



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

EDWARD A. DION, CPA, CIO
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County Administrative Offices
800 East Overland Street, Rm. 406
EL PASO, TEXAS 79901-2407
(915) 546-2040
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04-21

April 14, 2015

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 2013 through September 2014. 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 Toll Booth	March 24, 2014	35
Justice of the Peace, Precinct 1	May 7, 2014	42
Justice of the Peace, Precinct 3	May 8, 2014	45
Justice of the Peace, Precinct 5	September 25, 2014	103
Justice of the Peace, Precinct 7	May 30, 2014	49
West Texas Community Supervision	September 25, 2014	99

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 10, 2014	117
El Paso County Tax Office-Auto Registration	September 30, 2014	119
El Paso County Sheriff's Office	September 25, 2014	121
El Paso County Tax Office-Enforcement Division	August 18, 2014	122

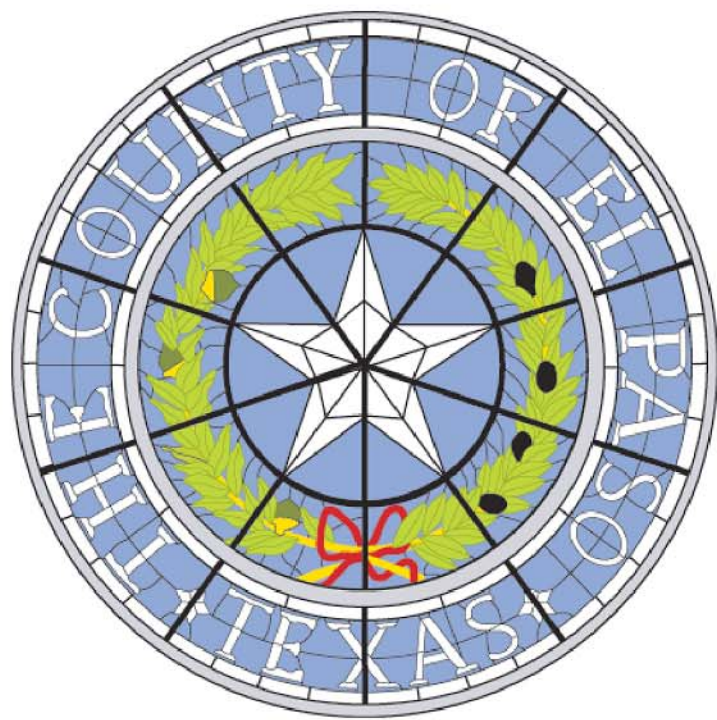
As noted on the list above, there were 6 out of 31 reports or 19 percent, issued by the internal audit division during the period noted above in which the departments did not have adequate internal controls or were not in compliance with contract stipulations. The County Auditor's Internal Audit Division 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 7, 2013

Ms. Kennie Downing, Purchasing Agent
Purchasing Department
800 E. Overland
Suite 300
El Paso, Texas 79901

Dear Ms. Downing:

A copy of a memorandum from Mr. Rene Balderrama internal auditor, dated October 7, 2013 is attached. This memorandum is a report on a review of your purchasing and financial records for May 2012 through August 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,

A handwritten signature in black ink, appearing to read "Edward A. Dion", written over a horizontal line.

Edward A. Dion
County Auditor

EAD:RB:ya

Attachment




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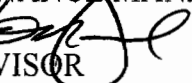
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10-02

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU: WALLACE HARDGROVE, BUDGET AND FINANCE MANAGER 

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

FROM: RENE BALDERRAMA, INTERNAL AUDITOR 

DATE: OCTOBER 7, 2013

SUBJECT: REVIEW OF THE PURCHASING DEPARTMENT FOR MAY 2012 THROUGH AUGUST 2013.

Overview

A review of the Purchasing Department for May 2012 through August 2013 has been completed. The objective of this review was to obtain a clear understanding of the quotation process, sample and review formal bids, informal bids, and surplus inventory items.

Scope and Purpose

The scope and purpose of this review consisted of:

1. A random sample of 31 of 68 formal bids, or 45.6 percent, was reviewed to ensure that documentation was complete and in compliance with the *Texas Local Government Code (TGLC) §262* and *Government Code (GC) §2253*.
2. A random sample of 185 of 7441 informal bids, or 2.5 percent, was reviewed to ensure proper protocol on the quotation process.
3. A random sample of surplus inventory was reviewed to ensure that items are being properly accounted for. No discrepancies were noted.
4. A cash count at the Purchasing mail room was conducted. No discrepancies were noted.
5. A review of prior memoranda for implementation of previous recommendations.

General

1. *Observation:* While reviewing a sample of formal bids, it was noted that one bid did not have the suspension and debarment form signed by the bidder and one did not have the correct date of the bid closing on the tabulation sheet.
Corrective Action/Recommendation: It is recommended that all supporting documentation be included within the bid file to ensure that the selected bidder was justified. It is further recommended that buyers review bid files for completeness and accuracy.
2. *Observation:* While reviewing a sample of the informal bids, it was noted that 2 bids did not have supportive documentation either on electronic file or in paper form to verify that the lowest bidder was selected.
Corrective Action/Recommendation: It is recommended that all bids be complete and accurate. It is also recommended that bid files have all supporting documentation on file.

Review of prior memorandum

3. *Observation:* It was previously noted that the policies and procedures manual does not detail the duties and responsibilities by job position.
Corrective Action/Recommendation: It is again recommended that the policies and procedures manual be expanded in order to establish accountability. It is further recommended that a job description by job position be included in the policies and procedures manual. This will ensure a level of competency and expectation of each staff member and will further provide proper guidelines for each staff member to follow at all times.

Summary

This review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the County's assets from loss, theft, or misuse. The County's internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of implementing the controls should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires the use of estimates and judgment by management. Because of inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. The internal control structure of the Purchasing Department appears to be adequate and should continue to be strengthened with the implementation of the above-mentioned recommendations.

RB:ya



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10-03

October 8, 2013

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

Dear Ms. Neill:

A copy of a memorandum from Mr. James O'Neal, internal auditor supervisor, dated October 8, 2013 is attached. This memorandum is a report on a review of the General Assistance financial records for June 2012 through September 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 recommendation made by Mr. O'Neal.

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

Sincerely,

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

Edward A. Dion
County Auditor

EAD:JO:ya

Attachment

cc: Mr. Michael Flores, General Assistance Manager



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10-04

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: WALLACE HARDGROVE, BUDGET AND FINANCE MANAGER 

FROM: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

DATE: OCTOBER 8, 2013

SUBJECT: REVIEW OF THE GENERAL ASSISTANCE AGENCY FOR
JUNE 2012 THROUGH SEPTEMBER 2013

Overview

A review of the financial records for General Assistance (GA), for June 2012 through September 2013 has been completed. The objective of this review was to ensure compliance with program guidelines.

Scope and Purpose

The scope and purpose of this review consisted of:

1. A sample of 95 out of 1,597 general assistance disbursements or approximately six percent was reviewed to verify that assistance was provided within general assistance guidelines. The client files were reviewed to ensure sufficient documentation was obtained to justify assistance.
2. Previous memorandum was reviewed for implementation of prior recommendations.

General

1. **Observation:** While reviewing the client's files the following was noted:
 - Some of the client's information on applications was changed without any acknowledgement from the client. Further, some information was changed in order to match supportive documentation.
 - Assistance was granted to a non-resident head of household client on the condition that a child living in the same residence was a United States citizen. However, this condition is not listed in the policy and procedures for the department.

- In some instances; clients would list themselves or member of household as disabled, however, no required medical documentation was provided.
- Some files did not contain copies of the required documentation (driver's license, social security card, birth certificate.....).
- Clients failed to register with the Texas Workforce Commission; however they were still granted assistance.

Corrective Action/Recommendation: It is recommended that if application information is altered, the applicant must acknowledge the alterations. It is further recommended that the department's policies and procedures be updated to reflect proper acceptance policies.

Corrective Action/Recommendation: In regard to the filing of supportive documentation, it is recommended that due care be exercised by the case workers in accepting and filing of all necessary supportive documentation.

Review of Past Memorandum

1. Observation: It was noted that sensitive information such as social security cards, driver's licenses, birth certificates, and passports belonging to the client and their families are no longer scanned and attached as supportive documentation when submitting vouchers for payment.
2. Observation: It was also noted that recommendations previously made by this office have been implemented

Summary

This financial review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the County's assets from loss, theft, and misuse. The County's internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of implementing the controls should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires the use of estimates and judgment by management. Because of inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Currently the internal control structure of the General Assistance Department appears adequate, and should be further strengthened with the implementation of the above mentioned recommendation.

RB:ya



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10-33

October 29, 2013

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

Dear Mr. Esparza:

A copy of a memorandum from Mrs. Claudia Parra, internal auditor, dated October 29, 2013 is attached. This memorandum is a report on a review of your seizure and forfeiture funds for the reporting period September 1, 2012 through August 31, 2013.

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

Sincerely,

Edward A. Dion
County Auditor

EAD:CP:ya

Attachment




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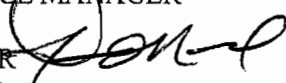
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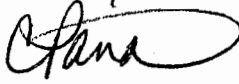
10-34

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: WALLACE HARDGROVE, BUDGET AND FINANCE MANAGER 

THRU: JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR 

FROM: CLAUDIA PARRA, INTERNAL AUDITOR 

DATE: OCTOBER 29, 2013

SUBJECT: REVIEW OF THE DISTRICT ATTORNEY'S SEIZURE AND FORFEITURE FUNDS FOR THE REPORTING PERIOD OF SEPTEMBER 1, 2012 THROUGH AUGUST 31, 2013

Overview

A review of the District Attorney's seizure and forfeiture funds has been performed for the reporting period of September 1, 2012 through August 31, 2013. 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.



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10-32

October 29, 2013

The Honorable Delia Briones
County Clerk
Room 105, County Courthouse Building
500 East San Antonio
El Paso, Texas 79901

Dear Mrs. Briones:

It would be appreciated if you would place the following item on the consent agenda for the commissioners court meeting to be conducted on Monday, November 4, 2013:

Pursuant to *Code of Criminal Procedure, Article 59.06 (g)*, authorize the County Judge to sign the attached Asset Forfeiture Report for the Reporting period September 1, 2012 through August 31, 2013.

Your assistance with this agenda item will be appreciated.

Very truly yours,

Edward A. Dion
County Auditor

EAD: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
The Honorable Patrick Abeln, County Commissioner
Mrs. Lee Shapleigh, Assistant County Attorney




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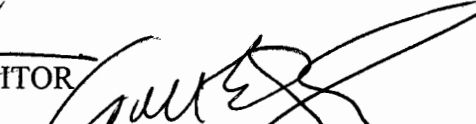
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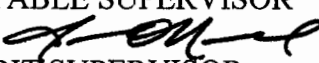
10-47



MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: WALLACE HARDGROVE, BUDGET AND FINANCE MANAGER 

THRU: VICTOR PEREZ, ACCOUNTS PAYABLE SUPERVISOR 

THRU: JAMES O' NEAL, INTERNAL AUDIT SUPERVISOR 

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

DATE: OCTOBER 30, 2013

SUBJECT: REVIEW OF THE COUNTY UTILITIES: ELECTRIC, WATER, GAS,
TELEPHONE, FROM SEPTEMBER 2010 THROUGH MARCH 2013

A review of the utility accounts was conducted for September 2010 through March 2013. The objective of this review was to verify active utility accounts and that payments were properly processed.

Scope and Purpose

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

1. Confirmation letters were sent to all County departments to confirm that accounts were current and classified properly. No discrepancies were noted.
2. A sample of utility payments was reviewed to ensure proper authorization, timely payments, and that correct amounts were posted to the Financial Accounting Management Information System (FAMIS).
3. Accounts for departments that relocated were reviewed to verify that previous utility accounts were closed. No discrepancies were noted.
4. A physical inspection was conducted on the utility meters of accounts that have had no usage for three consecutive months.

General

1. Observation: While reviewing a sample of utility payments to ensure proper authorization, timeliness of payments, and correct amounts posted to FAMIS the following was noted:

- 62 out of 286 payments, or 22 percent of payments sampled, were paid after the due date. Upon further review, it was noted that the delinquent accounts are accounts that require department approval.
- Five out of 286 payments, or one percent of payments sampled, were not authorized by the authorized signer.
- On one occasion two El Paso Electric accounts were double paid. After further inquiry it was noted that both bills contained a balance forward that was already paid but had not been credited by the utility company due to a payment timing issue.

Corrective Action/Recommendation: It was previously recommended that a payment authorization agreement, sample copy attached, be sent to all departments authorizing utility statements be sent directly to the Accounts Payable Division in order to expedite the payments. It is again recommended that the Accounts Payable Division request a payment authorization agreement from departments that have consistent delinquent accounts, in order to expedite the payment process. Furthermore, it is recommended that due care be exercised when reviewing utility payments for authorized signers, and that balance forward amounts on utility bills be researched for timing issues.

2. Observation: Upon physical inspection of no usage utility accounts it was noted that an electric meter located at Ascarate Park was recommended for disconnection in the previous audit and is still in service. A monthly fee of \$16.67, for a total of \$200.04 per year, is paid by the County to maintain the electric meter. Upon further inquiry, the utility account information was presented to the Parks Manager and it was assured that the meter was going to be disconnected. It was also noted that an El Paso Water Utility account located at Canutillo is being paid out of the Ascarate Park budget. It was explained by Ascarate Park staff that this utility account has always been paid out of the Ascarate Park budget and they have no knowledge if the account can be disconnected. A monthly fee of \$155.70, for a total of \$1,868.40 per year, is paid by the County to maintain the water meter. Furthermore, two El Paso Electric meters and one Texas Gas Service meter could not be located for inspection.

Corrective Action/Recommendation: It is recommended to the Accounts Payable Division that they monitor El Paso Electric Account # 9067830000 to ensure it has been disconnected by the Ascarate Park Management. Also, it is recommended that the Public Works Department inquire about the El Paso Water Utility account located in Canutillo and determine if service is needed. Moreover, if service is required it is recommended that the account be paid out of the Rural Parks budget. Furthermore, it is recommended that Ascarate Park staff contact the utility companies to help them locate meters that could not be located, and to verify if service is needed from these accounts.

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 County's internal control structure as it pertains to the processing of utility payments appears to be adequate and should be strengthened with the implementation of the above mentioned recommendations.

PT:ya



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11-02

November 5, 2013

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 auditor, intermediate, dated November 5, 2013 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,

Edward A. Dion
County Auditor

EAD:CP:ya

Attachments

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
The Honorable Patrick Abeln, County Commissioner
Mr. Ernesto Carrizal, Director, Road and Bridge Department




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11-03

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: WALLACE HARDGROVE, COUNTY AUDITOR, FIRST ASSISTANT 

THRU: JAMES O'NEAL, COUNTY AUDITOR, MANAGER SENIOR 

FROM: CLAUDIA PARRA, INTERNAL AUDITOR, INTERMEDIATE 

DATE: OCTOBER 29, 2012

SUBJECT: REVIEW OF THE ASCARATE GOLF COURSE

Overview

A review of the financial records for the Ascarate Golf Course from August 2012 through September 2013 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. Surprise cash counts were performed at the Golf Course Pro Shop in accordance with *Local Government Code §115.0035*. The cash counts were performed on September 16, 2013 with no discrepancies noted.
2. Manual receipts issued from August 2012 through September 2013 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.

General

1. Observation: Review of the manual receipts revealed several discrepancies which are reflected on the attached Schedule A. Some discrepancies noted were as follows:

- One receipt was not entered into RecWare until a month later.
- One receipt was missing a RecWare receipt as backup to serve as proof of transaction entry.
- Eleven receipts did not contain the date of the transaction.
- Five receipts were either used out of sequential order or skipped.
- Two booklets had a section of manual receipts that were not used and not voided before starting a new booklet.

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

- All manual receipts should be entered into the cashiering system within 24 hours of it becoming functional.
- Cashiers should review the manual receipts for accuracy and completeness before issuing it to the customer.
- All manual receipts should be cross referenced with their postings in RecWare and Link2Gov, assuring that a receipt from these systems is attached to serve as proof of the transaction entry.
- All receipts on a manual receipt booklet should be used before starting a new booklet to maintain a sequential order.
- Management should verify and approve the posting of all manual receipts in a timely fashion.

