



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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06-08

June 13, 2023

Ms. Maggie Morales-Aina
El Paso County Community Supervision
and Corrections Department
800 East Overland, Suite 100
El Paso, Texas 79901

Dear Ms. Morales-Aina:

The County Auditor's Internal Audit division performed an audit of the El Paso County Community Supervision and Corrections Department (EPC CSCD) financial records to determine if internal controls are adequate to ensure proper preparation of the EPC CSCD financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating and efficient.

The audit report is attached. We tested five operational and ten financial controls using 1259 samples. There was one finding noted as a result of the audit procedures. We wish to thank the management and the EPC CSCD staff for their assistance and the 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,

 for Edward A. Dion

Edward A. Dion
County Auditor

EAD:PH:ya

cc: The Honorable Anna Perez, Local Administrative District Judge
Ms. Sarah Aguilar, Audit Manager
EPC CSCD Fiscal Services-Audit Division



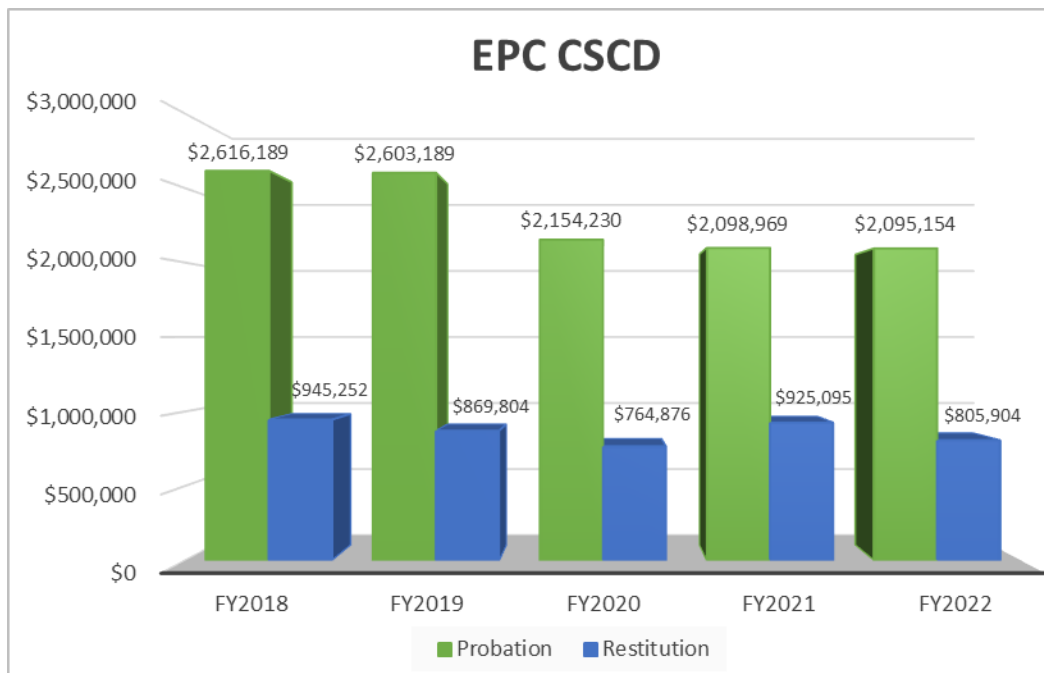
**EL PASO COUNTY COMMUNITY
SUPERVISION AND CORRECTIONS DEPARTMENT
AUGUST 2019 – DECEMBER 2022
EXECUTIVE SUMMARY**



BACKGROUND

The El Paso County Community Supervision and Corrections Department (EPC CSCD) provides probation and community corrections services to 14 District Courts, 6 County Courts-at-law, 4 County Criminal Courts, 1 Jail Magistrate Court, and 2 County Courts in the region. This region includes El Paso, Culberson and Hudspeth counties. The department’s goals are to promote public safety, reduce recidivism, and monitor compliance with court-ordered conditions. To facilitate the goals, EPC CSCD manages court ordered payments, such as probation fees and restitution payments, by accepting collections at the main fiscal office and its five satellite field offices. Additionally, the Texas Department of Criminal Justice - Community Justice Assistance Division (TDCJ-CJAD) provides the department with funding appropriated by the State Legislature and is responsible for developing various standards and procedures. The EPC CSCD director is appointed by the district and statutory county court judges responsible for the judicial district’s criminal cases; the current director 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 May 16, 2019.

Financial reports are generated from the Enterprise Justice System showing all transactions occurring each month. The following chart is a comparison of adult probation and restitution fees collected at the EPC CSCD over the past five fiscal years. A cumulative decrease of \$553,887 from fiscal year 2019 to fiscal year 2020 is attributed to a 38.55% decrease in cases referred to adult probation resulting from COVID-19 restrictions.



Source: Enterprise Justice Judicial Reporting System

SCOPE

The scope of the audit is from August 2019 through December 2022.

