



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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

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

04-07

April 11, 2019

Mr. Brian Stanley
Executive Director
Domestic Relations Office
500 E. San Antonio, Suite LL-108
El Paso, Texas 79901

Dear Mr. Stanley:

The County Auditor's Internal Audit division performed an audit of the Law Library financial records to determine if internal controls are adequate to ensure proper preparation of the Law Library financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating and efficient.

The audit report is attached. We tested three financial controls and four operating controls with a total of 67 samples. There was one finding noted as a result of the audit procedures. We wish to thank the management and staff of the Law Library for their assistance and courtesies extended during this audit.

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 audit was performed with objectivity and due professional care.

Sincerely,

Edward A. Dion
County Auditor

EAD:HM:ya

cc: Ms. Lynn Sanchez, Library Manager
Ms. Betsy Keller, Chief Administrator



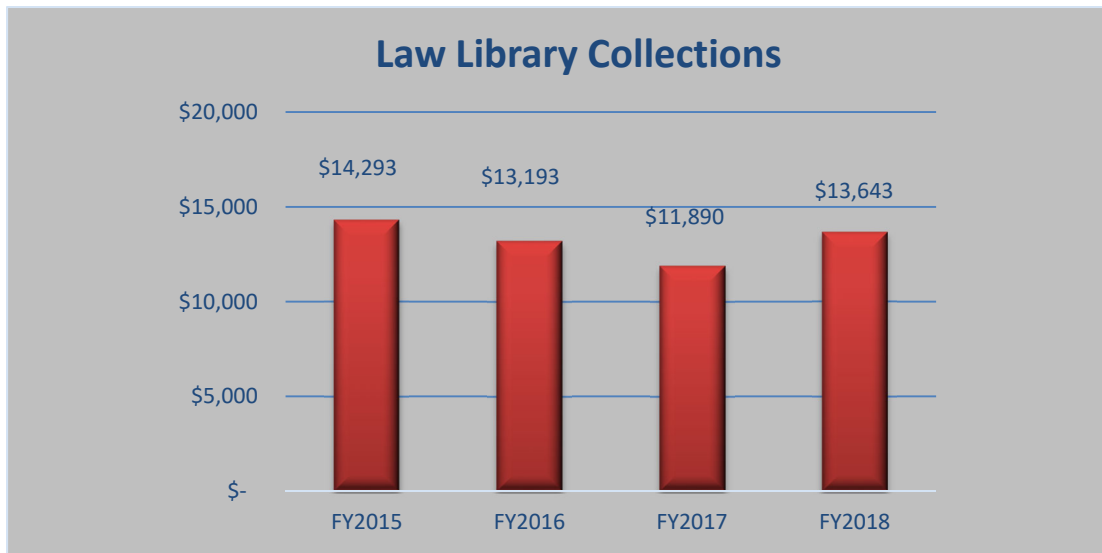
Law Library

EXECUTIVE SUMMARY



BACKGROUND

The County Law Library provides traditional and electronic materials to meet the legal research needs of the professional and legal community. Collections include monies received for printer copies, pre-assembled packets, fax and notary services, and the sale of copy cards. There are also three coin operated copy machines, which were updated in July 2017, with proceeds deposited weekly. Financial information is recorded in the County's financial system, Munis, with Tyler cashiering used to account for weekly collections. Collections for the past five fiscal years are illustrated below.



Source: Munis

The audit was performed by Hadi Medina, internal auditor. The scope of the last audit performed was February 2017 to February 2018 and the last audit report was issued May 2018.

AUDIT OBJECTIVES

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to the Law Library financial reports. Following are the business objectives and related control assessments.

Business Objective	Control Assessment
1. Functioning appropriate cash controls	Satisfactory
2. Accuracy of cash box, credit card, and copy machine deposits	Satisfactory
3. Timely deposits of collections in accordance with Local Government Code 113.022.	Needs Improvement
4. Adherence to documented policies and procedures	Satisfactory
5. Adequate non-financial security and operational measures	Satisfactory

SCOPE

The scope of the audit is from March 2018 through January 2019.

METHODOLOGY

To achieve the audit objectives we:

- Interviewed staff to gain an understanding of their current policies and procedure over sales, cash box and machine deposits, and customer service.
- Performed a surprise cash count in accordance with *Local Government Code (LGC) §115.0035*.
- Tested a sample of daily cash box receipts for timely posting in accordance with *LGC §113.022*.
- Reviewed a sample of credit card transactions and verified them against the value payment daily deposit reports for completeness and accuracy.



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EXECUTIVE SUMMARY

- Observed and inquired about current security and operational processes and controls, such as safeguarding of collections, building access, and emergency action plan for adequacy.

RESULTS

Listed below are controls and finding summaries, with findings listed from highest to lowest risk. Please see the *Findings and Action Plans* section of this report for the status of any prior audit report findings, and related details and management action plans for current findings.

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Cash handling procedures (Obj. 1) • Accurate and complete cash, credit card, copy machine receipts (Obj. 2) • Maintain and follow department policies and procedures (Obj. 4) • Non-financial security and operational controls (Obj. 5) 	<ul style="list-style-type: none"> • Timely deposit controls (Obj. 3)
Findings Summary	
<ol style="list-style-type: none"> 1. Daily deposits were not being made in accordance to <i>LGC</i> §113.022. 	

INHERENT LIMITATIONS

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.

CONCLUSION

The County Law Library has implemented improvements in their operations but should continue working on the weak control reported in the current audit. Implementation of the recommendation provided in this report should assist the Law Library in producing complete and accurate financial reports by strengthening their internal control structure.



Law Library



FINDINGS AND ACTION PLAN

Current Audit Findings & Action Plans

Finding #1		Risk Level M									
<p><i>Daily deposits:</i> Three (10%) of 30 daily deposits sampled were not deposited in a timely manner; they were one day late. Under (LGC) §113.022, 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. If the deadline cannot be met, collections are to be deposited, without exception, with the county treasurer on or before the fifth business day after the day the money was received.</p>											
<p>Recommendation</p> <p>Law Library management should ensure deposits are prepared every Friday and left ready for pickup in accordance with (LGC) §113.022. Management should verify deposits are being prepared and deposited in a timely manner.</p>											
<p>Action Plan</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Person Responsible</th> <th style="width: 25%;">Law Library Manager</th> <th style="width: 25%;">Estimated Completion Date</th> <th style="width: 25%;">4/15/2019</th> </tr> </thead> <tbody> <tr> <td colspan="4"> <p>In order to ensure compliance in accordance with (LGC) §113.022, management will implement twice a week deposits. Cash box deposits will be done on Tuesdays and Fridays.</p> </td> </tr> </tbody> </table>				Person Responsible	Law Library Manager	Estimated Completion Date	4/15/2019	<p>In order to ensure compliance in accordance with (LGC) §113.022, management will implement twice a week deposits. Cash box deposits will be done on Tuesdays and Fridays.</p>			
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