2. Observation: While reviewing a 10 percent sample, or 23 out of 227 deposit slips reflected on Schedule B, the following was noted:

- The collections for August 27, 2012 related to cash were short by \$1.00 with the amount recorded in RecWare.
- The collections for the credit card transactions for August 28, 2012 in Link2Gov were \$541.72 but in RecWare only \$541.43 were recorded causing a difference of \$.29.
- The collections for August 29, 2012 reflect that the cash collected is \$6.67 over from the collections recorded on RecWare and a \$10.00 difference exist between the amount deposited for check transactions and the amount recorded in RecWare.

Corrective Action/Recommendation: The habitual process of explaining of any shortage or overage related to deposits has in fact improved from prior years. It is recommended that due care continues to be exercised when preparing the daily deposits to ensure that the deposit totals coincide with RecWare and Link2Gov. It is further recommended that cashiers continue to explain any overages or shortages in a detailed manner and that a supervisor continues to review and approve the cashiers' daily work for accuracy and completeness.

3. Observation: Review of the voided transactions revealed that there are numerous reoccurring discrepancies which are reflected on the attached Schedule C. A brief description of the discrepancies noted is as follows:

- Not all voids are being recorded on the void log.
- Voided transaction receipts are not always signed by the customer.
- Person not voiding a transaction is not always identified on the receipt.
- Some transactions were receipted and voided by the same person.

Corrective Action/Recommendation: It is recommended that Management address and give immediate attention to the reoccurrence of the void discrepancies to promptly resolve the matter at hand. It is further recommended that the following procedures also be implemented:

- All voids should be recorded onto the void log as soon as they are processed.
- The customer's signature should always appear on the receipt to support the legitimacy of the refund request.
- A void should not be processed by the same person receipting the transaction.
- A supervisor or management should verify that all voids are processed and recorded on the cashing and credit card systems.

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

CP:ya



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11-33

November 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 and Ms. Bertha Tafoya, internal auditor intermediate, dated November 27, 2013, is attached. This memorandum is a report on the County Sheriff auto auction held on Saturday, November 23, 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,

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

Edward A. Dion
County Auditor

EAD:LH:ya

Attachment



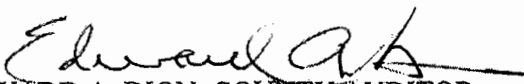
COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR


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

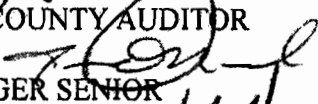
County Administrative Offices
800 East Overland Street, Rm. 406
EL PASO, TEXAS 79901-2407
(915) 546-2040
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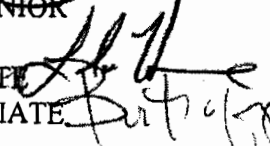
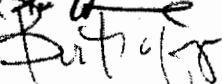
11-34

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU: WALLACE HARDGROVE, FIRST ASSISTANT COUNTY AUDITOR 

THRU: JAMES O'NEAL, INTERNAL AUDITOR MANAGER SENIOR 

FROM: LINDA HEMME, INTERNAL AUDITOR, INTERMEDIATE 
BERTHA TAFOYA, INTERNAL AUDITOR, INTERMEDIATE 

DATE: NOVEMBER 27, 2013

SUBJECT: SHERIFF'S AUTO AUCTION HELD ON NOVEMBER 23, 2013

The Sheriff's Department Abandoned Motor Vehicle Section held an auto auction on Saturday, November 23, 2013 at the Sheriff's Abandoned Motor Vehicle Lot. Twelve vehicles were sold generating receipts totaling \$10,850.00, which were verified to the auction list, copy attached. A cash count was performed, with no discrepancies noted.

LH:BT: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: NOVEMBER 23, 2013

#	CASE#	YR	MAKE/MODEL	STYLE	VIN:	BUYER	PRICE
1	AD/2013-02972	1994	HONDA VT600CD	M/C	JH2PC2130RM101806	24	600
2	AD/2013-01987	2004	DODGE STRATUS SXT	4DR/HT	1B3EL46X64N349473	10	1,125
3	AD/2013-01911	1995	OLDSMOBILE CUTLASS CIERA	4DR/HT	1G3AJ55M2S6424175	14	425
4	AD/2013-06600	1994	CADILLAC DEVILLE	4DR/HT	1G6KD52B7RU225176	59	725
5	AD/2013-03996	1995	FORD F-150 - REBUILT SALVAGE	P/U	1FTEX15H8SKA54868	63	975
6	SO/2013-02406	1998	CHEVROLET CAMARO SPORT	2DR/HT	2G1FP22K0W2106223	40	1,300
7	AD/2013-05027	1995	GMC VANDURA 2500	VAN	1GDEG25Z1SF545124	24	950
8	AD/2013-06543	2001	DODGE INTREPID SE	4DR/HT	2B3HD46R31H671827	10	725
9	SO/2013-06605	2000	FORD F-450	P/U	1F7NF21L4YEC96972	56	1,300
10	AD/2013-10502	1996	CHEVROLET TAHOE - REBUILT SALVAGE	SUV	1GNEK13R9TJ360664	14	800
11	SO/2013-09508	1988	TOYOTA TRUCK - REBUILT SALVAGE	TRK	JT4RN50A4J5134576	32	1,400
12	AD/2013-09555	1999	FORD CROWN VICTORIA PD INTERCPTOR	4DR/HT	2FAFP71W2XX122992	24	625

TOTAL SALE:

\$10,950

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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12-10

December 3, 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 intermediate, dated December 3, 2013 is attached. This memorandum is a report on a review of the Medical Examiner's Office financial records for February 2013 through October 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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12-11

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR

THRU: WALLACE HARDGROVE, FIRST ASSISTANT

THRU: JAMES O'NEAL, COUNTY AUDITOR MANAGER SENIOR *James O'Neal*

FROM: PHILLIP TREVIZO, INTERNAL AUDITOR INTERMEDIATE *Phillip Trevizo*

DATE: DECEMBER 3, 2013

SUBJECT: REVIEW OF THE FINANCIAL RECORDS FOR THE MEDICAL EXAMINER'S OFFICE FROM FEBRUARY 2013 THROUGH OCTOBER 2013

Overview

A review of the financial records for the Medical Examiner's Office for February 2013 through October 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. A cash count was performed on November 20, 2013, for the inspection of funds in accordance with the *Texas Local Government Code §115.0035*. No discrepancies were noted.
2. All deposit warrants posted to the Financial Accounting Management Information System (FAMIS) were reconciled and compared to manual and RecWare receipts. No discrepancies were noted.
3. ~~An inventory of unused manual receipt books was conducted. No discrepancies were noted.~~
4. All voided transactions were reviewed in order to verify proper documentation and that supervisor approval was documented.
5. The amounts invoiced to the City of El Paso for Contract Number 2012- 0287, in reference to the lease agreement pertaining to the 2nd floor of the Medical Examiner's Office, were compared to the deposit warrants posted in FAMIS to ensure that payments were received in full and in a timely manner.
6. Unclaimed property was reviewed for transfer to the State of Texas.

General

1. *Observation:* It was noted that no voided transactions occurred during the audit period.
2. *Observation:* While reviewing amounts billed to the city for Contract Number 2012-0287 it was noted that the October 2013 payment has not been received. Furthermore, it was noted that the lease expired on September 30, 2013, and the Public Works Department is currently renegotiating a new lease with the City of El Paso per Commissioner's Court instruction received on October 7, 2013. The October 2013 payment will be reviewed in the next audit when the county and city sign a renegotiated lease agreement.
3. *Observation:* While reviewing unclaimed property for transfer to the State of Texas, it was noted that the property had not reached the three year statute of limitations to be transferred to the State of Texas. The unclaimed property will be reviewed in the next audit when it meets the three year statute of limitations to be transferred to the state.

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.

PT:ya



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12-30

December 20, 2013

The Honorable Angie Juarez Barill
District Judge, 346th Judicial District
Presiding Officer of the Bail Bond Board
Room 701, County Courthouse Building
500 East San Antonio Street
El Paso, Texas 79901

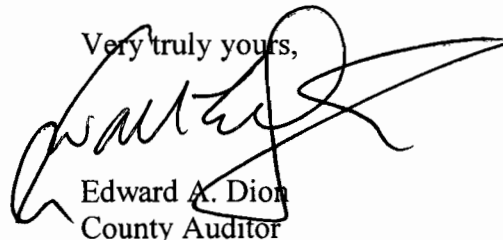
Dear Judge Barill:

A copy of a memorandum from Mr. Phillip Trevizo and Ms. Linda Hemme, internal auditors intermediate dated December 20, 2013, is attached. This memorandum is a report on a review performed on the bail bond collateral. 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 and Ms. Hemme.

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

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

Very truly yours,



Edward A. Dion
County Auditor

EAD:PT:LH:ya

Attachment

cc: The Honorable Richard Wiles, Sheriff
The Honorable Jo Anne Bernal, County Attorney
Mr. Mike Navarro, Bail Bond Administrator
Mr. Luis Martinez, County Auditor Manager




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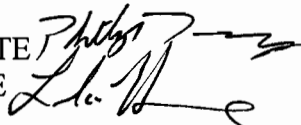
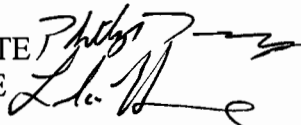
12-31

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: WALLACE HARDGROVE, FIRST ASSISTANT 

THRU: JAMES O'NEAL, COUNTY AUDITOR MANAGER SENIOR 

FROM: PHILLIP TREVIZO, INTERNAL AUDITOR INTERMEDIATE 
LINDA HEMME, INTERNAL AUDITOR INTERMEDIATE 

DATE: DECEMBER 20, 2013

SUBJECT: REVIEW OF BAIL BOND COLLATERAL

Overview

A review of the bail bond collateral has been completed as of September 2013. The objective of this review was to determine whether bail bond companies are properly collateralized.

Scope and Purpose

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

1. Confirmation letters were mailed out to bail bond companies to verify the existence of certificates of deposit (CD's) and accuracy of the collateral pledged by bail bond companies to the County. Furthermore, the Certificates of Deposit/Letters of Credit report for September 30, 2013 was reviewed to ensure that current information is reported in the County Auditor's interim financial reports.
2. The deeds of trust pledged to the County were reviewed to ensure the existence of the deeds and the accuracy of the Real Estate Collateral report.
3. A sample of bonding companies from the Bond Company Surety Balance Report was reviewed for compliance with the *Occupations Code*, § 1704.203.
4. Previous memoranda recommendations were reviewed for implementation.

General

1. Observation: As of November 6, 2013, 36 out of 62 or 58% of bail bond companies returned confirmation letters to verify the existence of CD's and the accuracy of collateral pledged to the County of El Paso. Furthermore, 26 out of 62 or 42% of bail bond companies did not respond to a request from the Bail Bond Board to provide verification of CD's, see attached worksheet.
Corrective Action/Recommendation: It is recommended that the Bail Bond Board continue to request confirmation letters be submitted from non-compliant bail bond companies to verify the existence of collateral pledged to the County of El Paso. Furthermore, Mr. Mike Navarro, Bail Bond Board Administrator, stated that he has reached out the County Attorney's Office, regarding requesting the bail bond companies to provide proof of a current Certificate of Deposit when renewing their bail bond license. Moreover, since bail bond company licenses renewal every two years, it is also recommended that when the CD's matures, the bail bond companies should submit a renewal of CD notice to the Treasury Department.
2. Observation: While reviewing the Real Estate Collateral Report, it was noted that Superior Bail Bonds license number 89 is still listed in the report; however, the property was auctioned off on July 2, 2009 to satisfy unpaid judgments.
Corrective Action/Recommendation: It was recommended that Superior Bail Bonds be removed from the Real Estate Collateral Report since the deed is no longer being held by the Bail Bond Administration. Superior Bail Bonds is no longer reported in the Real Estate Collateral Report as of November 2013.
3. Observation: Upon reviewing the Bond Company Surety Balance Report generated from Odyssey, the county's judicial management system, it was noted that this report does not accurately depict the bond liability of the bail bond companies. Mr. Mike Navarro, Bail Bond Board Administrator, stated that he reached out to Odyssey representatives in regards to the accuracy of the report, and was advised that they will resolve the issue as time allows.
Corrective Action/Recommendation: It is recommended that priority be given to correcting the Bond Company Surety Balance Report by Tyler Technologies personnel. The accuracy of this report is essential especially when bail bond companies are renewing or withdrawing their licenses.

Review of Past Memoranda

1. Observation: It was previously noted that Ray Sanchez Bail Bonds license number 039 had a payment plan agreement with the County for bond forfeiture liabilities. The County Auditor's Office contacted the County Attorney's Office in regards to the status of Ray Sanchez Bail Bonds bond forfeiture liabilities. It was noted that the last payment was made on December 7, 2009. The County Attorney's Office stated the Bail Bond Unit will pursue the legal course of action to settle the company's bond forfeiture liabilities.
Corrective Action/Recommendation: It is recommended that the Bail Bond Unit closely monitor bondsmen with bond forfeiture liabilities to ensure payments are being made in a timely manner. Furthermore, it is recommended that the Bail Bond Unit immediately take action with bondsmen that have defaulted²⁵ on their bond forfeiture payment plans.

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, as it pertains to the accounting for bail bond collateral, appears to be adequate, and should be further strengthened with the implementation of the above-mentioned recommendations.

County Auditor's Office - Treasury Division

Certificates of Deposits / Letters of Credit

As of September 30, 2013

Certificates of Deposits							
Company Name	License No.	Insurance Company	CD #	Security	Status	Received	Deliquent
Lachica	009	International Fidelity Ins., Newark N.J.		55,000.00	Active		<input checked="" type="checkbox"/>
Lachica II (aka Metro)	031	Allegheny Mutual Casualty		50,000.00	Active		<input checked="" type="checkbox"/>
Alamo	035	Allegheny Mutual Casualty		50,000.00	Active		<input checked="" type="checkbox"/>
Exit	042	Allegheny Mutual Casualty		50,000.00	Inactive		<input checked="" type="checkbox"/>
Telles	043	International Fidelity Ins., Newark N.J.		50,000.00	Inactive		<input checked="" type="checkbox"/>
Tres Amigos	044	International Fidelity Ins., Newark N.J.		50,000.00	Inactive		<input checked="" type="checkbox"/>
Prieto II	045	International Fidelity Ins., Newark N.J.		50,000.00	Inactive		<input checked="" type="checkbox"/>
El Rey	047	Allegheny Mutual Casualty		50,000.00	Inactive		<input checked="" type="checkbox"/>
De Lachica	056	Nobel Insurance of Dallas, TX		50,000.00	Inactive		<input checked="" type="checkbox"/>
Frontera	057	Nobel Insurance of Dallas, TX		50,000.00	Inactive		<input checked="" type="checkbox"/>
America II	062	Nobel Insurance of Dallas, TX		50,000.00	Inactive		<input checked="" type="checkbox"/>
Pronto II	067	International Fidelity Ins., Newark N.J.		50,000.00	Inactive		<input checked="" type="checkbox"/>
Apodaca/Alamo	069	Allegheny Mutual Casualty		50,000.00	Active		<input checked="" type="checkbox"/>
Ray Sanchez II	070	Continental Heritage, Salt Lake City, Utah		50,000.00	Inactive		<input checked="" type="checkbox"/>
America IV	081	Continental Heritage, Salt Lake City, Utah		50,000.00	Inactive		<input checked="" type="checkbox"/>
Apodaca IV	083	International Fidelity Ins., Newark, NJ		50,000.00	Active		<input checked="" type="checkbox"/>
Lolitas	084	Allegheny Mutual Casualty		50,000.00	Active		<input checked="" type="checkbox"/>
George Calderon	087	International Fidelity Ins., Newark, NJ		50,000.00	Inactive		<input checked="" type="checkbox"/>
Casa Bail Bonds	094	American Contractors Indemnity Company		50,000.00	Inactive		<input checked="" type="checkbox"/>
Amigo IV	097	Allegheny Casualty, Meadville, PA		50,000.00	Active		<input checked="" type="checkbox"/>
Annex Bail Bonds	104	Lexington National Insurance Corporation of Baltimore, Maryland		50,000.00	Active		<input checked="" type="checkbox"/>
E-Z IV Bail Bonds	105	Lexington National Insurance Corporation of Baltimore, Maryland		50,000.00	Active		<input checked="" type="checkbox"/>
Libertad Bail Bonds	112	American Contractors Indemnity Company		50,000.00	Inactive		<input checked="" type="checkbox"/>
George Calderon II Bail Bonds	113	Far West Insurance, Calabasas, CA		50,000.00	Inactive		<input checked="" type="checkbox"/>
Andale2	121	Lexington Insurance Baltimore, MA		50,000.00	Active		<input checked="" type="checkbox"/>
Bad Boy	122	Senaca Insurance, New York, N.Y.		50,000.00	Active		<input checked="" type="checkbox"/>



