if the owner's taxes are delinquent.

(p) Fines collected pursuant to the authority of this section shall be deposited in the county depository to the credit of the general fund. Penalties collected pursuant to the authority of this section are the sole property of the collector, may be used by no entity other than the collector, and may not be used to reduce or otherwise affect the annual appropriation to the collector that would otherwise be made.

Added by Acts 1993, 73rd Leg., ch. 672, Sec. 4, eff. Jan. 1, 1994. Renumbered from Tax Code Sec. 23.12B by Acts 1995, 74th Leg., ch. 76, Sec. 17.01(47), eff. Sept. 1, 1995. Renumbered from Tax Code Sec. 23.12B and amended by Acts 1995, 74th Leg., ch. 945, Sec. 3, eff. Jan. 1, 1996; Amended by Acts 1997, 75th Leg., ch. 321, Sec. 4 to 7, eff. May 26, 1997.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 116, Sec. 2, eff. September 1, 2009.

Sec. 23.123. DECLARATIONS AND STATEMENTS CONFIDENTIAL. (a) In this section:

(1) "Collector" has the meaning given it in Section 23.122 of this code.

(2) "Chief appraiser" has the meaning given it in Section 23.122 of this code.



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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10-33

October 16, 2012

The Honorable Joanne Bernal
County Attorney
Suite 503, County Courthouse Building
500 East San Antonio Street
El Paso, TX 79901

Dear Mrs. Bernal:

A copy of a memorandum from Mrs. Claudia Parra, internal auditors, dated October 16, 2012 is attached. This memorandum is a report on the review performed related to the current process for payment of the longevity pay to the prosecutors in your office. After reviewing the Texas Government Code § 41.255, it is recommended that the process for payment of the longevity be made in accordance with this statute.

This new process has been developed in conjunction with your staff, including Ms. Holly Lytle and Ms. Sue Collins, along with the support of the Information Technology Department.

Sincerely,

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

Edward A. Dion
County Auditor

EAD:CP:ya

Attachment



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10-32

October 16, 2012

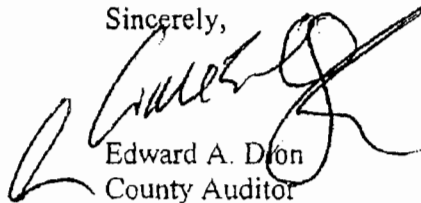
The Honorable Jaime Esparza
District Attorney
Suite 203, County Courthouse Building
El Paso, TX 79901

Dear Mr. Esparza:

A copy of a memorandum from Mrs. Claudia Parra, internal auditors, dated October 16, 2012 is attached. This memorandum is a report on the review performed related to the current process for payment of the longevity pay to the prosecutors in your office. After reviewing the Texas *Government Code* § 41.255, it is recommended that the process for payment of the longevity be made in accordance with this statute.

This new process has been developed in conjunction with your staff, including Ms. Karen Larose and Ms. Claudia Duran, along with the support of the Information Technology Department.

Sincerely,

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

Edward A. Dion
County Auditor

EAD:CP:ya

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10-35

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR
THRU: TERESA MOLINAR, OPERATIONS MANAGER 
THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 
FROM: CLAUDIA PARRA, INTERNAL AUDITOR 
DATE: OCTOBER 16, 2012
SUBJECT: LONGEVITY PAY TO ASSISTANT PROSECUTORS

A review of the Texas Government Code § 41.255 related to longevity pay revealed that the County of El Paso has been paying the earned longevity prematurely. It is recommended that longevity pay should now be paid only upon receipt of the funds as stated in the Government Code. Therefore, as of November 16, 2012, the previous bi-weekly payment method will be substituted for a quarterly payment of longevity.

The following sections in the code precisely indicate when longevity payments should be made. Section (d) states that the comptroller has up to 60 days after the first date of each State's fiscal quarter to issue a warrant back to the County. Section (e) states that upon receipt of these funds the County shall pay longevity supplements to the eligible assistant prosecutors in the next regularly scheduled salary payment.

The Treasury Division will notify the Payroll Division when the funds become available, thus allowing Payroll to proceed with the longevity payment. The Information Technology Department has developed a program that will calculate each prosecutor's pay for each quarterly cycle.


CP:ya



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10-28

October 16, 2012

The Honorable Jaime Esparza
District Attorney
Ste. 203, County Courthouse Building
500 East San Antonio
El Paso, Texas 79901

Dear Mr. Esparza:

A copy of a memorandum from Mrs. Claudia Parra, internal auditor, dated October 16, 2012 is attached. This memorandum is a report on a review of your seizure and forfeiture funds for the reporting period September 1, 2011 through August 31, 2012.

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:CP:ya

Attachment




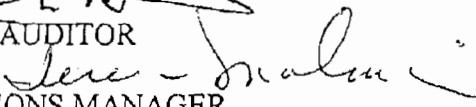


COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

EDWARD A. DION, CPA, CIO
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County Administrative Offices
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EL PASO, TEXAS 79901-2407
(915) 546-2040
(915) 546-8172 FAX

10-29

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 
THRU: TERESA MOLINAR, OPERATIONS MANAGER 
THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 
FROM: CLAUDIA PARRA, INTERNAL AUDITOR 
DATE: OCTOBER 16, 2012
SUBJECT: REVIEW OF THE DISTRICT ATTORNEY'S SEIZURE AND FORFEITURE FUNDS FOR THE REPORTING PERIOD OF SEPTEMBER 1, 2011 THROUGH AUGUST 31, 2012

Overview

A review of the District Attorney's seizure and forfeiture funds has been performed for the reporting period of September 1, 2011 through August 31, 2012. The objective of this review was to verify compliance with the requirements of *Code of Criminal Procedure, Article 59.06 (g)*, copy attached.

Scope and Purpose

The scope and purpose consisted of:

1. The proceeds and expenditures of the seizure and forfeiture funds were reviewed to ensure that they were accounted for properly. The Chapter 59 Asset Forfeiture Report, copy attached, was reviewed for accuracy and completeness.

General

1. Observation: While reviewing the proceeds and expenditures of the Asset Forfeiture Report, no discrepancies were noted.

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 District Attorney's Office, as it pertains to seizure and forfeiture funds, appears to be adequate.

CP:ya



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11-17

November 8, 2012

Mr. Reynaldo Chavez
Assistant Director
Ascarate Golf Course
6900 Delta Avenue
El Paso, TX 79905

Dear Mr. Chavez:

A copy of a memorandum from Mrs. Claudia Parra, internal auditors, dated November 8, 2012 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 the Ascarate Golf Course 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 Mrs. Parra.

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,

for Edward A. Dion
County Auditor

EAD:CP:ya

Attachments

cc: The Honorable Veronica Escobar, County Judge
The Honorable Tania Chozet, County Commissioner
The Honorable Sergio Lewis, County Commissioner
The Honorable Anna Perez, County Commissioner
The Honorable Daniel R. Haggerty, County Commissioner
Mr. Ernesto Carrizal, County Road & Bridge Engineer



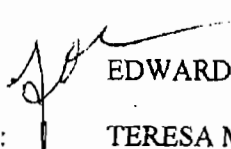
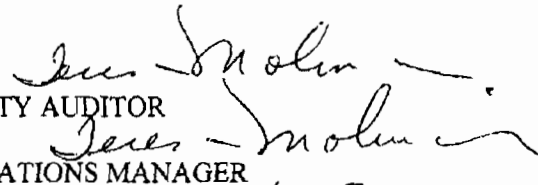

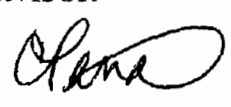
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11-19

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR
THRU:  TERESA MOLINAR, OPERATIONS MANAGER
THRU:  JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR
FROM: CLAUDIA PARRA, INTERNAL AUDITOR 
DATE: NOVEMBER 7, 2012
SUBJECT: REVIEW OF THE ASCARATE GOLF COURSE

Overview

A review of the financial records for the Ascarate Golf Course from March 2011 through July 2012 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. Two surprise cash counts were performed at the Golf Course Pro Shop in accordance with *Local Government Code §115.0035*. The cash count performed on April 9, 2012 resulted in some discrepancies. The second cash count was performed on August 1, 2012 with no discrepancies noted.
2. Manual receipts issued from March 2011 through July 2012 were reviewed to ensure that they coincide with the information entered on RecWare, the cashiering system and Link2Gov, the credit card system.
3. Deposits were reviewed to verify that information posted in Link2Gov and RecWare coincide with the amounts collected and reported.
4. Deposits were reviewed to ensure compliance with the rapid deposit law, *Texas Local Government Code §113.02*. No discrepancies were noted.
5. Voided transactions were reviewed for legitimacy, authorization, and proper documentation.
6. Policies and procedures were reviewed to ensure that effective internal controls are in place.
7. Previous memoranda were reviewed for proper implementation of prior recommendations.

General

1. Observation: The surprise cash count performed on April 9, 2012 resulted in an immaterial overage in one register and a \$20.00 shortage in another register. It was also noted that three money orders located inside the safe were missing the purchaser's signature and were not stamped with the Ascarate Golf Course endorsement stamp. These money orders were not deposited until April 23, 2012, fourteen days later. Upon discussion it was determined that the delay for the deposit of the money orders was due to the pending approval of an event's contract.
Corrective Action/Recommendation: It is recommended that the cashiers exercise due care in ensuring that all transactions are properly recorded. It is further recommended that all checks and money orders be stamped with an endorsement stamp immediately upon receiving or accepting this tender type as payment. It is also recommended that funds for special events not be accepted if they will not be deposited within the five working days that are required to stay in compliance with the rapid deposit law, *Texas Local Government Code §113.02*.

2. Observation: Review of the manual receipts revealed that there were discrepancies which are reflected on the attached Schedule A. Some discrepancies noted were as follows:
 - A \$30.00 and a \$20.00 credit card charge on RecWare were not located in the Link2Gov.
 - Five manual receipts had a \$1.00 differences when compared to their posting on RecWare.
 - One manual receipt had a note indicating a voided transaction on the carbon receipts but was missing the white original receipt.Corrective Action/Recommendation: It is recommended that the following procedures be implemented:
 - The cashiers should exercise due care when issuing manual receipts and recording the transaction onto RecWare and Link2Gov.
 - Cashiers should review the manual receipts for accuracy and completeness before issuing it to the customer.
 - All manual receipts should be crossed referenced with the postings in RecWare and Link2Gov.
 - All reference material, for example a price list, left for the cashiers to relay on when the system is down should contain accurate and up to date information to avoid any discrepancies.
 - All receipts on a manual receipt booklet should be used entirely before starting a new booklet, maintaining a sequential order when issuing a new booklet.
 - The cashier's policies and procedures should be updated to include instructions emphasizing the importance that the white copy serves as and represents an original receipt which should be given to the customer as proof of purchase.
 - Management should verify and approve the posting of all manual receipts.

3. Observation: While reviewing a 10 percent sample or 38 out of 380 deposit slips, which are also reflected on Schedule B, the following was noted:
 - One deposit related to credit card charges showed a \$3.00 difference between Link2Gov and RecWare.
 - One deposit showed a \$4.33 shortage related to credit card charges when compared to Link2Gov and RecWare, while a note on the deposit's back-up only documented a \$4.00 shortage.
 - Two deposits with overages of \$2.00 and \$7.10 were noted when the deposits were compared to the RecWare reports and the cash count sheets.

Review of Past Memoranda

6. Observation: In previous audits, it was recommended that Ascarate Golf Course personnel should not collect and retain money for the golf association tournaments subscriptions.
Corrective Action/Recommendation: It is once again recommended that Ascarate Golf Course not collect or retain any funds for any golf association for any reason. It is also recommended that the collection box used by the association members be removed from the cashiers work area, which should be a restricted area for County employees only.

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 Ascarate Golf Course continues to appear extremely weak, but should be strengthened with implementation of the above-mentioned recommendations.

CP:ya



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11-12

November 9, 2012

Mr. Jim Fashing
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, Mr. Phillip Trevizo, internal auditor, dated November 9, 2012 is attached. This memorandum is a report on a review of your financial records from July 2011 through September 2012. 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 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:PT:ya

Attachment



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11-12

November 9, 2012

Mr. Jim Fashing
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, Mr. Phillip Trevizo, internal auditor, dated November 9, 2012 is attached. This memorandum is a report on a review of your financial records from July 2011 through September 2012. 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 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:PT:ya

Attachment




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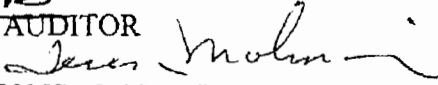
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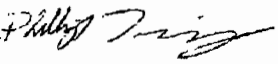
11-15

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

FROM: PHILLIP TREVIZO, INTERNAL AUDITOR 

DATE: NOVEMBER 8, 2012

SUBJECT: REVIEW OF THE DOMESTIC RELATIONS OFFICE FINANCIAL RECORDS FOR JULY 2011 THROUGH SEPTEMBER 2012

Overview

A review of the financial records for the Domestic Relations Office (DRO) from July 2011 through September 2012 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 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. No discrepancies were noted.
3. All web payments were traced to JIMS to ensure proper and timely recording of fees. Furthermore, these payments were traced to FAMIS to ensure posting to the proper revenue account. No discrepancies were noted.

4. All manual receipts were traced to JIMS to ensure that fee collections were recorded timely. No discrepancies were noted.
5. A surprise cash count was performed on August 29, 2012, for the inspection of funds in accordance with the *Texas Local Government Code §115.0035*. No discrepancies were noted.
6. A sample of mail receipts was traced to JIMS and/or the child support log to ensure that all payments were properly accounted for. No discrepancies were noted.
7. 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. No discrepancies were noted.

Review of Past Memoranda

1. Observation: It was previously recommend that cashiers reconcile their collections before and after their lunch break. Furthermore, it was also recommended that two separate cash drawers be used to avoid comingling of funds.
Corrective Action/Recommendation: It was explained by Flor Galvan, DRO Office Manager, that cashiers run a tape of their collections before and after their lunch break. She further added that each cashier now has their own separate cash drawer.
2. Observation: It was previously recommended that manual corrections to the mail log have documentation as to who made the corrections. Also, it was recommended that voided transactions be properly documented in the transaction history portion of JIMS.
Corrective Action/Recommendation: While reviewing the mail log sample it was noted that recommendations for manual corrections have been implemented. Furthermore, it was noted that voided transactions were being documented in the history portion of 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 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.

PT:ya



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01-25

January 18, 2013

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. Bertha Tafoya, internal auditor, dated January 18, 2013 is attached. This memorandum is a report on a review of the five locations for the El Paso Auto Registration and Title Full Service Contracted Offices records. Because of certain statutory duties required of the County Auditor, this office is not independent with 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. 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,

Edward A. Dion
County Auditor


EAD:BT:ya

Attachment



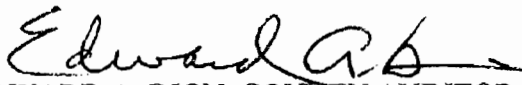
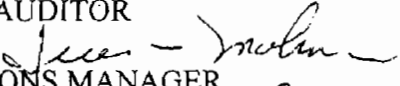
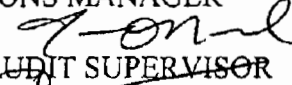
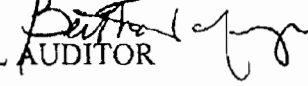
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01-26

MEMORANDUM


TO: EDWARD A. DION, COUNTY AUDITOR
THRU: TERESA MOLINAR, OPERATIONS MANAGER 
THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 
FROM: BERTHA TAFOYA, INTERNAL AUDITOR 
DATE: JANUARY 18, 2013
SUBJECT: REVIEW OF THE COUNTY TAX OFFICE- FULL SERVICE CONTRACTED OFFICES FOR THE FIVE EL PASO AUTO REGISTRATION AND TITLING LOCATIONS

A review of the County Tax Office-Full Service Contracted Offices for the five locations of the El Paso Auto Registration and Titling has been completed. The objective of this review was to verify that the Full Service Contracted Offices are in compliance with the Tax Office contracts. Additionally, to verify that fees charged by all full service contracted offices are consistent with State laws, and that an adequate auto registration inventory control is kept.

Scope and Purpose

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

1. Cash counts were performed on January 14, 2013 at the five Full Service Contracted Offices for the El Paso Registration and Titling in accordance with *Local Government Code § 115.0035*.
2. Processing fees were reviewed in order to verify that fees are not charged beyond the maximum allowed in accordance with *Transportation Code § 520.008(b)*.
4. A discretionary sample of different inventory categories handled by the Contracted Offices was reviewed in order to ensure accountability.
5. Deputations were reviewed to verify compliance with *Transportation Code § 520.0091*.

6. Bonds were reviewed to verify compliance with *Transportation Code § 520.0091* and the contracts. No discrepancies were noted.

General

1. *Observation:* Cashiers at the five different locations were not able to account for the net overages and/or shortages noted; however, they indicated that at the end of the day all registers are balanced. Also, the Scofflaw System at the Alameda location was not operational. Four out of the five locations displayed fees for the renewal of current, expired, and/or exchange registrations exceeding the \$5.00 as set forth in the statute. Upon inquiry, it was indicated that the posted \$6.00 fee include \$1.00 for a photocopy. Even though a \$5.00 fee for renewal registrations is displayed at the Alameda location, cashiers were charging \$6.00. Furthermore, it was noted that the fee schedule being displayed has not been updated to reflect current fees.
Recommendation/Corrective Action: It is recommended that the County Tax Office contact the El Paso Auto Registration and Titling contracted offices and reminded them that the displayed fees for renewals exceed the maximum amount set by statute. Furthermore, it is recommended that the County Tax Office advise all full service contracted offices that fees for titling are not authorized. This concurs with the email received from the Texas Department of Motor Vehicles, as well as the email from Art Provenghi, assistant County Attorney, copies attached. It is also recommended that the County Tax Office conduct surprise visits to verify that the processing fees being charged are within the maximum amounts allowed by law and take appropriate action against contracted offices if found to be in violation. Any violations should be documented and the County Auditor's Office notified in a timely manner. Further, any issues with Scofflaw System should be reported to the Tax Office immediately.
2. *Observation:* While reviewing the inventory at all locations, it was noted that cashiers at the Montwood location do not have access to print an inventory report. Also, cashiers from other locations have access but do not know how to print the inventory report. It was also noted that 2011 combination plates that have expired have not been returned to the Tax Office for proper disposal. Expired plates were in the inventory for the El Paso Auto Registration and Titling I, II, III, and IV. Furthermore, it was noted that plate No. T91126 is on the inventory at the N. Loop location but not on their inventory report.
Recommendation/Corrective Action: It is recommended that at least one cashier at each location have access and training on printing inventory reports. It is also recommended that plate T91126 and all expired inventory plates be taken to the County Tax Office for proper disposal and removal from inventory records.
3. *Observation:* While comparing the employee list for the five locations with the Tax Office's deputation sign in sheet dated January 2, 2013, it was noted that Ms. Maria Sandoval was not on the list of deputized employees. Ms. Laura Gutierrez, administrative assistant, provided this office with a signed copy for Ms. Sandoval's deputation dated January 2, 2013. It was also noted that the Tax Office did not have a letter of separation for Ms. Marissa Gomez on file. Upon inquiry, Mr. Oscar A. Ramirez, manager, faxed a letter of termination for Ms. Gomez which is dated October 25, 2012.

Further, Ever Ramirez; owner and Monica Ramirez were not deputized as of January 16, 2013.

Recommendation/Corrective Action: It is recommended that an accurate list of deputized employees be maintained by the Tax Office. It is also recommended that the County Tax Assessor-Collector be notified in writing of any terminations of deputized employees. It is further recommended that deputations for all active employees and owners be made in a timely manner.

4. Observation: During the cash count, Mr. Ramirez was prompted to provide this office with supporting documentation of daily transactions for January 7, through January 11, 2013. Mr. Ramirez indicated that he was behind schedule and that he had not prepared the Tax Collector's Fees and Disbursements reports for that period for any of the five locations. He indicated he would email the collections information for all contracted offices by January 15, 2013. On January 16, 2013, this office was informed that payments were submitted for daily collections without the daily Tax Collector's Fees and Disbursement report.

Recommendation/Corrective Action: Although a report that details the daily collections is generated by the County's Tax Office from the RTS system, it is recommended that the El Paso Auto Registration and Titling submits the daily Tax Collector's Fees and Disbursement report pursuant to contract specifications.

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 El Paso Auto Registration and Titling appears to be weak, but should be strengthened with the implementation of the above mentioned recommendations.

BT:ya

Teresa Molinar

From: Wallace Hardgrove
Sent: Friday, January 18, 2013 11:42 AM
To: Teresa Molinar
Subject: FW: Service Charges by Full Service Deputies

From: Siria Rocha
Sent: Friday, January 18, 2013 11:40 AM
To: Wallace Hardgrove; Edward Dion
Subject: FW: Service Charges by Full Service Deputies

Per our conversation, please see the attached e-mail below.

From: Art Provenghi
Sent: Friday, January 18, 2013 10:47 AM
To: Siria Rocha
Cc: Barbara Banks; Victor Flores; Lee Shapleigh
Subject: RE: Service Charges by Full Service Deputies

Siria,

Please contact your state tax assessor collector association and find out if they have a list of fees they authorize each local tax office to collect. I reviewed the legislation and found Section 502.114, FULL-SERVICE DEPUTIES, was enacted by the 74th Legislative Session as S.B. 971 which became effective September 1, 1995, and it contains the same language regarding the authorization to charge \$5.00 for each motor vehicle registration issued as it does today under Section 520.008. The state legislature renumbered Section 502.114 to Section 520.008 in 2011.

This \$5.00 charge is applicable to both registration and registration renewals. While you certainly can authorize the full service contracted offices to process titles, they cannot charge the \$5.00 fee to do so. This is probably why your office is the only one in the state that has these full service contracted offices processing titles as it may not be lucrative to do so for these contracted offices if they cannot charge the fee.

We have been unable to find authority for any of the rest of those fees and if you cannot provide justification we will have to amend each contract's Exhibit C to reflect only those fees authorized by statute or otherwise approved by the tax assessor collector association. Please let me know if you find anything. Thank you.

From: Siria Rocha
Sent: Friday, January 18, 2013 8:18 AM
To: Art Provenghi
Cc: Barbara Banks; Victor Flores; Siria Rocha
Subject: FW: Service Charges by Full Service Deputies
Importance: High

Art,

A concern has been raised by the District Director, James Chesshire, with TxDMV on Title Transfers and the amount the contracted offices are charging which is \$5.00. If you read the highlighted paragraph in his e-mail below, he is stating that the transportation code has changed since our fee scheduled was last approved, which was in June 2004, to state that there should be no additional charges for title work. Would you please check into this. Just as an FYI, we are the only County in the state of Texas that allows full service contracted offices to process both Titles and Registrations; all other counties only allow registrations to be processed by these contracted offices.

Please lead us in the right direction.

Thank you,
Siria

From: James.Chesshire@txdmv.gov [mailto:James.Chesshire@txdmv.gov]

Sent: Thursday, January 17, 2013 1:14 PM

To: Siria Rocha; Barbara Banks

Subject: Service Charges by Full Service Deputies

I have a check made payable to El Paso Auto for \$827.31 to cover the cost of title and registration by customer Jose A. Echeverria. The transaction number ID is 07101041251151350. The check and a copy of the Title Application Receipt was accidentally sent to Austin, probably with title documents.

This brings up a couple of concerns. I wonder how the check managed to be sent to Austin since your office does quality control on the work done by your contract offices. Is it possible that they might be sending some of their title work directly to Austin without it first going through your office?

The second concern is the service charges charged. A total of \$11 was assessed for this title and registration transaction. Texas law allows only a single charge to be added by full service deputies. They are authorized to charge up to \$5 for each registration issued. There is no authorization for charging an additional \$5 for title work or for helping a customer complete a form or calling an insurance company to verify that a policy is active. Thus, if I applied for title only, no additional charges would be authorized. This statute is found in the Transportation Code at 502.008.

Please advise your contract offices of this. It appears that they are all charging fees that are outside the scope of what is authorized by the Transportation Code.



COUNTY OF EL PASO
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02-05

February 6, 2013

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 Mr. Phillip Trevizo, internal auditor, dated February 6, 2013 is attached. This memorandum is a report on a review of the Medical Examiner's Office financial records for May 2012 through January 2013. 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. Trevizo.

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:PT:ya

Attachment




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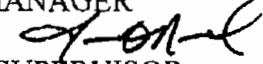
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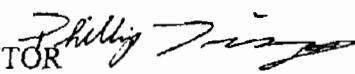
02-06

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

FROM: PHILLIP TREVIZO, INTERNAL AUDITOR 

DATE: FEBRUARY 6, 2013

SUBJECT: REVIEW OF THE FINANCIAL RECORDS FOR THE MEDICAL EXAMINER'S OFFICE FROM MAY 2012 THROUGH JANUARY 2013

Overview

A review of the financial records for the Medical Examiner's Office for May 2012 through January 2013 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 posted to the Financial Accounting Management Information System (FAMIS) were reconciled and compared to manual and RecWare receipts. 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*. No discrepancies were noted.
 2. An inventory of unused manual receipt books was conducted. No discrepancies were noted.
 3. A cash count was performed on January 31, 2013, for the inspection of funds in accordance with the *Texas Local Government Code §115.0035*. No discrepancies were noted.
 4. All voided transactions were reviewed in order to verify proper documentation and that supervisor approval was documented.
 5. A review of the policies and procedures for unclaimed property was performed. No discrepancies were noted.

6. The amounts invoiced to the city for the lease agreement pertaining to the 2nd floor of the Medical Examiner's Office were compared to the deposit warrants to ensure that payments were received in full and in a timely manner. No discrepancies were noted.

General

1. *Observation:* While reviewing the voided transactions for the audit period, it was noted that two voided receipts did not have proper documentation for justification.

Corrective Action/ Recommendation: It is recommended that all voided transactions be documented with a justification for the void.

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 recommendation.



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03-09

March 7, 2013

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. Rene Balderrama, internal auditor, dated March 7, 2013 is attached. This memorandum is a report on your financial records for October 2011 through December 2012. 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. 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 Division.

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

Sincerely,

Edward A. Dion
County Auditor

EAD:RB:ya

Attachment




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OFFICE OF THE COUNTY AUDITOR

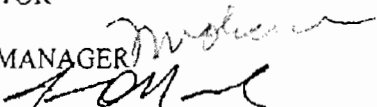
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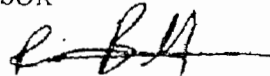
03-10

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

FROM: RENE BALDERRAMA, INTERNAL AUDITOR 

DATE: MARCH 7, 2013

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 7, FINANCIAL RECORDS FOR OCTOBER 2011 THROUGH DECEMBER 2012

Overview

A review of the financial records for Justice of the Peace, Precinct Number 7, for October 2011 through December 2012 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 Odyssey Courts and Justice system are a recapitulation of all transactions that occurred during each month.

Scope and Purpose

The scope and purpose of the review consisted of:

1. A sample of 177 or 4.5 percent of 3895 of dismissed cases was reviewed to ensure that the proper information was entered into Odyssey.
2. A review of 188 cases with a driver's safety course were reviewed to ensure that the course was granted by the Justice of the Peace.
3. Outstanding bonds were reviewed to ensure that cases are being resolved in a timely manner.
4. 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).
5. Deposits were reviewed to ensure compliance with the rapid deposit law, *Texas Local Government Code §113.02*.
6. A cash count was performed on January 30, 2013 in accordance with *Local Government Code §115.0035*.
7. Previous memoranda were reviewed for proper implementation of prior recommendations.

