



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

04-24

April 15, 2016

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 financial audit reports issued by the County Auditor's Internal Audit Division to the various departments relating to activity from October 2014 through September 2015. The following is a listing of the departments which were audited and are included in this report:

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The Honorable Veronica Escobar, County Judge
and County Commissioners
April 14, 2016
Page 2

Departmental responses to audits performed for the period noted above are either immediately following the audit report or have been incorporated into the new audit report format implemented September 2015.

The County Auditor's Internal Audit Division strives to be a resource to County departments and has made recommendations to help strengthen the internal control structure. In the interest of transparency, future financial audit reports will be placed on the El Paso County Auditor's webpage (http://www.epcounty.com/auditor/publications/audit_report.html) on a quarterly basis.

My sincere thanks goes to the County departments and officials for their cooperation and assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward A. Dion", with a stylized flourish at the end.

Edward A. Dion
County Auditor

EAD:JO:ya

Attachments



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02-04

February 2, 2015

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. Rene Balderrama, internal auditor intermediate, dated February 2, 2015 is attached. This memorandum is a report on a review of the Ascarate manual receipts and RecWare. Because of certain statutory duties required of the County Auditor, this office is not independent in regard to the Ascarate Park, as defined by the AICPA professional standards. However, this review was performed with objectivity and due professional care.

If we can be of further assistance, 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:LH:RB:ya

Attachment




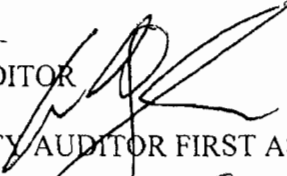


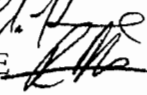
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02-05

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 
RENE BALDERRAMA, INTERNAL AUDITOR INTERMEDIATE 
DATE: FEBRUARY 2, 2015
SUBJECT: SPECIAL REVIEW OF ASCARATE MANUAL RECEIPTS AND RECWARE

Overview

Receipts issued from 2012 to 2014 totaling \$23,300.00 from an undisclosed receipt book which included receipts numbered 940 to 976 were reviewed to verify whether the funds receipted with a manual receipt were deposited and recorded in Recware. Ascarate Park and Sportspark daily deposits, credit card transactions and RecWare Receipts Journals for March 2012 to September 2012, March 2013 to September 2013, March 2014 to December 2014 and January 2015 for a total of 829 days were reviewed. The objective of this review was to provide reasonable assurance that the financial records are accurate and complete in all material respects.

Observation: The Sheriff's Department discovered an undisclosed manual receipt book with 940 through 946 which was exclusively used to receipt one specific softball league field rentals paid in cash only. Upon further investigation, it appears that the funds receipted in this book were issued by the Park Manager. The daily deposit slips and credit card transactions were thoroughly reviewed and reconciled to Recware receipts that were dated on and after the date on which the manual receipts were issued to verify whether the funds that were collected were deposited in the County depository, International Bank, and recorded in our financial accounting system. Based on our review, to the best of our knowledge, the cash funds collected and documented in the manual receipt book were not found to have been deposited in the county's depository nor recorded in RecWare, nor the Treasury division on the County Auditor's Office or the county's financial accounting system.

EDWARD A. DION
FEBRUARY 2, 2015
PAGE 2

Corrective Action/Recommendation: It is recommended that all manual receipt books and cash count books are to be ordered, issued and distributed by the County Auditor's Treasury division in conjunction with Internal Audit division receiving all completed receipt books prior to issuance of new receipt books. In addition, the printing of all manual receipt and cash count books will be done through the County Purchasing department at the request of the County Auditor's Treasury division; no other type of manual receipt or cash count books should be used. Furthermore, the Treasury division will maintain a manual a log of these book issuances. Before Ascarate Park can request additional receipt books, the completed receipt book must be turned into the Internal Audit Division. Furthermore, the Treasury division will have control of pre-numbered carbon copy cash count sheets. Ascarate Park is responsible for ensuring that the cash count sheets and manual receipt books are properly maintained in accordance with the Ascarate Park Collections Policies & Procedures. The County Auditor's office is currently in the final stages of establishing revised receipting, cash count and record keeping for Ascarate Park as well as the Sportspark. These recommendations will likely include the acquisition of a number of new assets to further strengthen internal controls and assist in safeguarding and accounting for county assets.

LH:RB:ya



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01-24

February 4, 2015

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

Dear Mr. Esparza:

A copy of a memorandum from Mr. Francisco Rios, internal auditor, dated February 4, 2015 is attached. This memorandum is a report on a review of the District Attorney's Special, State Agent, and Asset Sharing accounts for July 2011 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 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, sweeping horizontal line extending to the right.

Edward A. Dion
County Auditor

EAD:FR:ya

Attachment




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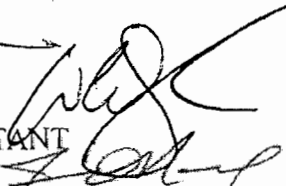
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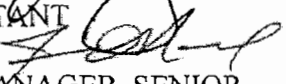
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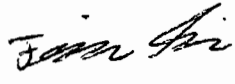
01-25

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: FEBRUARY 4, 2015

SUBJECT: REVIEW OF THE DISTRICT ATTORNEY'S SPECIAL, STATE AGENT,
AND ASSET SHARING ACCOUNTS

Overview

A review of the District Attorney's Special, State Agent and Asset Sharing accounts has been completed from July 2011 through September 2014. The objective of this review was to verify the information contained within the District Attorney's financial reports.

Scope and Purpose

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

1. The monthly bank reconciliations for the three accounts were reviewed for accuracy, completeness, and timeliness.
2. A sample of 4.5%, or 90 out of 1995, disbursements from the Special Account were reviewed to ensure disbursements were justified, approved and properly documented.
3. All (100%) of the JP Morgan Chase credit card payments were reviewed to ensure disbursements were justified, approved and properly documented.
4. Manual receipts were traced to the deposits posted in the State Agent check register and to the bank statement.
5. The Special Account disbursements were reviewed to verify that expenditures did not exceed the approved budgeted amount.

General

1. Observation: While reviewing the bank reconciliations for the Special, State Agent and Asset Sharing accounts, no discrepancies were noted.
2. Observation: While reviewing the disbursement sample for the Special account, the following discrepancies were noted:
 - One item was paying for per diem for a date that differed from the travel date.
 - Three disbursements amounting to \$381.02 do not have a copy of the invoice attached, and a copy of the invoices has been requested but has not been provided to date.

Corrective Action/Recommendation: It is recommended that a payment request be signed and approved by management for each transaction. It is further recommended that there be consistency when gathering supportive documentation, which should consist of a pending invoice, a copy of the check and a request for payment form. Any payment request that does not include all required documentation should not be processed.
3. Observation: While reviewing the JP Morgan Chase credit card payments it was noted that:
 - Two payments amounting to \$9,352.50 did not have a copy of the invoices attached. A copy of the invoices was requested but has not been provided. According to the credit card statement a total of \$7,266.50 was paid to Southwest Airlines, \$304.00 was paid to Greyhound Lines, and \$1,782.00 was paid to American Airlines.
 - Five payments amounting to \$22,914.34 did not have a copy of all the invoices; the invoices provided only totaled \$12,104.30. According to the credit card statement the \$10,810.04 for which there were no invoices provided was paid to American Airlines.
 - Seven payments were missing a memorandum requesting payment.