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02-04

County Administrative Offices
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(915) 546-2040
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February 10, 2014

Ms. Monique Aguilar
Office Administrator/ Support Manager
El Paso County Facilities Management
Room M-1, County Courthouse Building
500 E. San Antonio Street
El Paso, TX 79901

Dear Ms. Aguilar:

A copy of a memorandum from Mrs. Claudia Parra, internal auditor, dated February 10, 2014 is attached. This memorandum is a report on a review of the Primo's Café & Catering for April 2012 through January 2014. 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

cc: Mr. Ernesto Carrizal, Public Works Director
Mr. & Mrs. Dominguez, Owners
Primo's Café & Catering




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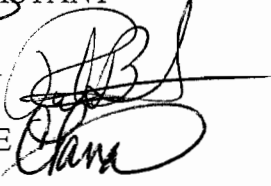
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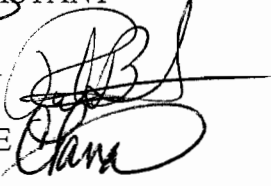
02-06

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU:  WALLACE HARDGROVE, COUNTY AUDITOR FIRST ASSISTANT

THRU: *for*  JAMES O'NEAL, COUNTY AUDITOR, MANAGER SENIOR

FROM: CLAUDIA PARRA, INTERNAL AUDITOR, INTERMEDIATE 

DATE: FEBRUARY 10, 2014

SUBJECT: REVIEW OF PRIMO'S CAFÉ & CATERING LOCATED AT THE COUNTY COURTHOUSE FOR APRIL 2012 THROUGH JANUARY 2014

Overview

A review of the Courthouse Cafeteria contract with Primo's Café & Catering for April 2012 through January 2014 has been completed. The objective of this review was to ensure compliance with contract stipulations.

Scope and Purpose

The scope and purpose of the review was as follows:

1. A surprise cash count was conducted on January 23, 2014 with no material discrepancies noted.
2. All monthly commission reports were compared to FAMIS and Treasury records to ensure that deposits were coded correctly and in compliance with the contract stipulations.
3. All monthly commission reports were compared to the RecWare Cashiering reports to verify that the information presented was accurate.
4. Financial records and Sales Tax reports were reviewed and compared for completeness and accuracy with no discrepancies noted.
5. Previous memoranda were reviewed for implementation of prior recommendations.

General

1. *Observation:* It was noted that two out of the twenty one commission payments reviewed were not deposited in accordance with the contract which states that commission payments should be deposited within 30 days of the close of an accounting period. *Corrective Action/Recommendation:* A penalty of 1% or \$29.23, reflective of the commission deposits from April 2012 through January 2014, has been assessed and is now due to the County as stipulated in the contract. It is recommended that the applicable penalty charges are made immediately. It is further recommended that all commission deposits be made within 30 days after the closing of an accounting period as stated in the contract to avoid further penalties.
2. *Observation:* After comparing the commission reports and RecWare, two discrepancies related to catering sales were noted. The reports for August 2013 and October 2013 do not reconcile to RecWare. The catering sales were not configured into the total sales for the month, resulting in \$26.25 in commissions not being paid to the County for this portion of sales. *Corrective Action/Recommendation:* It is recommended that due care be exercised when preparing the commission reports and that the reports are compared and verified with RecWare to ensure that all sales are accounted for and properly reported. It is further recommended that the reports are reviewed and approved by someone other than the person preparing the report to ensure that all sales are accounted for.
3. *Observation:* Some of the Sales and Use Tax reports were not made available for review on the previous audit and it was recommended that the reports would then be compared to the commission reports on the next audit review. The reports pending to be reviewed were from August 2010 through May 2011, September 2011 through December 2011, and February 2012 through March 2012. After the review of the prior year and this audit period's reports, there were no discrepancies noted. *Corrective Action/Recommendation:* It is recommended that all the financial reports due to the County are submitted within the allotted time.

Review of Past Memoranda

4. *Observation:* It was previously noted that the agreement with Lumar Enterprise Inc., had expired as of November 30, 2012. It was the Auditor's recommendation that action be taken to renew the contract in the May 2012 audit. After speaking to the Auditor's Contract Administrator, it was determined that the issue at hand has been addressed and will soon be resolved. *Corrective Action/Recommendation:* It is recommended that instead of a new contract being drawn up, that this contract is put out for rebid.

EDWARD A. DION
FEBRUARY 10, 2014
PAGE 2

Summary

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 for Primo's Café & Catering appears to be adequate and should further strengthen with implementation of the above mentioned recommendations.

CP:ya



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03-08

March 12, 2014

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 intermediate, dated March 12, 2014, is attached. This memorandum is a report on a review of your financial records for July 2013 through January 2014. 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:PD:ya

Attachment




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(915) 546-8172 FAX


03-09

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: WALLACE HARDGROVE, FIRST ASSISTANT 

THRU: JAMES O'NEAL, COUNTY AUDITOR MANAGER, SENIOR 

FROM: PHILLIP TREVIZO, INTERNAL AUDITOR INTERMEDIATE 

DATE: MARCH 6, 2014

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 6 PLACE 2,
FINANCIAL RECORDS FOR JULY 2013 THROUGH JANUARY 2014

Overview

A review of the financial records for Justice of the Peace, Precinct Number 6 Place 2, for July 2013 through January 2014 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 16, 2014, in accordance with *Local Government Code, Section 115.0035*. No discrepancies were noted.
2. All deposit slips were compared to daily fee 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). No discrepancies were noted.
3. A sample of jail time credit cases was reviewed for supporting documentation and completeness. No discrepancies were noted.

4. Manual receipt books were reviewed to ensure their completeness and timely posting of payments to Odyssey. No discrepancies were 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. A sample of payment plan agreement cases was reviewed to verify timeliness of payments and proper follow up on delinquent cases.
7. Previous memoranda recommendations were reviewed for implementation.

General

1. **Observation:** While reviewing a sample of payment plan agreement cases, the following was noted:
 - 12 out of 115 or 10% of cases sampled were three months overdue for payment.
 - 1 out of 115 or 1% of cases sampled was four months overdue for payment.
 - 7 out of 115 or 6% of cases sampled were five months overdue for payment.
 - 5 out of 115 or 5% of cases sampled were seven months overdue for payment.**Corrective Action/Recommendation:** It is recommended that employees run an Event Review Report from Odyssey on a weekly basis to identify payment plan agreement cases that are non-compliant and that proper follow up procedures be attempted to make the defendants current on their payment plan agreements.

Review of Past Memoranda

1. **Observation:** It was previously recommended that due care be exercised by staff when handling payments and entering data into Odyssey, and that cashier overages and shortages be monitored and immediately addressed by the Justice of the Peace. It was noted that during the audit period there were no overages or shortages by the Justice of the Peace staff.

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.



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OFFICE OF THE COUNTY AUDITOR

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03-20

March 24, 2014

Mr. Ernesto Carrizal, Director
Public Works
800 East Overland, Suite 407
El Paso, TX 79901

Dear Mr. Carrizal:

A copy of a memorandum from Mrs. Claudia Parra, internal auditor, dated March 24, 2014, is attached. This memorandum is a report on your financial records for the Ascarate Toll Booth for February 2012 through February 2014. Because of certain statutory duties required of the County Auditor, this office is not independent as defined by AICPA professional standards. However, our review was performed with objectivity and due professional care. I concur with the recommendations made by Mrs. 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,

Edward A. Dion
County Auditor

EAD:CP:ya

Attachment






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03-21

MEMORANDUM


TO: EDWARD A. DION, COUNTY AUDITOR

THRU: WALLACE HARDGROVE, COUNTY AUDITOR, FIRST ASSISTANT
THRU: JAMES O'NEAL, COUNTY AUDITOR, MANAGER SENIOR
FROM: CLAUDIA PARRA, INTERNAL AUDITOR INTERMEDIATE 
DATE: MARCH 24, 2014
SUBJECT: REVIEW OF THE ASCARATE TOLL BOOTH FINANCIAL RECORDS
FROM FEBRUARY 2012 THROUGH FEBRUARY 2014

Overview

A review of the financial records for the Ascarate Toll Booth from February 2012 through February 2014 has been completed. The objective of this review was to provide reasonable assurance that all transactions were properly recorded and reported.

Scope and Purpose

The scope and purpose of the review consisted of:

1. Daily cash count sheets were reviewed for accuracy and completeness. In addition, collections were traced to the bank statements and the Financial Accounting Management System (FAMIS) to ensure that they were posted properly.
2. The deposits were reviewed to ensure compliance with the rapid deposit law, *Texas Local Government Code §113.022*.
3. Parking fees were reviewed to ensure that there is a \$5.00 parking fee charged for special events as was approved by Commissioner's Court.
4. A surprise cash count was conducted on February 28, 2014, in accordance with *Texas Local Government Code §113.0035*.
5. Previous memorandum was reviewed for proper implementation of prior recommendations.

General

1. Observation: A 35% sample of deposits, or 33 out of 109, was reviewed for this audit. While reviewing the daily cash count sheets, it was noted that all but six of the 33 deposits reviewed contained discrepancies related to shortages or overages. It was also noted that the majority of the deposit slips were missing a Cash Distribution by Account report from RecWare as supporting documentation.
Corrective Action/Recommendation: It is recommended that cashiers exercise due care when collecting funds for each transaction. It is further recommended that a Cash Distribution by Account report is submitted along with the deposit slip to serve as supporting documentation.
 2. Observation: The sample reviewed is made up of 78 days of collections in which the collections for 32 days did not meet the seven day rapid deposit law. In actuality, one of these late deposits was deposited 25 days after it was collected and another one was deposited 36 days later.
Corrective Action/Recommendation: It is recommended that deposits be made within the seven day range, to show compliance with *Texas Local Government Code §113.022*.
 3. Observation: While reviewing and comparing the deposits and daily cash count sheet to the event calendar, it was noted that the \$5.00 parking fee is only being applied to some but not all special events.
Corrective Action/Recommendation: It is recommended some guidelines be established and adopted to set an attendance threshold for when the \$5.00 parking fee will be applied. These guidelines should be presented to and approved by Commissioner's Court. It is further recommended that the \$5.00 parking fee be charged to all events that qualify as a special event thereafter.
 4. Observation: It was noted that the surprise cash count conducted on February 28, 2014 resulted in a \$2.00 overage. Upon inquiry, the cashier indicated the cash drawer was \$2.00 over when it was counted prior to beginning the shift yet it had not been documented or noted anywhere prior to the cash count.
Corrective Action/Recommendation: It is recommended that the each cashier continue to count the cash drawer and change fund prior to starting a shift to check for discrepancies and to ensure that the correct funds are made available. It is further recommended that if any discrepancy is noted that it should be documented on the cash count sheet prior to the beginning of a shift.
-

Review of Past Memorandum

5. Observation: There are no pending items.

Summary.

This review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the County's assets from loss, theft, or misuse. The County's internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of implementing the controls should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires the use of estimates and judgment by management. Because of the inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Based on this review, the internal control structure of the Ascarate Toll Booth, appears to be weak and should be further strengthened with the implementation of the above mentioned recommendations.

CP:ya



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05-02

May 1, 2014

Ms. Kennie Downing
Purchasing Agent
800 E. Overland, Suite 300
El Paso Texas 79901

Dear Ms. Downing:

A copy of a memorandum from Mr. James O'Neal, senior county auditor manager, dated April 30, 2014 is attached. This memorandum is a report on the collection and disposal of Sheriff's abandoned inmate property performed on April 30, 2014.

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

Sincerely,

Edward A. Dion
County Auditor

EAD:JO:ya

Attachment




COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

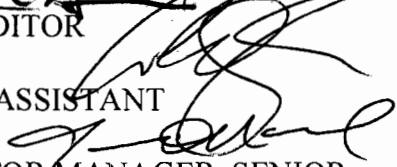
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05-01

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: WALLACE HARDGROVE, FIRST ASSISTANT 

FROM: JAMES O'NEAL, COUNTY AUDITOR MANAGER, SENIOR 

DATE: MAY 1, 2014

SUBJECT: COLLECTION OF SHERIFF'S ABANDONED INMATE PROPERTY

On April 30, 2014, the Sheriff's abandoned inmate property was turned over to the Purchasing Department and this office for proper disposal. There were monetary collections in the amount of \$7.04, which were turned over to the Treasury department for deposit. The following non-monetary items were kept by the Purchasing department to be auctioned off at a later date.

- 1 Pair of headphones
- 1 Silver tone necklace with pendant
- 2 Leather wallets (one with chain)
- 5 Pairs of sunglasses
- 1 IPOD/IPHONE
- 9 Cell phones from various providers (one with charger)
- 3 Watches with black plastic bands
- 2 Watches with silver tone links
- 1 Watch with brown/black metallic links
- 1 Silver tone bracelet
- 2 Leather band necklaces
- 3 Loose silver tone pendants

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.

Cash Count Sheet

Department: Abandoned Inmate Property

	Number of Units	@		Amount
Hundreds	_____	@	\$100.00	_____
Fifties	_____	@	\$50.00	_____
Twenties	_____	@	\$20.00	_____
Tens	_____	@	\$10.00	_____
Fives	_____	@	\$5.00	_____
Twos	_____	@	\$2.00	_____
Ones	<u>3</u>	@	\$1.00	<u>3.00</u>
Half-Dollars	_____	@	\$0.50	_____
Quarters	<u>11</u>	@	\$0.25	<u>2.75</u>
Dimes	<u>4</u>	@	\$0.10	<u>.40</u>
Nickles	<u>15</u>	@	\$0.05	<u>.75</u>
Pennies	<u>14</u>	@	\$0.01	<u>.14</u>

Total Cash Counted: 7.04
 Less Change Funds: ()
 Total Cash: 7.04

Checks _____
 Credit Card Receipts _____
 Money Orders _____

Total Collections: 7.04
 Total Receipts: (7.04)
 Overage/Shortage: 0

The above funds were counted in my presence and returned intact
 at (time) 12:35 on (date) 4/30/14.

Custodian: Mario Salgado Date: 4/30/14

Prepared by: [Signature] Date: 4/30/14



COUNTY OF EL PASO
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05-15

May 7, 2014

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. Francisco Rios, internal auditor dated May 7, 2014 is attached. This memorandum is a report on a review of your financial records for July 2013 through January 2014. 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. Rios.

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:FR:ya

Attachment




COUNTY OF EL PASO
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05-16

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: WALLACE HARDGROVE, FIRST ASSISTANT 

THRU: JAMES O'NEAL, COUNTY AUDITOR MANAGER, SENIOR 

FROM: FRANCISCO RIOS, INTERNAL AUDITOR INTERMEDIATE 

DATE: MAY 15, 2014

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 1,
FINANCIAL RECORDS FOR JULY 2013 THROUGH JANUARY 2014.

Overview

A review of the financial records for Justice of the Peace, Precinct Number 1, for July 2013 through January 2014 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 February 5, 2014, in accordance with *Local Government Code §115.003*. No discrepancies were noted.
2. All deposit slips were compared to daily balance reports and treasury records in order to verify that collections were deposited timely and in accordance with *Local Government Code §113.022* and properly posted on the Financial Accounting Management Information System (FAMIS). No discrepancies were noted.
3. Manual receipts were reviewed to ensure the completeness of the receipts and to verify the timeliness of the posting to Odyssey. No discrepancies were noted.
4. A sample of driver safety cases was reviewed to verify that the certificate was received or the fine was paid. Four discrepancies were noted.