General

1. Observation: While reviewing the sample of dismissed cases, it was noted that 33 of these cases did not have a signed dismissal judgment on file.
Corrective Action/Recommendation: It is recommended that the Justice of the Peace sign all dismissed judgments and ensure the judgments are scanned in Odyssey.
2. Observation: While reviewing 188 cases with driver's safety course, it was noted that there were 30 cases that did not have the Judge's order on file.
Corrective Action/Recommendation: It is recommended that all cases with a granted driver's safety course have the Judge's order on file to ensure that the case was properly granted the deferred disposition.
3. Observation: While reviewing the outstanding bonds, it was noted that the Justice of the Peace personnel are not periodically reviewing the pending bonds to ensure proper distribution of funds.
Corrective Action/Recommendation: It is recommended that the Justice of the Peace personnel continue to ensure that all bond collections are reviewed, at minimum, on a quarterly basis.
4. Observation: While reviewing the posting of Sheriff's collections collected on behalf of the Justice of the Peace at the jail, it was noted that there was \$160.00 received in October 2012 and not posted in Odyssey by the Justice of the Peace personnel.
Corrective Action/Recommendation: It is recommended that the Justice of Peace post payments received from the Sheriff's Office immediately. This \$160.00 was posted in Odyssey on February 2012.
5. Observation: While performing a surprise cash count on January 30, 2013, it was noted that the cashier at the front counter did not secure the funds received for the day. The funds received were kept in a drawer with no locking mechanism.
Corrective Action/Recommendation: It is recommended that the Justice of the Peace personnel ensure that funds received are secured in a drawer that can be locked to prevent any loss of County funds.

Review of Past Memoranda

6. Observation: It was previously noted that an updated procedures manual has not been provided to the County Auditor's Office.
Corrective Action/Recommendation: It is once again recommended that the Justice of the Peace Office submit an updated office procedure manual as soon as possible.

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.



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03-01

March 12, 2013

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. Phillip Trevizo, internal auditor dated March 12, 2013 is attached. This memorandum is a report on a review of your financial records pertaining to the Licensing Division for August 2012 through January 2013. 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. Trevizo.

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:PT:ya

Attachment



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03-02

MEMORANDUM

Edward A. Dion
TO: EDWARD A. DION, COUNTY AUDITOR
Teresa Molinar
THRU: TERESA MOLINAR, OPERATIONS MANAGER
for
THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR *[Signature]*
FROM: PHILLIP TREVIZO, INTERNAL AUDITOR *Phillip Trevizo*
DATE: MARCH 12, 2013
SUBJECT: REVIEW OF THE EL PASO COUNTY TAX OFFICE – LICENSING
DIVISION FOR AUGUST 2012 THROUGH JANUARY 2013

Overview

A review of the financial records for the El Paso County Tax Assessor-Collector's Office pertaining to the Licensing Division from August 2012 through January 2013 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. A surprise cash count was performed on February 6, 2013, in accordance with *Local Government Code §115.0035*. No discrepancies were noted.
2. The monthly bank reconciliations for the Ad Valorem account were reviewed for accuracy and completeness and verified that a supervisor review was performed. Furthermore, the weekly balance sheets were compared to the RecWare cashiering reports to verify that both reports agree.
3. Voided transactions were reviewed in order to verify proper documentation for justification and that supervisor approval was obtained and documented. No discrepancies were noted.
4. The manual receipt logs were reviewed to ensure that the issuance and completion of the books were properly documented. Further, an inventory of all unused manual receipt books was conducted. No discrepancies were noted.
5. A review of the mail log was conducted to verify all mailed payments were properly documented.

6. The Ad Valorem account transfers to the county were reviewed to verify that correct amounts were being transferred to the County. No discrepancies were noted.
7. A sample was selected from the Texas Comptroller of Public Accounts website to verify that local hotels/motels are paying the Hotel/Motel County Occupancy Tax in a timely manner.
8. Past memoranda were reviewed for implementation of prior recommendations.

General

1. *Observation:* While reviewing the bank reconciliations for the Ad Valorem account it was noted that a deposit and disbursement in the amount of \$108,263.19 posted to the check register was not included in the bank reconciliation for the month of September. Furthermore, it was noted that supervisor approval had not been performed on bank reconciliations. It was explained by the Tax Assessor Accounting staff that the transaction was overlooked and the bank reconciliation was corrected to include the missing transaction.
Corrective Action/Recommendation: It is recommended that deposit and disbursement totals be compared to the check register worksheet as part of the bank reconciliation process. Moreover, supervisor approval should be performed on a monthly basis.
2. *Observation:* Upon review of the mail log, it was noted on several entries that names included in the mail log did not match the business name for which the receipt was issued. While inquiring about the discrepancy, it was explained that payments are sometimes received from parent companies of businesses which are obtaining a license. Furthermore, it was explained that hotel management companies mail in the hotel occupancy tax payments on behalf of their clients.
Corrective Action/Recommendation: It is recommended that the business name for which the payment is being made be included in the description section of the mail log to provide a better audit trail.
3. *Observation:* While reviewing a sample of hotel/motels from the Texas Comptroller of Public Accounts to verify that taxes were paid timely, it was noted that one particular hotel is past due on six quarterly Hotel Occupancy Tax Reports. Upon inquiry, it was explained that delinquent notices had been mailed to the hotel and the hotel has recently gone out of business.
Corrective Action/Recommendation: It is recommended that the Tax Office contact the County Attorney's office to inquire about any possible legal action against the hotel for unpaid Hotel Occupancy Tax Reports. Also, it is further recommended that in the future the Tax Office Enforcement Division make personal contact with hotels that become delinquent in their quarterly Hotel Occupancy Tax Reports.

Review of Past Memoranda

4. *Observation:* It was noted that the Tax Office was not assessing penalty and interest (when applicable) to hotels/motels that do not pay the County Hotel/Motel Occupancy Tax timely in accordance with *Tax Code §352.004*. This recommendation has been implemented and was confirmed upon review of the Hotel/Motel Occupancy Tax Quarterly Form.

EDWARD A. DION
MARCH 12, 2013
PAGE 2

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.

PT:ya



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03-18

March 13, 2013

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 Mr. Ricardo Gabaldon and Mr. Phillip Trevizo, internal auditors, dated March 13, 2013, is attached. This memorandum is a report on a review of your financial records for June 2011 through December 2012. 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. Gabaldon and Mr. Trevizo.

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:RG:PT:ya

Attachment




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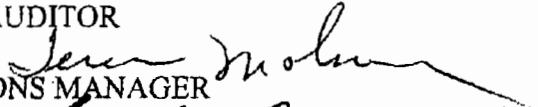
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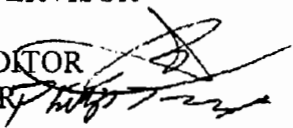
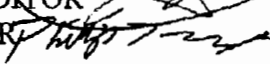
03-19

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

FROM: RICARDO GABALDON, INTERNAL AUDITOR 
PHILLIP TREVIZO, INTERNAL AUDITOR 

DATE: MARCH 12, 2013

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 6 PLACE 2,
FINANCIAL RECORDS FOR JUNE 2011 THROUGH DECEMBER 2012

Overview

A review of the financial records for Justice of the Peace, Precinct Number 6 Place 2, for June 2011 through December 2012 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 Odyssey, 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 17, 2013, in accordance with *Local Government Code Section 115.0035*. No discrepancies were noted.
2. All deposit slips were compared to daily balance reports and treasury records in order to ensure collections were deposited timely, in accordance with *Local Government Code Section 113.022*, and properly posted in 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 cases.
5. All refunded cases were reviewed for the implementation of the Refund Request Log that went into effect on or about March 1, 2012. No discrepancies were noted
6. A sample of deferred dispositions cases were reviewed for supporting documentation and completeness.
7. Manual receipt books were reviewed to ensure their completeness and timely posting of payments to Odyssey. No discrepancies were noted.
8. A sample of the mail log payments was reviewed to ensure completeness of the log and that payments were posted to Odyssey in a timely manner. No discrepancies were noted.
9. The Judge's compliance with the education requirements of *Government Code Section 27.005* was reviewed. No discrepancies were noted.
10. The cases with installment payments that are referred to the County Clerk Collection Department were reviewed in order to verify that cases are properly documented and monitored.
11. Previous memoranda recommendations were reviewed for implementation.

General

1. **Observation:** While reviewing a sample of deposit slips, daily balance reports, and treasury back-up, the following items were noted:
 - On November 7, 2011 an incorrect adjustment was made to case no. 6211-01053, consequently creating an overage in the amount of \$10.00.
 - On December 14, 2011 there was a shortage of \$10.00.
 - On January 3, 2012 there was a shortage of \$20.00.
 - On February 27, 2012 there was an overage of \$15.00.
 - On July 26, 2012 there was an overage of \$20.00. Moreover, case no. 6209-02812 was paid in full on December 21, 2011 but the warrant was never recalled; therefore showing an active warrant. On July 17, 2012 the defendant was booked into the County jail for the same offense. At the beginning of the fiscal year 2012 the new justice program Odyssey was implemented; however, during the conversion process special steps were required to correctly recall warrants. Inadvertently, the warrant was not recalled by the clerk thus reflecting an active warrant in JIMS.
 - On August 13, 2012 there was a shortage in the amount of \$20.00.
 - On October 4, 2012 there was an overage of \$20.00
 - On October 30, 2012 there was a shortage of \$0.03

Corrective Action/Recommendation: It is recommended that due care be exercised by staff when handling payments, entering data into Odyssey and updating the cases. Furthermore, it is also recommended that shortages and overages be monitored by court coordinator and disciplinary action be taken if warranted.

2. Observation: While reviewing the dismissed cases, it was noted that 12 out of 42 or 28% cases do not have a signature acknowledging that the clerk verified the supporting documentation. Moreover, a Motion to Dismiss form is required on the cases that are going to be dismissed.
Corrective Action/Recommendation: It is recommended that when a case is dismissed with proof, a signed copy of the supporting documentation be kept on file and a Motion to Dismiss form should be included on the cases that have been dismissed.

3. Observation: While reviewing the deferred disposition cases, it was noted that 25 out of 30 or 84% cases with a warrant did not have the actual warrant scanned into JIMS. Since this specific Justice of the Peace scans all documents and does not individually separate each case with a folder, it is essential that all documents are scanned into each respective case or relevant cases. Moreover, it was noted that 44 out of 48 or 92% of the cases dismissed due to a deferred disposition failed to have a Motion to Dismiss form scanned into the case. Furthermore, it was noted that 9 out of 48 or 19% of the cases with a deferred disposition had a balance remaining on the case. The court was contacted and the proper revisions were made to the cases.
Corrective Action/Recommendation: It is recommended that when a warrant is issued, the warrant should be scanned into each respective case and should be kept as supporting documentation. Moreover, it is recommended that due care be exercised by the staff when disposing of a case and ensuring that all documents are scanned into each case. Additionally, the court costs and fines of the case should reflect the deferred disposition order that is set by the judge.

4. Observation: While reviewing cases that were referred to the County Clerk Collections Department, it was noted that 67% of the cases referred either never paid or stopped paying and the cases still had pending balances.
Corrective Action/ Recommendation: It is recommended that Justice of the Peace staff follow-up with cases referred to the County Clerks Collections Department and verify payment plans have been set up. Furthermore, in the event the defendant does not set up a payment plan, then Justice of the Peace staff should send out a delinquent notice letter.

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.



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03-38

March 27, 2013

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 March 27, 2013 is attached. This memorandum is a report on a review of your financial records from August 2012 through February 2013. 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



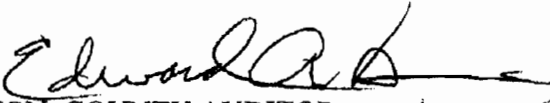
COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

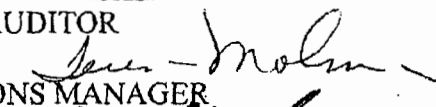
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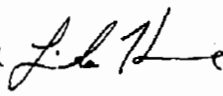
03-39

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

FROM: LINDA HEMME, INTERNAL AUDITOR 

DATE: MARCH 27, 2013

SUBJECT: REVIEW OF SHERIFF'S DEPARTMENT FINANCIAL RECORDS

Overview

A review of the Sheriff's Department financial records for August 2012 through February 2013 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 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 August 2012 through February 2013 were reviewed for accuracy and completeness. No discrepancies were noted.
2. 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" (The Guide) or Chapter 59.06 of the Code of Criminal Procedures.
3. A sample of receipts for execution of sales, foreign civil, Crime, Records, Evidence and Forensic Section fees (CREFS) 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. Minor discrepancies were noted.

4. The State monthly paper ready inmate reports from August 2012 to February 2013, which are submitted to the Texas Commission on Jail Standards (TCJS), were reviewed for accuracy. No discrepancies were noted.
5. The Sheriff's monthly Bail Bond Posting fee reports from August 2012 to February 2013 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.
6. A review of the inmate phone commissions was performed. All Sheriff Jail phone commissions were received up to January 2013.

General

1. Observation: While reviewing the Sheriff's forfeiture funds, it was noted that a check for \$21,835.23 was issued to pay for salaries. The Guide states that equitable sharing monies may not be used to pay for the salaries and benefits of current, permanent law enforcement personnel.
Corrective Action/Recommendation: It was recommended to the Sheriff's Budget Director, that the Justice Forfeiture Account be replenished with State Forfeiture funds for this check. Check number 2028 for \$21,835.23 was issued from the State Forfeiture Account to the Justice Forfeiture Account on January 23, 2013.
2. Observation: While reviewing a sample of deposits made for Crime Records Evidence and Forensic Section (CREFS) fees, it was noted that there were two deposit not made in compliance with *Local Government Code Section 113.022 Time for Making Deposits*. Money that was collected on September 28, 2012 was not deposited until October 24, 2012. There were also funds collected on October 2, 2012 and part of the funds collected was not deposited until October 11, 2012.
Corrective Action/Recommendation: Upon inquiry, Blanca Montoya, CREFS Supervisor, explained that they are unsure as to what is causing this problem, but that now they have two people verifying their daily transactions. One person verifies the Recware and credit card receipts and the second person verifies the money collected to ensure that both reconcile to each other. It is recommended that CREFS staff also ensure that the deposits be made timely.
3. Observation: While reviewing the inmate phone commissions, it was noted that the commissions for August 2012 had not been paid by DSI/ITI.
Corrective Action/Recommendation: The County Auditor's office contacted the telephone vendor and the commission check was sent and received in December 2012.

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

EDWARD A. DION
MARCH 27, 2013
PAGE 2

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
OFFICE OF THE COUNTY AUDITOR

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03-31

March 27, 2013

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 and Ms. Ruth Bernal, senior internal auditor, dated March 27, 2013, is attached. This memorandum is a report on the County Sheriff auto auction held on Saturday, March 16, 2013. 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.

If we can be of any further assistance, please let us know.

Very truly yours,

Edward A. Dion
County Auditor


EAD:LH:RB:ya

Attachment



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03-31

March 27, 2013

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 and Ms. Ruth Bernal, senior internal auditor, dated March 27, 2013, is attached. This memorandum is a report on the County Sheriff auto auction held on Saturday, March 16, 2013. 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.

If we can be of any further assistance, please let us know.

Very truly yours,

for Edward A. Dion
County Auditor

EAD:LH:RB:ya

Attachment



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03-32

MEMORANDUM

TO: *Ed* EDWARD A. DION, COUNTY AUDITOR *James O'Neal*

THRU: *Teresa Molinar* TERESA MOLINAR, OPERATIONS MANAGER *Teresa Molinar*

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR *James O'Neal*

FROM: LINDA HEMME, INTERNAL AUDITOR *L.H.*
RUTH BERNAL, SENIOR INTERNAL AUDITOR *Ruth Bernal*

DATE: MARCH 25, 2013

SUBJECT: SHERIFF'S AUTO AUCTION HELD ON MARCH 16, 2013

The Sheriff's Department Abandoned Motor Vehicle Section held an auto auction on Saturday, March 16, 2013 at the Sheriff's Abandoned Motor Vehicle Lot. Fourteen vehicles were sold generating receipts totaling \$23,100.00, which were verified to the auction list, copy attached. A cash count was performed, with no discrepancies noted.

LH:RB:ya

Department Sheep's ANVA

Cash Count Sheet

Date: 3/16/13

Collections/Deposit		
Denomination	Number of Units	Amount
\$100	205	20,500 ⁰⁰
\$50	41	2,050 ⁰⁰
\$20	27	540 ⁰⁰
\$10	—	—
\$5	1	5 ⁰⁰
\$2	—	—
\$1	5	5 ⁰⁰
\$0.50	—	—
\$0.25	—	—
\$0.10	—	—
\$0.05	—	—
\$0.01	—	—
Total Cash		23,100 ⁰⁰
Checks		—
Money Orders		—
Total Deposit		23,100 ⁰⁰
^{Receipts} Odyssey Report Total (-)		23,100 ⁰⁰
Overage/Shortage (=)		0

Custodian: Blanca Banaya

Date: 3-16-13

Verified by: [Signature]

Date: 3/16/13

3/16/13

EL PASO COUNTY SHERIFF'S OFFICE
ABANDONED MOTOR VEHICLE SECTION
12501-F MONTANA, EL PASO COUNTY, TEXAS

PAGE 1 OF 1

ABANDONED MOTOR VEHICLES AUCTION
AUCTION DATE: MARCH 16, 2013

#	CASE#	YR MAKE/MODEL	STYLE	VIN:	BUYER	PRICE
1	AD/2012-08910	2000 CHEVROLET 3500 1 TON	VAN	1GAHG39JJY1135354	105	1150. ⁰⁰
2	AD/2012-10191	1999 MAZDA 626	4DRHT	1YVGF22CXX5890210	54	1050. ⁰⁰
3	AD/2012-11871	2006 CHEVROLET COBALT LEV2	2DRHT	1G1AL15F067656772	78	2650. ⁰⁰
4	AD/2012-10190	1995 CHEVROLET S10 1/2 TON	P/U	1GCCS1448SK209309	80	1250. ⁰⁰
5	AD/2012-09645	2005 <u>TOYOTA COROLLA - REBUILT SALVAGE</u>	4DRHT	1NXBR32E95Z541827	80	2550. ⁰⁰
6	SO/2012-11144	2004 MAZDA 6	4DRHT	1YVFP80C945N48984	113	2000. ⁰⁰
7	AD/2012-11639	2000 CHEVROLET TRACKER 4x4	SUV	2CNBJ13C2Y6922883	92	950. ⁰⁰
8	AD/2012-12677	1998 FORD EXPLORER XL	SUV	1FMYU22X4WUD41363	90	1300. ⁰⁰
9	AD/2013-00077	2000 HYUNDAI SONATA	4DRHT	KMHWF25S5YA251192	90	1400. ⁰⁰
10	AD/2013-00472	1992 NISSAN SENTRA	4DRHT	1N4EB31P7NC735843	1	900. ⁰⁰
11	AD/2013-00076	2003 <u>FORD FOCUS SE - SALVAGE</u>	4DRHT	1FAFP34P93W119123	93	1500. ⁰⁰
12	AD/2013-00471	1999 DODGE RAM 1500	P/U	1B7HC16X1XS311066	8	1650. ⁰⁰
13	AD/2013-00473	1999 <u>FORD F-150 - SALVAGE - EXPORT ONLY</u>	P/U	1FTRX17W6XKA45610	97	1950. ⁰⁰
14	SO/2013-00989	2000 CHEVROLET 3500 1 TON	TRK	1GBGC34R3YR213083	112	2700. ⁰⁰

TOTAL SALE:

523,100.⁰⁰

GATES OPEN AT 07:30 AM. THE AUCTION STARTS AT 09:00 AM SHARP.

NOTE: NO PERSONS UNDER THE AGE OF 16 WILL BE ALLOWED INSIDE THE SALE LOT AT ANY TIME.

THE TERMS OF THE SALE ARE CASH ONLY--ALL VEHICLES ARE SOLD "AS IS/WHERE IS"
PAYMENT IS REQUIRED IMMEDIATELY AFTER THE SALE ENDS.

EL LOTE SE ABRIRA A LAS 07:30 AM. LA SUBASTA COMENSARA A LAS 09:00 AM EN PUNTO.
NOTA: PERSONAS DE MENOR DE 16 AÑOS NO SE LES PERMITIRA ENTRAR.

LOS TERMINOS DE LA VENTA SON - DINERO EN EFECTIVE--TODOS LOS VEHICULOS SON VENDIDOS
"EN LAS CONDICIONES QUE ESTEN". PAGO SE REQUIERE INMEDIATAMENTE AL TERMINAR LA SUBASTA.




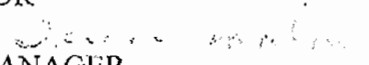


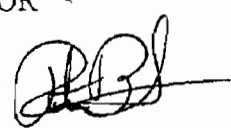
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04-12

MEMORANDUM


TO: EDWARD A. DION, COUNTY AUDITOR
THRU: TERESA MOLINAR, OPERATIONS MANAGER 
THRU: WALLACE HARDGROVE, BUDGET AND FINANCE MANAGER
THRU: JAMES UTTERBACK, CASH MANAGEMENT AND DEBT SERVICE SUPERVISOR 
THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 
FROM: RUTH BERNAL, SENIOR INTERNAL AUDITOR 
DATE: APRIL 9, 2013
SUBJECT: REVIEW OF INVESTMENTS FROM JULY 2010 THROUGH DECEMBER 2012.

Overview

A review of the County Auditor's Office, as it pertains to investments, for July 2010 through December 2012 has been completed. The objective of this review was to provide reasonable assurance that investment transactions are in compliance with the *Texas Government Code § 2256* and the County's investment policy.

Scope and Purpose

The scope and purpose of this review consisted of:

1. Quarterly reports were reviewed to ensure compliance with *Texas Government Code §2256* and the County's investment policy.
2. Investment reconciliations were reviewed to ensure completeness, accuracy, and compliance with the County's investment policy.
3. The County's Investment Policy adopted as of October 29, 2012 was reviewed to ensure compliance with *Texas Government Code §2256*.

4. Education requirements for the Investment Officer and all staff involved in the investment process, as required by *Texas Government Code §2256.007* and the Investment Policy, were reviewed.

General

1. Observation: While comparing the Investment Pool quarterly reports, it was noted that general fund was over \$102,000.00 and capital projects were short by the same amount. Furthermore, while reviewing the cash balance by fund, it was noted that special revenue fund was over by \$51,341.39 and the agency fund was short for the same amount.
Corrective Action/Recommendation: It is recommended that the balances be corrected in order for each fund to reflect the right balance.
2. Observation: While reviewing the October 31, 2012 Investment Pool Additions and Deletions by Fund worksheet, it was noted that the total of the deposits was incorrect.
Corrective Action/Recommendation: It is recommended that due care be performed when preparing the quarterly reports. It is further recommended that reports be footed and cross footed before the quarterly report is issued.
3. Observation: While reviewing the transfer vouchers, it was noted that FAMIS subsidiaries do not reflect the accurate balances of the funds invested in texpool. It was also noted that old subsidiaries that were used to record transactions made with the prior bank institution were not properly closed.
Corrective Action/Recommendation: It is recommended that the subsidiary balances be corrected in order to reflect the accurate balances invested in texpool. Furthermore, it is recommended that subsidiary balances be reviewed on a regular basis.
4. Observation: While reviewing the investment policy, it was noted that the policy does not include the methods to monitor the market price of investments acquired with public funds.
Corrective Action/Recommendation: It is recommended that the methods to monitor the market price of investments be included on the investment policy as required by *Government Code § 2256.005 (b) (4) (D)*.

Review of the Past Memoranda

5. Observation: It was previously recommended that a couple of employees needed to complete the training within a month from the date of the memo. Although most of the employees have complied with this measure, it was noted that not all staff involve in the investment process has a current training certificate on file.

EDWARD A. DION
APRIL 9, 2013
PAGE 2

Corrective Action/Recommendation: It is recommended that any employee that signs and approves the Daily Investment Schedule form be current in their training requirements, as required by the Investment Policy. It is further recommended that if the employee does not meet the training requirements, they should not be allowed to sign and approve the Daily Investment Schedule form.

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. Currently, the internal control structure of the County Auditor's Office, as it pertains to investments, appears to be weak, but should be strengthened with the implementing the above mentioned recommendations.

RB:ya



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04-20

April 11, 2013

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 and Mr. Phillip Trevizo, internal auditors, dated April 11, 2013 is attached. This memorandum is a report on a review of your board bill reports for March 2012 through February 2013. 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 and Mr. Trevizo.

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:PT:ya

Attachment



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04-21

MEMORANDUM

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

THRU: TERESA MOLINAR, OPERATIONS MANAGER *Teresa Molinar*

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR *James O'Neal*

FROM: LINDA HEMME, INTERNAL AUDITOR *Linda Hemme*
PHILLIP TREVIZO, INTERNAL AUDITOR *Phillip Trevizo*

DATE: APRIL 11, 2013

SUBJECT: REVIEW OF THE SHERIFF'S DEPARTMENT BOARD BILLS

Overview

A review of the Sheriff's Department board bills for March 2012 through February 2013 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 consisted of the following:

1. A sample of prisoner remands was traced to the monthly federal board bill reports for March 2012 through February 2013.
2. Report detail was vouched to the prisoner remands on file and the Judicial Information Management System (JIMS).
3. The documentation for federal hospitalized inmates was reviewed to verify the accuracy and legitimacy of the adjustments made to the monthly federal inmate reports used to invoice the U.S. Marshals.
4. Federal and municipal board bills invoiced to the U.S. Marshals and El Paso City Police Department 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. No discrepancies were noted.
5. The invoices billed to extradition transport service companies were reviewed to ensure that all payments had been received.

General

1. Observation: While reviewing a sample of the federal board bill reports, it was noted that 3.5% or 15 out of 423 sampled remands for federal inmates were not presented for auditor review.
Corrective Action/Recommendation: The Bond and Inmate Trust Section (BITS) notified us that the remands were archived. However, no attempt was made to retrieve them and scan them into JIMS. It is recommended that the jail staff ensures that all federal remand forms be submitted to BITS, and that the remands be scanned into JIMS before being archived.
2. Observation: While reviewing the documentation for federal hospitalized inmates the following was noted:
 - 66% or 12 out of 18 hospital stay adjustments were missing the Transfer of Custody cards.
 - 16% or 3 out of 18 hospital stay adjustments were missing documentation in the Transfer of Custody cards when the Sheriff's office received inmate custody back from the U.S. Marshals
 - 6% or 1 out of 18 hospital stay adjustments had an inmate Transfer of Custody card on file but his cell movement history in JIMS did not show his transfer to the hospital.Corrective Action/Recommendation: It is recommended that jail staff ensure Transfer of Custody cards are filled out properly. Furthermore, it is recommend that jail staff provide BITS staff with Transfer of Custody cards for inmate records. It is also recommended that the jail staff ensure that the cell movement history for each federal inmate be updated in JIMS when transferred in and out of the hospital.
3. Observation: While reviewing the invoices for extradition services companies, it was noted that an invoice for a November 2012 inmate housing was billed in March 2013.
Corrective Action/Recommendation: It is recommended that BITS staff invoice extradition service companies the month immediately following the inmates stay.

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 appear to be adequate, and should be further strengthened with implementation of the above-mentioned recommendation.