Corrective Action/ Recommendation: It is recommended that management review the request for payment and pending invoices, verify all the charges and purchases, and verify that all supporting documentation is made available when processing a payment. It is also recommended that management should request copies of the missing invoices from the vendors and submit them along with the management response.
4. Observation: While tracing all the manual receipts to the State Agent deposits, the bank statement and the DA's check register, it was noted:
 - Thirty receipts were missing the enforcement agency's seized currency denomination form.
 - The totals for one did not match by \$13,537.00, the District Attorney's seized currency denomination sheet registered a total of \$25,000 in collections while the Inter National Bank's deposit tally sheet registered a deposit in the amount of \$38,537.
 - One seized currency denomination sheet had no signatures.

- Two cases did not reference the collecting agency on the DA's register.
- One case did not reference a case number on the register, and has not been updated.
- One case had the currency and coin added incorrectly to a total of \$7,215 and therefore did not match the bank's tally sheet of \$7,195.

Corrective Action/Recommendation: It is recommended that each receipt be reviewed to ensure that the proper and complete documentation is attached as back-up. After meeting with the DA's office, it was determined that some enforcement agencies may not always supply the DA's with a currency denomination form. In which case a note should be made on the rest of the back-up stating that this particular item will be missing as supporting documentation. All efforts should be made to secure necessary supporting documents. New cash count and receipt forms policies and procedures are currently being drafted and will be remitted to this office for immediate implementation.

5. Observation: While reviewing of the budgeted amount allotted for expenditures, 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 implemented by the District Attorney's Office appears to be weak, but should be strengthened with implementation of above mentioned recommendations.

FR:ya



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03-26

March 24, 2015

Mr. Brian Kennedy, Director
El Paso County Coliseum
4100 Paisano
El Paso Texas 79905

Dear Mr. Kennedy:

A copy of a memorandum from Mr. James O'Neal, internal auditor manager, dated March 17, 2015 is attached. This memorandum is a report on a review of the El Paso County Coliseum from October 2013 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 Coliseum 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 by April 7, 2015. 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,

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

Edward A. Dion
County Auditor

EAD:JO:ya

Attachment



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OFFICE OF THE COUNTY AUDITOR

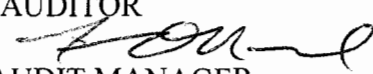
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03-27

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

FROM:  JAMES O'NEAL, INTERNAL AUDIT MANAGER

DATE: MARCH 17, 2015

SUBJECT: REVIEW OF THE EL PASO COUNTY COLISEUM FROM OCTOBER
2013 THROUGH SEPTEMBER 2014

Overview

A review of the El Paso County Coliseum from October 2013 through September 2014 has been completed. The objective of this review was to evaluate the revenue collection and deposit procedures implemented by the Coliseum staff and to determine, review and remit incentive payments.

Scope and Purpose

The scope and purpose of the review consisted of:

- Deposits were reviewed and reconciled to the Financial Accounting Management System (FAMIS) to ensure timely submission and proper posting.
- The management fee and incentive payment received by the Coliseum were reviewed and compared to Coliseum documentation to ensure contractual compliance.
- A sample of expenditures and contracts were reviewed for compliance, completeness and accuracy.

General

1. Observation: While reviewing the sample of contracts entered into by the El Paso Sports Commission, it was noted that a new concessionaire has been contracted for the Events Center arena beginning June 2013. There are now two concessionaires for the Coliseum and surrounding areas. It was further noted that the Event Center

concessionaire's monthly activity reports are not consistent with those of the Coliseum concessionaire's reports. Concessionaire reports should include event name, total collections and commission breakdown per category if warranted.

Corrective Action/Recommendation: It is recommended that all concessionaire monthly reports be submitted in the same manner to this office for review. This will ensure consistency between both concessionaires.

2. Observation: While reviewing the daily deposits, it was noted that 2 of the deposits did not have a security deposit bag tag attached to the attraction report or deposit slip.

Corrective Action/Recommendation: It is recommended that all deposit slips and attraction reports have all necessary deposit information attached for review and accountability.

3. Observation: While reviewing the revenue collections for the Coliseum the following was noted:

- Overall increase in collections by 8.73%
- Increase in rental collections by 3.24%
- Decrease in parking collections by 5.27%
- Increase in commission collections by 17.16%

It should be noted that the large increase in commission collections is mainly due to the addition of the new Events Center concessionaire, Southwest Sports Solution.

4. Observation: Pursuant to section 9.2.1 of the contractual agreement, an incentive payment in the amount of \$131,769.90 was paid to the El Paso Sports Commission for the period under review. Further, the Coliseum base revenue target increased from \$428,630.57 to \$448,433.30 due to a CPI (consumer price index) change of 4.62%.

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

JO:ya



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03-39

March 24, 2015

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 Mr. Phillip Trevizo and Ms. Daisy Caballero, internal auditors intermediate, dated March 16, 2015, is attached. This memorandum is a report on the County Sheriff auto auction held on Saturday, March 14, 2015. 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, appearing to read "Edward A. Dion".

Edward A. Dion
County Auditor

EAD:PT:DC:ya

Attachment




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03-38

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

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

FROM: PHILLIP TREVIZO, INTERNAL AUDITOR, INTERMEDIATE 
DAISY CABALLERO, INTERNAL AUDITOR, INTERMEDIATE 

DATE: MARCH 16, 2015

SUBJECT: SHERIFF'S AUTO AUCTION HELD ON MARCH 14, 2015

The Sheriff's Department Abandoned Motor Vehicle Section held an auto auction on Saturday, March 14, 2015 at the Sheriff's Abandoned Motor Vehicle Lot. Fifteen vehicles were sold generating receipts totaling \$21,000.00 which were verified to the auction list, copy attached. A cash count was performed, with no discrepancies noted.

EAD:PT:DC

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

PAGE 1 OF 1

**ABANDONED MOTOR VEHICLES AUCTION
AUCTION DATE: MARCH 14, 2015**

#	CASE#	YR	MAKE/MODEL	STYLE	VIN:	BUYER	PRICE
1	AD/2014-09178	1998	CHEVROLET S-10 ½ TON	P/U	1GCCS1442WK147914	42	1,200
2	AD/2014-08723	2003	DODGE RAM 1500	P/U	1D7HU18N83J527365	67	2,700
3	AD//2014-09645	2001	AUDI TT	2DHB	TRUWT28N511017875	37	2,700
4	AD/2014-09800	2003	JAGUAR X-TYPE	4DHT	SAJEA51D33XD19328	54	1,700
5	AD/2014-09390	2000	CHEVROLET IMPALA - REBUILT SALVAGE	4DHT	2G1WF55E5Y9377248	35	575
6	AD/2014-10131	1995	LEXUS SC300	2DHT	JT8JZ31C8S0026965	60	1,000
7	AD/2014-09966	2005	CHEVROLET COBALT	4DHT	1G1AK52F157649522	60	1,850
8	AD/2014-11731	2005	DODGE NEON SXT	4DHT	1B3ES56C35D260862	35	600
9	AD/2014-10592	2003	MAZDA TRIBUTE LX 4x4	SUV	4F2YZ94143KM55071	46	1,900
10	AD/2014-10570	2000	FORD ZX2 LX	2DHT	3FAKP1132YR154990	69	650
11	AD/2014-11409	2000	SATURN LS2	4DHT	1G8JW52R9YY649251	31	700
12	AD/2014-12862	2000	PLYMOUTH NEON LX	4DHT	1P3ES46C1YD798196	56	750
13	AD/2014-12400	2002	DODGE CARAVAN	VAN	1B4GP25332B738906	67	800
14	AD/2015-00196	1994	HONDA CIVIC EX	2DHT	2HGEJ1236RH533142	25	875
15	AD/2015-00496	2005	HONDA CIVIC EX	4DHT	2HGES26705H514080	22	2,900

TOTAL SALE:

\$21,000.00

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

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

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

PAYMENT IS REQUIRED IMMEDIATELY AFTER THE SALE ENDS.