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 timely. One discrepancy was noted.

General

1. *Observation:* While reviewing a sample of the driver safety course cases for the Justice of the Peace Precinct 1 department, it was noted that for three cases that were granted the Driver's Safety Course option there was no completion or payment. Two of the three cases were for individuals who lived out of town. Furthermore, it was also noted that when the courses were completed the documents in Odyssey were being scanned under the original court date instead of the date it was completed.
Corrective Action/Recommendation: It is recommended that Justice of the Peace staff follow proper procedures while dismissing a case, and while posting the backup documentation into Odyssey. Furthermore, due care should be exercised on all cases, and Justice of the Peace clerks should track which cases have not completed the training or made a payment.
2. *Observation:* Upon reviewing a sample of the mail log for the Justice of the Peace, it was noted that one of the payments in the form of a check was received but not posted in Odyssey. Upon further inquiry it was explained by the Court Coordinator that the previous employee did not enter the payment into Odyssey, the employee has been let go and the check was not found in the office. An unsuccessful attempt was made to contact Midland Funding Company and inquire about the check in the amount of \$1.50.
Corrective Action/Recommendation: It is recommended that the Justice of the Peace staff deposit all collections into the system in a timely manner as required by *Local Government Code § 115.0035*.

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

FR:ya



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05-19

May 8, 2014

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 May 8, 2014 is attached. This memorandum is a report on a review of your financial records for July 2013 to April 2014. 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,

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

Edward A. Dion
County Auditor

EAD:RB:ya

Attachment



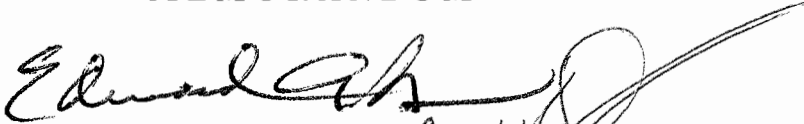
COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

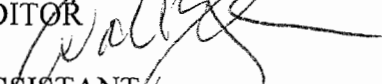
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05-20

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: WALLACE HARGROVE, FIRST ASSISTANT 

THRU: JAMES O'NEAL, MANGER SENIOR INTERNAL AUDIT 

FROM: RENE BALDERRAMA, INTERNAL AUDITOR INTERMEDIATE 

DATE: MAY 2, 2014

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 3,
FINANCIAL RECORDS FOR JULY 2013 TO APRIL 2014

Overview

A review of the financial records for Justice of the Peace, Precinct Number 3, for July 2013 to April 2014 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 May 1, 2014 in accordance with *Local Government Code §115.0035*. No discrepancies noted.
2. A review of cases dismissed by officer not present was conducted to review which agencies issuing citations are appearing at court hearings.
3. A list of deleted cases was reviewed to determine the reasonableness of those transactions.
4. A sample of 234 of 4683, or 5 percent, of dismissed cases were review for validity of the dismissal.
5. 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).

6. All necessary schedules were prepared for the appropriate allocation of court costs. No discrepancies were noted.
7. All payments collected by the Sheriff's Office from July 2013 to April 2014 were reviewed to ensure prompt and accurate posting in Odyssey.
8. A review of the mail log was sampled for completeness and accuracy. No discrepancies were noted.
9. Previous memoranda recommendations were reviewed for implementation.

General

1. Observation: While reviewing 383 cases dismissed by the officer not present report, it was noted:
 - 54 of the 383 cases did not have the officer's name in Odyssey
 - 209 cases were from the Department of Public Safety citations
 - 98 cases were El Paso Independent School District citations
 - 45 cases were Sheriff's citations
 - 10 cases were Texas Tech University Police citations
 - 9 cases were other jurisdiction citations
 - 5 cases were Texas Park and Wildlife citations
 - 4 were Constable citations
 - 3 were El Paso Police citationsCorrective Action/Recommendation: It is recommended that the Justice of the Peace notify the law enforcement agencies that issued the citations of the upcoming court dates. It is also recommended that a list of officers that do not attend court hearings be given to a superior officer in each of the agencies listed above in an effort to ensure that officers attend their respective court date.
2. Observation: While reviewing deleted cases for the Justice of the Peace, it was noted that 123 cases were deleted from Odyssey due to double entries and errors.
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.
3. Observation: While reviewing a sample of 234 of 4,683 (5 percent) dismissed cases from Odyssey, it was noted that 12 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.
4. Observation: While reviewing the Justice of the Peace collections made by the Sheriff's Office, it was noted that there is total of \$1,972.06 pending from 2011 to current 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.

Review of Past Memoranda

5. Observation: As noted in prior memorandum, the Justice of the Peace personnel are still not periodically reviewing the pending bonds which currently total \$85,494.45.
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.

RB:ya



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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06-17

May 30, 2014

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 May 30, 2014 is attached. This memorandum is a report on your financial records for January 2013 through April 2014. 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




COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR


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06-18

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU: WALLACE HARGROVE, FIRST ASSISTANT 

THRU: JAMES O'NEAL, MANAGER SENIOR INTERNAL AUDIT 

FROM: RENE BALDERRAMA, INTERNAL AUDITOR INTERMEDIATE 

DATE: JUNE 10, 2014

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 7,
FINANCIAL RECORDS FOR JANUARY 2014 THROUGH APRIL 2014

Overview

A review of the financial records for Justice of the Peace, Precinct Number 7, for January 2014 through April 2014 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 review of 390 cases dismissed due to officer not present was conducted to review which agencies issuing citations are appearing at court hearings.
2. A list of deleted cases was reviewed to determine the reasonableness of those transactions. No discrepancies were noted.
3. A review of 227 out of 5529 (5 percent) of dismissed cases was performed for the validity of the dismissal.
4. Outstanding bonds were reviewed to ensure that cases were being resolved in a timely manner.
5. Daily mail log was reviewed for completeness and accuracy.
6. Daily balance reports and cash count sheets were reviewed and compared to deposit warrants. Deposits were verified for proper posting in the Financial Accounting Management System (FAMIS). No discrepancies noted.

7. Deposits were reviewed to ensure compliance with the rapid deposit law, *Texas Local Government Code §113.02*. No discrepancies noted.
8. A cash count was performed on May 29, 2014 in accordance with *Local Government Code §115.0035*.
9. Previous memoranda were reviewed for proper implementation of prior recommendations.

General

1. Observation: While reviewing the 390 cases dismissed due to officer not present report, it was noted:
 - 40 cases did not have the officer's name on the case
 - 225 cases were Sheriff's citations
 - 152 cases were Texas Department of Public Safety citations
 - 8 cases were County Constable citations
 - 2 cases were Anthony Police Department
 - 1 case was a Texas Park and Wildlife citation
 - 1 case was an El Paso Independent School District citation
 - 1 case was another jurisdiction citationCorrective Action/Recommendation: It is recommended that the Justice of the Peace notify the law enforcement agencies that issued the citations of the upcoming court dates. It is also recommended that a list of officers that do not attend court hearings be given to a superior officer in each the agencies listed above in an effort to ensure that officers attend their respective court dates.
2. Observation: While reviewing the 227 of 5529 (5 percent) of dismissed cases it was noted that 4 cases did not have the backup scanned into Odyssey to validate the reason for dismissal
Corrective Action/Recommendation: It is recommended that all 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.
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 daily mail log, it was noted that the Justice of the Peace personnel are no longer logging incoming mail payments.
Corrective Action/Recommendation: It is recommended that the Justice of Peace personnel immediately log and track incoming mail payments as they are received. It is further recommended that a log be created immediately and that payments are logged by one employee and entered into Odyssey by another employee.

5. Observation: While performing a surprise cash count on May 30, 2014, 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 by September 30, 2014.

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

RB:ya



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

EDWARD A. DION, CPA, CIO
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County Administrative Offices
800 East Overland Street, Rm. 406
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(915) 546-2040
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06-06

June 9, 2014

Ms. Kennie Downing
Purchasing Agent
800 E. Overland, Suite 300
El Paso Texas 79901

Dear Ms. Downing:

A copy of a memorandum from Mr. James O'Neal, senior county auditor manager, dated June 9, 2014 is attached. This memorandum is a report on the collection and disposal of Sheriff's abandoned evidence property performed on June 5, 2014.

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:JO:ya

Attachment



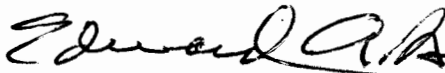
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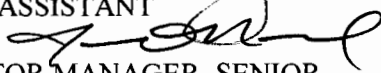
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06-10

MEMORANDUM

TO: EDWARD A DION, COUNTY AUDITOR 

THRU: WALLACE HARDGROVE, FIRST ASSISTANT 

FROM: JAMES O'NEAL, COUNTY AUDITOR MANAGER, SENIOR 

DATE: JUNE 9, 2014

SUBJECT: COLLECTION OF SHERIFF'S ABANDONDED EVIDENCE

On June 5, 2014 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 \$806.73. 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.

- 25 Pairs of sunglasses
- 10 Cell phones from various cell phone providers
- 2 Rings with various charms and stones
- 2 Bracelets with various charms
- 1 Gold tone watche with gold tone links
- 5 Silver tone watch with silver tone links
- 1 Black colored watch with black plastic band
- 1 WiFi hotspot transmitter
- 3 Necklaces with various charms

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


EAD:WH:ya



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06-13

June 10, 2014

Ms. Edna Telles
Interim Executive Director
Domestic Relations Office
500 E. San Antonio Rm. LL-108
El Paso, Texas 79901

Dear Ms. Telles:

A copy of a memorandum from, Mr. Phillip Trevizo, internal auditor, dated June 10, 2014 is attached. This memorandum is a report on a review of your financial records from April 2013 through April 2014. 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".

Edward A. Dion
County Auditor

EAD:PT:ya

Attachment







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OFFICE OF THE COUNTY AUDITOR

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06-14

MEMORANDUM


TO: EDWARD A. DION, COUNTY AUDITOR
THRU: WALLACE HARDGROVE, FIRST ASSISTANT 
THRU: JAMES O'NEAL, COUNTY AUDITOR MANAGER, SENIOR 
FROM: PHILLIP TREVIZO, INTERNAL AUDITOR INTERMEDIATE 
DATE: JUNE 9, 2014
SUBJECT: REVIEW OF THE DOMESTIC RELATIONS OFFICE FINANCIAL RECORDS
FOR APRIL 2013 THROUGH APRIL 2014

Overview

A review of the financial records for the Domestic Relations Office (DRO) from April 2013 through April 2014 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. A surprise cash count was performed on February 4, 2014 for the inspection of funds in accordance with the *Texas Local Government Code §115.0035*. No discrepancies were noted.
2. Monthly bank reconciliations were reviewed for accuracy, completeness, and timeliness. No discrepancies were noted.
3. 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.
4. All web payments were traced to JIMS to ensure proper and timely recording of fees. No discrepancies were noted.
5. All billings to the Office of the Attorney General (OAG) for contracts #00-08002, #10-C0024, #13-C0028, and #13-C0016 were reviewed to ensure that the amount invoiced was actually received. No discrepancies were noted.

6. All manual receipts were traced to JIMS to ensure that fee collections were recorded timely. No discrepancies were noted.
7. A sample of mail receipts was traced to JIMS and/or the State Disbursement Unit log to ensure that all payments were properly accounted for. 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:
 - On March 11, 2014 a credit card transaction was posted incorrectly to a case. The payment was for \$30.00 and it was entered in JIMS for \$36.00.
 - Deposit slip #16164021 dated March 12, 2014 incorrectly listed its check amounts as \$828.54 instead of \$928.54. All collections were deposited for that day. This error resulted in a bank correction.
 - On April 4, 2014 an individual paid a \$30.00 Non-Sufficient Funds fee at Treasury; however, DRO staff gave him credit for the original \$36.00 transaction.Corrective Action/Recommendation: It was recommended that DRO staff adjust the March 11, 2014 transaction in JIMS to reflect the actual credit card payment received. Also, it is recommended that due care be exercised by the DRO staff when preparing deposit slips to avoid bank correction fees. Furthermore, it is recommended that the April \$30.00 transaction be reversed, and the individual be contacted to pay the original \$36.00 Child Support Service Fee.

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



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06-44

June 18, 2014

HealthSCOPE Benefits
ATTN: Ms. Jennifer Spencer
Director, Claims Administration
7430 Remcon Bldg. C, Suite C
El Paso, TX 79912

Dear Ms. Spencer:

A copy of a memorandum from Mr. Phillip Trevizo and Mr. Ricardo Gabaldon, internal auditors, dated June 18, 2014 is attached. This memorandum is a report on a review of HealthScope Benefits, as it relates to the County's health fund through December 2013. I concur with the recommendations made by Mr. Trevizo and Mr. Gabaldon.

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:PT:RG:ya

Attachment

cc: Mrs. Imelda Gaytan, County Auditor Manager




COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

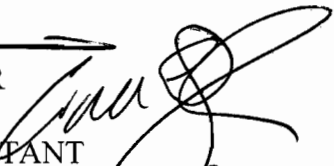
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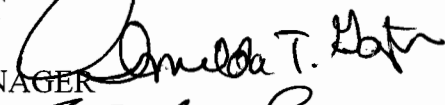
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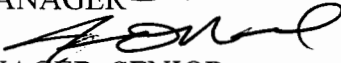
06-45



MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU: WALLACE HARDGROVE, FIRST ASSISTANT 

THRU: IMELDA GAYTAN, COUNTY AUDITOR MANAGER 

THRU: JAMES O' NEAL, COUNTY AUDITOR MANAGER, SENIOR 

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

DATE: JUNE 18, 2014

SUBJECT: REVIEW OF HEALTHSCOPE BENEFITS RECORDS THROUGH
DECEMBER 2013

An on-site review of HealthScope Benefits, as third party administrator of the County's health fund, has been completed through December 2013. The objective of this review was to verify the eligibility of plan members and the existence of proper supporting documentation for paid claims.

Scope and Purpose

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

1. A sample of disbursements paid to health care providers from June 2010 through December 2013 was reviewed to verify the legitimacy of the claims. The sample of claims was cross-referenced to the active employee, retiree, and cobra list to verify that claims pertain to active County employees and dependents and former employees and dependents that are still receiving health benefits.
2. A sample of the terminated employee list provided by ITD was cross-referenced to HealthScope Benefits billings to verify that the county was not being billed for terminated employees.
3. Re-insurance (Stop-Loss) and subrogation claims were reviewed to verify that the reimbursement funds were received at the County Auditor's Office.

4. Previous memoranda recommendations were reviewed for implementation.

General

1. Observation: While reviewing a sample of disbursements paid to health care providers it was noted that a claim was processed as an employee self-claim; however, the provider was listed as a pediatrician.
Corrective Action/Recommendation: Upon further inquiry, it was explained by the Claims Administration Manager, that the father and dependant have the same name and the claim was inadvertently entered under the member, furthermore, it was explained that the claim benefits would be transferred to the dependent.
2. Observation: While reviewing a sample of HealthScope Benefits billings and cross referencing them with the terminated employee list, it was noted that two terminated employees were being charged the administration fee. The total administration fee charged for the terminated employees was \$162.00.
Corrective Action/Recommendation: Upon further inquiry, the Claims Administration Manager explained that no termination documentation was received by HealthScope Benefits from the County of El Paso. It is recommended that all terminations documentation be remitted to the County's third party administrator within 7 days of preparation.
3. Observation: As of January 23, 2014, HealthScope Benefits reported three open subrogation cases, two from 2011 and one from 2010.
Corrective Action/Recommendation: It was explained by the Claims Administration Manager, that the open cases were provided to the County's new third party administrator. A follow up will be conducted on the open subrogation cases when an audit is conducted on the new third party administrator.

Review of Past Memoranda

4. Observation: A follow up was conducted on the eight open subrogation cases reported by HealthScope Benefits on the previous audit. All eight cases were closed and reimbursement was submitted to County Attorney's Office.

Summary

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



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06-46

June 23, 2014

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 the memorandums dated June 23, 2014 and June 23, 2014 from Ms Linda Hemme, internal auditor is enclosed. These memorandums are reports on a review of the operations of the County Jail Commissary for the fiscal year ended September 30, 2013.