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04-02

April 23, 2013

The Honorable Norma L. Favela
District Clerk
Room 103, County Courthouse Building
500 East San Antonio Street
El Paso, Texas 79901

Dear Ms. Favela:

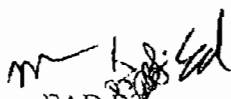
A copy of a memorandum from Ms. Bertha Tafoya, internal auditor, dated April 23, 2013, is attached. This memorandum is a report on your financial records from August 2011 through December 2012. Because of statutory duties required of the County Auditor, this office is not independent in regard to your 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,

Edward A. Dion
County Auditor


EAD:BT:ya

Attachment



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04-02

April 23, 2013

The Honorable Norma L. Favela
District Clerk
Room 103, County Courthouse Building
500 East San Antonio Street
El Paso, Texas 79901

Dear Ms. Favela:

A copy of a memorandum from Ms. Bertha Tafoya, internal auditor, dated April 23, 2013, is attached. This memorandum is a report on your financial records from August 2011 through December 2012. 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,

Edward A. Dion
County Auditor

EAD:BT:ya

Attachment




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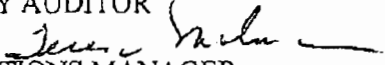
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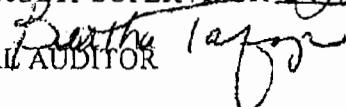
04-03

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU:  TERESA MOLINAR, OPERATIONS MANAGER

THRU:  JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

FROM:  BERTHA TAFOYA, INTERNAL AUDITOR

DATE: APRIL 23, 2013

SUBJECT: REVIEW OF THE DISTRICT CLERK FINANCIAL RECORDS FOR AUGUST 2011 THROUGH DECEMBER 2012

Overview

A review of the District Clerk's financial records for August 2011 through December 2012 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 29, 2012, in accordance with *Local Government Code § 115.0035*.
2. The bank reconciliation for the Fee, Custodial, Deposit and Juvenile accounts were reviewed for accuracy, completeness, and proper supervisor approval. No discrepancies were noted.
3. Registry investments were reviewed to ensure that the balance for each investment reflected in Odyssey and by the financial institutions matched.
4. Manual receipts were reviewed to ensure that the transactions were receipted correctly and timely in Odyssey.
5. Juror service pay forms were reviewed to ensure that jurors are provided with a donation letter in accordance with *Section 61.003 of the Texas Government Code*.
6. Attorney General billings were reviewed to ensure that billing reports are submitted to the Texas State Comptroller timely.

7. Quarterly reports request for County reimbursement of juror payment submitted to the Texas State Comptroller were reviewed to ensure that the reports are submitted timely and the supporting documentation is correct.
8. Policies and procedures for the District Clerk's Office were reviewed to ensure that controls are in place to account for all collections.
9. Prior memorandum was reviewed for implementation of prior recommendations.

General

1. Observation: Even though cash counts conducted by this office do not interfere with the collections process; this office was instructed to abstain from performing cash counts between 11:00 a.m. and 2:30 p.m. This office will make every effort to comply to the request by District Clerk's management. Furthermore, it should be noted that cash counts are performed on a surprised basis in accordance with *Local Government Code § 115.0035*, copy attached. No discrepancies were noted.
2. Observation: Registry investments for minors were reviewed to ensure that the balance for each investment was converted to Odyssey correctly. It was noted that during the conversion, several cases with multiple investments with a zero balance in the Judicial Information Management System (JIMS) converted to Odyssey as investments with balances. The accounting department of the District Clerk's Office worked diligently to ensure that the balance for each investment held at a financial institution and the balance in Odyssey matched. While reconciling investments from different financial institutions to Odyssey, it was noted that the investment date for case 2004-4004 was receipted in JIMS as August 5, 5005. Hence, the investment is not reflected in Odyssey. Ms. Maria Alderete, former accounting manager, indicated that the issue was addressed with Tyler and that they indicated that a correction in Odyssey would not be possible because the date of the initial transaction in JIMS was receipted incorrectly.
Recommendation/Corrective Action: In order to prevent future dated transactions, it is recommended that due care be exercised. In order for the District Clerk's Office to maintain an accurate report of the investments held in Odyssey, it is recommended that the investment date for case 2004-4004 be corrected.
3. Observation: While reviewing the manual receipts, it was noted that from August 5, 2011 through October 26, 2012 a total of 363 manual receipts were issued. It was also noted that two manual receipts had been skipped but not voided. Upon inquiry, this office was notified that the two manual receipts had been accidentally skipped, and that they were void. All other receipts reviewed were properly completed and cross-referenced to Odyssey.
Recommendation/Corrective Action: Although the discrepancies noted may be minimal, it is recommended that due care be exercised and that a supervisor continues to review the manual receipts to ensure completeness.

4. Observation: While reviewing juror donations, it was noted that a juror donation letter with Gilbert Sanchez's name was included with a deposit warrant dated February 22, 2013. Upon inquiry, Mr. Keith L. Wilden, supervisor, indicated that it was possible that the "old juror donation letter" was distributed by a bailiff at one of the courts to a juror that had requested a donation letter. It was also noted that several of the juror donation letters attached to the donated checks are not being completed by the juror as per *Section 61.003 of the Texas Government Code*, copy attached. Further, Mr. Wilden indicated that juror donation letters are not being provided to each prospective juror as per *Section 61.003 of the Texas Government Code*. Furthermore, he indicated that juror donated checks are dropped off by bailiffs at the jury hall or that he collects the donated checks from the different courts.
Recommendation/Corrective Action: As recommended by the Juror Donations Review Committee and approved by Commissioners Court, it is recommended that the District Clerk's Office ensures that jury hall personnel provide prospective jurors with a donation letter and that all letters are properly completed by each juror per *Section 61.003 of the Texas Government Code*. It is also recommended that updated letters be distributed by jury hall personnel. Furthermore, the District Clerk has agreed to attach a blank juror donation letter to each juror check issued.
5. Observation: While conducting a cursory review of Attorney General (AG) billings submitted to the Texas State Comptroller's Office, Ms. Tina I. Melendez, supervisor indicated that cases are being reviewed daily; hence, minimizing the reviewing process at the end of the month. Further, reports for monthly AG cases and AG billing reports are submitted to the State electronically. Thus, the review time by State personnel is minimized and reimbursements to the County are expedited. As of the date of this report billings to the State Comptroller and reimbursement payments to the County are up to date.
6. Observation: While reviewing quarterly request for County reimbursement of juror payments, it was noted that the requested amount for quarter ending March 31, 2012 and the supporting documentation did not match. Mr. Wilden was notified of the discrepancy and he was able to correct the discrepancy before the Texas State Comptroller processed the reimbursement payment to the County.
Recommendation/Corrective Action: Although, no other discrepancies were noted, it is recommended that due diligence be exercised.
7. Observation: The District Clerk's Office policies and procedures have been updated to include a cash handling procedures for daily collections. Also, the existing manual receipts policy has been updated to reflect a procedure to address manual receipts that are skipped. Also, a copy of the District Clerk's policies and procedures as they relate to incoming mail were submitted to this office. It appears that these policies and procedures will effectively accomplish the checks and balances required to handle incoming mail.

However, as of this date newly developed and/or updated procedures have not been submitted to the El Paso County Civil Service Commission to update the existing department's policies and procedures.

Recommendation/Corrective Action: It is recommended that a copy of the updated policies and procedures be filed with the commission. Furthermore, it is also recommended that updated policies and procedures be implemented as soon as possible.

Review of Previous Memoranda

1. Observation: It was noted that management has implemented prior recommendations made by this office. Furthermore, it appears that management continues to be pro-active in strengthening the internal control structure of the District Clerk's Office.

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 District Clerk's Office appears to be adequate, and should be further strengthened with the implementation of the above-mentioned recommendations.

BT:ya

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.

Added by Acts 1989, 71st Leg., ch. 1007, Sec. 1, eff. Sept. 1, 1989.

Sec. 61.003. DONATION OF REIMBURSEMENT.

(a) Each person who reports for jury service shall be personally provided a form letter that when signed by the person directs the county treasurer to donate all, or a specific amount designated by the person, of the person's daily reimbursement under this chapter to:

(1) the compensation to victims of crime fund under Subchapter B, Chapter 56, Code of Criminal Procedure;

(2) the child welfare, child protective services, or child services board of the county appointed under Section 264.005, Family Code, that serves abused and neglected children;

(3) any program selected by the commissioners court that is operated by a public or private nonprofit organization and that provides shelter and services to victims of family violence; or

(4) any other program approved by the commissioners court of the county, including a program established under Article 56.04 (f), Code of Criminal Procedure, that offers psychological counseling to jurors in criminal cases involving graphic evidence or testimony.

(a-1) The form letter provided under Subsection (a) must include a blank in which a person may enter the amount of the daily reimbursement the person wishes to donate.

(a-2) The form letter provided under Subsection (a) must contain a brief description of the programs designated for donation under that subsection.

(b) The county treasurer or a designated county employee shall collect each form letter directing the county treasurer to donate the reimbursement of a person who reports for jury service.

(c) The county treasurer shall:

(1) send all donations made under Subsection (a)(1) to the comptroller, at the time and in the manner prescribed by the attorney general, for deposit to the credit of the compensation to victims of crime fund;

(2) deposit donations made to the county child welfare board under subsection (a)(2) in a fund established by the county to be used by the child welfare board in a manner authorized by the commissioners court of the county; and

(3) send all donations made under Subsection (a)(3) or (a)

(4) directly to the program specified on the form letter signed by the person who reported for jury service.

(d) Notwithstanding this section, a juror reimbursement donation program established before January 1, 1995, may solicit juror donations and provide all funds collected in the name of that program to the charities served by that program on January 1, 1995.

(e) Notwithstanding Subsection (a), a county that has adopted a system or method of payment authorized by Section 113.048, Local Government Code, may provide a person who reports for jury service in the county an opportunity to donate all, or a specific part designated by the juror, of the juror's daily reimbursement by completing a self-executing application on a form prescribed by the commissioners court.

Added by Acts 1995, 74th Leg., ch. 329, Sec. 1, eff. Sept. 1, 1995.

Amended by Acts 1997, 75th Leg., ch. 875, Sec. 1, eff. Sept. 1,

1997; Acts 1997, 75th Leg., ch. 1313, Sec. 1, eff. Sept. 1, 1997;

Acts 1997, 75th Leg., ch. 1423, Sec. 8.01, eff. Sept. 1, 1997; Acts

1999, 76th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1999.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 661, Sec. 1, eff. September 1, 2007.

Acts 2007, 80th Leg., R.S., Ch. 1378, Sec. 5, eff. September 1, 2007.

Acts 2009, 81st Leg., R.S., Ch. 87, Sec. 11.001, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 235, Sec. 1, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 235, Sec. 2, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 734, Sec. 3, eff. September 1, 2009.

**POSTPONED – 2010 SUMMER MUSIC FESTIVAL PARADE
IN SAN ELIZARIO**

APRIL 19, 2010

MOTION # 13 (Item # 31)

On this day, on motion of Commissioner Gandara, seconded by Commissioner Escobar, it is the order of the Court to postpone for one week the agenda item to approve and authorize a parade on Saturday, July 17, 2010 from 1:00 pm to 3:00 pm to help celebrate the 2010 Summer Music Festival. The parade will begin on Socorro Rd. and Glorietta Rd. and will end at the San Elizario Mission.

VOTE: YES – Judge Cobos, Gandara, Perez, Escobar, Haggerty

NO - None

APPROVED - JUROR SERVICE PAY DONATION POLICY

APRIL 19, 2010

MOTION # 14 (Item # 32)

On this day, on motion of Commissioner Haggerty, seconded by Judge Cobos, it is the order of the Court to retain the current list of organizations on the juror donation list as outlined in page 4 of the backup through September 30, 2010. Further, it is the order of the Court to adopt Option # 1 for the new fiscal year beginning October 1, 2010 to allow only those agencies outlined in page 5 of the backup.

VOTE: YES – Judge Cobos, Perez, Escobar, Haggerty
NOT PRESENT - Gandara

NO – None

APPROVED – 2010 SALARY GRIEVANCE COMMITTEE MEMBERS SELECTED

APRIL 19, 2010

MOTION # 15 (Item 33)

On this day, on motion of Judge Cobos, seconded by Commissioner Haggerty, it is the order of the Court that the following persons selected serve as members or alternates on the 2010 Salary Grievance Committee, pursuant to *Local Government Code §152.015*.

Omar A. Alamos
Eric J. Amador
Diego A. Anchondo
Carlos Arias
Michael L. Arsenault
Joanne Austin
Emilia Beard
Bjorn P. Boentges
Ryan A. Brooker
Maria D. Cabral
Nancy P. Carmona
Jose A. Castro

Marina Alvarez
Romeo Anchieta
Jennifer L. Aranas
Donna Arredondo
Sarah G. Aukland
Alfredo B. Barraza
Nancy Blankenship
Nathan H. Bolden, II
Carlos M. Bueno
Linda Cammon
Joaquin A. Castillo
Leanne G. Cleveland

Item # 32



EL PASO COUNTY

MEMORANDUM

TO: Commissioners Court (Agenda Item #32)
FROM: Juror Pay Donations Review Committee
DATE: April 19, 2010
RE: Juror Service Pay Donations: Policy and Procedure Recommendations

As directed by Commissioner Court, the Juror Donations Review Committee was assigned to create policy and procedures to accommodate the Juror Service Pay, Donation forms, thus to comply with Section 61.003 of the Texas Government Code. The following will provide recommendations for jury service pay donations for FY 2010 and FY 2011, along with recommendations on the administration of proposed juror pay donation application process.

Contents

Description	1
Policy Recommendations	
FY 2010 Recommendation	1
FY 2011 Option One	1
FY 2011 Option Two	2
FY 2011 Option Three	2
Administrative Recommendations	2
Juror Service Pay Donations FY08-FY10	3
FY 2010 Donation Form	4
FY 2011 Donation Form	5
Application Guidelines	6
Application	7-9
Texas Government Code Chapter 61	10-16

DONATION OF JURY SERVICE PAY

Policy Recommendations

Description: To establish a Juror Service Pay Donation policy that complies with Section 61.003 of the Texas Government Code.

Recommendation: The following proposed course of action is recommended for the remainder of fiscal year 2010 (ending September 30, 2010), followed by three proposed options for fiscal year 2011 (October 1, 2010 – September 30, 2011):

FY2010 (ending September 30, 2010)

For the remainder of FY 2010 it is recommended to retain the current list of agencies and organizations currently approved by Commissioners' Court to be included on the juror donation list. Being in the middle of the 2010 fiscal year and having donations already set-aside for the organizations currently approved and listed, it is recommended to address only statutorily mandated changes until the next fiscal year. In order to conform to section 61.003 (a-1) and section 61.003 (a-2) of the Texas Government Code, the donation form will include a blank in which a person may enter the amount of the daily reimbursement that they wish to donate. The form must also include a brief description of the programs designated for donation.

- Maintain currently approved donor list
- Update form to comply with Texas Government Code section 61.003 (a-1) and section 61.003 (a-2)

FY2011 (October 1, 2010 – September 30, 2011)

Option 1:

Restructure the juror service pay donation list to those agencies/organizations which strictly comply and are mandated in sections 61.003 (1), (2), (3) and (4) of the Texas Government Code. This recommendation is based on the dollar amount of donations received by the County (see 3 yr. history) on an annual basis. It would provide a fewer number of organizations greater financial assistance. By strictly limiting the number of organizations on the donor list, administrative costs would thus be reduced and there would be no need for a time-consuming application process.

- Restrict donor list; allowing only statutorily mandated agencies/organizations
- Provides greater financial assistance
- Reduces administrative costs
- No application process required

Option 2:

While continuing to focus on statutorily mandated organizations, include the General Fund Juror Fee Account on donor list. This will allow juror donations to go directly back (recycle) into the account used to pay jurors, thus reducing the overall cost paid by the County. This option also keeps administrative costs low and does not require an application process.

- Donor list with statutorily mandated agencies/organizations
- Inclusion of General Fund Juror Fee Account to donor list
- Reduced administrative costs
- No application process required

Option 3:

By taking this most lenient approach and providing people with the greatest number of donor options jurors may be more willing to find an organization to which they wish to make a donation, thus possibly increasing the total dollars donated. While total donations may increase, the average dollar amount donated to each organization will almost certainly be less. The administrative costs associated with overseeing the application process and dispersing donations to a much larger group will be more costly and time consuming.

- Donor list with statutorily mandated agencies/organizations
- Inclusion of General Fund Juror Fee Account to donor list
- Inclusion of any local qualified non-profit agency (may still want to limit #)
- Requires ongoing supervision
- High administrative costs
- Application process required

Administrative Recommendations:

- It is recommended to request that the District Clerk continue to administer the juror service pay donation form process.
- If an application process is required, applications should be reviewed on an annual basis, during the budget process. It is recommended that applications be submitted to the District Clerk's Office.
- Compliance with the Texas Government Code Chapter 61 should be monitored by the County Attorney's Office for changes and additions.

Juror Donations Recap

	FY 2010 (**)	FY 2009	FY 2008
Victims of Crime - State	\$1,112.00	\$1,153.00	\$845.00
Child Welfare	\$988.00	\$2,854.00	\$2,919.00
JPD	\$484.00	\$624.00	\$453.00
Therapeutic Drug Court	\$102.00	\$174.00	\$96.00
Combined charities	\$114.00	\$410.00	\$351.00
Juv. Diabetes Research	\$90.00	\$1,120.00	\$770.00
El Paso Diabetes Assoc	\$880.00	\$1,382.00	\$1,509.00
United Way	\$554.00	\$30.00	-
Crime Stoppers - local	-	-	-

Totals	\$4,324.00	\$7,747.00	\$7,043.00
	(***)	(***)	(***)
3 year average			\$7,590.92

Total Jury Pay	\$ 247,304.00	\$ 562,644.00	\$ 562,134.00
% donated	1.75%	1.38%	1.25%

(*) - approved by court but not on donation forms yet

(**) - as of 04/15/10





EL PASO COUNTY

2010 DONATION OF JURY SERVICE PAY

Dear Juror:

Thank you for your juror service in El Paso County. On the first day of your jury service you will be paid \$6.00 and if you are chosen to participate as a juror you will be paid \$40.00 for everyday that is served in trial.

Pursuant to Texas Government Code § 61.003, you have the option to donate your juror pay to the programs listed below. If you wish to donate your pay, please fill out the juror donation form. This contribution is strictly voluntary.

Thank you.

El Paso County Commissioners

Yes, I wish to donate my Juror Pay to the following agency:

___ Crime Victims' Compensation (CVC) Program - to encourage greater victim participation in the apprehension and prosecution of criminals and reimbursing innocent victims for certain out-of-pocket expenses incurred as a result of violent crime.

___ El Paso County Child Welfare Board- to provide coordinated state and local public welfare services for children and their families, and provide funding for these services.

___ 243rd Judicial District Drug Court Treatment Program- to provide a non-adversarial approach to working with substance addicted offenders in need of an alternative to incarceration, while reducing recidivism and crime.

___ Crime Stoppers- to carry out a community offensive against crime by motivating the public to report information about crimes that may lead to an arrest and to provide rewards for citizen cooperation.

___ El Paso County Combined Charities Campaign- to help those in need, the hungry, the sick, the less fortunate, families in crisis, and other worthwhile causes through various charities.

OLD FORM

_____ El Paso Diabetes Association- to eliminate diabetes and its complications through Empowerment, Promotion, Detection, and Access.

_____ Juvenile Diabetes Research Foundation- to find a cure for diabetes and its complications through the support of research.

_____ Juvenile Probation Department- to assist young people in avoiding delinquent behavior and providing treatment, training, and rehabilitation that emphasizes accountability and responsibility of both parents/guardians and children for their actions.

_____ United Way of El Paso County- is an independent organization governed by a local board that includes representatives from business, labor, education and community volunteers. United Way is challenged to find new ways to address our community's social and health needs.

I wish to: (check one)

_____ donate the entire amount of my jury check

_____ donate the amount of \$ _____ to be deducted from my jury check

Juror Name:

(Printed)

Signature: _____

Date: _____



EL PASO COUNTY

2011 DONATION OF JURY SERVICE PAY

Dear Juror:

Thank you for your juror service in El Paso County. On the first day of your jury service you will be paid \$6.00 and if you are chosen to participate as a juror you will be paid \$40.00 for everyday that is served in trial.

Pursuant to Texas Government Code § 61.003, you have the option to donate your juror pay to the programs listed below. If you wish to donate your pay, please fill out the juror donation form. This contribution is strictly voluntary.

Thank you.

El Paso County Commissioners

Yes, I wish to donate my Juror Pay to the following agency:

_____ Crime Victims' Compensation (CVC) Program - to encourage greater victim participation in the apprehension and prosecution of criminals and reimbursing innocent victims for certain out-of-pocket expenses incurred as a result of violent crime.

_____ El Paso County Child Welfare Board- to provide coordinated state and local public welfare services for children and their families, and provide funding for these services.

_____ General Fund Juror Fee Account -- juror donations will go directly back into the account used to pay jurors.

I wish to: (check one)

_____ donate the entire amount of my jury check

_____ donate the amount of \$ _____ to be deducted from my jury check

Juror Name:

(Printed)

Signature: _____

Date: _____



EL PASO COUNTY

JUROR SERVICE PAY DONATION APPLICATION GUIDELINES

The El Paso County Commissioners Court, in accordance with Section 61.003 of the Texas Government Code regarding Donation of Reimbursement by jurors, has established the following guidelines for the selection and inclusion of organizations to the juror service pay donation form.

Applications for the inclusion on juror donation form will be accepted by the District Clerk's Office no later than August 1st. Commissioners Court will review applications during annual budget hearings and a total of ___ applications will be selected. The approved organizations will be listed on the juror service pay donation form beginning October 1st and will remain on the form during that fiscal year. Organizations may reapply annually.

Organizations are expected to fulfill the following requirements and conditions:

- Complete and submit juror service pay donation application
- Operate and serve in El Paso County
- Become established at least one year prior to juror donation application
- Provide an Internal Revenue Service determination letter to be recognized as a 501(c)(3) tax-exempt organization

El Paso County Juror Pay Donation Application

(Completed application must be submitted to the District Clerk's Office by August 1st for consideration of approval for the next fiscal year beginning October 1st)

Please Submit the Original and Five Copies Of This Application

Agency Name:	
Main Address:	
Street:	Telephone:
City:	Fax:
State:	Email of Org.:
Zip:	Website:
Mailing Address (if different):	

Please submit the following as indicated. Place a check in the applicable boxes to indicate documentation is included:

- Operate and serve in El Paso County
- Internal Revenue Service 26 U.S.C. 501 (c) determination Letter
- Agency Profile with Operating Budget
- Been in place for at least one year prior to application
- Are currently tax exempt pursuant to Internal Revenue Service 26 U.S.C. 501 (c)

It is important to Commissioners' Court of El Paso County that donations made by El Paso County jurors be used exclusively for services/programs provided in El Paso County.

If any donated funds will be used or distributed for services and programs in counties other than El Paso, please list those other counties and briefly state the reason for distribution of the funds to those areas.

We, the undersigned, hereby submit all supporting documentation for the above criteria and verify them to be true.

Agency President, Board of Directors
(signature)

Agency Executive Director
(signature)

Print Name

Print Name

Date

Date

AGENCY PROFILE

Agency/Organization Name	
Agency/Organization Mission	
All Agency/Organization Program Names	Brief Description of Program (attached add'l pages if needed)

Total number of people served by your agency/organization:	
---	--

List other agencies/organizations that you collaborate with:



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

04-33

April 25, 2013

Mr. Joe Lopez, Jr.
Assistant Purchasing Agent
800 E. Overland, Suite 300
El Paso Texas 79901

Dear Mr. Lopez:

A copy of a memorandum from Mr. James O'Neal, internal audit supervisor dated April 25, 2013 is attached. This memorandum is a report on the collection and disposal of Sheriff's abandoned inmate property performed on April 23, 2013.

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

Sincerely,

Edward A. Dion
County Auditor

EAD:JO:ya

Attachment



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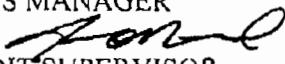
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04-32

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR

THRU: TERESA MOLINAR, OPERATIONS MANAGER

FROM: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

DATE: APRIL 24, 2013

SUBJECT: COLLECTION OF SHERIFF'S ABANDONED INMATE PROPERTY

On April 23, 2013, the Sheriff's abandoned inmate property was turned over to the Purchasing Department and this office for proper disposal. There were no monetary collections. The following non-monetary items were kept by the Purchasing department to be auctioned off at a later date.

- 3 Silver ton rings
- 2 Silver tone necklaces with various pendants
- 2 Gold tone necklace
- 6 Pairs of sunglasses
- 1 Portable CD player
- 8 Cell phones from various providers
- 5 Watches with black plastic bands
- 1 Watch with silver tone links
- 2 Watches with brown plastic bands

Items containing social security numbers, driver's license numbers, dates of birth, bank account information or any other personal information was receipted by the Purchasing department for proper disposal. Other personal items such as clothing, pierced jewelry and items of no value were disposed of on site.

JO:ya



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04-33

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El Paso Texas 79901

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

Sincerely,

Edward A. Dion
County Auditor


EAD:JO:ya

Attachment



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04-35

April 25, 2013

Mr. Jose Lopez, Jr.
Assistant Purchasing Agent
800 E. Overland, Suite 300
El Paso Texas 79901

Dear Mr. Lopez:

A copy of a memorandum from Mr. James O'Neal, internal audit supervisor dated April 25, 2013 is attached. This memorandum is a report on the collection and disposal of Sheriff's abandoned evidence property performed on April 23, 2013.

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

Sincerely,

Edward A. Dion
County Auditor

EAD:ya

Attachment




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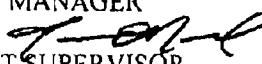
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04-34

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER

FROM: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

DATE: APRIL 25, 2013

SUBJECT: COLLECTION OF SHERIFF'S ABANDONED EVIDENCE

On April 23, 2013 the Sheriff's abandoned evidence was turned over to the Purchasing department and this office for proper disposal. The property resulted in a monetary collection of \$354.95. The total amount was then deposited into the County's consolidated account, the same day. The non-monetary items (listed below) were kept by the Purchasing department to be auctioned off at a later date.

- 55 Pairs of sunglasses
- 13 Cell phones from various cell phone providers
- 12 Rings with various charms and stones
- 13 Bracelets with various charms
- 2 Car stereos
- 3 Gold tone watches with gold tone links
- 2 Silver tone watches with silver tone links
- 1 Black colored watch with black plastic band
- 1 MP3 player
- 5 Necklaces with various charms

Other personal items such as clothing, pierced jewelry and items of no value were disposed of.

JO:ya



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Sincerely,

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County Auditor


EAD:ya

Attachment



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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COUNTY AUDITOR
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County Administrative Offices
800 East Overland Street, Rm. 406
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(915) 546-2040
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04-43

April 25, 2013

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. Bertha Tafoya, internal auditor, dated April 25, 2013 is attached. This memorandum is a report on a review of Express Car Titling No. I and No. II, E-Z Auto Title Registration, Flash Auto, and Tri-Star Auto Title Co. Full Service Contracted Offices. Because of certain statutory duties required of the County Auditor, this office is not independent with 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. 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,

Edward A. Dion
County Auditor

EAD:BT:ya

Attachment




COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

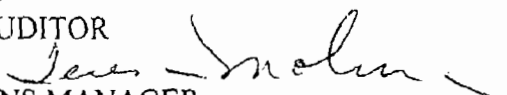
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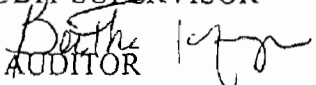
04-44

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

FROM: BERTHA TAFOYA, INTERNAL AUDITOR 

DATE: APRIL 25, 2013

SUBJECT: REVIEW OF THE COUNTY TAX OFFICE- FULL SERVICE CONTRACTED FOR FOUR DIFFERENT FULL SERVICE DEPUTIZED BUSINESSES.