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

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

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

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



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05-01

May 1, 2015

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 Mr. Phillip Trevizo, internal auditor intermediate, dated April 29, 2015, is attached. This memorandum is a report on a review of the County Jail Commissary Inmate Fund through fiscal year ended September 30, 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 Mr. Trevizo.

As a follow up to this report, please provide a written management response relating to each recommendation by May 20, 2015. 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,

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

Edward A. Dion
County Auditor

EAD:PT:ya

Attachment

cc: Aramark Correctional Services




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05-02

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

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

FROM:  PHILLIP TREVIZO, INTERNAL AUDITOR INTERMEDIATE

DATE: MAY 1, 2015

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, 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 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 were noted.
3. 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)*.
4. Inmate order and return credit tickets were traced to a sample of Aramark Correctional Services' weekly Sales and Commissions reports for accuracy.
5. 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.
6. Procedures for the Sheriff's Indigent Inmate Program were reviewed. No discrepancies were noted.

7. Cash counts were performed on February 19, 2015 and February 26, 2015 at the Downtown and Annex jail facilities, respectively, in accordance with Local Government Code § 115.0035. No discrepancies were noted.
8. An analysis was performed on the yearly jail commissary sales and commissions.
9. The Jail Commissary 2014 fiscal year balance Sheet, income statement, and budget are attached. The 2014 El Paso County Comprehensive Annual Financial Report (CAFR) can be accessed at <http://www.epcounty.com/auditor/publications/cafr.html>

General

1. Observation: While reviewing a sample of jail commissary contracted services expenditures for Language Plus Inc. and comparing them to class sign-in sheets, the following was noted:
 - The March 2014 Language Plus Inc. invoice was overpaid by one hour for the Male Job Readiness Class.
 - The March 2014 Language Plus Inc. invoice was underpaid by two hours for the Female GED Class.

It was explained that on the Male Job Readiness Class the instructor signed in and was probably given credit for that class because Language Plus was not informed within 24 hours per contract agreement that there were no inmates scheduled for that day. It was also explained that no corrections were noted for the under billed Female GED class.

Corrective Action/Recommendation: It is recommended that Sheriff's department personnel provide Language Plus Inc. with 24 hours' notice in the event a class needs to be cancelled. Furthermore, it is also recommended that invoices be reconciled per class subject and location to identify any discrepancies.

2. Observation: Upon reviewing a sample of Inmate Order and Return Credit tickets and tracing them to the Sales and Commissions Reports, it was noted that one return credit ticket could not be located to support an inmate's return credit. It was explained by the Aramark representative that the return credit tickets for that period had been discarded by the previous Retail Manager.

Corrective Action/Recommendation: An Inmate Balance History report was generated by the Bond and Inmate Trust Section (BITS) from Aramark's inmate accounting software and the inmates return credit was verified. It is recommended that Aramark personnel retain Inmate Order and Return Credit receipts to ensure they are available for auditor review.

3. Observation: While reviewing deposits and disbursements made through Inmates Trust accounts it was noted that one disbursement transaction receipt for April 21, 2014 was missing from the deposit envelope.

Corrective Action/Recommendation: It is recommended that due care be exercised when preparing all documentation for deposit envelopes. Furthermore, policies and procedures should be followed to ensure that all deposit and disbursement transactions receipts are kept on file.

4. Observation: As reflected on the attached analysis, jail commissary sales and commissions increased by 8.25% during fiscal year 2014 compared to fiscal year 2013.

EDWARD A. DION

MAY 1, 2015

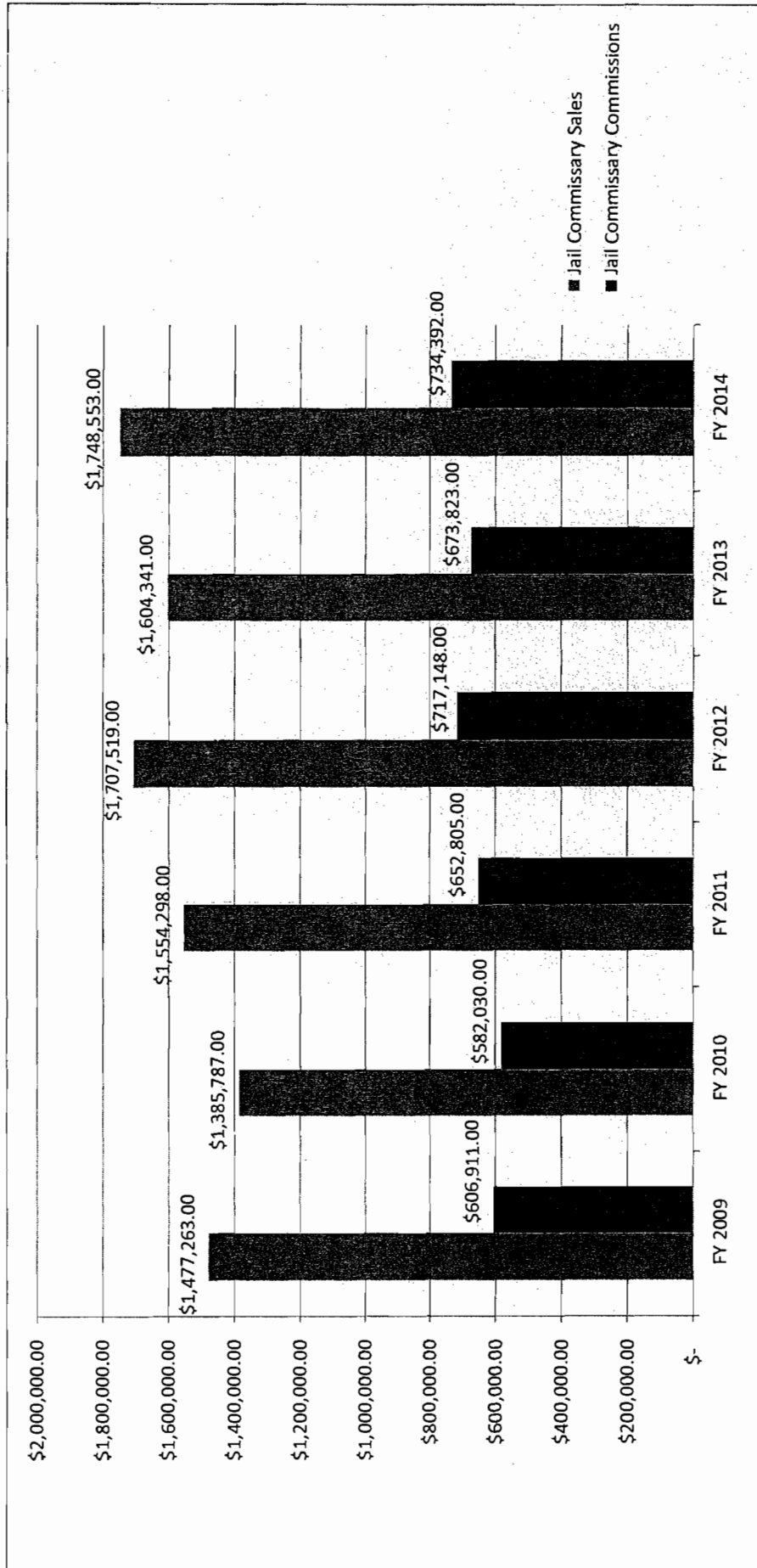
PAGE 3

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.