OBJECTIVES

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

Business Objective	Control Assessment
1. Review policies and procedures.	Satisfactory
2. Functioning appropriate cashiering controls.	Satisfactory
3. Timely bank deposits in accordance with <i>Local Government Code (LGC) §113.022</i> .	Satisfactory
4. Completeness of the payment mail log and timely posting to Enterprise Justice.	Satisfactory



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5. Adequate documentation for voided and reversed Enterprise Justice entries.	Needs Improvement
6. Adequate disbursement controls for restitution payments in accordance with <i>Government Code (GC) §76.013(b)</i> .	Satisfactory
7. Appropriate review and approval of expenditures.	Satisfactory
8. Appropriate review and approval of timesheets.	Satisfactory
9. Safeguarding of access to tangible assets.	Satisfactory
10. Adequate documentation related to non-expendable County inventory listing to maintain compliance with <i>LGC § 262.011</i> .	Satisfactory

METHODOLOGY

To achieve the audit objectives, we:

- Reviewed policies and procedures.
- Performed a surprise cash count on March 10, 2023, in accordance with *LGC §115.0035*.
- Tested a sample of daily deposits to verify compliance with *LGC §113.022*.
- Tested a sample of voided payments and reversed transactions in Enterprise Justice to verify legitimacy.
- Tested a sample of mail log entries for appropriate documentation.
- Tested a sample of cases to ensure disbursement of restitution is in accordance with *GC §76.013(b)*.
- Tested a sample of the expenditures for proper authorization.
- Tested access control list to verify users.
- Tested a sample of mileage reimbursements for accuracy, authorization, and supporting documentation.
- Tested a sample of UGK-Kronos timesheets for approvals and discrepancies.
- Tested approved inventory listing to verify compliance with *LGC §262.011*.
- Interviewed staff regarding safe combination access and associated policies.
- Reviewed listing of employees with access to the safe and safe combinations, and procedures for ensuring the list is up to date.

RESULTS

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

Controls Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Documented policies and procedures (Obj. 1) • Functioning appropriate cash controls (Obj. 2) • Timely deposits of daily collections (Obj. 3) • Mail payment log and timely posting to Enterprise Justice (Obj. 4) • Disbursement of restitution payments in compliance with <i>GC §76.013(b)</i> (Obj. 6) • Adequate expenditure controls (Obj. 7) • Timely submission and supervisory approvals of timesheets (Obj. 8) • Safeguarding of access to tangible assets (Obj. 9) • Inventory listing in accordance with <i>LGC § 262.011</i> (Obj. 10) 	<ul style="list-style-type: none"> • Void and reversed transactions (Obj. 5)
Findings Summary	
<ol style="list-style-type: none"> 1. Lack of supporting documentation for void and reversed transactions. 	



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INHERENT LIMITATIONS

This financial review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the EPC CSCD's assets from loss, theft, or misuse. The EPC CSCD'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

EPC CSCD has met nine of ten objectives of this audit. Implementation of the recommendations provided in this report should assist in producing complete and accurate financial reports by strengthening their internal control structure.



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FINDINGS AND ACTION PLANS**



Prior Audit Findings Summarized with Current Status

Status

- H** Closed 1. **Finding:** Restitution disbursements process is not in accordance with GC §76.013 (repeat finding).
Recommendation: Victim Services should ensure the current procedures comply with GC §76.013(b), specific focus on ensuring timely address changes.
Action Plan: Management agrees with recommendation. *Resolved.*

- M** Closed 1. **Finding:** Logs for payments received by mail are not complete.
Recommendation: Exercise due care to ensure mail log entries are accurate and documented reviews are performed by management on a regular basis. The updated process should be included in the documented office policies and procedures. Also, if possible, maintain segregation of duties by having two different employees open and post the payments. It is further recommended management determine what actions, if any, are needed to recover the probation fees that were paid out as restitution.
Action Plan: Management agrees with recommendations. Support staff for all field offices will be provided additional training covering payments by mail. Mail logs will include monthly managerial reviews. Policies and procedures will be updated accordingly. Further, Deputy Director Victim Services will take action to ensure probation fees disbursed as restitution are recovered. *Resolved.*

Current Audit Findings & Action Plans

Finding #1	Risk Level H
<p>Void Transactions – Lack of Supporting Documentation – In a sample of 82 void/adjustment/reversal transactions, 61% did not provide documentation in accordance with EPC CSCD fiscal policies manual.</p> <p>Policies and procedures require the rationale for modification to the original transaction be recorded in Enterprise Justice under the Contact tab. Although the void/adjustment/reversal transactions are being posted accurately, the addition of supporting documentation ensures a proper paper trail has been established and transactions are legitimate. Further, the risk of loss due to misappropriation of funds, manipulation of records, and accounting errors may increase, if rationale and supporting documentation are not provided.</p>	
Recommendation	
We recommend retraining employees on fiscal policies manual and/or update fiscal policies manual to reflect current practice. Consider adding supervisory review.	
Action Plan	
Person Responsible	Deputy Director Davila
Estimated Completion Date	July 1, 2023
Management agrees with recommendations. Support staff for all field offices will receive additional training to ensure void/adjustment/reversal transactions are in accordance with existing procedures. Additionally, a review of fiscal policies and procedures will be conducted to determine if modifications and supervisory review are necessary.	