A review of the listed County Tax Office-Full Service Contracted Offices has been completed. The objective of this review was to verify that the Full Service Contracted Offices for Express Car Titling No. I and No. II, E-Z Auto Title Registration, Flash Auto, and Tri-Star Auto Title Co. are in compliance with the Tax Office contracts. Additionally, to verify that fees charged by all full service contracted offices are consistent with State laws, and that an adequate auto registration inventory control is maintained.

Scope and Purpose

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

1. Cash counts were performed on April 15, 2013 at the five Full Service Contracted Offices in accordance with *Local Government Code § 115.0035*.
2. Processing fees were reviewed in order to verify that fees are not charged beyond the maximum allowed in accordance with *Transportation Code § 520.008(b)*. No discrepancies were noted.
4. A discretionary sample of different inventory categories handled by the Contracted Offices was reviewed in order to ensure accountability. No discrepancies were noted.
5. Deputations were reviewed to verify compliance with *Transportation Code § 520.0091*.
6. Bonds were reviewed to verify compliance with *Transportation Code § 520.0091* and the contracts.

General

Observations:

Express Car Titling No. 1 and II

1. Processing fees approved January 28, 2013 are not displayed at either location.
2. Printer for Scofflaw System at 5505 Montana is not operational; personnel have reported this issue to the County's Information Technology Department (ITD).
3. An employee list is not maintained at either location.
4. As of April 15, 2013, old plates at 5505 Montana have not been picked up.

E-Z Auto Title Registration

1. Three cashiers with an aggregate shortage of \$71.60 were not able to account for the shortages.
2. Old fee schedule is being displayed.
3. List of employees was not available.

Flash Auto

1. Processing fees approved January 28, 2013 are not displayed.
2. Old fee schedule is kept on the back of the waiting area. Cashier indicated they are waiting for new sign.
3. Cashier was short \$9.53 and indicated he had given the wrong change.
4. Cashier was not able to print a daily collection status report. Report was printed with auditor's assistance.
5. List of employees was not available.

Tri-Star Auto Title Co.

1. Employee list provided did not include Ms. Veronica Meza. Deputation records held at the County Tax Office indicated Ms. Meza was last deputized January 11, 2012. Upon inquiry, Tri-Star Auto personnel informed this office that Ms. Meza is a student and that she works part time but not regularly.
2. Processing fees approved January 28, 2013 are not displayed.
3. Scofflaw System is not always operational. ITD personnel do not respond promptly to their service requests.

Recommendations/Corrective Actions:

The following is recommended:

- Signs displaying unauthorized fees must be removed from all contracted offices, immediately.
- New fees which became effective and approved January 28, 2013 must be displayed in a conspicuous place at each place of business as per contract stipulation.
- A list of current employees should be maintained at each contracted office.
- Personnel changes at each contracted office must be immediately reported to the County's Tax Office.
- In order to ensure that Scofflaw System and related equipment is operational at all times, it is highly recommended that malfunctions of any type be reported to the County Tax Office.

- Expired plates should be physically removed from each contracted office as soon as possible.

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 contracted offices appears to be weak, but should be strengthened with the implementation of the above mentioned recommendations.



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05-14

May 10, 2013

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 10, 2013 is attached. This memorandum is a report on an inventory audit performed on fixed assets that were purchased with Federal forfeiture funds. 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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05-14

May 10, 2013

The Honorable Richard D. Wiles
El Paso County Sheriff
3850 Justice Drive
El Paso, TX 79938

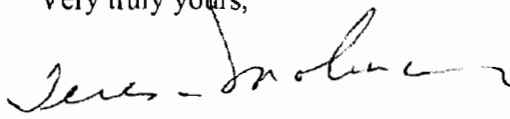
Dear Sheriff Wiles:

A copy of a memorandum from Ms. Linda Hemme, internal auditor, dated May 10, 2013 is attached. This memorandum is a report on an inventory audit performed on fixed assets that were purchased with Federal forfeiture funds. 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




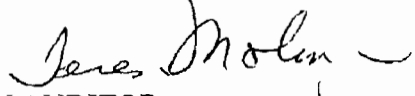
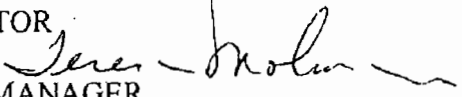


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05-15

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR 
THRU: TERESA MOLINAR, OPERATIONS MANAGER 
THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 
FROM: LINDA HEMME, INTERNAL AUDITOR 
DATE: MAY 10, 2013
SUBJECT: INVENTORY AUDIT OF FIXED ASSETS PURCHASED WITH FEDERAL FORFEITURE FUNDS

Overview

An inventory audit was performed for fixed assets that were purchased with Federal forfeiture funds. The objective of this review was to verify the existence of fixed assets purchased with Federal funds.

Scope and Purpose

The scope and purpose of the review was as follows:

1. Fixed assets that were purchased with Federal funds worth \$5,000 and over were located and accounted for.

General

1. **Observation:** While performing the physical inventory, it was noted that there was an electric two door automobile that was turned over to the Purchasing Department for auction. Instead of being auctioned, the automobile was transferred to the County Clerk's Office. According to the *Guide to Equitable Sharing for State and Local Law Enforcement Agencies* (The Guide), forfeited tangible personal property can only be transferred to a local agency for law enforcement purposes. Therefore, the transfer of this automobile to the County Clerk's Office is unallowable.

Corrective Action/Recommendation: The County Auditor's Office contacted the Purchasing Department to inquire about what needs to be done to correct this issue. As of the date of this memorandum, a response has not been received. It is recommended that the Sheriff's Department follow up with the Purchasing Department.

2. Observation: While performing the physical inventory, it was noted that there was a vehicle that was sold and the funds were not deposited into the Sheriff's Justice Forfeiture account, which was the account that was used to purchase the vehicle. According to the Guide, proceeds from the sale of assets acquired with federal forfeiture funds must be deposited back into the account that was used to purchase the asset.
Corrective Action/Recommendation: The County Auditor's Office contacted the Purchasing Department to inquire about the date of the auction, sales price, and where the funds were deposited. As of the date of this memorandum, a response has not been received. It is recommended that the Sheriff's Department follow up with the Purchasing Department. It is further recommended that the Sheriff's Department ensure that the sales price of the vehicle be transferred to the Sheriff's Justice Forfeiture account, in accordance with the Guide.

3. Observation: While performing the physical inventory, it was noted that two items were pending to be located. The two items are computer equipment, and the Sheriff's Department is working with the Information Technology Department on locating these items.

Corrective Action/Recommendation: It is recommended that once the items are located that the County Auditor's Office be notified so that we can make a physical review of these items.

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



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05-24

May 22, 2013

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, senior internal auditor, dated May 22, 2013 is attached. This memorandum is a report on a cash count and inventory review on May 9, 2013 of the Tax Office as it relates to Automobile Registration. Because of certain statutory duties required of the County Auditor, this office is not independent with 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 that reads "Edward A. Dion".

Edward A. Dion
County Auditor

EAD:RB:ya

Attachment



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR


EDWARD A. DION, CPA, CIO
COUNTY AUDITOR

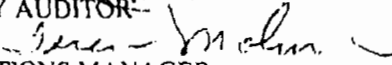
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05-26

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

FROM: RUTH BERNAL, SENIOR INTERNAL AUDITOR 

DATE: MAY 22, 2013

SUBJECT: CASH COUNT AND INVENTORY REVIEW PERFORMED ON MAY 9, 2013, THE COUNTY TAX OFFICE AS IT RELATES TO AUTO REGISTRATION

A surprise cash count was performed on May 9, 2013. The objective of his review was to provide reasonable assurance that all funds are accounted for properly and to verify the accuracy of the plates and placards inventory list.

Scope and Purpose

- The scope and purpose of the review consisted of the following:
1. Surprise cash counts were performed on May 9, 2012 at the main Tax Office, and the three branches in accordance with *Texas Local Government Code § 115.0035*.
 2. A sample of the placards inventory was selected to verify the accuracy of the reports compared to the physical inventory.

General

1. **Observation:** During the cash count, immaterial differences were noted. A worksheet detailing the differences is attached. Also, the Fort Bliss branch has been closed since the second break-in on March 28, 2013. A \$1,000.00 was assigned to this branch as change funds, from which \$900.00 was stolen. Currently, the \$100.00 left is in the custody of the Accounting division at the Main Tax Office.
Corrective Action/Recommendation: It is recommended that due care be exercised when collecting funds. Currently, the Tax Office does not plan to open the Fort Bliss branch until a more secure place is provided.
2. **Observation:** While reviewing the inventory, the following discrepancies were noted:

Northeast:

- An antique plate 2013 was listed on the inventory report; however, according to the Northeast personnel, the plate was sent back to the main office.
- 36 antique plates 2018 were listed. Plates were allocated to this branch, but not received.
- 14 blue disabled placards were listed. According to Northeast personnel, the placards need to be deleted from the systems, since they were not properly assigned.
- 100 red disabled placards were listed. Placards were allocated to this branch, but not received.

Ysleta:

- 50 blue disabled placards were at the location, but were not listed on the inventory report.
- 100 blue disabled placards were listed. Placards were allocated to the Ysleta branch, but not received.
- 51 red disabled placards were listed. Placards were allocated to the Ysleta branch, but not received.
- 2 red disabled placards were located, but not listed on the inventory report.

Main Office:

- A series of antique plates 2013 were not located.
- A blue disabled placard was not located.

Currently, the Texas Department of Motor Vehicles is conducting an inventory of the plates and placards. It was indicated by the Tax Office that with the help of Motor Vehicles, they are working on new policies and procedures to be implemented to have a better control of the inventory.

Corrective Action/Recommendation: It is recommended that a copy of the audit results, and the new policies and procedures be submitted to the Auditor's Office.

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

Audit: Tax Office

Objective:

To performed a cash count in accordance with Texas Local Government Code § 115.0035.

Date: May 9, 2013

FAMIS: Subdiary: 102 000001

	Office	Work station	Change fund assigned to the workstation	Discrepancies Overage (shortage)
1	Northeast	Bag not labeled	100.00	0.00
2	Northeast	Bag not labeled	100.00	0.00
3	Northeast	203	100.00	0.50
4	Northeast	253	100.00	0.00
5	Northeast	346	100.00	0.00
6	Northeast	347	100.00	0.00
7	Northeast	348	100.00	0.00
8	Northeast	349	100.00	0.00
9	Northeast	350	100.00	0.00
10	Northeast	351	100.00	0.00
11	Northeast	Change fund1	1,300.00	(0.05)
12	Northeast	Change fund2	1,300.00	0.00
Total			3,600.00	0.45
1	Fort Bliss	004	100.00	(100.00)
2	Fort Bliss	104	100.00	(100.00)
3	Fort Bliss	204	100.00	(100.00)
4	Fort Bliss	Change fund	600.00	(600.00)
5	Fort Bliss	Change fund	100.00	0.00
Total			1,000.00	(800.00)
1	Ysleta	002	100.00	0.00
2	Ysleta	102	0.00	0.00
3	Ysleta	202	100.00	0.00
5	Ysleta	252	100.00	0.00
6	Ysleta	327	100.00	0.00
7	Ysleta	328	0.00	0.00
9	Ysleta	329	100.00	0.00
10	Ysleta	332	100.00	0.00
11	Ysleta	333	100.00	0.00
12	Ysleta	334	100.00	0.00
13	Ysleta	335	100.00	0.00
14	Ysleta	336	100.00	0.00
15	Ysleta	337	100.00	1.88
17	Ysleta	338	100.00	0.00
18	Ysleta	Change fund 1	800.00	0.00
19	Ysleta	Change fund 2	800.00	0.00
20	Ysleta	Change fund 3	800.00	0.00
Total			3,600.00	1.88

Stolen 3/28/2013

Audit: Tax Office

Objective:

To performed a cash count in accordance with Texas Local Government Code § 115.0035.
 Date: May 9, 2013

FAMIS: Subsidiary: 102 000001

Office	Work station	Change fund assigned to the workstation	Discrepancies Overage (shortage)
Branch	Workstation	Approved Change Fund	Discrepancies Overage (shortage)
1 Main	200	50.00	0.00
2 Main	250	100.00	0.00
3 Main	300	100.00	0.00
4 Main	302	100.00	0.00
5 Main	303	50.00	0.00
6 Main	304	100.00	0.00
7 Main	305	100.00	0.00
8 Main	306	100.00	0.40
9 Main	307	100.00	0.00
11 Main	311	100.00	0.00
12 Main	313	100.00	0.00
13 Main	314	100.00	0.00
14 Main	315	100.00	2.25
15 Main	319	100.00	0.00
16 Main	Accounting Division	150.00	0.00
17 Main	*Change fund 1	1,200.00	0.25
18 Main	*Change fund 2	1,100.00	0.00
	Change fund 3	5,900.00	0.00
Total		9,860.00	2.90
Main	Beer & Wine	150.00	Cash count Feb 6, 2013
Northeast	Vehicle inventory Tax (VIT)	200.00	Cash count September 7, 2012
Yalea	Vehicle inventory Tax (VIT)	200.00	Cash count September 7, 2012
Total		560.00	

Total Change funds counted	17,505.23
FAMIS 102 000001	18,400.00
Difference	(894.77)



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05-36

June 3, 2013

The Commission on Jail Standards
P.O. Box 12985
Austin, Texas 78711

Dear Sirs:

Pursuant to the Government Code, §511.016 (a), a copy of a memorandum dated June 3, 2013 from Ms Linda Hemme, internal auditor is enclosed. This memorandum is a report on a review of the operations of the County jail commissary for March 2011 through April 2013.

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

Sincerely,

Edward A. Dion
County Auditor

EAD:LH:ya

Attachment



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05-33

June 3, 2013

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 3, 2013 is attached. This memorandum is a report on a review of the County Jail Commissary Inmate Fund from March 2011 through April 2013. 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 any further assistance, please let us know.

Very truly yours,

Edward A. Dion
County Auditor

EAD:LH:ya

Attachment

cc: Aramark Correctional Services



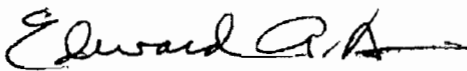
COUNTY OF EL PASO
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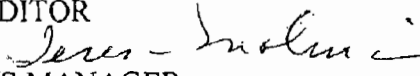
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05-35

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

FROM: LINDA HEMME, INTERNAL AUDITOR 

DATE: JUNE 3, 2013

SUBJECT: REVIEW OF THE COUNTY JAIL COMMISSARY INMATE FUND

In accordance with *Government Code §511.016*, a review of the County Jail Commissary Inmate account from March 2011 through April 2013 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 this review was as follows:

1. The bank reconciliation for the Inmate Trust account was reviewed for accuracy and completeness, minor discrepancies were noted.
2. The jail commissary commissions received by the County were verified to ensure that they were accurately calculated, timely remitted, and properly posted to the Financial Accounting Management Information System (FAMIS), no discrepancies noted.
3. Deposits and disbursements through the Inmate Trust account were reviewed to ensure proper postings to the correct inmates' account. These transactions were also traced to the bank statements. No discrepancies noted.
4. Inmate order and return credit tickets were traced to a sample of Aramark Correctional Services' weekly Sales and Commissions reports for accuracy.
5. A sample of operating, equipment, and contracted services expenditures from the commissary inmate profit fund were reviewed to ensure that the expenditures were in accordance with *Local Government Code 351.0415(c)*, no discrepancies noted.
6. Cash counts were performed on May 23, 2013 and May 28, 2013 at the Annex and Downtown jail facilities, respectively, in accordance with *Local Government Code § 115.0035*.

7. An analysis was performed of the jail commissary sales and commissions.

General

1. **Observation:** From January to March 2012, there were fraudulent checks paid by the bank for a total of \$15,988.40. Mr. Mike Navarro, Bond and Inmate Trust Section (BITS) Director, notified the County Auditor's Office on January 25, 2012, that these checks were not authorized by BITS nor transmitted to the bank for payment. BITS followed proper internal control procedures. The bank credited the Inmate Trust Account for these fraudulent checks in February, March and June 2012.
2. **Observation:** The February 2013 to April 2013 bank reconciliations have not been submitted for review as of the date of this memorandum. On February 19, 2013, Aramark changed their inmate accounting software to CoreBanking. This change has caused a delay in preparing the bank reconciliations. BITS is working with Aramark representatives to reconcile the new system to the bank. Once completed, BITS will submit these bank reconciliations for review.
3. **Observation:** While reviewing a sample of Inmate Order and Return Credit tickets, it was noted that not all of the tickets could be located to verify the accuracy of the Sales and Commission reports.
Corrective Action/Recommendation: Inmate Balance History reports were generated from Aramark's inmate accounting software and were used to verify each inmate's order.
4. **Observation:** While performing cash counts at the Downtown jail facility, it was noted that there was a \$21.74 shortage at the Intake cashier station. Upon inquiry, it was discovered that Inmate "A" was released with Inmate "B"'s money. When Inmate "B" was booked, his money was inadvertently credited to the previous booked inmate's commissary account. When Inmate "A" was released from jail, he was released with the money that belonged to Inmate "B". When Inmate "B" was released, the error was discovered; and, he was released with his money. The cashier accepted responsibility for her error and chose to replenish her till with money from her own pocket. The Sheriff's Department's policy is to report all deposit shortages to Internal Affairs for further review. No discrepancies were noted at the Annex jail facility.
Corrective Action/Recommendation: Mr. Navarro, will issue a reminder to the cashiers that due care be exercised when crediting an inmate's accounts.
5. **Observation:** As reflected on the attached analysis, jail commissary sales and commissions increased by 12.16%, during fiscal year 2011 compared to fiscal year 2010. Furthermore, jail commissary sales and commissions increased by 7.94%, during fiscal year 2012 when compared to fiscal year 2011. The implementation of the GoCart services could be attributed to the increase in sales and commissions. The GoCart Commissary offers commissary items to inmates at the jail facilities using wireless technology. One of the many advantages of utilizing the GoCart ordering system is that the inmates can order and receive their commissary items on the spot; therefore, increasing sales, commissions, and reducing return credits and inmate grievances.

EDWARD A. DION
JUNE 3, 2013
PAGE 3

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 current internal control structure established by the Sheriff's Department, as it pertains to the jail commissary account, 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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06-06

June 6, 2013

Sheriff Richard Wiles
Sheriff's Department
3850 Justice Drive
El Paso, Texas 79938

Dear Mr. Wiles:

A copy of a memorandum from Mrs. Claudia Parra, internal auditor, dated June 6, 2013 is attached. This memorandum is a report on a review of the Socorro Police Department's participation in the Stonegarden Grant for December 2011 through July 2012. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the Socorro Police 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 Mrs. Parra.

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:CP:ya

Attachment




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06-07

MEMORANDUM

TO: 
EDWARD A. DION, COUNTY AUDITOR

THRU: TERESA MOLINAR, OPERATIONS MANAGER

THRU:  JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

FROM: CLAUDIA PARRA, INTERNAL AUDITOR

DATE: JUNE 6, 2013

SUBJECT: REVIEW OF THE STONEGARDEN GRANT RELATED TO THE SOCORRO
POLICE DEPARTMENT

Overview

A review of the Stonegarden Grant has been completed from December 2011 through July 2012. The objective of this review was to verify that the information submitted by the Socorro Police Department, as it relates to the reimbursement request from the Stonegarden Grant was accurate, complete and properly documented.

Scope and Purpose

The scope and purpose consisted of:

1. The Transaction Registers were reviewed to ensure that they coincide with the information entered on the Time Card Reports and Time Sheets, the recording system reports for the hours worked.
2. The Overtime Slips were reviewed to ensure that the hours documented as overtime worked under the Stonegarden Grant were properly documented on the Time Card and Time Sheets.
3. The Operation Stonegarden Activity Logs were reviewed and compared to the mileage request, Time Card and Time Sheet to ensure that the overtime hours worked and mileage request coincided.
4. The mileage reports were reviewed for accuracy and to ensure that a sequential order was followed.
5. The overtime hours reported on the Daily Activity Reports (DARs) were reviewed and compared to the Time Cards and Time Sheets to verify accurate reporting and that they coincide.

6. The mileage reported on the Daily Activity Reports (DARs) was reviewed and compared to the mileage reimbursement request to verify accurate reporting.

General

1. **Observation:** Review of the registers resulted in one occurrence where the documented hours worked on the register did not match with the reported hours worked on the time card. The reimbursement request for this occurrence was reduced by two hours by the County Auditor's Grant Division to meet the 80 hours before overtime pay is allowed for hourly employees.

Corrective Action/Recommendation: Due care should be exercised when reviewing and tracing the hours worked on the registers and time sheets to ensure that they coincide.

2. **Observation:** Review and tracking of all the reported overtime hours on the overtime slips, revealed several discrepancies, which are reflected on Schedule A. Some of the discrepancies noted are as follows:

- Fourteen overtime slips were documented as Stonegarden hours worked and in many cases approved by a supervisor but not submitted for reimbursement.
- The documented starting or ending hours of a shift were off by ten to fifteen minutes from the documented hour on the Time Card or Time Sheet reports.
- Two overtime slips for the same date, for the same officer with different hours noted; however, neither of them was requested for reimbursement.
- The number of hours worked on an overtime slip did not match to the reported number of hours worked on the Time Card Reports and Time Sheets; in most cases the hours were overstated on the overtime slips.

Corrective Action/Recommendation: It is recommended that the documented hours on the overtime slips continue to be cross referenced with the hours documented on the Time Sheet and Time cards to ensure accuracy.

3. **Observation:** After reviewing the Operation Stonegarden Activity Logs it was noted that there were many logs missing. Many logs did not have an hour noted to indicate when a shift was completed which demonstrates incomplete documentation of worked hours. The mileage noted on the activity logs did not always coincide with the mileage submitted for reimbursement. Upon inquiry, it was stated that these logs were used to document all the hours worked under the Stonegarden Grant. However, these logs were not requested or submitted to the Grants division as part of the backup documentation for a reimbursement request.

Corrective Action/Recommendation: It is recommended that from this point forward, the Activity Logs be requested and submitted as required supporting documentation for the reimbursement of any Stonegarden Grant funds.

4. **Observation:** While reviewing and tracing all the reported and requested mileage, the following was noted as reflected on Schedule B:

- Five mileage entries did not follow a sequential order for the noted vehicle.

- Thirteen mileage entries overlapped with other officer's reported miles.
- Five mileage entries exist where no overtime was reported for the particular officers yet mileage reimbursement was requested.
- Sixteen entries were declined and removed by the Grants Division from the reimbursement request forms due to different explanations.
- Two entries were duplicated entries.
- Two mileage entries were reimbursed that should have not been due to the reported miles not following sequential order.

Corrective Action/Recommendation: It is recommended that the State is made aware of the 116 miles or \$63.80 that was reimbursed that should have not been as soon as possible. It is further recommended that appropriate action be taken to return the funds back to the State promptly.

5. Observation: Due to not having been provided the DARs for the pay periods after June 10, 2012 the comparison between the DARs, Time Sheets and Time cards was not possible. While reviewing and comparing all available DARs to the Time cards and Time Sheets for the previous pay periods, the following was noted as reflected on Schedule C:

- Twelve entries did not coincide.
- Thirteen entries were reported on the DARs yet they were not submitted for reimbursement.

Corrective Action/Recommendation: It is recommended that the Border Patrol Agency and all other agencies involved be made aware of the discrepancies that were noted on the reports submitted by the Socorro Police Department.

6. Observation: Review of all available DARs and comparison to the mileage reimbursement reports revealed that there were discrepancies which are reflected on the attached Schedule D. Some of the discrepancies noted were as follows:

- Mileage documented on the DARs was overstated or understated when compared to the reimbursement request.
- Duplicate entries were made for different dates.
- Some requests were disallowed and removed from the reimbursement forms by the Grants Division due to discrepancies.
- Mileage entries overlap.
- Documentation of mileage was reported under the incorrect vehicle number.

Corrective Action/Recommendation: The dates on the request forms were not always documented, which in turn did not allow for the assessment and verification of accurate documentation between the DARs and the reimbursement request of all entries. It is recommended that the request form from this point forward include the date for all mileage entries. It is further recommended that a DAR be required as supporting documentation for all reimbursement requests. It is also recommended that all agencies involved be made aware of the discrepancies that were noted on the reports submitted by the Socorro Police Department.

EDWARD A. DION
JUNE 6, 2013
PAGE 4

Summary

This review was designed to provide reasonable assurance that the documentation provided by the Socorro Police Department was sufficient to justify the request for reimbursement. Based on this review, although the internal control structure of the Socorro Police Department appears to be extremely weak, nothing came to our attention to preclude the County from reimbursing the SPD for the expenditures. Additionally, if this program is to continue to include the SPD, it is recommended that tighter internal controls be implemented to ensure that all request for reimbursement be properly documented and justified.

CP:ya

Attachment



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06-10

June 7, 2013

Mr. Jim Fashing
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, Mr. Phillip Trevizo, internal auditor, dated June 7, 2013 is attached. This memorandum is a report on a review of your financial records from October 2012 through April 2013. 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 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", with a long horizontal flourish extending to the right.

Edward A. Dion
County Auditor

EAD:PT:ya

Attachment




COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

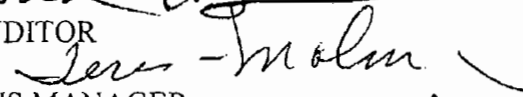
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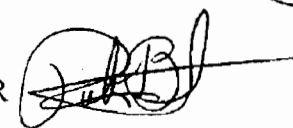
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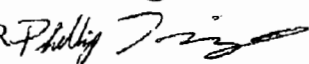
06-11

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

FROM: PHILLIP TREVIZO, INTERNAL AUDITOR 

DATE: JUNE 6, 2013

SUBJECT: REVIEW OF THE DOMESTIC RELATIONS OFFICE FINANCIAL RECORDS
FOR OCTOBER 2012 THROUGH APRIL 2013

Overview

A review of the financial records for the Domestic Relations Office (DRO) from October 2012 through April 2013 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 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 web payments were traced to JIMS to ensure proper and timely recording of fees. Furthermore, these payments were traced to FAMIS to ensure posting to the proper revenue account.
4. All manual receipts were traced to JIMS to ensure that fee collections were recorded timely.
5. A surprise cash count was performed on May 14, 2013, for the inspection of funds in accordance with the *Texas Local Government Code §115.0035*. No discrepancies were noted.

6. A sample of mail receipts was traced to JIMS and/or the child support log to ensure that all payments were properly accounted for. No discrepancies were noted.
7. All billings to the Office of the Attorney General (OAG) for contracts #00-08002, #13-C0028, #10-C0024, and #13-C0016 were reviewed to ensure that the amount invoiced was actually received. No discrepancies were noted.

General

1. Observation: While reconciling the daily fee collection log reports to deposit warrants posted in FAMIS the following was noted:
 - Deposit slip #16163664 dated October 2, 2012 the total listed was over by \$0.02 which resulted in two bank corrections.
 - Deposit slip #16163675 dated November 15, 2012 did not list \$5.00 in coins but did include it in the total. This error resulted in a bank correction.Corrective Action/Recommendation: It is recommended that due care be exercised by the DRO staff when preparing deposit slips to avoid bank correction fees. Currently the bank charges the County \$5.00 per bank correction.
2. Observation: While reviewing web payments to ensure proper and timely posting of fees in JIMS, it was noted that web transactions for March 8, 2013 thru March 10, 2013 were not posted in JIMS until April 16, 2013.
Corrective Action/Recommendation: It is recommended that web transactions be posted in JIMS in a timely manner, not to exceed 24 hours from the time the Web Transaction Report is received from ITD. Furthermore, it is recommended that supervisor review be performed to ensure the timely posting of web payments in JIMS.
3. Observation: While reviewing the manual receipts to ensure proper posting of receipts in JIMS and timely deposits to the bank the following was noted:
 - On April 3, 2013 manual receipt #25608 was issued for a \$220.00 cash payment, once JIMS went back on-line and the payment was posted, it was discovered that the individual overpaid by \$43.00. The \$43.00 overpayment was not deposited by the Domestic Relations Office until April 16, 2013 after attempts to contact the individual by phone and mail were unsuccessful. The individual made contact with the Domestic Relations Office on May 13, 2013 and advised DRO she was living out of town and provided her new address.Corrective Action/Recommendation: It is recommended that all fees received be deposited on or before the next regular business day in accordance with *Local Government Code §113.022 Time for Making Deposits*. Furthermore, it is recommended that all fee overpayments be refunded through 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 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 recommendations.