PT:ya

Jail Commissary and Commissions



County of El Paso, Texas
Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2014

	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	\$6,466,979	\$703,454	\$28,812	\$167,516	\$244,341	\$346,100
Accounts receivable	191,921	123	569	2,082	863	13,797
Total assets	<u>\$6,658,900</u>	<u>\$703,577</u>	<u>\$29,381</u>	<u>\$169,598</u>	<u>\$245,204</u>	<u>\$359,897</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Vouchers payable	\$790,726	\$68,693	\$14,838	\$8,489	\$3,837	\$31,140
Payroll liabilities	210,286	724				6,216
Due to others	11,400					
Due to other Governments						
Total liabilities	<u>1,012,412</u>	<u>69,417</u>	<u>14,838</u>	<u>8,489</u>	<u>3,837</u>	<u>37,356</u>
Fund balances:						
Nonspendable:						
Restricted:						
Temporary budgetary stabilization	2,221,071	500,222		54,075	200,000	120,000
General assistance						
Public safety						66,306
Records management						
Road construction/maintenance	2,849,265					
Other purposes		133,938	14,543	105,028	41,367	
Assigned:						
Other purposes	\$76,152			2,006		136,235
Total fund balances	<u>3,646,488</u>	<u>634,160</u>	<u>14,543</u>	<u>161,109</u>	<u>241,367</u>	<u>322,541</u>
Total liabilities and fund balances	<u>\$6,658,900</u>	<u>\$703,577</u>	<u>\$29,381</u>	<u>\$169,598</u>	<u>\$245,204</u>	<u>\$359,897</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, 2014

	Road and Bridge	County Tourist Promotion	Alternative Dispute Resolution Center	District Attorney Drug Forfeitures	Coliseum Tourist Promotion	Commissary Inmate Profit
REVENUES						
Taxes					\$3,392,160	
Intergovernmental	\$51,099					
Charges for services	7,042,833		\$200,047	\$1,009		\$734,392
Fines and forfeitures						
Interest	6,487	\$228		180	412	258
Miscellaneous	179,648			314	8,026	13,180
Total revenues	7,280,067	228	200,047	1,503	3,400,598	747,830
EXPENDITURES						
Current						
General government	1,336,809					
Administration of justice			185,358	31,980		
Public safety						815,089
Health and welfare						
Culture and recreation		407,368			2,651,316	
Public works	6,353,815					
Capital outlays	61,122	21,900				
Total expenditures	7,751,746	429,268	185,358	31,980	2,651,316	815,089
Excess (deficiency) of revenues over (under) expenditures	(471,679)	(429,040)	14,689	(30,477)	749,282	(67,259)
OTHER FINANCING SOURCES (USES)						
Transfers in		669,629				
Transfers out					(669,629)	
Total other financing sources (uses)		669,629			(669,629)	
Net Change in Fund Balances	(471,679)	240,589	14,689	(30,477)	79,653	(67,259)
Fund balances - beginning	6,118,167	393,571		191,586	161,714	389,800
Prior period adjustment			(146)			
Fund balances - ending	\$5,646,488	\$634,160	\$14,543	\$161,109	\$241,367	\$322,541

(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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$3,250,000	\$3,250,000	\$3,392,160	\$142,160
Interest	250	250	412	162
Miscellaneous			8,026	8,026
Total revenues	3,250,250	3,250,250	3,400,598	150,348
EXPENDITURES				
Culture and recreation				
Operating	2,655,621	2,655,621	2,651,316	4,305
Total culture and recreation	2,655,621	2,655,621	2,651,316	4,305
Total expenditures	2,655,621	2,655,621	2,651,316	4,305
Excess (deficiency) of revenues over (under) expenditures	594,629	594,629	749,282	154,653
OTHER FINANCING SOURCES (USES)				
Transfers out	(669,629)	(669,629)	(669,629)	
Total other financing sources (uses)	(669,629)	(669,629)	(669,629)	
Net Change in Fund Balances	(75,000)	(75,000)	79,653	154,653
Fund balances - beginning	161,714	161,714	161,714	
Fund balances - ending	\$86,714	\$86,714	\$241,367	\$154,653

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$700,000	\$700,000	\$734,392	\$34,392
Interest			258	258
Miscellaneous			13,180	13,180
Total revenues	700,000	700,000	747,830	47,830
EXPENDITURES				
Public Safety				
Personnel	148,452	148,452	131,406	17,046
Operating	925,042	925,042	683,683	241,359
Total public safety	1,073,494	1,073,494	815,089	258,405
Total expenditures	1,073,494	1,073,494	815,089	258,405
Excess (deficiency) of revenues over (under) expenditures	(373,494)	(373,494)	(67,259)	306,235
Net Change in Fund Balances	(373,494)	(373,494)	(67,259)	306,235
Fund balances - beginning	389,800	389,800	389,800	
Fund balances - ending	\$16,306	\$16,306	\$322,541	\$306,235



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

June 15, 2015

Chief Deputy
Sylvia Aguilar

Chief of Law Enforcement
Tom Whitten

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

Commander Criminal
Investigations Division
Paul Cross

Commander Patrol
Division
Kevin W. Lanahan

Commander of Jail
Administration and
Support Division
Wendy Wisneski

Commander Detention
Division
Marco Vargas

Commander Jail Annex
Division
Robert Flores

Mr. Edward Dion
County Auditor
800 E. Overland
El Paso, TX 7901

Re: County Jail Commissary Fund Audit

Dear Mr. Dion:

Thank you for your letter of May 1, 2015. Pardon our delay in getting back to you.

As you are aware, the audit set forth several observations and recommendations regarding the results of the audit. In response to the first observation, the Office will be contractually obligated to provide 24-hours notice of class cancellations, absent exigent circumstances. Each detention facility will reconcile invoices for each class upon receipt and thereafter forward the same to Budget for further review and payment.

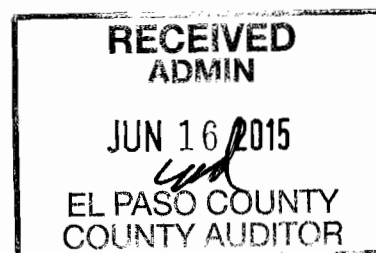
Secondly, Aramark will be contractually obligated to retain Inmate Order and Retention Credit receipts to ensure all are available for audit review.

Thirdly, the Office will exercise due care when preparing all documentation for deposit envelopes. Current policies and procedure of the BITS section will be reviewed and updated as necessary so that all transaction receipts are maintained on file. The Director of BITS will implement an internal audit system wherein all transaction receipts are reviewed weekly for accuracy.

If you require further explanation or clarification, kindly advise.

Cordially,

RICHARD D. WILES



First Nationally Accredited Sheriff's Office in Texas
First Two Nationally Accredited County Jails in Texas





COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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

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

06-15

June 12, 2015

Ms. Pat Adaauto
Public Works Special Projects Director
800 E. Overland, Suite 407
El Paso, TX 79901

Dear Ms. Adaauto:

A copy of a memorandum from Mr. Hadi Medina, Phillip Trevizo, and Rene Balderrama, internal auditors, dated June 12, 2015 is attached. This memorandum is a report on a review of the Parks and Recreation swimming pools for the 2015 summer season. Because of certain statutory duties required of the County Auditor, this office is not independent with regard to the Parks and Recreation swimming pools 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. Medina.