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

Sincerely,

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

Edward A. Dion
County Auditor

EAD:LH:ya

Attachment



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EL PASO, TEXAS 79901-2407
(915) 546-2040
(915) 546-8172 FAX

06-47

June 23, 2014

Irene Sandoval, Acting Manager
Aramark Correctional Services
6425 Boeing Dr. STE C4
El Paso, TX 79925

Dear Mrs. Sandoval:

Enclosed is a copy of a memorandum dated June 23, 2014 from Ms. Linda Hemme, internal auditor. This memorandum is a report on a review of the operations of the County jail commissary through September 2013.

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

Sincerely,

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

Edward A. Dion
County Auditor

EAD:LH:ya

Enclosure




COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR


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06-43

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU:  WALLACE HARDGROVE, COUNTY AUDITOR FIRST ASSISTANT

THRU:  JAMES O'NEAL, INTERNAL AUDIT SUPERVISOR

FROM:  LINDA HEMME, INTERNAL AUDITOR

DATE: JUNE 23, 2014

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 through fiscal year ended September 30, 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. No 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)*.
6. An analysis was performed of the jail commissary sales and commissions.

7. The Jail Commissary 2013 fiscal year balance Sheet, income statement, and budget are attached. The 2013 El Paso County Comprehensive Annual Financial Report (CAFR) can be accessed at http://www.epcounty.com/auditor/publications/cafr/cafr_13/main.htm

General

1. *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. No further action is required by the Sheriff's Department.
2. *Observation:* While reviewing a sample of jail commissary expenditures, it was noted that it appears that Language Plus, Inc. was underpaid for their April and May 2013 services by a net amount of \$60.56. Language Plus provides GED, ESL and Job Readiness classes to the inmates at the Downtown and Annex jails. The hours billed in the April and May invoices were compared to the inmate attendance reports that were included as backup for the check used to pay Language Plus, Inc. The County Auditor's Office contacted both jails to inquire about the over payment. The Annex jail provided additional supporting documentation to backup the amount billed for these months. The Downtown jail provided additional documentation for the classes provided at the jail. The inmate attendance records for the April 2013 ESL classes that the Sheriff's department has on file still does not balance to the hours billed by Language Plus, Inc. It appears that the Sheriff's Department overpaid by \$121.12 for April 2013 services. Furthermore, The Sheriff's Department had inmate attendance records for May 2013 Job Readiness classes provided at the Downtown jail, which Language Plus, Inc. did not bill for an amount of \$181.68.
Corrective Action/Recommendation: It is recommended that the Sheriff's department ensure that Language Plus, Inc. provide all supporting documentation which support the invoices submitted for payment. It is further recommended that the Sheriff's Department attach and review all of the submitted supporting documentation before remitting to the County Auditor's Accounts Payable division for payment. It is also recommended that the Sheriff's Department contact Language Plus, Inc. to verify the ESL and Job Readiness classes billed and not billed for April and May 2013.
3. *Observation:* As reflected on the attached analysis, jail commissary sales and commissions decreased by 6.04%, during fiscal year 2013 compared to fiscal year 2012. The transfer of inmates out of the county jail, due to the time spent for the mold remediation, attributed to some of the decrease in sales.

Previous Memorandum:

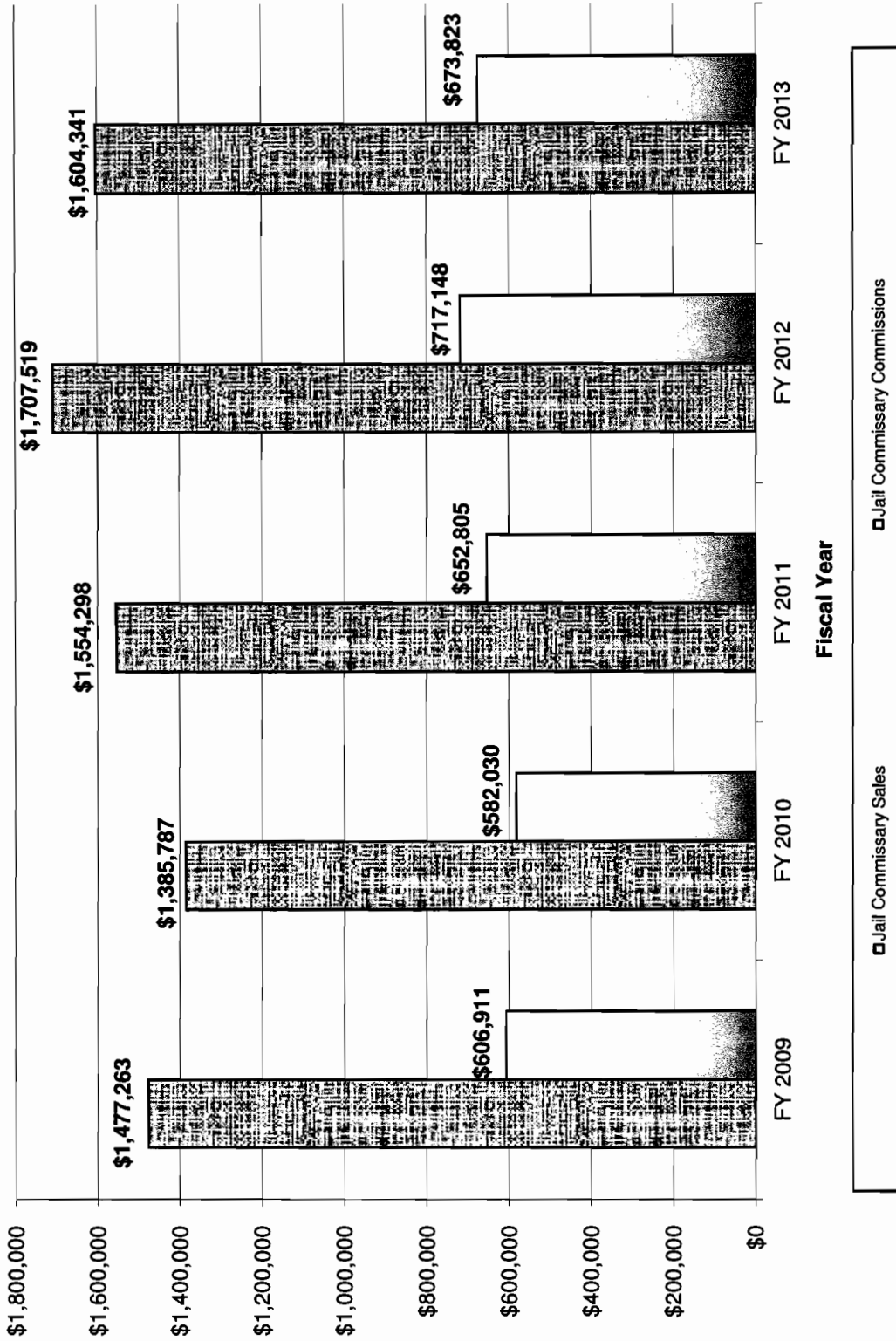
4. *Observation:* The February 2013 to April 2013 bank reconciliations were submitted to the County Auditor's office by the Bond and Inmate Trust Section for review. No discrepancies were noted.

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. 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.

EAD:LH:ya

Jail Commissary Sales & Commissions



County of El Paso, Texas
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 September 30, 2013

	Road and Bridge	County Tourist Promotion	Alternative Dispute Resolution Center	District Attorney Drug Forfeitures	Coliseum Tourist Promotion	Commissary Inmate Profit
ASSETS						
Cash and cash equivalents	\$6,430,608	\$450,544	\$34,650	\$194,686	\$184,092	\$448,231
Accounts receivable	168,651		1,061	224	694	13,535
Total assets	<u>\$6,599,259</u>	<u>\$450,544</u>	<u>\$35,711</u>	<u>\$194,910</u>	<u>\$184,786</u>	<u>\$461,766</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Vouchers payable	\$141,668	\$56,221	\$35,711	\$3,324	\$23,072	\$66,396
Retainage payable	145,896					
Payroll liabilities	182,128	752				5,570
Due to others	11,400					
Due to other Governments						
Total liabilities	<u>481,092</u>	<u>56,973</u>	<u>35,711</u>	<u>3,324</u>	<u>23,072</u>	<u>71,966</u>
Fund balances:						
Nonspendable:						
Restricted:						
Temporary budgetary stabilization	3,500,000	385,236		8,915	75,000	282,627
General assistance						
Public safety						62,453
Records management						
Road construction/maintenance	1,492,993					
Other purposes				182,372	86,714	
Committed:						
Assigned:						
Other purposes	1,125,174	8,335		299		44,720
Total fund balances	<u>6,118,167</u>	<u>393,571</u>	<u></u>	<u>191,586</u>	<u>161,714</u>	<u>389,800</u>
Total liabilities and fund balances	<u>\$6,599,259</u>	<u>\$450,544</u>	<u>\$35,711</u>	<u>\$194,910</u>	<u>\$184,786</u>	<u>\$461,766</u>

(Continued)

County of El Paso, Texas
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2013

	Road and Bridge	County Tourist Promotion	Alternative Dispute Resolution Center	District Attorney Drug Forfeitures	Coliseum Tourist Promotion	Commissary Inmate Profit
REVENUES						
Taxes					\$3,221,472	
Intergovernmental	\$31,799					
Charges for services	7,169,347		\$221,313	\$530		\$673,823
Fines and forfeitures				50,404		
Interest	42,711	\$870		845	1,323	1,107
Miscellaneous	46,901			170		150
Total revenues	<u>7,290,758</u>	<u>870</u>	<u>221,313</u>	<u>51,949</u>	<u>3,222,795</u>	<u>675,080</u>
EXPENDITURES						
Current						
General government	1,476,457					
Administration of justice			222,342	22,748		
Public safety						664,741
Health and welfare						
Resource Development						
Community services						
Culture and recreation		462,998			2,540,508	
Public works	8,084,204					
Capital outlays	308,115					
Total expenditures	<u>9,868,776</u>	<u>462,998</u>	<u>222,342</u>	<u>22,748</u>	<u>2,540,508</u>	<u>664,741</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,578,018)</u>	<u>(462,128)</u>	<u>(1,029)</u>	<u>29,201</u>	<u>682,287</u>	<u>10,339</u>
OTHER FINANCING SOURCES (USES)						
Transfers in		704,641				
Transfers out					(704,641)	
Capital leases						
Total other financing sources (uses)		<u>704,641</u>			<u>(704,641)</u>	
Net Change in Fund Balances	<u>(2,378,018)</u>	<u>242,313</u>	<u>(1,029)</u>	<u>29,201</u>	<u>(22,354)</u>	<u>10,339</u>
Fund balances - beginning	8,696,185	151,058	51,029	162,385	184,068	379,461
Prior period adjustment						
Fund balances - ending	<u>\$6,118,167</u>	<u>\$393,371</u>		<u>\$191,586</u>	<u>\$161,714</u>	<u>\$389,800</u>

(Continued)

County of El Paso, Texas
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 Coliseum Tourist Promotion Special Revenue Fund
 For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$3,200,000	\$3,200,000	\$3,221,472	\$21,472
Interest	1,000	1,000	1,323	323
Total revenues	3,201,000	3,201,000	3,222,795	21,795
EXPENDITURES				
Culture and recreation				
Personnel				
Operating	2,543,556	2,543,556	2,540,508	3,048
Total culture and recreation	2,543,556	2,543,556	2,540,508	3,048
Total expenditures	2,543,556	2,543,556	2,540,508	3,048
Excess (deficiency) of revenues over (under) expenditures	657,444	657,444	682,287	24,843
OTHER FINANCING SOURCES (USES)				
Transfers out	(782,444)	(782,444)	(704,641)	77,803
Total other financing sources (uses)	(\$782,444)	(\$782,444)	(704,641)	77,803
Net Change in Fund Balances	(125,000)	(125,000)	(22,354)	102,646
Fund balances - beginning	184,068	184,068	184,068	
Fund balances - ending	\$59,068	\$59,068	\$161,714	\$102,646

County of El Paso, Texas
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 Commissary Inmate Profit Special Revenue Fund
 For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$650,000	\$650,000	\$673,823	\$23,823
Interest	250	250	1,107	857
Miscellaneous	140	500	150	(350)
Total revenues	650,390	650,750	675,080	24,330
EXPENDITURES				
Public Safety				
Personnel	126,609	140,082	129,847	10,235
Operating	579,596	613,421	534,894	78,527
Total public safety	706,205	753,503	664,741	88,762
Capital outlays	121,213	73,915		73,915
Total expenditures	827,418	827,418	664,741	162,677
Excess (deficiency) of revenues over (under) expenditures	(177,028)	(176,668)	10,339	187,007
Net Change in Fund Balances	(177,028)	(176,668)	10,339	187,007
Fund balances - beginning	379,461	379,461	379,461	
Fund balances - ending	\$202,433	\$202,793	\$389,800	\$187,007



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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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
OFFICE OF THE COUNTY AUDITOR

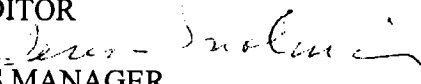
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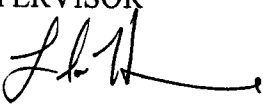
05-35

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



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07-25

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July 24, 2014

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 intermediate, dated June 24, 2014 is attached. This memorandum is a report on a review of your financial records for August 2013 through May 2014. 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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OFFICE OF THE COUNTY AUDITOR

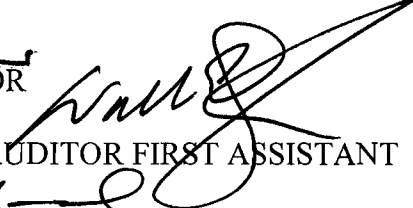
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07-27

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU: WALLACE HARDGROVE, COUNTY AUDITOR FIRST ASSISTANT 

THRU: JAMES O'NEAL, INTERNAL AUDIT MANAGER 

FROM: LINDA HEMME, INTERNAL AUDITOR INTERMEDIATE 

DATE: JULY 24, 2014

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 4,
FINANCIAL RECORDS FROM AUGUST 2013 THROUGH MAY 2014

Overview

A review of the financial records for the Justice of the Peace, Precinct Number 4, from August 2013 through May 2014 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 from 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 May 29, 2014 to ensure that proper controls are being followed. No discrepancies were noted.
2. A surprise cash count was performed on May 29, 2014, 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 185 cases or 5 percent, out of 3,685 cases with a dismissed disposition, was reviewed to ensure supporting documentation was present.
8. A sample of 15 cases or 5 percent, out of 316 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 25 cases or 5 percent, out of 506 cases with Jail Time Credit were reviewed to ensure that the defendant served time in jail and that jail documentation is scanned into the cases. No discrepancies were noted.
10. 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.
11. Deleted cases were reviewed to ensure that there were proper valid reasons for deleting the cases.
12. An Odyssey report was generated listing dismissed cases due to officer not present.

General

1. Observation: The April 2014 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
Recommendation/correction: It is recommended that the Justice of the Peace staff continue to review the Outstanding Bond Schedule to ensure that old cases have been addressed.
2. Observation: While reviewing the outstanding bonds, it was noted that one cash bond was paid with a credit card and another cash bond was paid with a debit card.
Recommendation/correction: In accordance with the *Code of Criminal Procedures Art. 17.02*, cash bonds must be made in cash. Due care should be exercised when accepting payments that will be posted as a cash bond.
3. Observation: While reviewing a sample of dismissed cases, it was noted that 64 or 35% of the dismissed cases did not have a Motion to Dismiss or the Judge's Trial notes scanned into the case. Upon inquire, it was noted that the Assistant District Attorney (ADA) had filed a Motion to Dismiss on unadjudicated cases that are over four years old. Furthermore, 1 of the 64 cases was not listed in the Motion to Dismiss filed by the ADA.

This case did not have the Judge's Trial notes on file showing the dismissal. Upon inquiry, Ms. Becky Gonzalez, Justice of the Peace Court Coordinator, explained this was due to employee negligence. This employee has been terminated.

Recommendation/Corrective Action: The Justice of the Peace staff is in the process of scanning the paperwork into each of these dismissed cases.