PT:ya

Attachment

Sec. 113.022. TIME FOR MAKING DEPOSITS. (a) A county officer or other person who receives money shall deposit the money with the county treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the officer or person must deposit the money, without exception, on or before the fifth business day after the day on which the money is received. However, in a county with fewer than 50,000 inhabitants, the commissioners court may extend the period during which funds must be deposited with the county treasurer, but the period may not exceed 15 days after the date the funds are received.

(b) A county treasurer shall deposit the money received under Subsection (a) in the county depository in accordance with Section 116.113(a). In all cases, the treasurer shall deposit the money on or before the seventh business day after the date the treasurer receives the money.



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06-04

June 11, 2013

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 Ms. Bertha Tafoya internal auditor, dated June 11, 2013 is attached. This memorandum is a report on a review of your financial records from July 2011 through April 2013. 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.

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

Very truly yours,

Edward A. Dion
County Auditor



EAD:BT:ya

Attachment




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OFFICE OF THE COUNTY AUDITOR

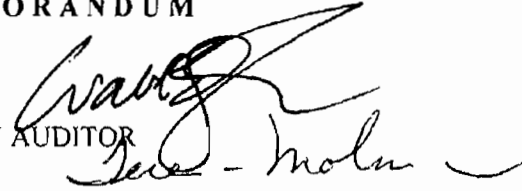
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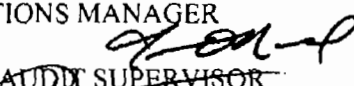
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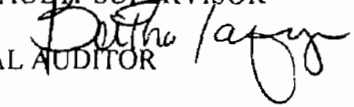
06-08

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

FROM: BERTHA TAFOYA, INTERNAL AUDITOR 

DATE: JUNE 11, 2013

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 2, FINANCIAL RECORDS FOR JULY 2011 THROUGH APRIL 2013.

Overview

A review of the financial records for the Justice of the Peace, Precinct Number 2, from July 2011 through April 2013 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 Odyssey, 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 October 25, 2012 and May 16, 2013, 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). No discrepancies were noted.
4. All necessary schedules were prepared for the appropriate allocation of court costs. No discrepancies were noted.
5. A sample of 40, or 10 percent out of 381 payments received by mail was traced to Odyssey to ensure that payments were posted timely. No discrepancies were noted.

6. A sample of 335 or 16 percent out of 2089 dismissed cases was reviewed to ensure that supporting documentation was included.
7. Previous memoranda were reviewed for implementation of prior recommendations.

General

1. Observation: While reviewing cases that had been dismissed, it was noted that 301 cases or 15 percent out of 2,089 cases were dismissed due to lack of witness.
 - 248 cases were from citations issued by officers from the Texas Department of Public Safety (DPS).
 - 27 cases were from citations issued by officers from the Sheriff's Department (SO).
 - 22 cases were from citations issued by officers from the El Paso Independent School District (EPISD).
 - Three cases were from citations issued from Constables.
 - One case was issued by an officer from the Texas Parks and Wildlife.

Corrective Action/Recommendation: Upon inquiry, Mr. Rodrigo R. Garcia, court coordinator, indicated that DPS officers are moved within their department quite often. Hence, by the time the case is set-up for court the officer is no longer available to testify. Further, Mr. Garcia indicated he is pleased that the number of cases being dismissed due to lack of officer from the Sheriff's department continues to decrease. He indicated that in order to minimize the number of trips to the JP court, every effort is made to ensure that all pending cases for each officer are scheduled on the same day.

4. Observation: It was noted that 21 citations with an Operation of Unregistered Motor Vehicle violation had been dismissed. Further review indicated that twelve of the citations were expired registrations and/or vehicles with one or no plates. Mr. Garcia indicated that at times the wrong violation type is entered when the citation is issued. Although clerks at his office may be aware that the violation type is incorrect, they are not able to change the violation charge when the case is created in Odyssey. However, nine citations were issued to defendants for driving unregistered motor vehicles and these were dismissed in court. Upon inquiry, Mr. Garcia and Judge Brian Haggerty indicated that they were not aware that this type of cases could not be dismissed.

Corrective Action/Recommendation: A copy of the *Texas Department of Transportation Code § 502.402* is attached. Our office requested a County Attorney opinion on § 502.472 as it relates to the dismissal of citations issued to defendants for operating unregistered motor vehicles. Once we receive an opinion, we will follow up on a recommendation.

5. Observation: Dismissals on the selected sample included citations that had been issued to defendants for speeding twenty miles over the speed limit, speeding in a school zone, and causing an accident while speeding.
 - Nine cases were dismissed due to no independent recollection by complaining officer.
 - Eleven citations that had been issued to defendants for driving twenty to thirty-five miles over the speed limit.
 - Four citations issued to defendants for speeding in a school zone were also dismissed upon the DA's recommendation.
 - One case was dismissed due to double filing.
 - A case was dismissed because defendant's information was incomplete.

- A case was dismissed because a citation was not turned in.
- Case 212-01776-TR was dismissed in court; although, the motion to dismiss is signed by the judge, the reason for dismissal was not noted.
- Five cases for citations that had been issued in 2010 and earlier were dismissed in court.
- Case 201-2191 reflects a dismissed disposition dated October 25, 2011; but a transaction for a collection agency fee in the amount of \$118.50 was posted to the case July 7, 2012. Currently, this case reflects a \$513.50 balance.

Corrective Action/Recommendation: In order to reduce the number of cases that are dismissed because of lack information, it is recommended that due care be exercised when entering information in Odyssey. Regarding case 212-01776-TR, Mr. Garcia indicated the case was created without the original citation. Further, the Assistant District Attorney allowed the court three months to either produce original documentation or dismiss the case. Also, upon inquiry, Mr. Garcia indicated that the fees for case 201-2191 should have been zeroed-out the date it was dismissed. Furthermore, he stated that the court fees would be updated immediately.

Review of Previous Memoranda

1. Observation: It was noted that Judge Haggerty and court coordinator have implemented prior recommendations made by this office. Furthermore, it appears that management continues to be pro-active in strengthening the internal controls structure of the Justice of the Peace Precinct 2.

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 adequate, and should be further strengthened with the implementation of the above- mentioned recommendations.

BT:ya

Sec. 502.472. OPERATION OF VEHICLE UNDER IMPROPER REGISTRATION. A person commits an offense if the person operates a motor vehicle that has not been registered or registered for a class other than that to which the vehicle belongs as required by law.

Transferred, redesignated and amended from Transportation Code, Section 502.402 by Acts 2011, 82nd Leg., R.S., Ch. 1296, Sec. 156, eff. January 1, 2012.



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06-02

June 13, 2013

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

Dear Mrs. Briones:

A copy of a memorandum from Mr. Rene Balderrama, internal auditor, dated June 13, 2013 is attached. This memorandum is a report on a review of your financial records from August 2012 through April 2013. 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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06-02

June 13, 2013

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

Dear Mrs. Briones:

A copy of a memorandum from Mr. Rene Balderrama, internal auditor, dated June 13, 2013 is attached. This memorandum is a report on a review of your financial records from August 2012 through April 2013. 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



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

EDWARD A. DION, CPA, CIO
COUNTY AUDITOR

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County Administrative Offices
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06-03

MEMORANDUM

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

THRU: TERESA MOLINAR, OPERATIONS MANAGER *Teresa Molinar*

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR *James O'Neal*

FROM: RENE BALDERRAMA, INTERNAL AUDITOR *René Balderrama*

DATE: JUNE 13, 2013

SUBJECT: REVIEW OF THE FINANCIAL RECORDS OF THE COUNTY CLERK'S
OFFICE FROM AUGUST 2012 THROUGH APRIL 2013

Overview

A review of the financial records for the County Clerk's Office from August 2012 through April 2013 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, the JIMS reports, and Odyssey reports to ensure that the funds collected were remitted to the County Auditor's Office, as appropriate.
3. A surprise cash count was performed on May 22, 2013, 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. The manual receipt logs were reviewed to ensure that the issuance and completion of receipt books are properly documented and inventoried. No discrepancies were noted.
5. A review of the collections division of ~~was~~ performed.

General

1. Observation: While reviewing the monthly bank reconciliations for the Probate account, it was noted that the Odyssey program is now able to create a report for the Probate registry, however, there are still cases that need to be corrected and updated.
Corrective Action/Recommendation: It is recommended that the accounting division continue to review and correct the Probate registry to ensure that it accurate and complete. It is also recommend that the Probate section ensure that orders received from the courts are complete and all documentation is provided.

2. Observation: While performing a cash count on May 22, 2013, at the Downtown office, it was noted that there were two cashiers that did not balance due to incorrect amounts being recorded in TrackNet and Odyssey. The first cashier was short \$4.00 due to an erroneous amount being entered in TrackNet, the transaction was corrected and posted correctly. The second cashier was over \$32.00 due to a void and the payment had not been reposted in Odyssey. No discrepancies were noted at the satellite offices.
Corrective Action/Recommendation: It is recommended that County funds be handled with due care. It is further recommended that additional training be provided for employees on the cashiering process. It is also recommended that the accounting division continue to conduct regular audits of the cashiers' cash drawers.

3. Observation: While reviewing the accounting division's change fund, it was noted that cash on hand was \$4,122.56 as compared to \$3,973.00 on the cash reports. The difference of \$149.56 was attributed to \$150.00 waiting to be picked up by armored car service to be delivered to the bank for change. The \$.44 shortage is unknown and will be researched by the accountant of the County Clerk's Office.
Corrective Action/Recommendation: It is recommended that the accounting division ensure that any change funds that are short or over be reported to the County Auditor's Office and if monies are later recovered the funds should be deposited and noted on the monthly reports.

4. Observation: While reviewing the operations of the vitals division of the County Clerk's Office at the Socorro location, it was noted that security paper used for vital documents was not stored in a secured location with limited access. It was further noted that the vitals supervisor has requested a secured file cabinet to be delivered to the Socorro location.
Corrective Action/Recommendation: It is recommended that all security paper be held in a secure area and accessed only by a supervisor or manager. It is further recommended that a periodic review of the security paper be performed by the vitals division supervisor and the accounting division. It is also recommended that all locations that handle vital records have a secured location where security paper can be stored.

5. Observation: While conducting a review of the operations of the collections division it was noted that there was a total of \$2,665.50 of funds collected by the Sheriff's Department for the County Clerk's Office pending to be posted in Odyssey.
Corrective Action/Recommendation: It is recommended that the collections division review the monthly report from the Sheriff's Department to ensure that all the collections are posted in Odyssey.

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 weak, but should be strengthened with the implementation of the above mentioned recommendations.

RB:ya

Attachment



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07-06

July 8, 2013

Mr. Ernesto Carrizal, Director
Facilities Management- Parking Garage
Room M-1, County Courthouse Building
500 East San Antonio Street
El Paso, Texas 79901

Dear Mr. Carrizal:

A copy of a memorandum from Mr. Phillip Trevizo, internal auditor, dated July 8, 2013 is attached. This memorandum is a report on a review of your financial records as they relate to the County Parking Garage for September 2012 through May 2013. 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. Trevizo.

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

Attachment



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07-07

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR

THRU: TERESA MOLINAR, OPERATIONS MANAGER *Teresa Molinar*

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR *James O'Neal*

FROM: PHILLIP TREVIZO, INTERNAL AUDITOR *Phillip Trevizo*

DATE: JULY 8, 2013

SUBJECT: REVIEW OF THE EL PASO COUNTY PARKING GARAGE FINANCIAL RECORDS FOR SEPTEMBER 2012 THROUGH MAY 2013

Overview

A review of the financial records for the El Paso County Parking Garage from September 2012 through May 2013 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 of the review consisted of the following:

1. A surprise cash count was performed on June 18, 2013, in accordance with *Local Government Code §115.003*.
2. All monthly revenue reports were analyzed and reconciled to the deposit warrants posted in the Financial Accounting Management Information System (FAMIS).
3. The amounts invoiced to the City of El Paso for El Paso Police Department leased parking spaces were reviewed to ensure payments are being received in full and in a timely manner. No discrepancies noted.
4. Manual receipts issued from the Facilities Management Office during the audit period were reviewed to ensure completeness, cross referencing to deposit warrants, and verification of the timeliness of transactions. No discrepancies were noted.
5. A sample of Daily Revenue Deposit Reports was reviewed and compared to daily tickets collected.

6. A sample of parking validations was reviewed to ensure that amounts reported are being billed. No discrepancies were noted.

General

1. Observation: While performing a surprise cash count, it was noted that the change fund located in the parking garage was short \$55.50. No explanation could be given by the Parking Garage Manager to account for the change fund shortage.
Corrective Action/Recommendation: It is recommended that the change fund be monitored by the Facilities Manager; furthermore, it is recommended that disciplinary action be taken if warranted. It was explained that the change fund shortage would be replenished by the Facilities Manager and the Parking Garage Manager.
2. Observation: While reconciling and analyzing the monthly revenue reports to FAMIS, it was noted that on October 3, 2012 a credit card transaction was entered incorrectly in the credit card machine and the customer was overcharged by \$100.00. The customer was refunded with the change fund instead of being refunded through the County Auditor's Office.
Corrective Action/Recommendation: Upon further inquiry on the customer overcharge, it was explained that proper procedures were followed to refund the customer through the Point of Sale (POS) terminal; however, the credit card machine was not programmed to reverse transactions. The County changed and implemented new POS terminals on June 26, 2013 and the parking garage supervisors were given user rights to reverse incorrect transactions on their POS terminals. It is recommended that parking garage staff refund any incorrect transactions through the County Auditor's Office if they are unable to process a reversal using the POS terminal.
3. Observation: While reviewing a sample of Daily Revenue Reports and comparing them to daily tickets collected the following was noted: (Worksheets Attached)
 - 10 out of 13 or 77 percent of days sampled had blank tickets included in the daily ticket collections to force the count total to the ticket machines. It was explained by the Facilities Manager that the Parking Garage Manager was trained by his previous employer to include blank tickets as placeholders to account for missing tickets. Furthermore, it was explained that ticket machines jam on a regular basis and manual tickets must be handed out to parking garage customers as they enter the parking garage.
 - 5 out of 13 or 38 percent of days sampled had tickets with handwritten parking fee amounts instead of the stamped amount that is generated from the ticket printer. After further inquiry, it was explained that ticket printers at the cashiering station sometimes jam and will not process tickets; therefore, the cashier will write in the amount due.
 - 6 out of 13 or 46 percent of days sampled had parking tickets that were pulled on another day, and they were counted towards the count of the current day. It was explained that it is not uncommon for parking garage customers to sometimes

park for multiple days; however, the parking garage manager patrols the garage every night and writes down the vehicle description on the overnight vehicle list.

- 8 out of 13 or 61 percent of days sampled had a discrepancy on the credit card collection amount that was reported on the Daily Revenue Report and the amount generated by the Link2Gov Collection Report.
- 6 out of 13 or 46 percent of days sampled had ticket count discrepancies when comparing the total amount of tickets reported and the actual tickets counted.
- 2 out of 13 or 15 percent of days sampled had a partial payment on the total amount due. One \$5.00 credit card transaction was charged for \$.50, on another \$5.00 cash ticket only \$3.75 was collected. It was explained that parking customers sometimes do not have money to pay for parking, and in those instances the cashier will collect as much money as possible to avoid a complete loss of revenue.

Corrective Action/Recommendation: It is recommended to the Parking Garage staff that they stop using blank tickets as placeholders to force the ticket total to the ticket machines. Also, it is recommended that an entry time be written on all manual tickets issued when the ticket machines jam, and that those tickets also be stamped with the parking fee when the customer exits the parking garage. If the parking fee amounts have to be handwritten on the ticket because the ticket printer is malfunctioning, then the total handwritten ticket count should be accounted for in the notes section of the Daily Revenue Report. Furthermore, it is recommended that due care be exercised when entering the Credit Card Collection Report total in the Daily Revenue Report, and due care should also be exercised when counting the total amount of tickets for the day. It is understood that cashiers will sometimes collect a partial payment to avoid a complete loss of revenue; however, it is recommended that tickets with partial payments be accounted for separately in the Daily Revenue Report. Finally, it was explained by the Facilities Manager that new equipment and software for the parking garage has been ordered, which we anticipate will provide for greater revenue control and reporting capability.

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.

PT:ya

Parking Garage Audit								
Daily Ticket Count Findings								
Date	\$0.00	\$2.00	\$5.00	Credit Cards	Prior Days	Veterans	July Duty	Comments
6/3/2013	2 - Cards for \$2.00 1 - Card for \$5.00	1 card - Handwritten Amount	2 cards - Handwritten Amount	Daily Report \$297.00 Link2Gov \$302 1 card from 6/3			37 cards from 5/31/13	Response from Facilities Manager Attached
6/4/2013	23 cards from 6/3	1 card from 6/3/13		Daily Report \$247 Link2Gov \$247			Actual Count was over by 1	Response from Facilities Manager Attached
6/5/2013	12 cards from 6/3		3 Cards from 6/4	Daily Report \$310 Link2Gov Report \$315				Response from Facilities Manager Attached
6/6/2013	16 Blank Cards 1 - Card for \$2.00			Daily Report \$268 Link2Gov Report \$261.5 One Transaction for \$50				Response from Facilities Manager Attached
6/7/2013	22 - Blank Cards 1 - Card for \$2.00		1 card from 3/7/13 1 card - Handwritten Amount	Daily Report \$190 Link2Gov Report \$188			Actual Count was over by 30	Response from Facilities Manager Attached
6/10/2013	1 - Card for \$5.00		1 card - Handwritten Amount					Response from Facilities Manager Attached
6/11/2013	12 - Blank Cards 2 - Cards for \$2.00		2 cards from prior days	Daily Report \$240 Link2Gov Report \$209			Actual Count was short by 3	Response from Facilities Manager Attached
6/12/2013	14 - Blank Cards 2 - Cards for \$2.00			Daily Report \$252 Link2Gov Report \$254				Response from Facilities Manager Attached
6/13/2013	1 - Card for \$2.00 11 - Blank Cards 1 - Card for \$5.00	2 Cards - Handwritten Amounts	2 Cards - Handwritten Amounts	Daily Report \$241 Link2Gov Report \$246			Actual Count was over by 2	Response from Facilities Manager Attached
6/14/2013	13 - Blank Cards 2 - Card for \$2.00	1 card - Handwritten Amount Count was over by 1		Daily Report \$246 Link2Gov Report \$246			Actual Count was over by 3	Response from Facilities Manager Attached
6/17/2013	9 - Blank Cards 2 - Card for \$2.00			Count Short by 3 One individual paid for 5 days \$20.00				Response from Facilities Manager Attached
6/18/2013	2 - Card for \$5.00							Response from Facilities Manager Attached
6/20/2013	17 - Blank Cards 2 - Card for \$2.00 2 - Card for \$5.00		1 card from 5/29 1 Customer was short paid \$3.75	Actual Count was short by 1				Response from Facilities Manager Attached

**Parking Garage Audit
Facilities Manager Response to Daily Ticket Count Findings**

<p>Blank Tickets – The Parking Garage Manager was trained by his previous employer to include blank tickets as “placeholders” to account for tickets that were “missing” but the appropriate payment was collected. I agree with Auditors that this has the appearance of “forcing” the tickets to balance and the PGM has been instructed to stop. However, it must be understood that “missing” tickets do not necessarily equate to lost revenue or improper accounting practices. As explained, people frequently lose their tickets and they are automatically charged \$5 without physically presenting a ticket, or sometimes people come back to pay on a later day where the ticket has already been accounted for as a loss. In addition, there are over 150 monthly parkers at the daily garage and it is common for a monthly parker to pull a ticket if they can’t find their card; then use their card to exit after they’ve found it, never presenting the pulled ticket to the cashier. In all fairness, eliminating the practice of “place holder” tickets should not result in Auditors immediately concluding that these “missing” tickets equate to improper accounting.</p>
<p>Ticket Number Series Discrepancies – PGM takes readings of the ticket spitters at the beginning of each day to document starting/ending number series. The ticket spitters jam almost every day at some point, and the cashier must hand out manual tickets. These tickets do not have the sequential number printed on it, and these tickets will not be accounted for in the sum of the series. The Daily Cash Count sheet has been updated to document the number of manual tickets issued</p>
<p>Multi-day Charges – It is not uncommon for people to park for multiple days. Every night the PGM patrols the garage and writes down the make, model, and license plate number of vehicles in the garage at closing. The parker pulls a ticket the first day, and typically will get a ride to retrieve the vehicle, where a second ticket is pulled. The driver may not have the original ticket from days before. Sometimes the driver is honest and advises the cashier that they’ve been parked for days, and other times, the cashier catches the vehicle from the overnight vehicle list and collects payment.</p>
<p>Grace Period Tickets – The number of grace period tickets may seem “excessive” but as explained, many people drive in to the garage, drop off someone at the skywalk, and then drive out in less than 10 minutes. They then drive back in and out to pick the person up in less than 10 minutes. I will be recommending that the Court discontinue the grace period all together so that there is no incentive to continue this practice.</p>
<p>Tickets w/ Hand-written Amounts – If the ticket printer does not accept the ticket, the cashier writes in the value of the ticket. This typically happens if the ticket gets wet, torn, folded, or if the machine jams, has paper “dust”, the roller won’t spin, etc.</p>
<p>Auto-Cashier Ticket Numbering – There is a drop box for the driver to leave their ticket, but it is not necessary for payment, so not everyone leaves their ticket. The Auto-Cashier automatically charges \$5, so when the machine is audited on Monday, the overage in the machine determines the number of tickets paid. The PGM former training required him to account for ticket numbers, even when they are not left by the driver. PGM has been instructed to list the actual numbers and document the “absentee” tickets.</p>
<p>No Money / Partial Payments/ Late Payment – Unfortunately, people sometimes do not have money to pay for parking, or previously, only had Visa, which was not accepted by the County. There is no place for people to back up so if the Cashier is unable to collect payment, the driver’s information is written down. Sometimes the driver comes back to pay the same day, but sometimes they don’t come back until another day. There is no way to know if a driver will come back, so the ticket may be accounted for as a loss on one day, and an overage on another day if the person comes back to pay; as his ticket as already been collected. In other cases, if the driver does not have the full amount, the Cashier will collect as much as they can. It has happened on occasion where a person pays part in cash and part on a debit/credit card. Two transactions on one ticket can be mistaken for a discrepancy, however the object is to collect the funds, so we will continue the practice when necessary</p>
<p>Credit Card Statement/ Cash Count Discrepancies – The PGM has been instructed to be more careful in properly accounting for credit card transactions and documenting them accurately on the cash count sheet. These discrepancies are in documentation and did not equate to a revenue loss</p>
<p>Ticket Count Discrepancies – The daily parking garage experiences extremely high volume with hundreds of tickets collected each day. The PGM has been advised to pay close attention and improve his accuracy in counting tickets. FMD has requested additional administrative personnel and if approved by Commissioners Court, Ms. Alvidrez will oversee the day-to-day operations of the parking garage and perform frequent random audits.</p>
<p>Balancing to the Register – As explained, balancing solely to the register is not impossible because the register does not provide transactional detail and the current ScanNet software does not run detailed reports. The new equipment and software for the daily garage has been ordered and we anticipate greater revenue control and reporting capability. Once the new equipment is installed, accounting procedures will be changed to better reconcile all tickets to the daily balance sheet.</p>



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07-30

July 11, 2013

Mr. Bill Adler, President
El Paso County Emergency Services District # 2
P.O. Box 683
Clint, Texas 79836

Dear Mr. Adler:

A copy of a memorandum from Mr. James O'Neal, internal audit supervisor, dated July 11, 2013 is attached. This memorandum is a report on a review of the El Paso County Emergency Services District # 2 expenditures and financial records for October 2011 through September 2012. Because of certain statutory duties required of the County Auditor, this office is not independent in regards to the Emergency Services District # 2, 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 Mr. O'Neal.

If we can be of any further assistance, please let us know.

Sincerely,

Edward A. Dion
County Auditor

EAD:JO:ya

Attachment

cc: The Honorable Veronica Escobar, County Judge
The Honorable Carlos Leon, County Commissioner
The Honorable Sergio Lewis, County Commissioner
The Honorable Vincent Perez, County Commissioner
Ms. Annette Gonzalez, Emergency Services District #2 Administrator



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07-31

MEMORANDUM

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

THRU: TERESA MOLINAR, OPERATIONS MANAGER *Teresa Molinar*

FROM: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR *James O'Neal*

DATE: JULY 15, 2013

SUBJECT: REVIEW OF EL PASO EMERGENCY SERVICES DISTRICT #2 GENERAL OPERATING EXPENDITURES AND PROCEDURES FOR OCTOBER 2011 THROUGH SEPTEMBER 2012

Overview

A review of the Emergency Services District #2 (ESD #2) operating expenditures, financial records and procedures was conducted. The objectives of this review were to ensure that expenditures were properly reported, documented, and presented to the County. Furthermore, the District's operating procedures and financial records were reviewed to ensure compliance and proper documentation.

Scope and Purpose

The scope and purpose of the review was as follows:

1. A copy of the independent auditor's report was supplied and reviewed.
2. A sample of actual monthly receipts and transactions were traced back to bank statements and monthly expenditure reports to ensure proper documentation and proper distribution.
3. Expenditures and reimbursements from the operational bank account were reviewed and if necessary expenditures from the discretionary account were reviewed as well.
4. Personal and fire department emergency vehicle usage policies were reviewed.

General

Fabens Fire Department:

1. **Observation:** While reviewing the Fabens Fire Department expenditures, it was noted that invoices, totaling \$13,645.20, from auto repair and tire shops did not contain detailed vehicle information. This made it difficult to trace the work performed on the vehicle to a particular ESD vehicle.

Corrective Action/Recommendation: It is recommended that when an ESD vehicle is in need of repair or upgrade, the merchant's invoice must contain detailed vehicle information and a detailed listing of all work performed.

2. **Observation:** While reviewing the utility billings and payments the following discrepancies were noted:

- Several instances in which late fees and reconnection fees, totaling \$ 417.75, were applied to several of the Fabens fire department utilities.
- While reviewing the electricity billings for the Fabens fire department, it was noted that while there are only three fire stations within the department there was a fourth electrical bill being paid in the amount of \$285.67 per month. When questioned, the administrative assistant admitted that several payments were made for a property not belonging to the Fabens Fire Department or ESD and these payments were approved for reimbursement. This was corrected in January 2012, after a newly hired administrative assistant discovered the error. Only the three departmental electricity bills are being paid through the operational account.
- While reviewing the Time Warner Cable billings, it was noted that the billing address was that of the Fabens Fire Department; however the service address was the home of the fire chief. Monthly billings began in June 2012. Total amount in dispute is \$402.44 (\$100.61 X 4 months).
- There were multiple invoices for telephone service. Each fire station had a different telephone vendor with various rates.