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:HM:PT:RB:ya

Attachment







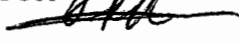
COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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06-16

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR 
THRU: JAMES O'NEAL, INTERNAL AUDIT MANAGER SENIOR 
FROM: HADI MEDINA, INTERNAL AUDITOR 
PHILLIP TREVIZO, INTERNAL AUDITOR 
RENE BALDERRAMA, INTERNAL AUDITOR 
DATE: JUNE 12, 2015
SUBJECT: REVIEW OF THE PARKS AND RECREATION SWIMMING POOLS FOR THE
SUMMER 2015 SEASON

Overview

A review of the financial records for the Parks and Recreation swimming pools, for the 2015 summer season 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. A surprise cash count was performed on June 6, 2015 at the Ascarate, Gallegos, and O'Donnell swimming pools. Cash counts were performed in accordance with *Local Government Code* §115.0035.
2. Cash count and cashiering reports were verified to ensure that collections were properly recorded and reported, and that deposits were made in accordance with the rapid deposit law, *Texas Local Government Code* §113.022.
3. Deposits were verified for proper posting in the Financial Accounting Management Information System (FAMIS).

Observations

1. Ascarate Swimming Pool: While performing a surprise cash count at the swimming pool, it was noted that one of the cashiers was short \$2.00 when reconciling the number of wristbands issued against the total cash collected. It was also noted that the pool is staffed with a cashier to handle all the pool transactions and one to handle just the tent rentals. The cashier in charge of the tent rentals did not assist the other cashier although the volume of transactions being handled was high, thus, creating a long wait for the customers.

2. Gallegos Swimming Pool: While performing a surprise cash count at the Gallegos Swimming Pool, it was noted that one of the cashiers was short \$1.00 when reconciling the total number of wristbands issued against the total cash collected. This particular individual was a life guard for the pool, but was also filling in as a cashier because the scheduled cashier had resigned the previous day. Further, the life guard indicated he did not have the key to the register on site, consequently having no storage for the collections. It was also noted that the doors for the pool pump were left open, leaving opportunity for someone to enter the pool without paying.
3. O'Donnell Swimming Pool: While performing a surprise cash count at the Gallegos Swimming Pool, it was noted that one of the cashiers was short \$.30 when reconciling the total number of wristbands issued against the total cash collected. It was also noted that there was no cash register or locked box to secure the money being collected. Furthermore, it was also noted that the pools do not have any cashing or policies and procedures manuals set in place.

Overall Corrective Action/Recommendations

1. It is recommended that due care be exercised by the pool staff when performing cashing duties to avoid any overages or shortages of funds.
2. It is also recommended that funds collected throughout the day be safeguarded at all times in a locked container.
3. It is also recommended that the pool premises be locked at all times to ensure that all customers enter through the front entrance and payment is collected.
4. It is further recommended that a pool policies and procedures manual be established and implemented as soon as possible in order to improve the internal control structure, and to establish consistency among the swimming pools.
5. In regards to the Ascarate Swimming Pool, it is recommended that the cashier for tent rentals assist in the selling of wristbands to increase the flow of customers.

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 Parks and Recreation swimming pools appears to be weak, but should be strengthened with the implementation of the above mentioned recommendations.

HM:PT:RB:ya



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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EL PASO, TEXAS 79901-2407
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06-21

June 15, 2015

The Honorable Ruben P. Gonzalez
County Tax Assessor-Collector
500 East Overland
El Paso, Texas 79901

Dear Mr. Gonzalez:

A copy of a memorandum from Ms. Ruth Bernal, internal auditor senior, dated June 15, 2015 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 2014 through May 2015. 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,

A handwritten signature in black ink, appearing to read "Edward A. Dion", with a stylized flourish at the end.

Edward A. Dion
County Auditor

EAD:RB:ya

Attachment



COUNTY OF EL PASO


OFFICE OF THE COUNTY AUDITOR


EDWARD A. DION, CPA, CIO
COUNTY AUDITOR
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EL PASO, TEXAS 79901-2407
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06-22

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU:  JAMES O'NEAL, COUNTY AUDITOR MANAGER SENIOR

FROM:  RUTH BERNAL, INTERNAL AUDITOR SENIOR

DATE: JUNE 15, 2015

SUBJECT: REVIEW OF THE COUNTY TAX OFFICE AS IT RELATES TO AUTO REGISTRATION FROM JUNE 2014 THROUGH MAY 2015.

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. Bank reconciliations for the Automobile and Sales Tax accounts were reviewed and compared against the cash receipts and disbursements journals for accuracy and completeness, no discrepancies noted.
2. 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.
3. Mobility fee collections were verified and compared against RTS reports for accuracy. No discrepancies were noted.
4. Reviewed collection procedures to determine that proper deposit procedures exist.
5. An analysis of voided transactions for the week of May 4 – 9, 2015 was performed in order to determine where the highest numbers of voided transactions were generated.
6. Reviewed prior memorandum recommendations.

General

1. Observation: While reviewing the Employee daily cash deposit records (cash count sheets), it was noted that supervisors count, sign and verify their own tills.
Corrective Action/Recommendation: It is recommended that the daily cash count sheets be counted and signed by the employee that collected the funds, and be verified by the supervisor. If the supervisor collects funds, it is recommended that the cash count sheets be verified by another employee.
2. Observation: It was noted that not all the clerks include the cash drawer number on the cash count sheet, as indicated on the Tax Office's closeout standard operation procedures.
Corrective Action/Recommendation: It is recommended that this procedure be enforced by the supervisors.
3. Observation: It was also noted that cash count sheets are kept only for three months, and then destroyed.
Corrective Action/Recommendation: It is recommended that cash count sheets be kept for the fiscal year end plus 3 years, in accordance with the State of Texas Records retention schedule. A copy of the schedule was provided to the Tax Office on June 9, 2015.
4. Observation: It was noted that Tax Office has 61 generic manual receipt books.
Corrective Action/Recommendation: Currently the Auditor's Office is working on new procedures to issue manual receipt books that will contain the County of El Paso Seal. Auditor's Office will issue receipt books upon request. In the meantime, it is recommended that the Tax Office keeps at least 8 receipt books and submit the rest of the generic receipt books to the Auditor's Office.
5. Observation: Mr. Ruben P. Gonzalez was appointed as the new El Paso County Tax Assessor-Collector on March 9, 2015. Due to the new administration, 122 old stamps that contain Mr. Victor A. Flores name (former Tax Assessor collector) were destroyed on May 13, 2015. Memo attached.
Corrective Action/Recommendation: Currently, the checks and deposit slips with the name of Mr. Flores are still in use due to the relocation of the main office. Once the office is relocated, new checks and deposit slips will be requested with the new Tax Assessor Collector name and address; and the old ones will be destroyed.
6. Observation: While reviewing the voided transactions, it was noted that TRI-STAR Auto Title Co. and Express Car Titling offices had the largest number of voided transactions. The Tax Office performed an analysis of the reasons for the voided transactions. In most of the cases no explanation was provided by the offices, but the stickers or plates for the voided transactions were returned.
Corrective Action/Recommendation: It is recommended that the Tax Office consider a refresher training session for these contracted offices. It is also recommended that the Tax Office enforce that an explanation for the voids be given in order to implement procedure to correct the source of the problem.