4. Observation: While reviewing mail log payments, the following were noted:
 - One payment was not posted to the case until 8 days later
 - 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: According to Ms. Gonzalez, the employee responsible for posting the payment late to the case has been terminated for not following office procedures. It is recommended that the Justice of the Peace staff record the case numbers in the mail log at the time the payments are posted to the cases.

5. Observation: A Deleted Cases report was generated from Odyssey. This report consisted of 29 deleted cases. One case was a test case. Twenty-eight cases were deleted by Justice of the Peace, Precinct No. 4 staff. Upon further research, Ms. Ana K. Campos Information Technology Project Manager, Intermediate was able to determine the following:
 - 7 cases were deleted because the case belonged to a different Justice of the Peace court
 - 15 cases were posted twice in the system due to user error
 - 1 case was posted with a wrong case type
 - 2 cases were created in error
 - ITD was unable to determine the reason for deletion of three cases.

Recommendation/Corrective Action: Mr. Luke Leverton, IT Software Specialist, notified the County Auditor's office that once a case has been deleted, the case can no longer be viewed, unless the case is undeleted. Therefore, it is recommended that the Justice of the Peace staff maintain a deleted cases log so that the reason a case is deleted can be recorded.

6. Observation: While reviewing 260 cases dismissed due to officer not present, the following were noted:
 - 153 cases or 58.85% were DPS citations
 - 90 cases or 34.62% were Sheriff citations
 - 16 cases or 6.15% were Constable citations
 - 1 case or 0.38% was from the Socorro Independent School District Police

Recommendation/Corrective Action: It is recommended that the Justice of the Peace staff notify the law enforcement agencies with a list of the officers that did not attend their scheduled court hearings. It is also recommended that the Justice of the Peace courts be given access to the Court Notify software. This software can be used to see when officers are available for court. It also notifies the officer of when they are scheduled for

court. The software also can notify the court if an officer will not be able to attend their court hearing and with sufficient time the hearing can be rescheduled. Furthermore, if the officer misses court, their superiors are notified and proper action can be taken. This software should help law enforcement agencies ensure that their officers attend their hearings. The Information Technology Department determined that it was feasible for the Justice of the Peace Courts to be given access to this software. The County Auditor's Office contacted Orion Communications, Inc. to inquire about the Court Notify software. Ms. Heather Kocks, Director of Operations, Orion Communications, Inc. responded with information about Court Notify that was sent to Mr. Rodrigo R. Garcia, Justice of the Peace, Precinct 2 Court Coordinator and Recorder of Minutes for the Council of Justices for review. Mr. Garcia stated that they will put the possibility of using Court Notify in their next meeting agenda for September 2014.

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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07-30

July 25, 2014

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 July 25, 2014 is attached. This memorandum is a report on a review of your financial records from May 2013 through June 2014. 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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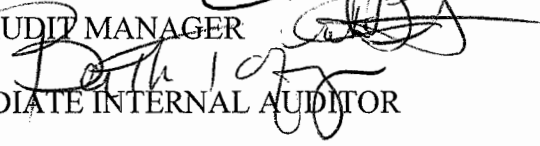
07-31

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: WALLACE HARDGROVE, FIRST ASSISTANT 

THRU: JAMES O'NEAL, INTERNAL AUDIT MANAGER 

FROM: BERTHA TAFOYA, INTERMEDIATE INTERNAL AUDITOR 

DATE: JULY 25, 2014

SUBJECT: REVIEW OF JUSTICE OF THE PEACE, PRECINCT NUMBER 2,
FINANCIAL RECORDS FOR MAY 2013 THROUGH JUNE 2014.

Overview

A review of the financial records for the Justice of the Peace, Precinct Number 2, from May 2013 through June 2014 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 June 10, 2014, 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 material discrepancies were noted.
4. All necessary schedules were prepared for the appropriate allocation of court costs. No discrepancies were noted.

5. A sample of 18 out of 258, or seven percent of payments received by mail was traced to Odyssey to ensure that payments were posted timely.
6. A sample of 298 out of 718 or forty two percent of dismissed traffic 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 payments received by mail, it was noted that the posting of three payments was delayed by seven working days. Also, three checks received by mail were logged and immediately returned to the check makers because payments by check are not accepted. One defendant replaced his check by paying his citation on line. Another defendant replaced his check with a money order. However, this office was not able to verify the payment replacing the third check because the defendant was not identified. Upon inquiry, Mr. Rodrigo Garcia, court coordinator indicated that efforts are made to cross reference the payment made by Silver Recycling to a case to no avail.
Corrective Action/Recommendation: In an effort to recover funds from companies that pay for traffic citations issued to their drivers, it is recommended that justice court personnel continue to make every effort to contact businesses in order to identify the defendants for whom the payments are being made. Furthermore, company checks should be held until all efforts have been exhausted to match the payment to a defendant's case and/or citation.
2. Observation: While reviewing cases that had been dismissed, it was noted that 250 cases out of the 718 or thirty five percent were dismissed due to lack of witness. A total of 250 out of the 718 cases were dismissed due to a lack of witness.
 - 183 cases were from citations issued by officers from the Department of Public Safety (DPS).
 - 40 cases were from citations issued by officers from the Sheriff's Department (SO).
 - 26 cases were from citations issued by officers from the El Paso Independent School District (EPISD).
 - One case was from a citation issued by an officer from Constable Pct 3.Corrective Action/Recommendation: While the overall number of cases that are dismissed due to lack of witness has decreased the number of dismissals at the Sheriff's department increased by thirteen percent. Mr. Rodrigo R Garcia indicated that there are times when officers at the Sheriff's Department that are scheduled to appear in court call in sick and/or may be on an emergency assignment. Further, in order to reduce the number of dismissed cases due to lack of witness Mr. Garcia indicated that his court is exploring the possibility of utilizing El Paso County court notify system. However, Mr. Garcia indicated that while this system is a success at the higher courts, court notify fails to be a useful tool for the justice of the peace court. Mr. Garcia indicated that Judge Haggerty will address this issue in the Council of Justice meeting held September 2014.

3. *Observation:* Dismissals on the selected sample included citations that had been issued to defendants for speeding over the speed limit, speeding in a school zone, operating a vehicle with expired registration and operation of an unregistered vehicle.
- Twenty four citations that had been issued to defendants for driving thirty-four miles over the speed limit were dismissed by taking a defensive driver's safety course.
 - Four citations issued to defendants for speeding nine to nineteen miles over the speed limit in a school zone were also dismissed by taking a defensive driver's safety course.
 - A citation issued to a defendant for operating a vehicle with an improper registration was dismissed upon the DA's recommendation. Another citation with the same violation was dismissed because the vehicle was properly registered in another state.
 - Eighteen citations with an offense code of operation of unregistered motor vehicle were dismissed in court by paying a \$20 administration fee. The citation had an incorrect offense code.

Corrective Action/Recommendation: Previously, the issue regarding incorrect offence codes has been brought up to the attention of Justice Court Pct 2. Mr. Garcia indicated that the offence code in the case is entered exactly as written on the citation.

Review of Previous Memoranda

1. *Observation:* It was noted that management continues to be pro-active in strengthening the internal controls structure of the Justice of the Peace Pct 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



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08-26

August 18, 2014

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 August 18, 2014, is attached. This memorandum is a report on a review of the Enforcement Division financial reports from August 2012 to July 2014. 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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08-27

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: WALLACE HARGROVE, FIRST ASSISTANT 

THRU: JAMES O'NEAL, INTERNAL AUDIT MANAGER 

FROM: RENE BALDERRAMA, INTERNAL AUDITOR INTERMEDIATE 

DATE: AUGUST 18, 2014

SUBJECT: REVIEW OF THE COUNTY TAX OFFICE – ENFORCEMENT DIVISION
FINANCIAL RECORDS FOR AUGUST 2012 THROUGH JUNE 2014

A review of the financial records for the County Tax Assessor-Collector's Office Enforcement Division has been completed from August 2012 to June 2014. The objective of this review was to verify the information contained within the Tax Office Enforcement Division financial reports.

The purpose of this is to accept the endkk

Scope and Purpose

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

1. A surprise cash count was performed on July 23, 2014 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. Reviewed the Vehicle Registration Abuse Program (V.R.AP.).

General

1. *Observation:* While performing a cash count, it was noted that the backup cashier will assist a customer with a transaction and is required to go back between the front desk and their desk several times to process the transaction. It was also noted that the cashier kept a cash box at their desk although no transactions were processed.
Corrective Action/Recommendation: It is recommended that a second cashiering station be setup to better assist customers. This will reduce the amount of time spent processing a transaction and will also reduce the possibility of loss of funds. It is further recommended that all cash boxes be kept in a secured area until they are used to assist customers.
2. *Observation:* When reviewing the V.R.A.P., it was noted that the V.R.A.P. system created by the Information Technology Department (ITD) does not have the ability to scan documents to serve as back up to cases dismissed and executed. Currently the Enforcement Division must enter all cases in the Texas Theft Prevention Authority website, through the V.R.A.P. system, which is limited to the information that can be inputted and stored.
Corrective Action/Recommendation: It is recommended that the Enforcement Division work with ITD to enhance the ability of the V.R.A.P. system to scan documents into the program. Adding this ability will assist the Enforcement Division to create complete cases in the V.R.A.P. system and provide a secure source to store case information.

Summary

This review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the County's assets from loss, theft, or misuse. The County's internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of implementing the controls should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires the use of estimates and judgment by management. Because of the inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Based on this review, the internal control structure of the County Tax Office, as it relates to the Enforcement Division, appears to be adequate, but should be strengthened with the implementation of the above mentioned recommendations.

RB:ya



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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09-21

September 16, 2014

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

Dear Mr. Martinez:

A copy of a memorandum from Ms. Bertha Tafoya, internal auditor, dated September 16, 2014 is attached. This memorandum is a report on a review of your financial records for August 2013 through September 2014. 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,

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

Edward A. Dion
County Auditor

EAD:BT:ya

Attachment




COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

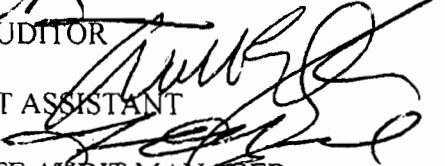
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09-22

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: WALLACE HARDGROVE, FIRST ASSISTANT 

THRU: JAMES O'NEAL, INTERMEDIATE AUDIT MANAGER 

FROM: BERTHA TAFOYA, INTERMEDIATE INTERNAL AUDITOR 

DATE: SEPTEMBER 16, 2014

SUBJECT: REVIEW OF THE JUVENILE PROBATION DEPARTMENT FOR AUGUST 2013 THROUGH SEPTEMBER 2014

Overview

A review of the Juvenile Probation Department's (JPD) financial records for August 2013 September 2014 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 September 8, 2014, 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 material discrepancies were noted.
4. All Daily Fee Summary Reports for August 2013 through June 2014 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 material 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 the verbiage on the “due to others” order has been updated. Mr. Albert Mendez III, financial services manager, has taken the necessary steps to update the template which reflects the removal of the word “restitution”.
2. *Observation:* While reviewing restitution payments, it was noted that the Juvenile Probation Department is remitting payments only to those victims that claim their funds. Upon inquiry, personnel at the treasury division of the County Auditor’s Office indicated that restitution checks are no longer being returned due to incorrect addresses.

Review of Previous Memoranda

1. *Observation:* It was noted that management has implemented prior recommendations made by this office. Furthermore, it appears that Ms. Lorena Heredia, deputy chief of finance and operations, and Mr. Mendez III continue to be pro-active in strengthening the internal control structure of the Juvenile Probation Department.

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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09-25

September 16, 2014

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 intermediate, dated August 27, 2014 is attached. This memorandum is a report on a review of your financial records pertaining to the Licensing Division for February 2013 through July 2014. 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,

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

Edward A. Dion
County Auditor

EAD:PT:ya

Attachment




COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

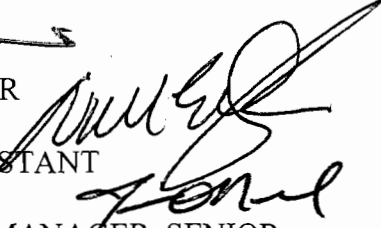
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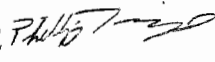
09-16

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: WALLACE HARDGROVE, FIRST ASSISTANT 

THRU: JAMES O'NEAL, COUNTY AUDITOR MANAGER, SENIOR 

FROM: PHILLIP TREVIZO, INTERNAL AUDITOR INTERMEDIATE 

DATE: AUGUST 27, 2014

SUBJECT: REVIEW OF THE EL PASO COUNTY TAX OFFICE – LICENSING DIVISION FOR FEBRUARY 2013 THROUGH JULY 2014

Overview

A review of the financial records for the El Paso County Tax Assessor-Collector's Office pertaining to the Licensing Division from February 2013 through July 2014 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 August 6, 2014, 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 for proper supervisory review. 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. No discrepancies were noted.

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 weekly balance sheets and comparing them to RecWare cashiering reports the following was noted:
 - Receipt Number 1007457.025; payment for County Liquor was posted to County Beer and Wine
 - Receipt Number 1006763.025; payment for Hotel/Motel Tax was posted to County Liquor
 - Receipt Number 1006769.025; payment for County Occupancy was posted to County Liquor

Corrective Action/Recommendation: The Information Technology Department (ITD) was contacted and the receipts were corrected to reflect the correct accounts. It is recommended that due care be exercised when posting transactions in the RecWare cashiering system.

Review of Past Memoranda

1. *Observation:* It was previous noted that parent companies and hotel management companies were listed in the mail log instead of the actual business for which the license or hotel occupancy tax was getting paid. It was recommended that the business name for which the payment is being made be included in the description section of the mail log. This recommendation has been implemented and was confirmed upon review of the mail log.

Summary

This review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the County's assets from loss, theft, or misuse. The County's internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of implementing the controls should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires the use of estimates and judgment by management. Because of the inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. Based on this review, the internal control structure of the County Tax Office as it relates to the Licensing Division appears to be adequate, and should be strengthened with the implementation of the above mentioned recommendations.



COUNTY OF EL PASO
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09-39

September 22, 2014

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. Ricardo Gabaldon, internal auditor intermediate, dated September 22, 2014, is attached. This memorandum is a report on the County Sheriff auto auction held on Saturday, September 20, 2014. 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:RG:ya

Attachment




COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

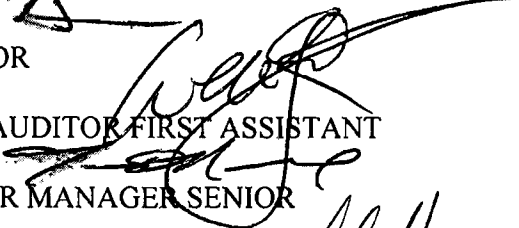
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09-40

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: WALLACE HARDGROVE, COUNTY AUDITOR FIRST ASSISTANT 

THRU: JAMES O'NEAL, INTERNAL AUDITOR MANAGER SENIOR 

FROM: LINDA HEMME, INTERNAL AUDITOR, INTERMEDIATE 
RICARDO GABALDON, INTERNAL AUDITOR, INTERMEDIATE 

DATE: SEPTEMBER 22, 2014

SUBJECT: SHERIFF'S AUTO AUCTION HELD ON SEPTEMBER 20, 2014

The Sheriff's Department Abandoned Motor Vehicle Section held an auto auction on Saturday, September 20, 2014 at the Sheriff's Abandoned Motor Vehicle Lot. Thirteen vehicles were sold generating receipts totaling \$8,525.00, which were verified to the auction list, copy attached. A cash count was performed, with no discrepancies noted.