Corrective Action/Recommendation: It is recommended that all utility billings be paid in a timely manner to avoid any late or reconnection charges. Further, it is recommended that all utility billings be thoroughly reviewed and that all billing addresses and service addresses match. It is also recommended that one vendor be used for each specific utility in order to take advantage of uniform rates and discounts. When questioned, it was stated that the Time Warner Cable and multiple telephone vendor's issues were recently corrected.

3. **Observation:** It was noted that on several occasions multiple receipts from one vendor submitted as supportive documentation did not total to the amount listed on the department's reimbursement form. However, even though the totals did not match, the reimbursement was granted.

Corrective Action/Recommendation: It is recommended that all receipts submitted be verified and cross referenced to the total amount requested on the reimbursement forms.

4. **Observation:** While reviewing expenses for the Fabens Fire Department it was noted that several payments were made from the operations account, instead of the discretionary account, for personal and incentive items. It was further noted that these items were submitted and approved for reimbursement by the board.

Corrective Action/Recommendation: It is recommended that all personal and incentive items be purchased from the discretionary account and not be submitted for reimbursement.

5. **Observation:** It was noted that several payments for goods and/or services were made to ESD employees or relatives of ESD employees. For example, a payment made to Mrs. Lucy Lopez for Scentsy promotional products in the amount of \$589.87 was made from the ESD operational account and later reimbursed by the board. It was noted that Mrs. Lopez is the wife of Chief Beto Lopez of the Clint Fire Department. Further, several payments to EMTS of El Paso, totaling over \$4,600, were made for medical training services. It was later discovered that the administrative assistant for this company is Wendy Younger. Ms. Younger at the time was employed by the ESD but as of the date of this memorandum was on suspended leave with pay.
6. **Corrective Action/Recommendation:** It is recommended that all business with ESD employees or relatives of ESD employees cease immediately in order to avoid the risk of the appearance of impropriety. It is again recommended that a written policy regarding vendor and business practices be established and distributed to all departments and their employees.
7. **Observation:** It was noted that the bank statements received by several of the fire departments are not reconciled on a monthly basis.

Corrective Action/Recommendation: It is recommended that each fire station perform detailed bank reconciliations for all station accounts on a monthly basis to ensure all funds are posted and accounted for. It is further recommended that these reconciliations be submitted to the Emergency Services District #2 accountant to simplify the expense reimbursement process.

8. **Observation:** When submitting single expenses over \$2,000 for reimbursement, it is district policy that each station Chief submits a signed affidavit listing each expense exceeding the limit. However, in some instances not all expenses over \$2,000 were listed on the affidavit. Further, it was noted that there are instances where there were several smaller transactions within a monthly period that in total added up to well over \$2,000 but were not listed since it was not a single purchase.
- Corrective Action/Recommendation:** It is recommended that due care be utilized when preparing the over \$2,000 reimbursement affidavit. It is further recommended that this policy be revised to include all transactions totaling over \$2,000 to one vendor within a monthly period.

Clint Fire Department:

1. **Observation:** While reviewing the Clint Fire Department expenses and requests for reimbursement the following discrepancies were noted:
- Time Warner Cable and Direct TV monthly billing statements list the service address as 11430 Samalayucca Rd and 1657 FreeMantle, respectively. These addresses are not fire station addresses. The monthly bill is \$90.55 per month.
 - While reviewing the fuel billings and invoices it was noted that there were several consecutive transactions within minutes of each other for the same fuel card. The total amount of questionable fuel transactions is \$5,116.92.
 - A payment was made to Excalibur Remodeling in the amount of \$2,800. However, the invoice stated that services were paid through an insurance claim. Since the insurance company paid for repairs, there should not be a need to request reimbursement.

- The fire department paid for five volunteer firefighters to participate in a 9/11 charity in the amount of \$125.00. This was paid from the fire department's operations account and then requested reimbursement for the expense. Entrance fees in charity events should not be considered operational expenses and should not be requested for reimbursement.
- Several payments are introduced for reimbursement without explanation or reason for purchase. This includes personal credit card receipts for gas, food and other items. Further, in some instances a receipt is not provided, just an explanation with an amount.
- Payment was made to JC Bowling Supply and Pro Shop for "Clint Fire Bowling Logo" in the amount of \$420 and was submitted for reimbursement from the board. Payment was made from the operational account and was granted reimbursement. This is not considered an operational expense.
- Two invoices submitted from Performance Automotive, one for \$1,940 and one for \$1,500. Both invoices have the same date and have the same service performed on the same vehicle. Invoices were paid and reimbursement was granted. Further, there were other instances in which the same invoice had been submitted twice for reimbursement and reimbursement was granted.
- Two payments were made to H&R Block for tax services in the amount of \$30 each. Any tax services should be submitted to the ESD accountant Sammy Johnson for preparation and submission.

Corrective Action/Recommendation: It is recommended that all utility service addresses and billing addresses match and that all service be for the fire station and not any other location. It is further recommended that tighter controls be placed on fuel card usage for accountability and that a more detailed procedure for monitoring fuel usage be put in place to increase accountability and avoid misuse. It is also recommended that expenses from the operations account be more thoroughly reviewed and that each invoice be noted to indicate that it has been submitted for reimbursement to avoid duplicate submission.

San Elizario Fire Department:

1. **Observation:** While reconciling the expense reimbursement submission form to the actual expense receipts, it was noted that there were several months that did not reconcile. Several receipts were missing, manually written or lacking proper documentation. However, even with the missing or incorrect information, the reimbursement was granted.
Corrective Action/Reimbursement: It is recommended that the San Elizario fire department reconcile each month's expense reimbursement form to the actual expenses being submitted. Further, it is recommended that proper supportive documentation be submitted and that these forms be submitted in a timely manner and closely reviewed by the District.
2. **Observation:** While reviewing the utility expenses for the San Elizario Fire Department, it was noted that several billings had previous balances forwarded due to nonpayment. These forwarded balances can lead to a potential duplicate payment. Further, it was also noted that several invoices were submitted more than once and were approved for reimbursement.

Corrective Action/Recommendation: It is recommended that the fire department pay all invoices and billings in a timely manner to avoid the possibility of duplicate payments. Further, it is recommended that invoices be noted in some manner that they have been submitted for reimbursement to avoid duplicate submission.

3. **Observation:** It was also noted that several invoices had a shipping or service address that is not a fire department address.

Corrective Action/Recommendation: It is recommended that all services, supplies and billings be delivered or rendered through the San Elizario Fire Department address only.

4. **Observation:** While reviewing the monthly San Elizario expenditures submitted for reimbursement, it was noted that some of the invoices and/or billings were more than six months old.

Corrective Action/Recommendation: It is recommended that all invoices be submitted for reimbursement in a timely manner to avoid any duplicate submission.

5. **Observation:** It was noted that several invoices were received from E.M.T.*S. for training and certification. However, when reviewing the check register for the San Elizario Fire Department it was noted that these checks were not made payable to the company E.M.T.*S. but instead were made payable to Wendy Younger. This is the same individual mentioned earlier in this memorandum.

Corrective Action/Recommendation: It is recommended that all invoice payments be made to the proper business or corporation and not to an individual unless applicable.

All Fire Departments:

1. **Observation:** It was noted that several high priced items, such as large screen televisions, iPads and accessories, cell phones, computers, printers and gardening equipment, to name a few, have been purchased by the fire departments and then reimbursed by the District. However, there is not an inventory tracking or monitoring system in place to ensure that these items are for fire department use.

Corrective Action/Recommendation: It is recommended that some form of inventory controls or monitoring system be instituted. This would help ensure all equipment is being stored, used and disposed of in a proper manner.

2. **Observation:** It was noted that the administrative assistants assigned to the fire departments turn in handwritten time cards and in some instances the time cards are incomplete and missing the fire chief's signature for approval. Further, there were two cases in which the amount paid to the administrative assistant did not reconcile to the amount of hours reported on the timesheet.

Corrective Action/Recommendation: It is recommended that an electric time clock be implemented to accurately track and record the administrative assistants hours worked. Further, it is recommended that the fire department chief sign off and authorize all time cards.

3. **Observation:** It was noted that there are no written policies or internal controls when it comes to the selling or auctioning of excess assets.
Corrective Action/Recommendation: It is recommended that controls and policies and procedures be developed to ensure that the District is following proper procedures when selling or auctioning excess assets.
4. **Observation:** In general, there is a large deficiency in internal controls, written policies and procedures, management overview and financial fiduciary duty.
- Receipts are reimbursed without proper documentation
 - Receipts are submitted twice for reimbursement and granted
 - Fuel usage and logs are not reviewed, monitored or reconciled.
 - Submissions of reimbursement reports, budgets and other financial reports to the District by the fire departments are not made in a timely manner or in most instances not at all.
- Corrective Action/Recommendation:** It is recommended that internal controls be placed on the fire departments actions in order to ensure that assets and monies are safeguarded from misuse or theft.
5. **Observation:** The El Paso County Emergency Services District #2's 2013 fiscal year's budget was approved with estimated revenues of \$5,034,741, estimated expenditures totaling \$4,808,110 and an estimated budgeted excess of \$226,630. The ESD #2's 2013 property tax rate was set at .10 (ten cents) per one hundred of assessed property value.

Summary

This review was designed to provide reasonable assurance that the internal control structure is adequate to prevent loss, theft, or misuse. 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 Emergency Services District #2, as it pertains to the financial and operational procedures, appears to be extremely weak; however, it should be strengthened with the implementation of the above recommendations.

JO:ya

Questionable Expenses Emergency Services District #2

Fabens Fire Department:

Invoices from auto repair and tire shops without vehicle information	\$13,645.20
Utility late fees or reconnection fees	\$ 417.75
Overpayment of electrical bill for non ESD building ((\$285.67 per month X 4)	\$ 1,142.68
Time Warner Cable discrepancy in service and billing address ((\$100.61 X 4)	\$ 402.44
Expenses from operational instead of discretionary accounts and payments to ESD employees or relatives of ESD employees	\$ 5,189.87
Fabens Fire Department Total	\$20,797.94

Clint Fire Department:

Time Warner Cable and Direct TV discrepancy between service and billing address (90.55 per month X 12 months)	\$ 1,089.60
Discrepancies in fuel card usage	\$ 5,116.92
Payment to Excalibur Remodeling for services paid through insurance claim	\$ 2,800.00
Payment for charity event participation, listed as training	\$ 125.00
Payment made to JC Bowling Supply and Pro Shop for t-shirts paid from operations account instead of discretionary and approved	\$ 420.00
Payment of invoices from Performance Automotive for same service	\$ 3,440.00
Payments made to H&R block for tax services	\$ 60.00
Clint Fire Department Total	\$13,051.52

San Elizario Fire Department:

Time Warner Cable discrepancy between service and billing address (160.86 per month X 12 months)	\$ 1,930.32
E.M.T.*S. payments to individual not to company only	\$ 5,500.00
San Elizario Fire Department Total	\$ 7,430.32

All other fire Departments:

Minor or immaterial discrepancies



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07-30

July 11, 2013

Mr. Bill Adler, President
El Paso County Emergency Services District # 2
P.O. Box 683
Clint, Texas 79836

Dear Mr. Adler:

A copy of a memorandum from Mr. James O'Neal, internal audit supervisor, dated July 11, 2013 is attached. This memorandum is a report on a review of the El Paso County Emergency Services District # 2 expenditures and financial records for October 2011 through September 2012. Because of certain statutory duties required of the County Auditor, this office is not independent in regards to the Emergency Services District # 2, 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 Mr. O'Neal.

If we can be of any further assistance, please let us know.

Sincerely,

Edward A. Dion
County Auditor


EAD:JO:ya

Attachment

cc: The Honorable Veronica Escobar, County Judge
The Honorable Carlos Leon, County Commissioner
The Honorable Sergio Lewis, County Commissioner
The Honorable Vincent Perez, County Commissioner
Ms. Annette Gonzalez, Emergency Services District #2 Administrator



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07-54

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MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR *EAD*

THRU: TERESA MOLINAR, OPERATIONS MANAGER *Teresa Molinar*

THRU: IMELDA T. GAYTAN, PAYROLL SUPERVISOR *Imelda T. Gaytan*

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR *James O'Neal*

FROM: LINDA HEMME, INTERNAL AUDITOR *Linda Hemme*

DATE: JULY 26, 2013

SUBJECT: REVIEW OF COBRA AND RETIREES PLAN INSURANCE PREMIUMS FOR
FEBRUARY 2010 TO MAY 2013

Overview

A review of Consolidated Omnibus Budget Reconciliation Act (COBRA) and Retirees Plan Insurance premiums has been completed for February 2010 through May 2013. The objective of this review is to ensure that the County retirees and terminated employees under the COBRA plan pay their insurance premiums timely.

Scope and Purpose

The scope and purpose of the review was as follows:

1. A sample of 32 out of 126 or 25.4 percent of retiree health insurance participants was selected and all of their insurance premium payments were traced to the Financial Accounting Management Information Systems (FAMIS) to ensure that the correct premiums were paid and made timely.
2. Changes in premium amounts of the sampled retiree health insurance participants were traced to the supporting documentation maintained in the retiree file to justify the change in premiums. No discrepancies were noted.
3. All of the monthly payments of the 36 COBRA participants were verified to ensure that the correct premiums were paid and submitted to the County.
4. COBRA payments were reconciled to FAMIS to verify that collections were properly posted. No discrepancies were noted.

General

1. Observation: While reviewing the retiree health insurance premium payments, it was noted that there was one retiree that did not pay his remaining \$306.28 balance owed prior to cancelling his insurance coverage. The retiree paid the incorrect premium for the first two months of this coverage. Upon being contacted by the Payroll division, the retiree did pay the first month's shortage, but he did not pay the second month's shortage owed.

Corrective Action/Recommendation: It is recommended that when a retiree cancels their insurance coverage, the Payroll division should perform a final review of the retiree's account to help ensure that there are no remaining balances. If there are any remaining balances, it is further recommended that the Payroll division notify upper management so that the proper action can be determined. Furthermore, it is recommended that any attempts made to recover the amounts owed, notifications made to upper management, and the actions recommended be documented.

2. Observation: While reviewing the retiree health insurance premium payments, it was noted that there was a retiree insurance participant that did not pay the insufficient funds fee when the payment was returned for insufficient funds. Upon receiving the request for payment letter, the retiree contacted the Payroll division to cancel her coverage.

Corrective Action/Recommendation: It is recommended that coverage cancellations should be made in writing so that there is proper documentation that can be kept on file. The written cancellation requirement should be included in the Retiree Enrollment form so that the retiree is notified at the time of enrollment.

3. Observation: While reviewing the monthly COBRA premium payments, it was noted that HealthScope miscalculated the monthly premium amounts owed for two COBRA participants that had elected Buy up spouse only and dental spouse only coverage. One COBRA participant over paid from October 2010 to December 2010 and under paid for January 2011, which resulted in a net payment shortage of \$36.36. The other COBRA participant over paid for October 2010 to December 2010, which resulted in a net payment overage of \$76.14. The County Auditor's Office contacted HealthScope to inquire about these discrepancies. HealthScope has not replied as of the date of this memorandum.

Corrective Action/Recommendation: It is recommended that the Payroll division review the monthly reconciliation reports that are submitted by HealthScope to ensure that the correct monthly amounts are being collected, especially when a new COBRA participant is added and at the beginning of each year when rates change.

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, but should be strengthened with the implementation of the above mentioned recommendations.



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07-60

July 31, 2013

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 July 31, 2013 is attached. This memorandum is a report on a review of your financial records for April 2012 through June 2013. 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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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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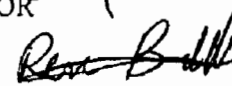
07-62

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

FROM: RENE BALDERRAMA, INTERNAL AUDITOR 

DATE: JULY 31, 2013

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 3, FINANCIAL RECORDS FOR APRIL 2012 THROUGH JUNE 2013.

Overview

A review of the financial records for Justice of the Peace, Precinct Number 3, for April 2012 through June 2013 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 Odyssey Courts and Justice System 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 July 25, 2013 in accordance with *Local Government Code §115.0035*. No discrepancies noted.
2. A list of deleted cases 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. No discrepancies were noted.
5. A sample of 378 cases, or ten percent, out of 3774 dismissed cases was reviewed for proper documentation of the dismissal.
6. All payments collected by the Sheriff's Office from April 2012 to March 2013 were reviewed to ensure prompt and accurate posting in Odyssey.

7. A review of the manual receipts was conducted to ensure that all payments received are properly posted into Odyssey. No discrepancies were noted.
8. Previous memoranda recommendations were reviewed for implementation.

General

1. Observation: While reviewing deleted cases for the Justice of the Peace, it was noted that 109 cases were deleted from Odyssey without having proper documentation as to why these cases were deleted.
Corrective Action/Recommendation: It is recommended that the Justice of the Peace personnel review case information before being entered into Odyssey to ensure completeness and to avoid duplication. It is further recommended that Justice of the Peace personnel create a log of cases that are deleted and the reason for the deletion.
2. Observation: While reviewing the Justice of the Peace collections made by the Sheriff's Office, it was noted that there is total of \$3,046.73 pending to be posted in Odyssey. Corrective Action/Recommendation: It is recommended that the Justice of the Peace ensure that all payments received from Sheriff's Office are promptly posted in Odyssey. It is also recommended that any outstanding payments be researched thoroughly and posted immediately in Odyssey.
3. Observation: While reviewing a sample of 397 dismissed cases from Odyssey, it was noted that 14 or 3.5 percent of cases did not have the proper documentation scanned into Odyssey in order to validate the reason for dismissal.
Corrective Action/Recommendation: It is recommended that dismissed cases have proper documentation scanned into Odyssey to validate court orders. It is further recommended that as soon as the judgment is granted, the Justice of the Peace personnel review the court orders for completeness and accuracy.

Review of Past Memoranda

4. Observation: As noted in prior memorandum, the Justice of the Peace personnel are not periodically reviewing the pending bonds which currently total \$84,823.94.
Corrective Action/Recommendation: It is recommended that the Justice of the Peace personnel ensure that all bond collections are reviewed, at minimum, on a quarterly basis.

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.



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07-48

August 2, 2013

Ms. Maggie Morales Aina
West Texas Community Supervision
And Correction Department
800 East Overland, Suite 100
El Paso, Texas 79901

Dear Ms. Morales Aina:

A copy of a memorandum from Ms. Bertha Tafoya, internal auditor, dated August 2, 2013 is attached. This memorandum is a report on a review of the financial records for April 2012 to May 2013. 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 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,

Edward A. Dion
County Auditor


EAD:BT:ya

Attachment




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07-49

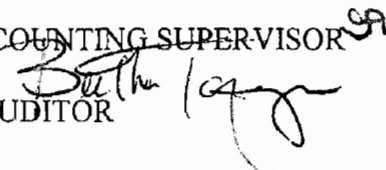
MEMORANDUM

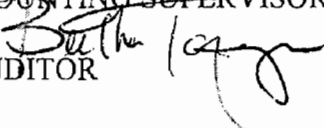
TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: WALLACE HARDGROVE, BUDGET AND FINANCE MANAGER 

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

THRU: SARAH AGUILAR, WTCSCD ACCOUNTING SUPERVISOR 

FROM: BERTHA TAFOYA, INTERNAL AUDITOR 

DATE: AUGUST 2, 2013

SUBJECT: REVIEW OF THE WEST TEXAS COMMUNITY SUPERVISION AND CORRECTION DEPARTMENT'S FINANCIAL RECORDS FOR APRIL 2012 THROUGH MAY 2013.

Overview

A review of the financial records for the West Texas Community Supervision and Corrections Department (WTCSC) 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. A surprise cash count was performed on May 16, 2013 at all offices, in accordance with *Local Government Code §115.0035*. No discrepancies were noted at the Socorro and Industrial office locations.

2. A sample of 261, or 11 percent, out of 2,389 manual receipts issued from April 2012 through May 2013 was reviewed to ensure that the collections were recorded properly and timely in JIMS.
3. The bank reconciliations for the West Texas Community Supervision, Restitution to the Victim, Community Intervention Center, and the Graffiti Wipeout Program accounts were reviewed for accuracy and completeness.
4. A sample of 12, or 38 percent, out of 32 restitution payments for \$5.00 or less issued from April 2012 through May 2013 were reviewed to ensure that they are not left outstanding.
5. Deposits were reviewed to ensure compliance with *Local Government Code §113.022, Time for Making Deposits*, copy attached.
6. Previous memoranda were reviewed for implementation of prior recommendations.

General

1. Observation: While conducting a cash count the following was noted:

Main Office

- No cashier at the payment window; main cashier was out sick.
- Back-up cashier's office is not visible from the payment window.
- The cashier's office is not secured.

Northeast Office

- Cashier and supervisor indicated they were not aware of auditors from the County Auditor's Office performing unannounced cash counts. However, previous cash count records indicates same cashier had signed last year's cash count sheet.

Eastside Office

- Two cashiers share same cash box.
- Copies of manual receipts reviewed during the cash count were not legible.

Central Office

- Manual receipts 16174, 16175, and 16176 were skipped but not void. Upon inquiry, cashier indicated manual receipts had been overlooked, she voided them immediately.

Corrective Action/Recommendation: It is recommended that supervisors and cashiers be made aware that auditors from the County Auditor's Office may perform unannounced cash counts during hours of operation, pursuant to *Local Government Code §115.003 (b)*, copy attached. It is also recommended that Department management ensure the main office is not left unattended and that it is secured at all times. Supervisors from each satellite office should review manual receipt books on a regular basis to ensure completeness and that skipped manual receipts are properly and promptly voided.

2. Observation: While reviewing completed manual receipts from the main office and all satellite offices, the following items were noted:

- It appears that manual receipt books are not being reviewed by a supervisor.
- The address from the main office at 800 E. Overland; El Paso, TX 79901 is imprinted on the manual receipts that are issued from all satellite offices. Hence, it is difficult to identify where the receipt was issued.
- Payments for restitution and/or probation fees are taken for \$5.00 or less. Ms. Mary Gardea, cashier at main office, indicated that payments cannot be refused even if they are for a \$1.00.
- Posting of cash payments to JIMS are sometimes delayed up to 11 business days.
- Un-posted payments are not deposited to the bank until they are posted to JIMS.

Ysleta Office

- \$60.00 cash payment received at the Ysleta office was received on June 8, 2012 and posted to JIMS June 25, 2012.
- System generated receipts are not always referenced to the manual receipts.
- Manual receipts are not always referenced in JIMS.
- Four manual receipts were skipped but not void.
- The yellow copy of seven receipts was given to defendants instead of the original as receipt for their payment. Both original and pink copies are attached to manual receipt book.

Central Office

- Payments received at the Central Office totaling \$495 were received February 20, 2013; these were posted to JIMS February 25, 2013.
- Manual receipt number 016023 was posted to JIMS as 016025.
- System generated receipts are not always referenced to the manual receipt.
- Manual receipts are not properly completed.

Main Office

- Manual receipt number 15671 was issued September 18, 2012 for a payment in the amount of \$1,900.00. The payment was posted to JIMS on October 1, 2012. Ms. Gardea indicated that posting of payments in JIMS are at times delayed because the payment is received before the case and/or the terms and conditions have been entered in JIMS.

Corrective Action/Recommendation: It is recommended that manual receipt books include the address of the satellite office in addition to the address of the main office. Further, supervisors at each location should be accountable for safeguarding manual receipt books and for reviewing their own manual receipt books to ensure completeness. Also, it is strongly recommended that payments received at all satellite offices which are not posted to JIMS, be sent to the main office with daily collections. It is further recommended that an Excel spread sheet be maintained to keep track of payments received until they are able to post to JIMS. Also, it is imperative that policies and procedures as they relate to collections be developed and immediately distributed to all satellite offices.

3. Observation: While reviewing bank reconciliations, it was noted that bank reconciliations do not always include the date that they are prepared and/or reviewed. It was also noted that the only transactions that had posted to the Graffiti Wipeout bank account are monthly service charges. Although management has been prompted to close this account, the account remains open.
Corrective Action/Recommendation: It is recommended that the bank reconciliations for the four accounts include the date that they are prepared and/or reviewed. Due to the fact that only bank fee charges are being posted to the Graffiti Wipeout bank account, it is again recommended that the account be closed.
4. Observation: While reviewing monthly restitution disbursements, it was noted that checks are issued for a dollar or less. Upon inquiry, Ms. Gardea indicated that there are defendants that make payments for one or two dollars monthly. In other instances, defendants owe restitution to several victims; hence, restitution payments are prorated among victims. Consequently, restitution checks have been issued for as little as \$.04. Checks issued for amounts under \$5.00 are hardly ever cashed. In an effort to reduce the number of outstanding checks, Ms. Gardea prepares and mails notifications for victims to call and claim their monies. However, some victims react angrily when they are made aware of the amount of the unclaimed amount and hang up on her. As a result, the checks are held as outstanding until the funds are forwarded to the State.
Corrective Action/Recommendation: It should be noted that processing checks for amounts under \$10.00 is costly. It is recommended that payments to victims be held until the defendant's payments are at least \$10.00.

Review of Past Memoranda

5. Observation: The following issues were addressed December 2012; however, as of the date of this memorandum, they are still pending.
- This office requested and has continued to request a copy of the policies and procedures as it relates to the collection of funds, to no avail.
 - It was recommended that the unused checks for the Restitution to the Victim account be secured.
 - It was recommended that unused manual receipt books be secured.
 - It was recommended that access to the cashier's office at the main office be restricted.
- Corrective Action/Recommendation: In order to provide the main office and all satellite offices with proper guidance for daily collections, it is again recommended that policies and procedures as they relate to the collections of funds be developed. Attached is a sample template that may be utilized to develop policies and procedures as they relate to the collection of funds. Furthermore, it is again recommended that the above recommendations be implemented as soon as possible

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 West Texas Community Supervision and Correction department appears to be weak, but should be strengthened with the implementation of the above mentioned recommendations.

BT:ya

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.

Added by Acts 1989, 71st Leg., ch. 1007, Sec. 1, eff. Sept. 1, 1989.

Sec. 113.022. TIME FOR MAKING DEPOSITS. (a) A county officer or other person who receives money shall deposit the money with the county treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the officer or person must deposit the money, without exception, on or before the fifth business day after the day on which the money is received. However, in a county with fewer than 50,000 inhabitants, the commissioners court may extend the period during which funds must be deposited with the county treasurer, but the period may not exceed 15 days after the date the funds are received.

(b) A county treasurer shall deposit the money received under Subsection (a) in the county depository in accordance with Section 116.113(a). In all cases, the treasurer shall deposit the money on or before the seventh business day after the date the treasurer receives the money.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 836, Sec. 1, eff. September 1, 2007.

Acts 2011, 82nd Leg., R.S., Ch. 606, Sec. 8, eff. September 1, 2011.

Suggested Template for Developing Procedures for Authorizing, Recording, and Reporting Transactions

All departments should have logical, consistent procedures that describe in detail the duties that must be performed, how they are to be performed, and who is to perform them. If personnel clearly understand what is expected of them, they will tend to do a better, more accurate job. Effective policies and procedures should lower the rate of loss and reduce the opportunities for fraud. This will only be accomplished if each person understands what he/she should be doing. Procedures should provide for:

- Use and control of pre-numbered forms;
- Cross-referencing of documents;
- Periodic reconciliation of subsidiary records to control total;
- Proper authorization of transaction;
- Safe guarding of assets;
- Appropriate flow of documents;
- Reasonable amount of checking work of others; and
- Bonding of all employees with access to cash and other valuables.

A good system provides for separation of duties and sound written procedures. It will not guarantee good internal control unless **the system is followed**. Operations and results must be monitored and evaluated to see if the system is working as it should (see Monitoring below).