Review of Past memorandum

7. Observation: In a prior memorandum, it was noted that the RTS system has a mechanism in place to flag a vehicle when there is a Non-Sufficient Funds (NSF) pending, but once the NSF is paid, it clears the flag. However, if the payee pays again with a non-sufficient fund check, they are not flagged on those cases. Currently, the Tax Office keeps records of the NSF payees at their main office. Mr. Ortiz offered to contact the Texas Department of Motor Vehicles to see which other procedure could be followed to flag those payees. We were informed that the Department of Motor Vehicles RTS will not allow for accounts to be flagged for chronic NSF customers.

Corrective Action/Recommendation: Due to the high volume of transaction at the Tax Office, it would be difficult to flag the chronic NSF customers manually. It is recommended that the Tax Office suggest to the Texas Department of Motor Vehicles to include a feature in their system in future updates that help identify these customers.

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

RB:ya



RUBEN P. GONZALEZ
El Paso County Tax Assessor-Collector
500 E. Overland, Suite 101 El Paso, TX 79901
Phone (915) 546-2140 • Fax (915) 543-3838

Memorandum

To: Ruth Bernal, Internal Auditor
CC: Ruben P. Gonzalez, Tax Assessor Collector
CC: Frank Ortiz, Chief Deputy TAC
CC: Barbara Banks, Automobile Director

From: Letty Ramos, Accounting Manager

Date: May 5, 2015

Re: Destroy/Disposal of Victor A. Flores-TAC rubber and self inking Endorsement Stamps

There are a total of 122 Endorsement/Rubber stamps to be destroyed, see below:

	Description	Type	Count	
1	Single line stamp reading- Victor A. Flores-TAC	Rubber Stamp	36	✓ L RB
2	Refund Stamp	Self Inking	2	✓ L RB
3	Address Stamps	Self Inking	12	✓ L RB
4	Check Endorsement Account #149	Rubber Stamp	46	L RB
5	Check Endorsement Account #157	Rubber Stamp	4	L RB
6	Check Endorsement Account #122	Rubber Stamp	6	L RB
7	Check Endorsement Account #165	Rubber Stamp and Self Inking	9	L RB
8	Check Endorsement Account #173	Rubber Stamp	4	L RB
9	City Scofflaw Stamp	Rubber Stamp	1	L RB
10	Signature Stamps	Self Inking	2	L RB
	TOTAL STAMPS		122	

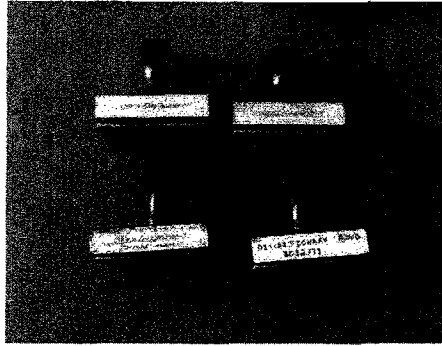
Acknowledgement of destruction by:

Letty Ramos 5/13/15
Letty Ramos, Accounting Manager

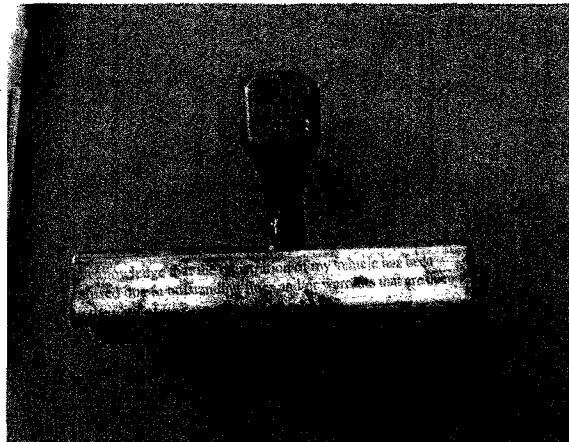
Ruth Bernal 5/13/15
Ruth Bernal, Internal Auditor

Elier Bayona 5/13/15
Elier Bayona, Inventory Clerk Senior

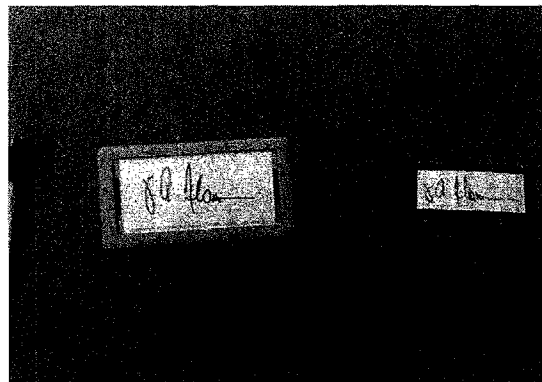
8. Check Endorsement Acct # 173



9. City Scofflaw Stamp



10. Signature Stamps





RUBEN P. GONZALEZ
El Paso County Tax Assessor-Collector

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

July 22, 2015

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

Dear Mr. Dion:

This letter serves as the written response to the recommendations made by your office as related to the review of the financial records for the County Tax Assessor-Collector's Office Auto Registration Division dated June 15, 2015.

1. **Observation:** While reviewing the Employee daily cash deposit records (cash count sheets), it was noted that supervisors count, sign and verify their own tills.
Corrective Action/Recommendation: It is recommended that the daily cash count sheets be counted and signed by the employee that collected the funds, and be verified by the supervisor. If the supervisor collects funds, it is recommended that the cash count sheets be verified by another employee.

Response: We concur with your recommendation.

2. **Observation:** It was noted that not all the clerks include the cash drawer number on the cash count sheet, as indicated on the Tax Office's close out standard operation procedures.
Corrective Action/Recommendation: It is recommended that this procedure be enforced by the supervisors.

Response: We concur with your recommendation.

3. Observation: It was also noted that cash count sheets are kept only for three months, and then destroyed.

Corrective Action/Recommendation: It is recommended that cash count sheets be kept for the fiscal year end plus 3 years, in accordance with the State of Texas Records retention schedule. A copy of the schedule was provided to the Tax Office on June 9, 2015.

Response: The Tax Office agrees that this is a best practice and is highly interested in doing this, however, implementing this practice will require increased utilization of resources we don't have. At this time, the department is unable to accommodate this recommendation given the current space capacity at archives. The Tax Office requests a waiver of the current State of Texas Records retention schedule and agrees to retain records for a period of the current fiscal year plus 6 months.

4. Observation: It was noted that Tax Office has 61 generic manual receipt books.

Corrective Action/Recommendation: Currently the Auditor's Office is working on new procedures to issue manual receipt books that will contain the County of El Paso Seal. In the meantime, it is recommended that the Tax Office keeps at least 8 receipt books and submit the rest of the generic receipt books to the Auditor's Office.

Response: The Tax Office will maintain 10 receipt books and submit the rest to the Auditor's Office.

5. Observation: Mr. Ruben P. Gonzalez was appointed as the new El Paso County Tax Assessor-Collector on March 9, 2015. Due to the new administration, 122 old stamps that contain Mr. Victor A. Flores name (former Tax Assessor collector) were destroyed on May 13, 2015. Memo attached.