LH:RG: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 20, 2014

#	CASE#	YR	MAKE/MODEL	STYLE	VIN:	BUYER	PRICE
1	SO/2013-12490	1966	RUNABOUT/1967 BOAT TRAILER	BT/TRL	8720G/88256	16	1100 ⁰⁰
2	AD/2014-05798	1997	CHEVROLET CAVALIER	4DRHT	1G1JC5246V7112169	2	500 ⁰⁰
3	AD/2014-03852	2007	KYMCO PEOPLE S 250 K	SCTR	RFBD2K2107B110402	19	300 ⁰⁰
4	AD/2014-01405	2006	CHEVROLET COBALT-REBUILT SALVAGE K	2DRHT	1G1AK15F067738973	6	925 ⁰⁰
5	AD/2013-12232	1998	CHEVROLET BLAZER 1/2 TON	SUV	1GNCS13W8W2257361	26	675 ⁰⁰
6	AD/2014-01406	1985	FORD F-250 K	P/U	1FTEF25H1FPA54051	2	550 ⁰⁰
7	AD/2014-06842F	1997	GEO TRACKER 1/2 TON K	SUV	2CNBE1869V6904335	19	850 ⁰⁰
8	AD/2014-05796	1999	FORD TAURUS SE K	4DRHT	1FAFP53U5XG143597	2	450 ⁰⁰
9	AD/2014-05797	1995	FORD AEROSTAR XL	VAN	1FMCA11U6SZA61669	2	400 ⁰⁰
10	AD/2014-05794	2000	DODGE CARAVAN	VAN	2B4GP4436YR692088	12	625 ⁰⁰
11	AD/2014-05795	1999	CHEVROLET 1500 1/2 TON-REBLT SALVAGE K	TRK	1GCEK14T1XZ140266	11	1600 ⁰⁰
12	AD/2014-07340	2003	FORD MUSTANG	2DRCNV	1FAFP44463F391897	16	850 ⁰⁰
13	AD/2014-08585	2006	CHEVROLET COBALT - SALVAGE K	2DRHT	1G1AL15F167710712	11	700 ⁰⁰

TOTAL SALE: 8525.00

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.



COUNTY OF EL PASO
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(915) 546-2040
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09-35

September 24, 2014

Mr. Reynaldo Chavez
Director
Parks and Recreation
6900 Delta
El Paso Texas 79905

Dear Mr. Chavez:

A copy of a memorandum from Mr. James O'Neal, internal auditor supervisor, dated September 25, 2014 is attached. This memorandum is a report on a review of the El Paso County SportsPark from March 2012 through September 2014. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the El Paso County SportsPark as defined by AICPA professional standards. However, our review was performed with objectivity and due professional care. I concur with the recommendations made by Mr. O'Neal.

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

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

Sincerely,

Edward A. Dion
County Auditor

EAD:JO:ya

Attachment

cc: Mr. Ernie Carrizal, Director
Public Works Director/County Engineer




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OFFICE OF THE COUNTY AUDITOR


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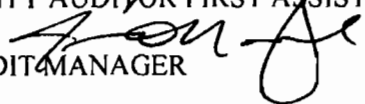
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09-36

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU: WALLACE HARDGROVE, COUNTY AUDITOR FIRST ASSISTANT 

FROM: JAMES O'NEAL, INTERNAL AUDIT MANAGER 

DATE: SEPTEMBER 24, 2014

SUBJECT: REVIEW OF THE EL PASO COUNTY SPORTSPARK FROM MARCH
2012 THROUGH SEPTEMBER 2014

Overview

A review of the El Paso County Sportspark from March 2012 through September 2014 has been completed. This time period coincides with the winter and spring baseball seasons for 2012, 2013 and the spring season for 2014. The objective of this review was to evaluate the registration process, the revenue collection and deposit procedures implemented by the Sportspark staff.

Scope and Purpose

The scope and purpose of the review consisted of:

1. Deposits were reviewed and reconciled to the Financial Accounting Management System (FAMIS) to ensure timely submission and proper posting.
2. Recware system receipts were compared to the daily deposit slips and reports submitted to this office to ensure proper reconciliation. Minor discrepancies were noted.
3. The Recware system receipts were also compared to the team rosters to ensure proper player placement.
4. Processed refund vouchers were traced back to team rosters to ensure that refunded players were removed from the rosters.
5. A surprise cash count was performed on September 23, 2014 in accordance with *Local Government Code §115.0035*. No discrepancies were noted.
6. A sample of registration forms were reviewed for completeness and accuracy.
7. Previous memoranda were reviewed for proper implementation of prior recommendations.

General

1. Observation: It should be noted that the El Paso County SportsPark was closed from September 2012 to a partial opening in March of 2013. Therefore, there were no financial records or registration forms to review for that time period.
2. Observation: While reviewing the daily deposits, it was noted that 4 of the deposits were not made in a timely manner. These deposits were not received by the bank until after five business days.
Corrective Action/Recommendation: In accordance with *Texas Local Government Code §113.022*, copy attached, it is required that all monies collected be deposited in a timely manner. It is also recommended that management explore the possibility of accepting credit cards as an alternate form of payment.
3. Observation: While reviewing the team rosters, it was noted that several players were still listed on the roster even after a refund had been issued for that player.
Corrective Action/Recommendation: It is recommended that once a refund has been issued for a player or a player has been found ineligible; that player be removed from the roster to avoid any confusion. It is further recommended that the ineligible player's registration form be marked in some way to document his/her ineligibility. It is also recommended that a master refund list be created to easily monitor any refunded or ineligible players.
4. Observation: While reviewing the sampled registration forms, it was noted that several attached birth certificates were not legible. The copies were too blurry to correctly determine the player's date of birth. Furthermore, it was noted that some registration forms did not have a copy of the birth certificate attached and a few were not legible.
Corrective Action/Recommendation: It is recommended that a legible copy of a birth certificate be submitted with all registration forms to ensure players are placed in the correct age group. It is further recommended that all registration forms be reviewed before acceptance to ensure all information is legible and correct.

Previous Memorandum

1. Observation: It was previously noted that only one staff member handles all collections, prepares daily deposits and is in charge of all change funds.
Corrective Action/Recommendation: It was noted that an assistant to the League Director has now been assigned.

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 El Paso County SportsPark appears to be minimally adequate, but should be strengthened with implementation of the above mentioned recommendations.

LOCAL GOVERNMENT CODE

TITLE 4. FINANCES

SUBTITLE B. COUNTY FINANCES

CHAPTER 113. MANAGEMENT OF COUNTY MONEY

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 (H.B. 892), Sec. 1, eff. September 1, 2007.

Acts 2011, 82nd Leg., R.S., Ch. 606 (S.B. 373), Sec. 8, eff. September 1, 2011.



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09-37

September 25, 2014

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 intermediate, dated September 25, 2014 is attached. This memorandum is a report on a review of the financial records for June 2013 through July 2014. 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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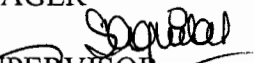
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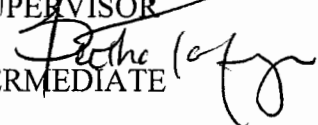
MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: WALLACE HARDGROVE, FIRST ASSISTANT 

THRU: JAMES O'NEAL, INTERMEDIATE AUDIT MANAGER 

THRU: SARAH AGUILAR, WTCSCD ACCOUNTING SUPERVISOR 

FROM: BERTHA TAFOYA, INTERNAL AUDITOR INTERMEDIATE 

DATE: SEPTEMBER 25, 2014

SUBJECT: REVIEW OF THE WEST TEXAS COMMUNITY SUPERVISION AND
CORRECTION DEPARTMENT'S FINANCIAL RECORDS FROM
JUNE 2013 THROUGH JULY 2014

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 February 25, 2014 at all offices, in accordance with *Local Government Code §115.0035*. No discrepancies were noted.
2. The bank reconciliations for the West Texas Community Supervision, Restitution to the Victim, and the Graffiti Wipeout Program accounts were reviewed for accuracy and completeness.
3. Deposits were reviewed to ensure compliance with *Local Government Code §113.022*. No major discrepancies were noted.
4. Mailed restitution payments deemed undeliverable were reviewed to ensure accountability.
5. Prior memoranda were reviewed to verify the implementation of recommendations.

General

1. Observation: While reviewing restitution payments, it was noted that although the conversion to Odyssey occurred over twelve months ago the fiscal division of the West Texas Community Supervision and Correction Department continue to struggle with conversion issues. Consequently, payments to victims have been delayed for as long as sixty days. It should be noted that victims frequently contact the fiscal division if their payments are delayed.
Corrective Action/Recommendation: In order to resolve the issues affecting victim payments, it is recommended that management take a more aggressive approach in resolving these issues.
2. Observation: While reviewing restitution to the victim checks, it was noted that the treasury division of the County Auditor's Office receives several checks that are returned by the postmaster deemed undelivered. Upon inquiry, treasury's personnel indicated that checks are returned because victims have moved leaving no forwarding address, incomplete addresses, and/or no address. Upon inquiry, management indicated that efforts would be made to ensure that the victim's address is verified before disbursing payment. Furthermore, it appears that address updates are not being saved in Odyssey.
Corrective Action/Recommendation: Although, updates have been made to the victim's address that have been located; victim's checks continue to reflect the incorrect address. It is therefore recommended that management inquiry with Tyler and/or the Informational Technology Department (ITD) to ensure that address updates are being saved in Odyssey to ensure that checks are mailed to the most recently updated address
3. Observation: While conducting a cash count it was noted that the fiscal office is understaffed. Ms. Mary Gardea, fiscal cashier, was extremely busy taking payments and/or constantly being interrupted by visitors requesting information unrelated to payments. Upon inquiry, Ms. Gardea indicated the back-up cashier was out sick; hence, conducting a cash count was extremely frustrating because there was no one else to witness the cash count. It was also noted that manual receipts 016513 and 016514 at the IPP/Industrial satellite office were skipped but not void. Upon inquiry, the cashier indicated that the manual receipts had been overlooked, she voided them immediately.
Corrective Action/Recommendation: Due to the high volume of traffic and numerous activities at the fiscal office, it is recommended that management consider a part time assistant or temporarily assign an existing staff member at a minimum to assist during the preparation of the daily deposits. It is further recommended that management ensure that supervisors from each satellite office review manual receipt books on a regular basis to ensure completeness and that skipped manual receipts are properly and promptly voided.
4. Observation: While reviewing the bank reconciliations for the restitution to the victim and the vain account, it was noted that bank reconciliations are well documented, signed, and that they include the date that they are prepared and reviewed.
5. Observation: While reviewing restitution disbursements, it was noted that checks that are issued for a dollar or less are not always cashed. Upon inquiry, Ms. Gardea indicated that there are defendants that make payments for as little as one or two dollars. She also indicated that other defendants owe restitution to multiple 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. Ms. Gardea indicated that at times victims call her to question the amount of the payment that they received and some are verbally abusive.

Corrective Action/Recommendation: In order to reduce the cost of processing checks for amounts under \$5.00, it is recommended that victim payments be held until the payments total at least \$10.00.

Review of Past Memoranda

6. Observation: The following issues have been previously addressed; 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 access to the cashier's office at the main office be restricted.
- The Graffiti Wipeout bank account remains open with only a monthly service charge transaction posting to the account.
- Previously, this office provided management with a copy of a sample template to assist in the developing of policies and procedures as they relate to the collection of funds.

Corrective Action/Recommendation: Again, it is recommended that the above recommendations be implemented 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 West Texas Community Supervision and Correction department appear to be weak, but should be strengthened with the implementation of the above mentioned recommendations.

BT:ya



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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09-45

September 25, 2014

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 September 25, 2014 is attached. This memorandum is a report on a review of your financial records for August 2013 through September 2014. 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,

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

Edward A. Dion
County Auditor

EAD:CP:ya

Attachments




COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

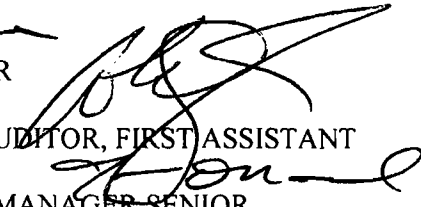
EDWARD A. DION, CPA, CIO
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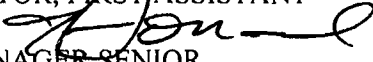
County Administrative Offices
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09-46

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: WALLACE HARDGROVE, COUNTY AUDITOR, FIRST ASSISTANT 

THRU: JAMES O'NEAL, COUNTY AUDITOR, MANAGER SENIOR 

FROM: CLAUDIA PARRA, INTERNAL AUDITOR, INTERMEDIATE 

DATE: SEPTEMBER 25, 2014

SUBJECT: A REVIEW OF THE JUSTICE OF THE PEACE, PRECINCT NUMBER 5,
FINANCIAL RECORDS FOR AUGUST 2013 THROUGH SEPTEMBER 2014

Overview

A review of the financial records for Justice of the Peace, Precinct Number 5, for August 2013 through September 2014 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 September 9, 2014, in accordance with *Local Government Code, §115.003*. Minor discrepancies were noted.
2. A five percent sample, or 19 out of 393 deposit slips, was compared to bank statements 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 393 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. No discrepancies were noted.

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 19 deposits reviewed were not deposited within the five working days pursuant to the Rapid Deposit Law.
Corrective Action/Recommendation: It is recommended that deposits be made daily, if this deadline is missed, then the deposit should be made on or before the fifth business day from when the funds were collected to be in compliance with *Local Government Code, §113.022*, copy attached.
2. *Observation:* Sheriff's collections were reviewed for proper and timely posting in Odyssey with the discrepancies reflected on the attached Schedule A. The collections for seven cases which total \$2,299.20 have not been reflected in Odyssey. Six of these discrepancies are pending carryover items from the previous audit.
Corrective Action/Recommendation: It is recommended that the Sheriff's collections be recorded in Odyssey as soon as they are received and reviewed by a supervisor on a regular basis. 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, especially where the defendant has now served Jail time.
3. *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 pending related cases. A list of the pending bonds in the amount totaling \$36, 709.50 is attached as Schedule B. The action needed on behalf of the courts consists of a bond refund or a bond forfeiture request.
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 allocate the bonds in a timely manner. These items must be resolved in a timely fashion but certainly before the judge leaves office.

Summary

This financial review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the County's assets from loss, theft, or misuse. The County's internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of implementing the controls should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires the use of estimates and judgment by management.

Because of the inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. The internal control structure of the Justice of the Peace #5 appears to be extremely weak, but should be strengthened with the implementation of the above mentioned recommendations.



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09-59

September 25, 2014

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

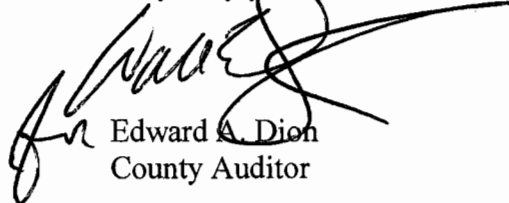
Dear Sheriff Wiles:

A copy of a memorandum from Ms. Linda Hemme, internal auditor, dated September 25, 2014 is attached. This memorandum is a report on a review of your financial records from March 2013 through August 2014. 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:ef




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09-60

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: WALLACE HARDGROVE, COUNTY AUDITOR FIRST ASSISTANT 

THRU: JAMES O'NEAL, INTERNAL AUDIT MANAGER 

FROM: LINDA HEMME, INTERNAL AUDITOR INTERMEDIATE 

DATE: SEPTEMBER 25, 2014

SUBJECT: REVIEW OF SHERIFF'S DEPARTMENT FINANCIAL RECORDS

Overview

A review of the Sheriff's Department financial records for March 2013 through August 2014 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 March 2013 through August 2014 were reviewed for accuracy and completeness. At the date of this memorandum the August 2014 bank reconciliations were not available and will be reviewed in the next audit. 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. No discrepancies were noted.
3. A sample of receipts for execution of sales, foreign civil, Crime, Records, Evidence and Forensic Section (CREFS) fees 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 March 2013 through August 2014, which are submitted to the Texas Commission on Jail Standards (TCJS), were reviewed for accuracy. Minor discrepancies were noted.
 5. The Sheriff's monthly Bail Bond Posting fee reports from March 2013 through August 2014 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.
 6. A review of the inmate phone commissions was performed. All Sheriff Jail phone commissions were received up to July 2014.
 7. The Confidential Informant/Operations Fund from the Criminal Investigation Division and the Strike Team were reviewed and cash counts were performed on September 19, 2013 and September 11, 2014. No discrepancies were noted.