Information and Communication

Appropriate information must be identified and communicated in a way and timeframe that enables others to properly carry out their responsibilities. Information should not just flow upward in any office and/or department. Departments should also provide needed information to staff so they can adequately perform their duties. Likewise, appropriate information needs to be shared among staff for effective and efficient job performance.

Office management should make it clear that internal control responsibilities are to be taken seriously. Everyone in the office needs to understand their role in the internal control system and how their work relates to the work of others in the office and the county.

Monitoring

Department operations need to be routinely monitored to determine if the internal control system is effective. There are two types of monitoring – ongoing monitoring and separate evaluations. Ongoing monitoring includes regular management supervisory activities, and staff activities. Separate evaluations include examinations and audits, whether conducted by department personnel, the County Auditor, or external auditors. How detailed and how often separate evaluation take place should depend on the effectiveness of ongoing monitoring and results of the risk assessment. Any audit finding should be promptly resolved.

There are also two basic types of controls – preventive and detective. Preventive controls attempt to stop something before it happens (e.g., computer passwords, separation of duties, and proper authorization of transactions). Detective controls attempt to find out if anything is wrong before it get any worse (e.g., reconciliations, audits) and stop it.



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08-09

August 6, 2013

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. James O'Neal, internal audit supervisor, dated August 6, 2013 is attached. This memorandum is a report on a review of your financial records for July 2012 through June 2013. Because of certain statutory duties required of the County Auditor, this office is not independent in regards 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. O'Neal.

If we can be of any further assistance, please let us know.

Sincerely,

Edward A. Dion
County Auditor


EAD:JO:ya

Attachment



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08-09

August 6, 2013

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. James O'Neal, internal audit supervisor, dated August 6, 2013 is attached. This memorandum is a report on a review of your financial records for July 2012 through June 2013. Because of certain statutory duties required of the County Auditor, this office is not independent in regards 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. O'Neal.

If we can be of any further assistance, please let us know.

Sincerely,

Edward A. Dion
County Auditor

EAD:JO:ya

Attachment



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08-10

MEMORANDUM

Edward A. Dion
TO: EDWARD A. DION, COUNTY AUDITOR
Teresa Molinar
THRU: TERESA MOLINAR, OPERATIONS MANAGER
James O'Neal
FROM: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR
DATE: AUGUST 6, 2013
SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 1,
FINANCIAL RECORDS FOR JULY 2012 THROUGH JUNE 2013

Overview

A review of the financial records for Justice of the Peace, Precinct Number 1, for July 2012 through June 2013 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 Odyssey, 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 August 1, 2013, 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 in accordance with *Local Government Code §113.022* and properly posted on the Financial Accounting Management Information System (FAMIS). No discrepancies were noted.
3. A sample of cases granted Driver Safety Course (DSC) was reviewed to verify that the certificate was received and documented to ensure proper disposition of the case.
4. A sample of cases granted deferred disposition was reviewed for supporting documentation and to ensure proper disposition of the case.
5. A sample of mail log payments was reviewed to ensure completeness of the log, cross-referenced to Odyssey, and verified that collections were deposited in a timely manner.
6. Previous memoranda were reviewed for implementation of prior recommendations.

General

1. **Observation:** While reviewing a sample of DSC cases, it was noted that several cases that are categorized as non-moving violations were granted DSC. According to *Code of Criminal Procedures §45.0511*, only a case involving a moving violation can be granted DSC. It was further noted that copies of the individual's driver's license and proof of insurance were not located in some of the case files.
Corrective Action/Recommendation: It is recommended that pursuant to *Code of Criminal Procedures §45.0511*, DSC be granted only on eligible cases and that copies of all proper documentation be placed in the case file.
2. **Observation:** While reviewing a sample of cases granted deferred disposition it was noted that some cases did not have the proper documentation on file. It was further noted that a few cases, which were granted extensions, did not have the proper signature or authorization by the judge.
Corrective Action/Recommendation: It is recommended that all cases requiring the judge's authorization have the required signatures and proper documentation.
3. **Observation:** It was noted that several payments received by mail were deposited after the fifth business day. Moreover, some of the payments were not recorded into the Odyssey system in a timely manner. Further, some entries in the mail log were incomplete.
Corrective Action/Recommendation: It is recommended that all payments received by mail be deposited and recorded into Odyssey in a timelier manner. Furthermore, it is recommended that all entries in the mail log be completed with all required information.

Summary

This review was designed to provide reasonable assurance that the internal control structure is adequate to prevent loss, theft, or misuse. 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 appears to be weak; however, it should be strengthened with the implementation of the above recommendations.

JO:ya



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08-05

August 20, 2013

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 Mr. Phillip Trevizo, internal auditor, dated August 20, 2013, is attached. This memorandum is a report on a review of your financial records for January 2013 through June 2013. 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. Trevizo.

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:PT:ya

Attachment




COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

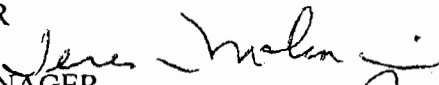
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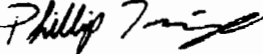
08-06

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

FROM: PHILLIP TREVIZO, INTERNAL AUDITOR 

DATE: AUGUST 20, 2013

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 6 PLACE 2,
FINANCIAL RECORDS FOR JANUARY 2013 THROUGH JUNE 2013

Overview

A review of the financial records for Justice of the Peace, Precinct Number 6 Place 2, for January 2013 through June 2013 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 Odyssey, 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 13, 2013, in accordance with *Local Government Code, Section 115.0035*. No discrepancies were noted.
2. All deposit slips were compared to daily balance reports and treasury records in order to ensure collections were deposited timely, in accordance with *Local Government Code, Section 113.022*, and properly posted in 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 deferred dispositions cases was reviewed for supporting documentation and completeness.

5. A sample of driver safety course cases was reviewed to verify that the certificate was received or the fine was paid.
6. Manual receipt books were reviewed to ensure their completeness and timely posting of payments to Odyssey. No discrepancies were noted.
7. A sample of the mail log payments was reviewed to ensure completeness of the log and that payments were posted to Odyssey in a timely manner. No discrepancies were noted.
8. The Judge's compliance with the Bond Requirements of *Government Code, Section 27.001* was reviewed. No discrepancies were noted.
9. Previous memoranda recommendations were reviewed for implementation.

General

1. Observation: While reviewing the deposit slips, daily balance reports, and treasury back-up, the following items were noted:
 - On January 30, 2013 there was a cashier shortage of \$40.00.
 - On February 11, 2013 there was a cashier shortage of \$8.00.
 - On April 10, 2013 there was a cashier shortage of \$8.00.
 - On April 29, 2013 there was a cashier shortage of \$20.00.Corrective Action/Recommendation: It is once again recommended that due care be exercised by staff when handling payments and entering data into Odyssey. Furthermore, it is also recommended that shortages and overages be monitored and immediately addressed by the Justice of the Peace. A copy of a County Attorney's opinion regarding cash shortages by County employees is attached. Also attached is a copy of *Local Government Code, §157.603 regarding indemnification by Commissioners Court for loss of County funds by County officials.*
2. Observation: While reviewing a sample of driver safety course cases, it was noted that four out of 39 cases, or 10 percent of cases sampled did not have a driver safety course certificate on file within the allotted time, and show cause hearing notices had not been mailed out to the defendants. The court was contacted about these cases and it was explained that the Judge allows defendants 30 days to bring the Driver Safety Course Certificate as long as the course was completed by the due date.
Corrective Action/Recommendation: It is recommended that an Event Review Report from Odyssey be reviewed once a week by employees to identify driver safety course cases that are non-compliant, and that a Show Cause Hearing Notice be mailed out to these defendants.
3. Observation: While reviewing a sample of deferred disposition cases, it was noted that three out of 29 cases, or 10 percent of cases sampled did not comply with the deferred disposition terms and the cases still showed a pending financial balance. Furthermore, two of 29 cases, or 6 percent of cases sampled were dismissed on the same day the deferred disposition was granted. Upon further inquiry, it was explained by the Court Coordinator that the cases were overlooked, and two of the non-compliant cases were issued a 10 Day Notice Letter, while one case was issued a Notice of Violation.

Corrective Action/Recommendation: It is recommended that employees run an Events Review Report from Odyssey to identify deferred disposition cases that are non-compliant, and that a show cause hearing notice be mailed out. Furthermore, it is recommended that supervisor review be performed on all dismissed cases to identify cases that have been dismissed in error.

Review of Past Memoranda

1. Observation: It was previously recommended to Justice of the Peace staff that they follow-up with cases referred to the County Clerks Collections Department and verify that payment plans have been set up. Moreover, it was recommended that appropriate action be taken in the event the defendant did not set up a payment plan. While reviewing cases referred to the County Clerks Collections Department during the audit period, it was noted that 22 percent of the cases did not set up a payment plan and they still had a pending balance.

Corrective Action/Recommendation: It is once again recommended that JP staff follow-up with cases referred to County Clerk Collections Department, and that appropriate action be taken when the defendant is non-compliant.

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.

PT:ya



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08-42

August 22, 2013

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

Dear Judge Teran:

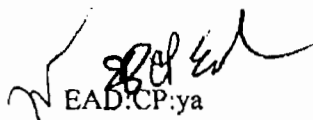
A copy of a memorandum from Mrs. Claudia Parra, internal auditor, dated August 22, 2013 is attached. This memorandum is a report on a review of your financial records for November 2011 through July 2013. Because of certain statutory duties required of the County Auditor, this office is not independent 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. Parra.

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:CP:ya

Attachment



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08-42

August 22, 2013

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. Claudia Parra, internal auditor, dated August 22, 2013 is attached. This memorandum is a report on a review of your financial records for November 2011 through July 2013. 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. Parra.

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:CP:ya

Attachment



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08-43

MEMORANDUM

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

Teresa Molinar
THRU: TERESA MOLINAR, OPERATIONS MANAGER

James O'Neal
THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR

Claudia Parra
FROM: CLAUDIA PARRA, INTERNAL AUDITOR

DATE: AUGUST 22, 2013

SUBJECT: A REVIEW OF THE JUSTICE OF THE PEACE, PRECINCT NUMBER 5,
FINANCIAL RECORDS FOR NOVEMBER 2011 THROUGH JULY 2013.

Overview

A review of the financial records for Justice of the Peace, Precinct Number 5, for November 2011 through July 2013 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 Odyssey and 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 July 30, 2013, in accordance with *Local Government Code, §115.003*. No discrepancies were noted.
2. A five percent sample, or 19 out of 386 deposit slips, was compared to daily balance reports and treasury records to verify that collections were deposited in accordance with *Local Government Code, §113.022* and to ensure proper posting to the Odyssey and the Financial Accounting Management Information System (FAMIS).
3. A five percent sample, or 19 out of 386 deposit slips, was reviewed for shortages or overages. No discrepancies were noted.

4. Manual receipts were reviewed to ensure completeness and were cross-referenced to Odyssey to verify proper transaction posting.
5. All sheriff collections were reviewed to verify disposition, proper posting of fees and the timeliness of posting in Odyssey.
6. Pending bonds were reviewed for proper disposition.

General

1. Observation: While reviewing the deposit slips, it was noted that two out of the 19 deposits reviewed were not deposited within the five working days pursuant to Rapid Deposit Law.
Corrective Action/Recommendation: It is recommended that deposits be made daily, if this deadline is missed, then deposits should be made on or before the fifth business day from when the funds were collected to be in compliance with *Local Government Code, §113.02*, copy attached.
2. Observation: While reviewing manual receipts for the criminal cases, it was noted that two out of the eight receipts reviewed were skipped and not voided. After reviewing manual receipts for the civil cases, seven out of 16 receipts had discrepancies. Payments for two receipts were not entered in Odyssey, two receipts were skipped, while three receipts did not reference a civil case number.
Corrective Action/Recommendation: It is recommended that receipts be issued consecutively, if skipped by mistake they should then be labeled as void after a supervisor's review. It is also recommended that the case number always be referenced on the manual receipt for traceability. It is further recommended that a supervisor review and verify that all receipts are recorded in Odyssey in a timely matter.
3. Observation: Sheriff's collections were reviewed for proper and timely posting in Odyssey with 15 discrepancies noted. The collections for 15 cases had not yet been reflected in Odyssey. One of the discrepancies involves a pending carryover item from the previous auditing period. Two of these collections resulted in the defendant later serving time without the payment ever being posted in Odyssey.
Corrective Action/Recommendation: It is recommended that the Sheriff's collections be recorded in Odyssey as soon as they are received and reviewed on a regular basis by the supervisor. It is further recommended that the necessary receipt information be requested from the Sheriff's Department for any pending cases so that they may be recorded as soon as possible. It is also recommended that a refund be processed and submitted for the collections not recorded in Odyssey, where the defendant has now served time.
4. Observation: While reviewing the pending bonds it was noted that there are numerous cases in need of additional action by the Justice of the Peace to clear the list of bond related cases. The action needed consists of a bond refund or a bond forfeiture request on behalf of the court.

EDWARD A. DION
AUGUST 22, 2013
PAGE 3

Corrective Action/Recommendation: It is recommended that the list of pending bond related cases be reviewed on a monthly basis to resolve, follow through and dispose the bonds in a timely manner. A list of the pending bonds is attached.

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 adequate, and should be strengthened with the implementation of the above mentioned recommendations.

CP:ya



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08-56

MEMORANDUM

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

THRU: TERESA MOLINAR, OPERATIONS MANAGER

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR *for [Signature]*

FROM: CLAUDIA PARRA, INTERNAL AUDITOR *Claudia Parra*

DATE: AUGUST 28, 2013

SUBJECT: REVIEW OF PRIMO'S CAFÉ & CATERING LOCATED AT ASCARATE PARK FOR APRIL 2011 THROUGH JULY 2013.

Overview

A review of the Primo's Café & Catering with Lumar Enterprise for April 2011 through July 2013 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 cash count was performed on April 24, 2013 in accordance with *Local Government Code, §115.0035*, with no material discrepancies noted.
2. All monthly commission payments were reviewed to ensure that they were made in accordance with the contract stipulations and properly posting in the Financial Accounting Management Information System (FAMIS).
3. Commission reports were compared to the Sales Tax reports to ensure that the revenue reported to the County and the State reconciled. No discrepancies were noted.

General

1. **Observation:** It was noted that 26 out of the 28 commission payments reviewed were not deposited in accordance with the contract stipulations which state that commission payments should be deposited within 10 business days of the end of each month. In numerous occasions, the Auditor's Office contacted Mr. Dominguez to inquire about the

EDWARD A. DION
AUGUST 29, 2013
PAGE 2

tardiness of the commission payment and to request that payment owed to the County be made immediately. A spreadsheet of the commission payments history is attached.

2. Corrective Action/Recommendation: As previously discussed in a meeting with Mr. Reynaldo Chavez, Park Manager and Mr. Ernesto Carrizal, Public Works Director which was held on July 10, 2013, Mr. Chavez will monitor the commission payments to ensure that they are made in a timely manner and in compliance with the contract stipulations. If failure to comply with the contract stipulations continues, Mr. Chavez should then take corrective action by communicating the situation to Commissioners Court to then discuss and determine the continuance of the contract with Primo's Café & Catering.
3. Observation: Commission payments were traced and reviewed to ensure that they were properly posted in FAMIS, with no discrepancies noted.

Summary

Based on this review, Lumar Enterprise is not in compliance with the contract.

CP:ya

Date	Reported to the State	Net Sales	Tax	Gross Sales	From Primo's Commissions	In FAMIS Commissions	Due Date	Date of Deposit	# of late days	Noncompliance w/contract	Notes
Aug - 2011	\$27,140.00	\$27,140.40	\$1,895.29	\$24,868.55	\$4,594.65	\$4,594.65	5/13/2011	5/11/2011		X	
Sept - 2011	\$24,663.00	\$24,662.82	\$2,034.68	\$26,697.50	\$4,932.56	\$4,932.56	10/14/2011	10/28/2011		X	
Oct - 2011	\$23,408.00	\$23,407.85	\$1,931.15	\$25,339.00	\$4,681.57	\$4,681.57	11/14/2011	1/12/2012		X	
Nov - 2011	\$18,493.00	\$18,492.61	\$1,525.64	\$20,018.25	\$3,688.52	\$3,688.52	12/14/2011	2/21/2012		X	
Dec - 2011	\$14,297.00	\$14,297.23	\$1,179.52	\$15,476.75	\$2,859.45	\$2,859.45	1/13/2012	3/2/2012		X	
Jan - 2012	\$20,607.00	\$20,606.93	\$1,700.07	\$22,307.00	\$4,121.39	\$4,121.39	2/14/2012	4/2/2012	-48	X	
Feb - 2012	\$18,554.00	\$18,554.27	\$1,530.73	\$20,085.00	\$3,710.85	\$3,710.85	3/14/2012	4/27/2012	-44	X	
March - 2012	\$23,081.00	\$23,080.83	\$2,985.00	\$24,965.83	\$4,616.17	\$4,616.17	4/13/2012	5/7/2012	-24	X	
April - 2012	\$21,548.00	\$21,548.04	\$1,777.71	\$23,325.75	\$4,309.61	\$4,309.61	5/14/2012	5/22/2012	-8	X	
May - 2012	\$26,066.00	\$26,065.82	\$2,150.43	\$28,216.25	\$5,213.16	\$5,213.16	6/14/2012	7/20/2012	-36	X	
June - 2012	\$30,411.00	\$30,411.32	\$2,508.93	\$32,920.25	\$6,082.26	\$6,082.26	7/13/2012	8/2/2012	-20	X	
July - 2012	\$29,808.00	\$29,807.85	\$2,459.15	\$32,267.00	\$5,961.57	\$5,961.57	8/14/2012	9/5/2012	-22	X	
Aug - 2012	\$28,031.00	\$28,030.72	\$2,312.53	\$30,343.25	\$5,606.14	\$5,606.14	9/14/2012	4/5/2013	-203	X	
Sept - 2012	\$23,226.00	\$23,226.10	\$1,916.15	\$25,142.25	\$4,645.22	\$4,645.22	10/12/2012	4/25/2013	-195	X	
Oct - 2012	\$23,794.00	\$23,794.00	\$1,963.00	\$25,757.00	\$4,758.80	\$4,758.80	11/14/2012	5/28/2013	-195	X	
Nov - 2012	\$19,636.00	\$19,636.26	\$1,619.99	\$21,256.25	\$3,927.25	\$3,927.25	12/14/2012	6/2/2013	-180	X	
Dec - 2012	\$18,051.00	\$18,050.58	\$1,489.17	\$19,539.75	\$3,610.12	\$3,610.12	1/14/2013	6/12/13	-149	X	
Jan - 2013	\$16,488.00	\$16,487.76	\$1,360.24	\$17,848.00	\$3,297.55	\$3,297.55	2/14/2013	6/12/13	-118	X	
Feb - 2013	\$19,041.00	\$19,040.88	\$1,570.87	\$20,611.75	\$3,808.18	\$3,808.18	3/14/2013	6/12/13	-90	X	
March - 2013	\$22,892.00	\$22,891.92	\$1,888.58	\$24,780.50	\$4,578.38	\$4,578.38	4/12/2013	6/12/13	-61	X	
April - 2013	\$24,927.00	\$24,926.56	\$2,056.44	\$26,983.00	\$4,985.31	\$4,985.31	5/14/2013	6/12/13	-29	X	
May - 2013	\$24,884.00	\$24,884.30	\$2,052.95	\$26,937.25	\$4,976.86	\$4,976.86	6/14/2013	6/25/2013	-11	X	
June - 2013	\$27,725.00	\$27,725.40	\$2,287.35	\$30,012.75	\$5,545.08	\$5,545.08	7/12/2013	7/22/2013	-10	X	
July - 2013	\$27,518.00	\$27,518.24	\$2,270.25	\$29,788.50	\$5,503.65	\$5,503.65	8/14/2013	8/22/2013	-8	X	

Missing Primo's breakdown, Used posting in FAMIS and Sales Tax repo determine commissions amount

Missing Primo's breakdown, Used RecWare receipt to determine commissions owed - \$4,976.86

Concessionaire shall submit a statement of sales each month to the County by the 10 day of the next month.
 X - Represents deposits that where not deposited within the 10 days after the end of the next month, allotted by the contract.



COUNTY OF EL PASO
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08-47

August 28, 2013

The Honorable Barbara Perez
Justice of the Peace, Precinct Number 4
1840 Lee Trevino, Suite 109
El Paso, Texas 79936

Dear Judge Perez:

A copy of a memorandum from Ms. Linda Hemme, internal auditor, dated August 28, 2013, is attached. This memorandum is a report on a review of your financial records for May 2012 through July 2013. 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. Linda 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



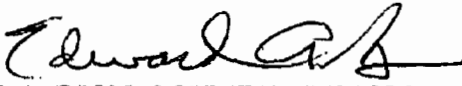
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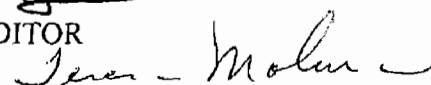
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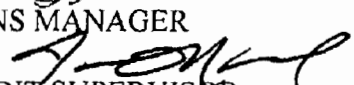
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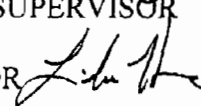
08-48

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

FROM: LINDA HEMME, INTERNAL AUDITOR 

DATE: AUGUST 28, 2013

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 4,
FINANICAL RECORDS FROM MAY 2012 THROUGH JULY 2013

Overview

A review of the financial records for the Justice of the Peace, Precinct Number 4, from May 2012 through July 2013 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) and Odyssey, are a recapitulation of all transactions that occurred during each month.

Scope and Purpose

The scope and purpose consisted of:

1. An onsite review of the Justice of the Peace office was conducted on July 29, 2013 to ensure that proper controls are being followed. No discrepancies were noted.
2. A surprise cash count was performed on July 29, 2013, in accordance with the *Texas Local Government Code, §115.0035*. No discrepancies were noted.
3. All daily 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*. Further, all collections were reviewed for proper posting on the Financial Accounting Management Information System (FAMIS). No discrepancies were noted.

4. Daily Balance reports were reviewed for excessive out of balance conditions. Minor discrepancies were noted.
5. The Sheriff's Justice of the Peace collections were reviewed to ensure that the payments were posted promptly and accurately in Odyssey. No discrepancies were noted.
6. Outstanding bonds were reviewed to ensure that cases are being resolved in a timely manner.
7. A sample of 123 cases or 5 percent, out of 2,422 cases with a dismissed disposition, was reviewed to ensure supporting documentation was present.
8. A sample of 33 cases or 6 percent, out of 624 deferred disposition cases with Driver's Safety Course granted were reviewed to ensure that the course was completed and proof submitted to the court. No discrepancies were noted.
9. A sample of the mailed in payments was reviewed to ensure completeness of the mail log and that payments were posted to Odyssey in a timely manner.
10. Deleted cases were reviewed to ensure that there were proper valid reasons for deleting the cases.

General

1. Observation: The December 2012 Outstanding Bond Schedule was submitted to the Justice of the Peace court for research. The Justice of the Peace staff cleared most of the old bond cases that were pending to be disposed.
2. Observation: While reviewing the outstanding bonds, it was noted that two bonds were posted as fines and court costs and not reflected in the Cash Bond Schedule. The bonds were originally received in May 2013 but erroneously posted to fines and court costs. The Justice of the Peace staff corrected one of the cases in July 2013. The second case is still pending to be corrected.
Recommendation/correction: The County Auditor's Office contacted the Information Technology Department (ITD) to inquire about these two cases. ITD is researching these two cases.
3. Observation: While reviewing a sample of dismissed cases, the following was noted:
 - One case had a Judge's order for the defendant to pay court costs of \$597.00 at the date of the order which was May 14, 2013. As of the date of this memorandum, no payment had been made.
 - Two cases did not indicate the Judge's final judgment in the Judge's Trial Notes.
 - Two cases did not have the Judge's Trial Notes scanned in the case file.
 - two cases did not have the Assistant District Attorney's (ADA) signature on the Judge's Trial Notes. These notes should have been signed by the ADA since a motion to dismiss was made by the ADA.

Recommendation/Corrective Action: Justice of the Peace Precinct No. 4, recently started transmitting cases with unpaid balances to Delgado, Acosta, Spencer, Linebarger, & Perez, LLP. According to the Justice of the Peace, the collection efforts made by the law firm will help ensure that these types of cases will be paid. Furthermore, it is recommended that the Judge and the ADA exercise due care to ensure that the Judge's Trial Notes indicate the final judgment and is signed by the ADA when required. Also, due to being short staffed, the court is backed logged on filing and scanning of documents, but is working on catching up.

4. Observation: While reviewing a sample of mailed in payments, the following was noted:
- Of the sampled mail payments, there was one instance where a partial payment was received and not posted to the case. Instead, the clerk returned the payment to the sender.
 - There were many instances where the clerk opening the mail was the same clerk posting the payments to the cases.
 - There were many instances where the case numbers were not indicated in the log for each payment received. This made it difficult to verify that the payments were posted to the cases.

Recommendation/Corrective Action: Odyssey is capable of posting partial payments. Therefore, this payment should have been posted to the case. This employee has since been terminated for not following office procedures. It is recommended that there be segregation of duties to help ensure the safeguarding of assets; two different clerks should be opening the mail and posting the payments to the cases. Furthermore, the mail log should include a separate column in order to cross reference the case number.

5. Observation: A Deleted Cases Report was generated from Odyssey so that the validity of deleted cases could be reviewed. This report consisted of a total of 12 deleted cases. Three cases were test cases. Three cases were deleted by ITD staff; and six cases were deleted by Justice of the Peace, Precinct No. 4 staff. Neither the Justice of the Peace nor the County Auditor's Office has access to view deleted cases. Upon further research, the Justice of the Peace was able to determine that two of the six deleted cases were deleted because the original case was created with an incorrect case type.

Recommendation/Corrective Action: The County Auditor's Office submitted a request to Tyler and ITD help desk to gain access to view deleted cases. As of the date of this memorandum, access has not been provided.

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 4, appears to be adequate and should be further strengthened by implementing the above-mentioned recommendations.

LH:ya



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08-53

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August 28, 2013

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 Ms. Bertha Tafoya, internal auditor, dated August 28, 2013 is attached. This memorandum is a report on a review of your financial records for July 2011 through July 2013. 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.

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

Very truly yours,

Edward A. Dion
County Auditor


EAD:BT:ya

Attachment




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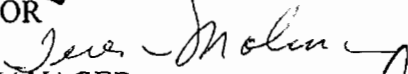
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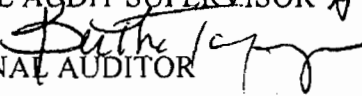
08-54

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

FROM: BERTHA TAFOYA, INTERNAL AUDITOR 

DATE: AUGUST 28, 2013

SUBJECT: REVIEW OF THE JUVENILE PROBATION DEPARTMENT FOR JULY 2011 THROUGH JULY 2013

Overview

A review of the Juvenile Probation Department's (JPD) financial records for July 2011 through July 2013 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 30, 2013, in accordance with the *Texas Local Government Code, §115.0035*. No discrepancies were noted.
2. A sample of restitution payments was reviewed to ensure completeness.
3. Manual and daily receipts were reviewed for completeness and accountability. No discrepancies were noted.
4. All Daily Fee Summary Reports were compared to the deposit slips, the monthly reconciliations, and the Financial Management Information System (FAMIS) to ensure that all collections had been accounted for correctly. No discrepancies were noted.

5. Payments received by mail were reviewed to ensure proper controls were in effect and that payments were deposited in accordance with the *Texas Local Government Code*, §113.02. No discrepancies were noted.
6. All payment requests were reviewed to ensure proper accountability in the CaseWorker Management System.
7. Previous memoranda were reviewed for implementation of prior recommendations.