Corrective Action/Recommendation: Currently, the checks and deposit slips with the name of Mr. Flores are still in use due to the relocation of the main office. Once the office is relocated, new checks and deposit slips will be requested with the new Tax Assessor Collector name and address; and the old ones will be destroyed.

Response: Once the office is relocated, new checks and deposit slips will be requested with the new Tax Assessor Collector name and address; and the old ones will be destroyed.

6. Observation: While reviewing the voided transactions, it was noted that TRI-STAR Auto Title Co. and Express Car Titling offices had the largest number of voided transactions. The Tax Office performed an analysis of the reasons for the voided transactions. In most of the cases no explanation was provided by the offices, but the stickers or plates for the voided transactions were returned.

Corrective Action/Recommendation: It is recommended that the Tax Office consider a refresher training session for these contracted offices. It is also recommended that the

Tax Office enforce that an explanation for the voids be given in order to implement procedure to correct the source of the problem.

Response: This issue has been discussed with all affected parties and will be monitored.

Review of Past memorandum

7. Observation: In a prior memorandum, it was noted that the RTS system has a mechanism in place to flag a vehicle when there is a Non-Sufficient Funds (NSF) pending, but once the NSF is paid, it clears the flag. However, if the payee pays again with a non-sufficient fund check, they are not flagged on those cases. Mr. Ortiz offered to contact the Texas Department of Motor Vehicles to see which other procedure could be followed to flag those payees. We were informed that the Department of Motor Vehicles RTS will not allow for accounts to be flagged for chronic NSF customers.

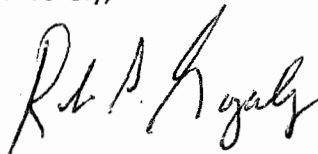
Corrective Action/Recommendation: Due to the high volume of transaction at the Tax Office, it would be difficult to flag the chronic NSF customers manually. It is recommended that the Tax Office suggest to the Texas Department of Motor Vehicles to include a feature in their system in future updates that help identify these customers.

Response: The Tax Office is currently working with ITD to determine a method that may provide this capability, i.e. incorporating electronic check readers into our point of sale program.

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.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ruben P. Gonzalez', written in a cursive style.

Ruben P. Gonzalez
El Paso County Tax Assessor-Collector



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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07-26

July 31, 2015

Mr. Many Lucero
Interim Director
Parks and Recreation
6900 Delta
El Paso Texas 79905

Dear Mr. Lucero:

A copy of a memorandum from Mr. James O'Neal, Internal Auditor Manager, dated July 31, 2015, is attached. This memorandum is a report on a review of the El Paso County Sportspark from October 2014 through June 2015. 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 by August 14, 2015. 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,

A handwritten signature in black ink, appearing to read "Edward A. Dion", with a stylized flourish at the end.

Edward A. Dion
County Auditor

EAD:JO:ya

Attachment

cc: Mrs. Norma Rivera Palacios, Assistant Director
County Road and Bridge Department



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR


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07-27

MEMORANDUM

TO:  EDWARD A. DION, COUNTY AUDITOR

THRU: BARBARA FRANCO, COUNTY AUDITOR FIRST ASSISTANT 

FROM: JAMES O'NEAL, INTERNAL AUDIT MANAGER, SENIOR 

DATE: JULY 31, 2015

SUBJECT: REVIEW OF THE EL PASO COUNTY SPORTSPARK FROM OCTOBER
2014 THROUGH JUNE 2015

Overview

A review of the El Paso County Sportspark from October 2014 through June 2015 has been completed. This time period coincides with the fall baseball season for 2014 and the spring season for 2015. 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. Previous memoranda were reviewed for proper implementation of prior recommendations.
2. Recware system receipts were compared to the daily deposit slips and reports submitted to this office to ensure proper reconciliation. Some discrepancies were noted. See observation # 1.
3. Deposits were reviewed and reconciled to the Financial Accounting Management System (FAMIS) to ensure timely submission and proper posting. See observation # 2.
4. A sample of purchase orders and requisitions were reviewed for compliance and accuracy. See observation # 3.
5. Processed refund vouchers were traced to team rosters to ensure refunded players were removed from the rosters. See observation # 4.
6. The Recware system receipts were also compared to the team rosters to ensure proper player placement and a sample of registration forms were reviewed for completeness and accuracy. See observation # 5.
7. A surprise cash count was performed on July 28, 2015, in accordance with *Local Government Code §115.0035*. No discrepancies were noted.

Statistical

The following statistics are for the period under review (October 2014 – June 2015):

- Total gate collections: \$195,984.95
- Total registration collections: \$106,610
- Total field rental collections: \$11,150
- Total registration refunds: (\$780)

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: A temporary employee was assigned to assist the League Coordinator in reviewing and preparing daily deposits, however, that employee was removed during the winter season of 2014. It is recommended that a regular full-time employee or two regular part-time employees be hired to assist the League Coordinator. Further, the implementation of a regular employee instead of numerous temporary employees will increase efficiency by reducing the number of times security features (safe combination, entrance cards, keys...) need to be changed.

Current Observations:

1. Shortages and Overages: There were a large number of daily shortages and overages over the time period under review. A summary of these shortages and overages is listed below. It was further noted that when submitting the daily cash count sheets to the El Paso County Auditor Treasury Division the RecWare daily report is not included.
 - February 2015 (\$55.55) shortage
 - March 2015 \$57.75 overage
 - April 2015 \$56.25 overage
 - May 2015 (\$14.80) shortage
 - June 2015 (\$91.15) shortage

Recommendation: Due care should be exercised when collecting and recording County collections. It is further recommended that a daily Recware report be submitted along with all cash count sheets and deposit slips. After discussing this issue with the Sportspark League Coordinator, Mr. Claudio Fernandez-Banderas, it was discovered that the shortages and overages were a result of a computer issue currently being addressed by the County Information Technology Department. It is recommended that Mr. Fernandez-Banderas continue to work with the Information Technology Department to resolve this issue.

2. *Timely Deposits:* Six daily deposits were not made in a timely manner. These deposits were not received by the bank until after five business days.
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 additional form of payment.
3. *Budgetary Exceptions:* Some items purchased under the Sportspark budget and index were used at Ascarate park.
Recommendation: All items purchased under the Sportspark index and budget should be used for items at the Sportspark only. All budgetary changes must be reviewed and approved by the Office of Budget and Fiscal Policy.
4. *Team Rosters:* Several players were still listed on team rosters after refunds were issued for those players.
Recommendation: Once a refund has been issued for a player or a player has been found ineligible, that player should be removed from the roster to avoid any confusion. Even though there were no exceptions for ineligible players, 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 and all refunds.
5. *Eligibility:* Of the seventy-six registration forms sampled, nine birth certificates attached to the registration forms were not legible. The copies were too blurry to determine the player's date of birth. Furthermore, it was noted that six registration forms did not have a copy of the birth certificate attached.

Recommendation: A legible copy of a birth certificate and any other supportive documentation should be required with all registration forms to ensure players are placed in the correct age group. It is further recommended that all registration forms and supportive documentation be reviewed before acceptance to ensure all information is legible and validated as correct.

Conclusion

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 weak, but should be strengthened with implementation of the 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.



