



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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10-01

October 6, 2021

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

Dear Ms. Favela Barceleau:

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

The audit report is attached. We tested one operational and seven financial controls using 188 samples. There were no findings noted as a result of the audit procedures. We wish to thank the management and staff of District Clerk's office 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.

Respectfully,

Edward A. Dion
County Auditor

EAD:PH:ya

cc: Ms. Betsy Keller, Chief Administrator



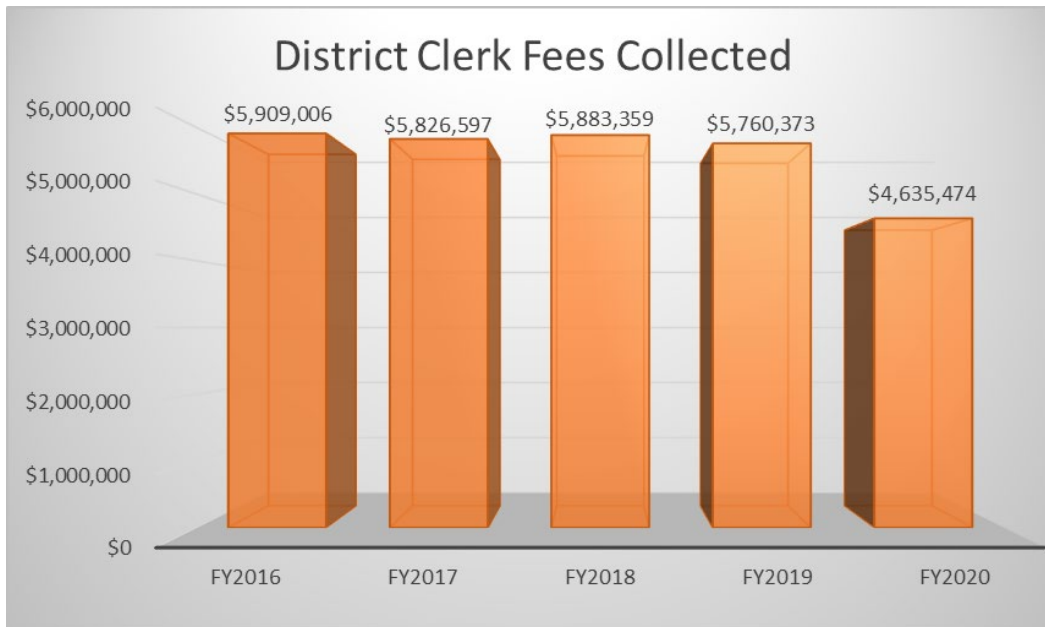
**THE OFFICE OF THE DISTRICT CLERK
MARCH 2020 – MAY 2021
FINDINGS AND ACTION PLANS**



BACKGROUND

The office of the District Clerk was created by the Texas Constitution, Article V, Section 9. The District Clerk is an elected official with a four-year term of office. The District Clerk's office is responsible for coordinating the notification, swearing in and impaneling of jurors, securing court records, maintaining court dockets, and collecting various fees. There are eight sections in the District Clerk's Office: Accounting, Adoptions, Appeals, Attorney General, Civil, Criminal, Family Jury, and Records Management. The District Clerk's office provides service to the District Courts, County Courts, visiting judges and the jail magistrates. The current District Clerk has been in Office since 2011. The audit was performed by Patrice Hills, CIA, internal auditor certified. The most recent prior audit report was issued on November 19, 2020.

Financial reports are generated from the Odyssey Courts and Justice System (Odyssey) showing all transactions occurring each month. The following chart is a comparison of fees collected at the District Clerk's office for the past five fiscal years. In fiscal year 2020 collections decreased 19.53% from the prior fiscal year. The \$1,124,899 decline was attributable to a 15.2% decrease in District Clerk fees, a 66.2% decrease in passport acceptance fees, and a 61.7% reduction in jury fines due to COVID-19 restrictions.



SCOPE

The scope of the audit is from March 2020 through May 2021. The scope of this audit was limited as it did not include review of manual receipts or a surprise cash count due to office closures related to COVID-19.

OBJECTIVES

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to District Clerk financial reports. Following are the business objectives and related control assessment.

Business Objective	Control Assessment
1. Established and documented policies and procedures.	Satisfactory
2. Timely deposits in accordance with <i>Local Government Code (LGC) § 113.022</i> .	Satisfactory
3. Timely and complete bank reconciliations.	Satisfactory
4. Completeness of the payment mail log and timely posting to Odyssey.	Satisfactory
5. Adequate documentation for void and reversal Odyssey entries.	Satisfactory
6. Adequate disbursement controls for funds, payments, and reimbursement	Satisfactory
7. Adequate controls for acceptance of passports applications.	Satisfactory
8. Safeguarding of access to tangible assets	Satisfactory



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METHODOLOGY

To achieve the audit objectives we:

- Reviewed policies and procedures.
- Tested a sample of daily deposits sent to verify compliance with *LGC §113.022*.
- Reviewed a sample of bank reconciliation for completeness and accuracy, and management review.
- Tested a sample of mail log entries for appropriate documentation and timely deposit in accordance with *LGC §113.022*.
- Tested a sample of void, adjustment and reversal entries to verify legitimacy of transactions and management approval.
- Reviewed a sample of cases with funds held on behalf of minors for initial investments, disbursements controls and, supporting documentation.
- Reviewed a sample of passport collections for accuracy, completeness and timely posting.
- Utilized third-party confirmation to verify completeness and existence of bank signature cards. Compared the information obtained to departmental records to verify personnel have authorization to disburse funds.

RESULTS

Listed below are controls and findings summaries, with findings listed from highest to lowest risk. There were no findings identified in this audit. The prior audit also had no findings.

Controls Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Current policies and procedures (Obj. 1) • Timely deposits of daily collections (Obj. 2) • Timely and accurate bank reconciliations (Obj. 3) • Functioning appropriate cash controls (Obj. 4) • Documentation on void and reversed Odyssey entries (Obj. 5) • Adequate disbursement controls (Obj. 6) • Passport collections controls (Obj. 7) • Safeguarding of access to tangible assets (Obj. 8) 	
Findings Summary	
None.	

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 office of the District Clerk met all objectives of this audit. Internal controls are adequate to ensure proper preparation of the financial reports. Processes documented appear to be operating efficiently.