General

1. Observation: While reviewing the receipts and deposits made from the Crime, Records, Evidence and Forensic Section (CREFS), the following were noted:
 - There was a \$50.00 shortage on the October 25, 2013 deposit;
 - A \$5.00 overage on the February 28, 2014 deposit;
 - Deposit slips were not filled out properly. There were some instances where the coins were listed twice on the deposit slip, once in the currency amount and again under the coins amount; also checks were listed as part of the currency total and then again under checks; the county incurs a \$5.00 bank fee for each deposit slip correction.
 - Incorrect daily deposit information was submitted to the Treasury Division. Treasury received the deposit slip for the incorrect amount on the September 4th daily deposit. After reviewing the daily Recware report, the County Auditor's office contacted CREFS to notify them of what appeared to be a \$5.00 overage. CREFS sent the correct deposit slip to the County Auditor's Treasury division that shows the correct amount that was deposited to the bank.
 - Many of the deposit slips do not include the correct fee amount breakdown; the Treasury division uses this breakdown to issue the deposit warrant and for fees to be properly coded in the financial system.
 - The monthly collections report has been submitted late and incomplete to the County Auditor's office from November 2013 to May 2014. In accordance with Local Government Section §114.002, CREFS is required to submit the monthly collections report to the County Auditor's office within 10 days of the end of the month. Beginning the June 2014 monthly report, the reports have been submitted on time.

Corrective Action/Recommendation: It is recommended that CREFS exercise due care when issuing receipts, collecting money and preparing deposit slips. It is further

recommended that CRES attend deposit slip training sessions that are routinely provided by Inter National Bank. CREFS should contact the County Auditor's Treasury division for information on the next training session available. CREFS should also ensure that the monthly collections report is complete and be submitted to the County Auditor's Office by the deadline.

2. Observation: While reviewing the Bail Bond Posting fee reports, it was noted that the receipt reports for September 2013, October 2013, April 2014, and June 2014 did not balance to the amounts that were deposited. The Bond and Inmate Trust Section (BITS) discovered that there was a deposit shortage in April 2014 which caused the discrepancy between the deposits and what was receipted in Odyssey.
Corrective Action/Recommendation: Since Odyssey was implemented on August 2013, the County Auditor's office and the Bond and Inmate Trust Section have been working on resolving the discrepancies in the system. The cause of the errors for the other three months will be reported in the next audit.

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

LH:ef



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(915) 546-8172 FAX

09-56

September 29, 2014

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 intermediate, dated September 29, 2015, is attached. This memorandum is a report on your financial records from January 2013 through June 2014. 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




COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR


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09-57

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: WALLACE HARDGROVE, FIRST ASSISTANT 

THRU: JAMES O'NEAL, INTERMEDIATE INTERNAL AUDIT MANAGER 

FROM: BERTHA TAFOYA, INTERMEDIATE INTERNAL AUDITOR 

DATE: SEPTEMBER 29, 2014

SUBJECT: REVIEW OF THE DISTRICT CLERK FINANCIAL RECORDS FOR
JANUARY 2013 THROUGH JUNE 2014

Overview

A review of the District Clerk's financial records for January 2013 through June 2014 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 August 28, 2014, in accordance with *Local Government Code § 115.0035*.
2. The bank reconciliation for the Fee, Custodial, Deposit and the Juvenile accounts for were reviewed for accuracy, completeness, and proper supervisor approval.
3. 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*. No discrepancies were noted.
4. 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. No discrepancies were noted
5. Prior memorandum was reviewed for implementation of prior recommendations.

General

1. *Observation:* It was noted that the bank reconciliations for the fee (thru April 2014), custodial, deposit and juvenile accounts are being reviewed and documented by a supervisor and upper management. Further, it was noted that the bank accounts are being reconciled to Odyssey.
2. *Observation:* While reviewing registry investments, it was noted that management has taken action to resolve a posting issue for case number 2004-4004. This investment was receipted in the Judicial Information Management System (JIMS) with a date of August 5, 5005, which should have been 2005. Consequently, the investment was not being reflected in Odyssey. It should be noted that management's pro-active involvement has minimized and/or eliminated all issues relating to the conversion from JIMS to Odyssey.

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.

EAD:ya



COUNTY OF EL PASO
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09-54

September 30, 2014

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 September 30, 2014 is attached. This memorandum is a report on a review of your financial records of the Tax Office as it relates to Automobile Registration June 2013 through June 2014. 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.

Sincerely,

Edward A. Dion
County Auditor

EAD:RB:ya

Attachment




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09-55

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 

THRU: WALLACE HARDGROVE, COUNTY AUDITOR, FIRST ASSISTANT 

THRU: JAMES O'NEAL, COUNTY AUDITOR, MANAGER SENIOR 

FROM: RUTH BERNAL, INTERNAL AUDITOR SENIOR 

DATE: SEPTEMBER 30, 2014

SUBJECT: REVIEW OF THE COUNTY TAX OFFICE AS IT RELATES TO AUTO
REGISTRATION FROM JUNE 2013 THROUGH JUNE 2014

A review of the financial records for the County Tax Assessor-Collector's Office Auto Registration division has been completed. The objective of this review was to verify the information contained within the Tax Office's financial reports. These financial reports, generated off the Registration and Titling System (RTS), and the monthly reports prepared by the Tax Office accounting division are a recapitulation of all transactions that occurred during each month.

Scope and Purpose

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

1. Surprise cash counts were performed on September 10, 2014 at the main Tax Office, and two branches in accordance with *Texas Local Government Code § 115.0035*.
2. Bank reconciliations for the Automobile and Sales Tax accounts were reviewed and compared against the cash receipts and disbursements journals for accuracy and completeness, with no discrepancies noted.
3. Monthly reports were reviewed to verify that the treasury division of the County Auditor's Office received the corresponding fees and were properly posted on FAMIS. No discrepancies noted.

4. A review of the procedures pertaining to the collections for non-sufficient funds (NSF) was conducted.
5. Mobility fee collections were verified and compared against RTS reports to for accuracy. No discrepancies were noted.

General

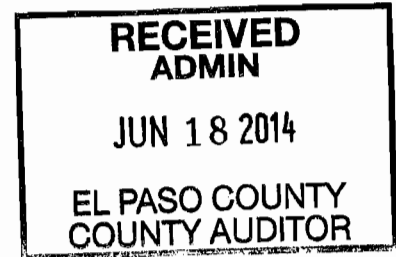
1. Observation: During the cash count, a \$20.00 overage was noted. It was also noted that the tender type counted did not match to the tender type listed on the RTS report on a couple of cashier tills. In addition, it was noted that a check was not endorsed at the time it was received.
Corrective Action/Recommendation: It is recommended that due care be exercised when collecting funds and the right tender type be indicated on the system when receiving the fund. It is also recommended that checks be endorsed as received.
2. Observation: While reviewing the manual receipts books, it was noted that five out of ten receipts reviewed from the Northeast branch did not indicate the tender type it was collected.
Corrective Action/Recommendation: It is recommended that all receipts issued, be filled out completely; and include the tender type and the vehicle plate number.
3. Observation: While reviewing the non-sufficient fund checks (NSF), it was noted that on four instances payees that paid with an NSF check the prior year, also paid with a NSF check this fiscal year. It was explained by the Tax Office personnel that the vehicle is flagged in the system, but once the NSF is paid, it clears the flag.
Corrective Action/Recommendation: Mr. Ortiz offered to contact the state to see which other procedure could be followed to resolve this issue.

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

RB:ya

DEPARTMENTAL RESPONSES



COUNTY OF EL PASO
DOMESTIC RELATIONS OFFICE

EDNA TELLES
INTERIM 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 16, 2014

Mr. Edward A. Dion
County Auditor
El Paso County Auditor's Office
800 East Overland Street, Room 406
El Paso, Texas 79901

Dear Mr. Dion,

I have studied the memorandum of your review of the Domestic Relations Office Financial Records from April 2013 through April 2014, dated June 10, 2014. As requested is the written management response related to each recommendation.

Corrections to Observation 1

- ~~On March 11, 2014 a credit card transaction was posted incorrectly to a case. The payment was for \$30.00 and it was entered in JIMS for \$36.00.~~
 - ✓ *The DRO corrected the payment amount on May 2, 2014.*
- Deposit Slip #16164021 dated March 12, 2014 incorrectly listed its check amounts as of \$828.54 instead of \$928.54. All collections were deposited for that day. This error resulted in a bank correction.
 - ✓ Mrs. Amy Serna, the Child Support Monitoring Division Chief, has scheduled a meeting with the staff on June 16, 2014, to review the observation outcomes, to council and instruct staff to exercise due caution when listing checking amounts.
- On April 4, 2014 an individual paid a \$30.00 non-sufficient funds fee to treasury; however, DRO staff gave him credit for the original \$36.00 transaction.
 - ✓ Correction performed on June 16, 2014, the \$30.00 transaction was reversed. The \$36.00 DRO service fee will be billed upon the next billing cycle.
- It was recommended that DRO staff adjust the March 11, 2014 transaction in JIMS to reflect the actual credit card payment received. Also, it was recommended that due care be exercised by the DRO staff when preparing deposit slips to avoid bank correction fees. Furthermore, it was recommended that the April \$30.00 transaction be reversed, and the individual be contacted to pay the original \$36.00 Child Support Service Fee.
 - ✓ Corrective Action taken as recommended by the Auditor

Mr. Dion, Thank you for your time and recommendations as we implement the above mentioned. We plan to hold regular meetings and trainings to improve the accuracy of DRO staff. Please do not hesitate to contact me if you have any further questions.

Sincerely,

A handwritten signature in cursive script that reads "Edna A. Telles". The signature is written in black ink and is positioned above the printed name.

Edna A. Telles



RECEIVED
ADMIN

OCT 24 2014

OFFICE OF THE COUNTY TAX ASSESSOR-COLLECTOR

500 E. OVERLAND AVE., SUITE 101 • EL PASO, TEXAS 79901

(915) 546-2097 • (915) 543-3838 FAX

EL PASO COUNTY
AUDITOR

VICTOR A. FLORES, R.T.C.

Tax Assessor-Collector

FRANK A. ORTIZ

Chief Deputy
Tax Assessor-Collector

October 7, 2014

Mr. Edward A. Dion, CPA, CIO

County Auditor

800 East Overland

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 Tax office in relation to Automobile Registration June 2013 through May 2014.

- 1. Corrective Action/Recommendation:** *It is recommended that due care be exercised when collecting funds and the right tender type be indicated on the system when receiving the fund. It is also recommended that checks be endorsed as received.*

Response: The Tax office staff will participate in additional transaction/collection training and verify that checks are endorsed as received. The finding that resulted in this recommendation has been corrected and explained in a correspondence submitted to Ricardo Gabaldon, September 11, 2014.

- 2. Corrective Action/Recommendation:** *It is recommended that all receipts issued be filled out completely and include the tender type and the vehicle plate number.*

Response: Managers/Supervisors will verify all receipts issued are filled out completely and include the tender type and vehicle plate number. The Tax Office will conduct meetings and trainings to remind staff and supervisors of Best Practices and Departmental Policies and Procedures.

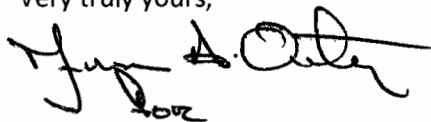
- 3. Corrective Action/Recommendation:** *Mr. Ortiz offered to contact the State to see which other procedure could be followed to resolve this issue.*

Response: Mr. Ortiz will contact the State to determine if there is a procedure or mechanism they might implement in the RTS in order to identify individuals who have a habit of writing NSF checks every year.

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 "Victor A. Flores". The signature is stylized with a large initial "V" and a long horizontal stroke extending to the right.

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



EL PASO COUNTY SHERIFF'S OFFICE

Richard D. Wiles, Sheriff

3850 Justice Drive
El Paso, Texas 79938
915 538-2310

Email: epsheriff@epcounty.com



We Serve with Pride

October 27th, 2014

*Chief Deputy
Sylvia Aguilar*

Edward Dion
County Auditor
800 E. Overland, Rm. 406
El Paso, TX 79901

*Assistant Chief Deputy
Tom Whitten*

Dear Mr. Dion:

*Executive Administrative
Officer
William J. Ellis, J.D.*

We are in receipt of your Audit conducted on the Crime Records, Evidence and Forensics Section (CREFS) conducted on September 25th by Ms. Linda Hemme, Internal Auditor.

*Commander Support
Services Division
Gomecindo Lopez*

After review of the recommendations made from the Audit we offer the following:

*Commander Criminal
Investigations Division
Paul Cross*

Recommendation

It is recommended that CREFS exercise due care when issuing receipts, collecting money and preparing deposit slips. It is further recommended that CREFS attend deposit slip training sessions that are routinely provided by Inter National Bank. CREFS should contact the County Auditor's Treasury Division for information on the training session available. CREFS should also ensure that the monthly collections report is complete and be submitted to the County Auditor's by the deadline.

*Commander Patrol
Division
Kevin W. Lanahan*

Action Taken

CREFS has conducted training on the observations in the audit and on how to minimize errors to zero. Additionally, the CREFS supervisor will send office employees to the deposit slip sessions provided by Inter National Bank. Also, each new employee will attend the deposit slip training prior to handling money in the office.

*Commander of Jail
Administration and
Support Division
Wendy Wisneski*

Sincerely,

Richard D. Wiles
Sheriff

*Commander Detention
Division
Marco Vargas*

*Commander Jail Annex
Division
Robert Flores*



**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

500 E. Overland Ave., Suite 101
El Paso, Texas 79901
Phone: (915) 546-2096
Fax: (915) 543-3838

November 14, 2014

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

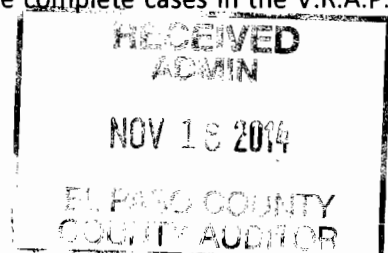
Dear Mr. Dion:

This letter serves as the written response to the recommendations made by your office as related to the review of the County Tax Office, Enforcement division financial records dated August 18, 2014.

1. **Corrective Action/Recommendation:** It is recommended that a second cashiering station be setup to better assist customers. This will reduce the amount of time spent processing a transaction and will also reduce the possibility of loss of funds. It is further recommended that all cash boxes be kept in a secured area until they are used to assist customers.

Response: Although this is an excellent recommendation and understand the reasoning behind it, it would not be cost effective for us to add a second cashiering station. First of all, this office will soon be relocating to a different location in the very near future. In addition, unfortunately, at the new location, office layout has already been approved and thus adding a secondary station would have an adverse affect on the overall schematic of the already approved layout. Therefore, this would not be a good rate of return on our investment. Secondly, the number of transactions processed by this individual simply is not enough to justify such expense. It should be noted that business has always been conducted as such for several years and had never been identified as a problem in previous audits. We will continue to ensure that all monies are accountable and secure at all times on a daily bases as we've always done.

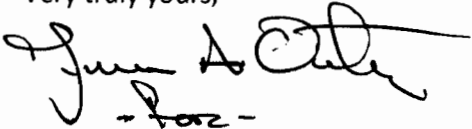
2. **Corrective Action/Recommendation:** It is recommended that the Enforcement Division, work with ITD to enhance the ability of the V.R.A.P. system to scan documents into the program. Adding this ability will assist the Enforcement Division to create complete cases in the V.R.A.P. system and provide a secure source to store case information.



Response: I agree with the recommendation to have the capability to scan all our V.R.A.P. cases, however, limiting it to only our revenue generating cases within the V.R.A.P. database environment. The need to scan, file and maintain none revenue documentation should not be relevant for accountability purposes and thus, should not be a requirement to maintain in the V.R.A.P application. Currently, all cases are scanned, filed and kept outside the realm of the V.R.A.P. database as PDF files in Word file. Scanning and maintaining within the same database by its associated case number will facilitate easier retrieval of information rather than having to access different resources. Therefore, to initiate the process, contact will be made with IT to begin coordination and implementation of the program's new functionality.

We will continue to take a proactive stand in being vigilant in maintaining strict internal controls to safeguard the County's assets from loss, theft or misuse at all times. Thank you for your diligence and expertise in performing the review.

Very truly yours,

A handwritten signature in black ink, appearing to read "Victor A. Flores". The signature is written in a cursive style with a long horizontal flourish extending to the right. Below the signature, there are two short horizontal lines.

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