General

1. Observation: While processing payment requests, it was noted that although a victim was not involved, the verbiage on the “due to others” order indicated the refund was to be issued for restitution. Upon inquiry, Mr. Albert Mendez III, financial services manager, took the necessary steps to update the template which reflects the removal of the word “restitution”.
Corrective Action/Recommendation: It is recommended that management review all templates to ensure that the verbiage on the forms corresponds with the type of disbursement being made.
2. Observation: While reviewing restitution to the victim checks, it was noted that the treasury division of the County Auditor’s Office regularly voids restitution checks because these are returned by the postmaster undelivered. Upon inquiry, this office was informed that restitution checks were being mailed without first verifying the victim’s address. Pursuant to *Family Code*, §54.0482(f), and County Attorney’s opinion Mr. Mendez indicated that every effort will be made to ensure that the victim’s address is verified and that restitution payments will be sent only if the victim claims the funds.
Corrective Action/Recommendation: It is recommended that management ensure that accurate records for all restitution payments received but not disbursed be maintained. Furthermore, it is recommended that a record of all notifications and certified letters sent to victims that are returned undelivered be maintained.

Review of Previous Memoranda

1. Observation: Previously, this office was informed that that the existing restitution policies and procedures would be updated after CaseWorker was replaced with the Juvenile Case Management System (JCMS). Ms. Lorena Heredia, deputy chief of finance and operations, and Mr. Mendez indicated that numerous operational issues have arisen in other counties where JCMS has been implemented. Therefore, implementation of JCMS for the County of El Paso will be delayed until further notice
Corrective Action/Recommendation: It was recommended that this office be provided with updates as they become available.

EDWARD A. DION
AUGUST 28, 2013
PAGE 3

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.

BT:ya



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09-19

September 13, 2013

The Honorable Ruben Lujan
Justice of the Peace, Precinct Number 6 Place 1
P.O. Box 597
Clint, Texas 79836

Dear Judge Lujan:

A copy of a memorandum from Mr. Phillip Trevizo, internal auditor, dated September 13, 2013, is attached. This memorandum is a report on a review of your financial records for September 2010 through July 2013. 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. Trevizo.

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:PT:ya

Attachment



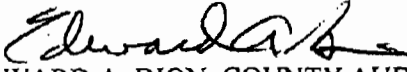
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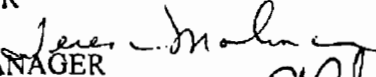
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09-20

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

FROM: PHILLIP TREVIZO, INTERNAL AUDITOR 

DATE: SEPTEMBER 13, 2013

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 6 PLACE 1,
FINANCIAL RECORDS FOR SEPTEMBER 2010 THROUGH JULY 2013

Overview

A review of the financial records for Justice of the Peace, Precinct Number 6 Place 1, for September 2010 through July 2013 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 Odyssey, 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 July 25, 2013, in accordance with *Local Government Code Section 115.0035*. No discrepancies were noted.
2. All deposit slips were compared to daily balance reports and treasury records in order to ensure collections were deposited timely, in accordance with *Local Government Code Section 113.022*, and properly posted in the Financial Accounting Management Information System (FAMIS).
3. A sample of deferred disposition cases was reviewed for supporting documentation and completeness.
4. Manual receipt books were reviewed to ensure their completeness and timely posting of payments to Odyssey. No discrepancies noted.

5. A sample of the mail log payments was reviewed to ensure completeness of the log and that payments were posted to Odyssey in a timely manner. No discrepancies were noted.
6. The Judge's compliance with the Education Requirements of *Government Code, Section 27.005* was reviewed. No discrepancies were noted.
7. Previous memoranda recommendations were reviewed for implementation.

General

1. **Observation:** While reviewing the deposit slips, daily balance reports, and treasury back-up, there were 74 instances of overages and shortages which amounted to an overall net shortage of \$42.74, as reflected on the attached worksheet. Upon inquiry, it was explained by the court coordinator that overages and shortages are monitored daily and disciplinary action is taken for material amounts. Furthermore, the Justice of the Peace is also made aware of overages and shortages by the court coordinator.

Corrective Action/Recommendation: It is recommended that due care be exercised by staff when accepting payments and entering data into Odyssey. Furthermore, it is also recommended that shortages and overages continue to be monitored and immediately addressed by the court coordinator.

2. **Observation:** While reviewing a sample of deferred disposition cases the following was noted:

- 43 out of 75 cases, or 57 percent of cases sampled had a future dated disposition status.
- Three out of 75 cases, or 4 percent of cases sampled had a back dated disposition status.
- Two out of 75 cases, or 3 percent of cases sampled were dismissed before the deferred disposition term ended.
- 12 out of 75 cases, or 16 percent of cases sampled had fees reduced with a credit which is normally used for community service or jail time credit, instead of having the fees reduced through the adjustment till.
- 7 out of 75 cases, or 9 percent of cases sampled had the statutory court cost reduced instead of the county fine when applying payment for the special expense fee.

Upon inquiry, it was explained by the court coordinator that future and back dated dispositions have been addressed with employees, and she is currently the only one reviewing and updating the disposition status on all deferred disposition cases. It was also explained that the employee who incorrectly reduced the statutory court cost instead of the county fine while applying payment for the special expense fee is no longer working for the county. Furthermore, she stated that employees have been made aware that fee adjustments should be reduced through the adjustment till. It was also explained by the court coordinator that most of the discrepancies occurred after the implementation of Odyssey and it was observed during the audit that most findings diminished during the later part of the audit period.

EDWARD A. DION
SEPTEMBER 13, 2013
PAGE 3

Corrective Action/Recommendation: It is recommended that the court coordinator keep reviewing and updating the disposition status on all deferred disposition cases. Furthermore, it is recommended that disposition status dates are not back or forward dated while disposing of a case in Odyssey. It is also recommended that staff review and ensure that all deferred disposition conditions are met while disposing of a case.

Review of Past Memoranda

1. Observation: It was previously recommended to Justice of the Peace staff that supervisory review be performed on the mail log to ensure that all payments are accounted for. This recommendation has been implemented and was confirmed while reviewing the mail log.

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 appears to be adequate, and should be strengthened with the implementation of the above mentioned recommendations.

PT:ya

JP6-1
Daily Balance Worksheet
Objective: Identify Cashier Overages and Shortages

Date	Overage/(Shortage)
10/4/2010	18.00
10/6/2010	(1.00)
10/12/2010	0.05
10/20-21/10	(0.20)
11/15/2010	7.00
11/16/2010	10.00
11/22/2010	(5.00)
12/8/2010	1.00
12/9/2010	5.00
1/3/2011	(5.00)
1/4/2011	(0.10)
1/10/2011	0.10
1/25/2011	0.80
1/27/2011	0.55
1/31/2011	(0.45)
2/1/2011	0.80
2/8/2011	(10.30)
2/15/2011	0.30
2/17/2011	(50.00)
3/7/2011	7.00
3/10/2011	(0.75)
3/23/2011	2.00
4/19/2011	(10.00)
5/3/2011	9.00
5/4/2011	1.00
5/10/2011	10.00
5/17/2011	0.10
5/18/2011	1.00
5/24/2011	2.00
6/13/2011	0.06
7/7/2011	0.10
7/18/2011	11.00
7/20/2011	0.80
8/1/2011	3.00
8/4/2011	2.00
8/9/2011	(0.05)
8/10/2011	0.60
8/29/2011	(0.10)
8/30/2011	9.90
8/31/2011	0.10
9/6/2011	1.00
9/14/2011	(5.00)
9/27/2011	(10.00)
10/6/2011	0.05
10/11/2011	(0.05)
10/26/2011	(10.00)
10/27/2011	(20.00)
10/31/2011	0.40
12/7/2011	0.95
12/9/2011	1.00
1/25/2012	10.00
2/21/2012	(1.00)
2/27/2012	(0.10)
2/28/2012	(15.00)
3/3/2012	(0.20)
3/6/2012	1.00
3/12/2012	(1.00)
3/13/2012	1.00
3/23/2012	0.05
7/30/2012	1.00



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

09-36

September 26, 2013

The Honorable Veronica Escobar, County Judge
and County Commissioners
County of El Paso
Room 301, County Courthouse Building
500 East San Antonio
El Paso, Texas 79901

Dear County Judge and County Commissioners:

A copy of a memorandum from Mr. James O'Neal, internal audit supervisor, and Mr. Phillip Trevizo, internal auditor, dated September 26, 2013, is attached. This memorandum is a report on a review of Life Ambulance Service, Inc. as it relates to emergency transport services provided in the areas outside the city limits of El Paso County. I concur with the recommendations made by Mr. O'Neal and Mr. Trevizo.

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

Very truly yours,

Edward A. Dion
County Auditor

EAD:JO:PT:ya

Attachment

cc: Mr. Michael Martinez, Contract Administration Manager
Mr. Howard Enloe, CEO, Life Ambulance




COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

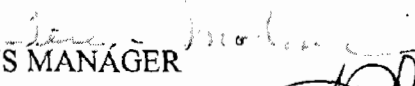
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09-37

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU: TERESA MOLINAR, OPERATIONS MANAGER 

FROM:  JAMES O' NEAL, INTERNAL AUDIT SUPERVISOR 
PHILLIP TREVIZO, INTERNAL AUDITOR 

DATE: SEPTEMBER 26, 2013

SUBJECT: REVIEW OF LIFE AMBULANCE SERVICE, INC. RECORDS THRU JULY 2013

Overview

An on-site review of Life Ambulance Service, Inc., as provider of full time emergency ambulance services to unincorporated and incorporated areas of El Paso County, has been completed through July 2013. The objective of this review consisted of reviewing Life Ambulance Service, Inc. operations as it pertains to emergency service calls in unincorporated and incorporated areas of El Paso County outside the City of El Paso.

Scope and Purpose

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

1. Data was collected from October 2011 through July 2013 to compile a monthly breakdown of emergency calls, cancellations/no transports, and total transports for the audit period.
2. Data was collected to provide an analysis of service calls in the incorporated areas of El Paso County.
3. Data was compiled to provide a history of response times for emergency service calls in El Paso County.
4. A sample of emergency transports was analyzed to identify the average cost per run.
5. A review of financial statements for Life Ambulance Service, Inc was performed

General

1. Observation: While compiling data to provide a monthly break-down of emergency calls, cancellations/no transports, and total transports for the audit period, it was noted that Life Ambulance responded to 17,277 calls, of which 6,581, or 38 percent were cancellations/no transports and 10,696, or 62 percent were total transports/emergency calls.

2. Observation: While compiling the number of service calls; these calls were broken down into the unincorporated and incorporated areas for each of the 5 stations. See attached worksheets. The largest number of incorporated calls came from the Socorro station with a total number of 4,043 calls between October 2011 and July 2013. The second largest number of incorporated calls came from the Horizon station with a total number of 1,099 calls. However, Horizon had the largest number of unincorporated calls for a total of 2,527 calls.
Corrective Action/Recommendation: It is recommended that the County of El Paso discuss the possibility of an interlocal agreement with the cities of Horizon and Socorro to share in the monthly contractual payment of \$33,921.

3. Observation: While compiling and reviewing the average fractile response time reports, it was determined that the Life Ambulance average response times fall between the contractual response times for all 5 stations.

4. Observation: A sample of daily charges were compiled and then averaged out over the number of runs or service calls per day. The average cost per run was determined to be \$484.03 which falls below the industry average range of \$600 to \$800.

5. Observation: While reviewing the financial statements for Life Ambulance it was noted that 60 percent of allocated expenses consisted of personnel and 40 percent of allocated expenses consisted of operating expenditures. Furthermore, while conducting an analysis of revenue, it was noted that private pay consisted of 40 percent of the company billings; however, it only consisted of 4.5 percent of actual revenue received.

Summary

This review was designed to provide reasonable assurance that emergency ambulance services are being provided to the unincorporated and incorporated areas of El Paso County by Life Ambulance, Inc. per the contractual agreement. Based on this review, Life Ambulance appears to be in compliance of its contractual agreement to provide emergency ambulance services to the County of El Paso.

JO:PT:ya

Life Ambulance Service Calls Socorro

Month	Unincorporated Calls	Unincorporated Canceled Calls	Incorporated Calls	Incorporated Canceled Calls
Ocotober 2011	0	0	166	23
November 2011	0	0	137	19
December 2011	0	0	162	17
January 2012	0	0	193	18
February 2012	0	0	160	13
March 2012	0	0	221	20
April 2012	0	0	182	28
May 2012	0	0	199	28
June 2012	0	0	235	31
July 2012	0	0	194	33
August 2012	0	0	183	16
September 2012	0	0	178	15
October 2012	0	0	175	22
November 2012	0	0	162	18
December 2012	0	0	206	27
January 2013	0	0	195	28
February 2013	0	0	166	25
March 2013	0	0	188	21
April 2013	0	0	199	24
May 2013	0	0	173	16
June 2013	0	0	177	24
July 2013	0	0	192	24
	0	0	4,043	490

Life Ambulance Service Calls Anthony

Month	Unincorporated Calls	Unincorporated Canceled Calls	Incorporated Calls	Incorporated Canceled Calls
Ocotober 2011	0	0	24	5
November 2011	0	0	22	2
December 2011	0	0	35	7
January 2012	0	0	28	3
February 2012	0	0	35	9
March 2012	0	0	41	5
April 2012	0	0	46	4
May 2012	0	0	36	11
June 2012	0	0	47	6
July 2012	0	0	43	8
August 2012	0	0	40	5
September 2012	0	0	37	5
October 2012	0	0	38	3
November 2012	0	0	27	4
December 2012	0	0	26	2
January 2013	0	0	44	3
February 2013	0	0	30	3
March 2013	0	0	39	7
April 2013	0	0	41	7
May 2013	0	0	52	7
June 2013	0	0	36	5
July 2013	0	0	44	4
	0	0	811	115

Life Ambulance Service Calls Vinton/Westway

Month	Unincorporated Calls	Unincorporated Canceled Calls	Incorporated Calls	Incorporated Canceled Calls
Ocotober 2011	7	4	3	1
November 2011	8	1	4	1
December 2011	14	2	6	0
January 2012	21	3	3	0
February 2012	11	2	6	0
March 2012	16	0	10	2
April 2012	13	2	6	2
May 2012	20	1	3	1
June 2012	7	2	5	0
July 2012	11	0	2	0
August 2012	7	1	10	2
September 2012	9	1	3	0
October 2012	10	3	4	0
November 2012	10	0	5	1
December 2012	16	2	2	0
January 2013	8	2	8	2
February 2013	10	2	3	0
March 2013	10	1	3	0
April 2013	13	4	6	0
May 2013	5	0	4	1
June 2013	10	2	5	2
July 2013	9	0	2	0
	245	35	103	15

Life Ambulance Service Calls Horizon

Month	Unincorporated Calls	Unincorporated Canceled Calls	Incorporated Calls	Incorporated Canceled Calls
Ocotober 2011	102	8	39	5
November 2011	122	19	43	8
December 2011	94	15	50	8
January 2012	105	5	61	6
February 2012	81	12	48	4
March 2012	120	21	54	8
April 2012	118	16	53	3
May 2012	104	12	51	9
June 2012	100	11	63	7
July 2012	126	17	40	7
August 2012	113	18	46	4
September 2012	137	12	39	4
October 2012	117	10	38	2
November 2012	112	15	50	6
December 2012	121	16	50	2
January 2013	109	7	53	1
February 2013	111	13	54	3
March 2013	121	15	58	7
April 2013	125	15	53	7
May 2013	146	16	59	5
June 2013	128	15	54	6
July 2013	115	15	43	3
	2,527	303	1,099	115

Life Ambulance Service Calls Clint

Month	Unincorporated Calls	Unincorporated Canceled Calls	Incorporated Calls	Incorporated Canceled Calls
Ocotober 2011	14	1	17	4
November 2011	21	0	5	1
December 2011	11	4	0	0
January 2012	16	1	6	0
February 2012	21	2	5	0
March 2012	9	0	16	0
April 2012	10	2	9	2
May 2012	18	2	4	0
June 2012	16	1	3	0
July 2012	18	1	5	0
August 2012	14	1	17	1
September 2012	23	1	14	1
October 2012	9	0	13	0
November 2012	20	3	5	0
December 2012	20	2	5	0
January 2013	18	2	3	0
February 2013	20	3	15	3
March 2013	28	10	17	3
April 2013	20	2	12	4
May 2013	16	2	5	0
June 2013	16	2	7	2
July 2013	22	1	5	0
	380	43	188	21



COUNTY OF EL PASO
Domestic Relations Office

Jim Fashing
Executive Director

500 E. SAN ANTONIO • RM. LL-108
EL PASO, TX 79901
☎ (915) 834-8200 ☎ (915) 834-8299
www.epcounty.com/dro

Ouisa D. Davis, Chief – Friend of Court Division
Edna Telles, Chief – Family Court Services Division
Amy Serna, Chief – Child Support Monitoring Division
Flor Galvan, Office Manager

June 13, 2013

Mr. Edward A. Dion
County Auditor
800 East Overland Street, Rm. 406
El Paso, Texas 79901

Dear Mr. Dion,

This letter is to acknowledge receipt of your REVIEW OF THE DOMESTIC RELATIONS OFFICE FINANCIAL RECORDS FOR OCTOBER 2012 THROUGH APRIL 2013 dated June 7, 2013.

As requested, please note our response to your recommendations.

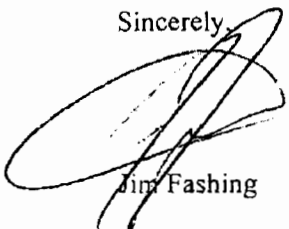
Recommendation 1: The issue of due care will be presented to those staff members responsible for preparing deposits. We recognize the importance of accuracy in this and all activities performed by the DRO and this issue will be covered with the staff this week.

Recommendation 2: This issue of timely posting of web transaction will be presented to ITD. We have already requested that these reports be made available to us in the morning as opposed to late in the afternoon. Also, it is not uncommon for them to wait and send 2 or 3 days worth at one time. We will make them aware of this issue and our staff will act accordingly.

Recommendation 3: While noting that all good-faith efforts were made to remedy this situation, we will ensure that the first priority is for all fees to be deposited on or before the next regular business day in accordance with Local Government Code §113.022 Time for Making Deposits. Furthermore, we appreciate you providing us with a copy of this code – we will make it available to paybox staff and post it in the paybox for purposes of a standing notice.

Mr. Dion, we greatly appreciate the opportunity you continually give us to improve our service and performance. Please never hesitate to contact me if we can ever be of service to you or your staff.

Sincerely,



Jim Fashing

MAY 14 2013

EL PASO COUNTY SHERIFF'S OFFICE

Richard D. Wiles, Sheriff
Sylvia Aguilar, Executive Chief Deputy
3850 Justice Drive
El Paso, Texas 79938
Email: epsheriff@epcounty.com



We Serve with Pride

Administration
3850 Justice Drive
El Paso, Texas 79938
915-538-2217
915-538-2028 fax

Job Line 915-546-2286

Region VIII Training Academy
12501 Montana Avenue
El Paso, Texas 79938
915-856-4850
915-856-4883 fax

Criminal Investigations Bureau
3850 Justice Drive
El Paso, Texas 79938
915-538-2291
915-538-2148 fax

Detention Bureau
Downtown Detention Facility
601 East Overland
El Paso, Texas 79901
915-546-2228
915-543-3810 fax

Jail Annex Bureau
12501 Montana Avenue
El Paso, Texas 79938
915-856-4200
915-856-4849 fax

Patrol Division Bureau
Traffic Division
3850 Justice Drive
El Paso, Texas 79938
915-538-2210
915-538-2212 fax

Montana Station
12501 Montana Avenue
El Paso, Texas 79938
915-856-4875
915-856-4896 fax

Vinton Station
436 East Vinton
Vinton, Texas 79838
915-886-2724
915-886-3109 fax

Special Operations Bureau
6825 Cielo Vista Drive, Box 4
El Paso, Texas 79925

Metro Narcotics Task Force
915-772-8865
915-775-0369 fax

HIDTA Enterprise Task Force
915-832-6011
915-832-6356 fax

Volunteer Program
3850 Justice Drive
El Paso, Texas 79938
915-538-2117
915-538-2028 fax

Emergency 911
Non-Emergency 546-2286

July 30, 2013

To: Edward A. Dion,
County Auditor

RECEIVED
AUG 05 2013

This letter is in response to the Audit contacted by Linda Hemme, Internal Auditor concerning the Fixed Assets purchased with Federal Forfeiture Funds.

Observation 1.

The Electric Automobile was transferred to the Elections Department but there was no record with the Purchasing Department. Since the Transfer the Elections Department has made costly repairs and upgrades to this Automobile. As quoted by the Department of Justice, the expenses incurred by the recipient agency to make the electric car operable exceeded its value, thus negating any proceeds. Therefore, based on the age and condition of the car, the recipient agency does not need to reimburse the El Paso County Sheriff's Office for the car.

← sIB County Clerk's Office

Observation 2.

Unit #0719 was purchased from the Sheriff's Justice Forfeiture Funds in July 2007. The vehicle was totaled in an accident and the Insurance Company paid the Sheriff's Office \$11,861.86. The monies were deposited into the Sheriff's Justice Forfeiture Account on 1/20/2009. The Unit was removed from the Sheriff's Inventory in 2009.

Observation 3.

2 items were moved by the ITD Section to the County. These items were unserviceable and replaced by the ITD Section without alerting the Sheriff's Budget Operations Section. The WiFi Controller was replaced by the Vendor at no charge and has been tagged for inventory. The Disc Array System was sent by ITD to the County for Disposal.

Thank you,
R. Lucille Samuel
Budget Operations Manager



First Tri-Arc Accredited Sheriff's Office in the World
First Nationally Accredited Sheriff's Office in Texas
First Two Nationally Accredited County Jails in Texas





Victor A. Flores, R.T.C.
COUNTY TAX ASSESSOR COLLECTOR
COUNTY OF EL PASO
500 E. Overland Ave., Suite 101
El Paso, Texas 79901
OFFICE: (915) 546-2097
FAX: (915) 543-3838

April 16, 2013

Mr. Edward A. Dion, CPA, CIO
County Auditor
800 East Overland, Room 406
EL Paso, TX 79901

Dear Mr. Dion:

This letter serves as the written response to the recommendations made by your office as related to the review of the financial records for the El Paso County Tax Assessor Collector's Office pertaining to the Licensing Division from August 2012 through January 2013.

1. **Corrective Action/Recommendation:** It is recommended that deposit and disbursement totals be compared to the check register worksheet as part of the bank reconciliation process. Moreover, supervisor approval should be performed on a monthly basis.

Response: Deposit and disbursement totals are compared to the check register worksheet as part of the bank reconciliation process. Manager approval is performed on a monthly basis.

2. **Corrective Action/Recommendation:** It is recommended that the business name for which the payment is being made be included in the description

Response: Both the sender's name and the business name are recorded in the special mail log.

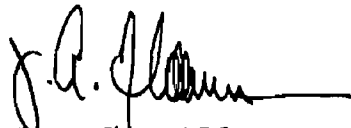
3. **Corrective Action/Recommendation:** It is recommended that The Tax Office contact the County Attorney's office to inquire about any possible legal action against the hotel for unpaid Hotel Occupancy Tax Reports. Also, it is further recommended that in the future the Tax Office Enforcement Division make personal contact with the hotels that become delinquent in their quarterly Hotel Occupancy Tax Reports.

Response: The Tax Office is highly interested in implementing best practices. The system employed at the current time is reasonable considering the human capital resources of the Tax Office. The Tax Office is uncertain as to the jurisdiction of the enforcement personnel and is not certain they are available to use in the capacity recommended by Auditors. Utilizing enforcement personnel to deliver delinquent notices personally is currently under consideration. Our understanding is that this may be within the scope of the Sheriff's Department.

The Tax Office is hopeful that the responses outlined above will provide the reasonable assurance that the internal control structure is adequate to safeguard the County's assets from loss, theft, or misuse.

Thank you for your diligence and expertise in performing the review.

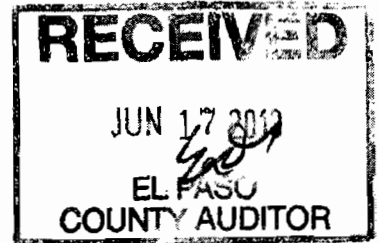
Very truly yours,

A handwritten signature in black ink, appearing to read 'V. A. Flores', with a long horizontal flourish extending to the right.

Victor A. Flores, R.T.C.
County Tax Assessor-Collector



Victor A. Flores, R.T.C.
COUNTY TAX ASSESSOR COLLECTOR
COUNTY OF EL PASO
500 E. Overland Ave., Suite 101
El Paso, Texas 79901
OFFICE: (915) 546-2097
FAX: (915) 543-3838



June 14, 2013

Mr. Edward A. Dion, CPA, CIO
County Auditor
800 East Overland, Room 406
EL Paso, TX 79901

Dear Mr. Dion:

This letter serves as the written response to the recommendations made by your office as related to the review of five Full Service Contracted Offices including: Express Car Titling No. I and No. II, EZ Auto Title Registration, Flash Auto, and Tri-Star Auto Title Co. dated April 25, 2013.

1. **Corrective Action/Recommendation:** Signs displaying unauthorized fees must be removed from all contracted offices immediately.

Response: All contracted offices have been instructed to remove signs displaying unauthorized fees. All contracted offices have been informed that any discrepancies noted and in violation of the contract between any contracted office and the County Tax Office may result in termination of the contract with that office.

2. **Corrective Action/Recommendation:** New fees which became effective and approved January 28, 2013 must be displayed in a conspicuous place at each place of business as per contract stipulation.

Response: All contracted offices have been instructed by TAC to display the fee schedule in a conspicuous location.

3. **Corrective Action/Recommendation:** A list of current employees should be maintained at each contracted office.

Response: This recommendation has been forwarded to the owners of the contracted offices.

4. **Corrective Action/Recommendation:** Personnel changes at each contracted office must be immediately reported to the County's Tax Office.

Response: The Tax Office updates the list of deputized employees as employees are deputized and upon receipt of written notification of terminations of deputized employees. This issue was addressed in the newly signed contract. The Chief Deputy, Frank Ortiz, has personally met with each contracted office owner and stressed the importance of providing this notice to the Tax Office in a timely manner.

5. **Corrective Action/Recommendation:** In order to assure that Scofflaw System and related equipment is operational at all time, it is highly recommended that malfunctions of any type be reported to the County Tax Office.

Response: All contracted offices have been informed that any issues with Scofflaw System should be reported to the Director of Motor Vehicles at the Tax Office immediately. County ITD has notified the TAC that they are in direct communication with the contracted offices and quickly respond to requests for services as needed. Each contracted office has been provided a "step-by-step" instruction sheet to enable them to verify that the ARCs system is properly operational.

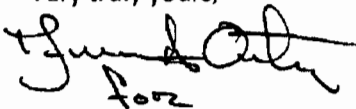
6. **Corrective Action/Recommendation:** Expired Plates should be physically removed from each contracted office as soon as possible.

Response: All non-inventoriable plates are currently being delivered to the Tax Office for proper disposal. The Tax Office requires that all old, expired, damaged, or voided inventory plates be delivered by the contracted offices on a monthly basis. The TAC does not pick up expired inventory from the contracted offices.

The Tax Office is hopeful that the responses outlined above will provide the reasonable assurance that the internal control structure is adequate to safeguard the County's assets from loss, theft, or misuse.

Thank you for your diligence and expertise in performing the review.

Very truly yours,



Victor A. Flores, R.T.C.
County Tax Assessor Collector