COUNTY OF EL PASO
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08-03

August 26, 2015

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

Dear Mrs. Briones:

A copy of a memorandum from Mr. Rene Balderrama, Internal Auditor-Intermediate, dated August 26, 2015, is attached. This memorandum is a report on a review of your financial records from May 2014 through June 2015. 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,

Barbara Franco for Edward Dion
Edward A. Dion
County Auditor

EAD:RB:ya

Attachment



COUNTY OF EL PASO

OFFICE OF THE COUNTY AUDITOR

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08-04

MEMORANDUM

TO: EDWARD A. DION, COUNTY AUDITOR *Barbara Franco for Edward Dion*
THRU: BARBARA FRANCO, FIRST ASSISTANT COUNTY AUDITOR *B. Franco*
THRU: JAMES O'NEAL, INTERNAL AUDIT MANAGER *[Signature]*
FROM: RENE BALDERRAMA, INTERNAL AUDITOR-INTERMEDIATE *[Signature]*
DATE: AUGUST 26, 2015
SUBJECT: REVIEW OF THE FINANCIAL RECORDS OF THE COUNTY CLERK'S OFFICE FROM MAY 2014 THROUGH JUNE 2015

Overview

A review of the financial records for the County Clerk's Office from May 2014 through June 2015 has been completed. The objective of this review was to verify the information contained in the financial reports of the County Clerk's Office.

Scope and Purpose

The scope and purpose consisted of:

1. Monthly bank reconciliations for the general, civil, probate, cash bond, and escrow accounts were reviewed for accuracy, completeness, and timeliness.
2. Deposits and wire transfers to the County Auditor's Treasury Division were verified and compared to the TrackNet Plus Sales Summary report, the Value Payments credit card report and Odyssey reports to ensure funds collected were remitted to the County Auditor's Office, as appropriate.
3. A surprise cash count was performed on July 10, 2015, at the Downtown, Clint, Northeast and Socorro Annex satellite offices for the inspection of funds in accordance with the *Texas Local Government Code, §115.0035*.
4. The manual receipt logs were reviewed to ensure issuance and completion of receipt books are properly documented and inventoried.

General

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

Management's Response: The Accounting Manager and Probate Clerk will research the discrepancies between the Probate bank account and the Probate Registry.

Estimated completion date: May 2016

2. Observation: While reviewing the monthly bank reconciliation for the Escrow account it was noted that the account has been dormant.
Corrective Action/Recommendation: It is recommended that the Escrow account be reviewed and closed if there is no current activity. It is also recommended that any excess funds or funds that have not been disbursed for the publication of application notices be reviewed and escheated to the State if the business or entity to which the funds belong cannot be contacted.

Management Response: The Accounting Manager will research the invoices from the local publication and review any outstanding funds. Any outstanding funds will be escheated to the State.

Estimated completion date: May 2016

3. Observation: While reviewing the weekly transfer of funds from the County Clerk to the Auditor's Office it was noted that there were shortages and overages totaling \$379.69 and \$306.13, respectively, due to cashier errors.
Corrective Action/Recommendation: It is recommended that County funds be handled with due care. It is further recommended that additional training be provided for employees on the cashing process and the Accounting Division continue to conduct regular cashier audits.

Management Response: Each division of the County Clerk will identify any issues and continue to implement new procedures to assist with the cashing function.

Estimated completion date: Immediately

4. Observation: While conducting a cash count on July 10, 2015, it was noted that the County Clerk's accounting division change fund was not being verified on a regular basis.

Corrective Action/Recommendation: It is recommended that the Accounting Division's change fund be verified on a regular basis. It is also recommended that access to the change fund be limited to two employees, the Accounting Manager and a senior clerk. In the event of vacation or extended leave of absence, the change fund should be verified and dual control responsibilities reassigned. It is further recommended that a change fund slip be created when cashiers request money to be exchanged from the Accounting Division.

Management Response: The Accounting Division will be looking in to purchasing new cash bags for the cashiers. The Accounting Manager will create a new voucher for monetary exchanges between the cashier and the Accounting Department. New dual control assignments will be implemented when handling the change fund.

Estimated completion date: Money bags-60 days; all others immediately.

5. Observation: While reviewing the manual receipts and receipt inventory log, it was noted the logs need additional columns to better track the inventory of outstanding and returned receipt books.

Corrective Action/Recommendation: It is recommended that the manual receipt log be updated to reflect the receipt numbers that are in each book, what division it is issued to, the name of the employee it was assigned to, a supervisor's initials and the date the book was returned to inventory. It is also recommended that the supervisors periodically review the manual receipts for completeness and accuracy.

Management Response: The Accounting Division has already created a new log and will provide the Auditor's with a copy.

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



COUNTY OF EL PASO
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09-09

County Administrative Offices
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September 9, 2015

The Honorable Guadalupe Aponte
Justice of the Peace, Precinct 3
500 E. San Antonio
3rd Floor, Suite 308
El Paso, Texas 79901

Dear Judge Aponte:

The County Auditor's Internal Audit division performed an audit of the Justice of the Peace, Precinct 3 (JP3) financial records for the period of May 2014 through June 2015 to determine if internal controls are adequate to ensure proper preparation of the JP3 financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating and efficient.

The audit report is attached. There were observations noted as a result of the audit procedures. We wish to thank the management and staff of JP3 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,

A handwritten signature in black ink, appearing to read "Edward A. Dion", with a long, sweeping horizontal line extending to the right.

Edward A. Dion
County Auditor

EAD:RB:ya

Attachments



Justice of the Peace, Precinct 3



EXECUTIVE SUMMARY

BACKGROUND

Financial reports are generated from the Odyssey Courts and Justice System (Odyssey) showing all transactions occurring each month. The audit was performed by Rene Balderrama, Internal Auditor – Intermediate.

SCOPE

The scope of the audit includes:

- JP3 financial records
- May 2014 through June 2015

OBJECTIVES AND RESULTS

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to JP3 financial reports. Following are the business objectives, related control assessment, and a summary of good and weak controls noted in the audit.

Business Objective	Control Assessment
1. Functioning appropriate cash controls	Satisfactory
2. Posting of deposits to Financial Accounting Management Information System (FAMIS)	Satisfactory
3. Prompt and accurate posting in Odyssey of payments collected by the Sheriff's Office	Needs improvement
4. Appropriate allocation of court costs	Satisfactory
5. Minimization of possible lost revenues	Needs Improvement
6. Resolution of prior audit issues	Unsatisfactory

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Cash controls as demonstrated by a surprise cash count in accordance with <i>Local Government Code §115.0035</i>. (Obj. 1) • Timely deposits of collections. (Obj. 1) • Timely posting of deposits to FAMIS. (Obj. 2) • Schedules for appropriate allocation of court costs. (Obj. 4) 	<ul style="list-style-type: none"> • Review of collections not posted to Odyssey. (Obj. 3) • Notifications to jurisdictions of upcoming court dates and officers that were not present. (Obj. 5) • Proper documentation of dismissed cases (Obj. 5) • Review of pending bonds. (Obj. 6)

OBSERVATIONS AND ACTION PLAN

Please see the *Detail Observation and Actions Plans* section of this report for a table detailing observations from the audit in order of risk with management's action plans to address those issues.

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 JP3 has implemented improvements in their operations. However, they did not meet all objectives of this audit. Financial reports generated from Odyssey do not recapitulate all transactions occurring each month. Implementation of the recommendations provided in this report should assist JP3 in producing complete and accurate financial reports by strengthening their internal control structure.



Justice of the Peace, Precinct 3



DETIAL OBSERVATIONS AND ACTIONS PLANS

Observation #1	Risk Level ●
Justice of the Peace collections made by the Sheriff's Office totaling \$1,832 are at least a month behind being posted in Odyssey due to missing information. Collections should be posted in Odyssey immediately.	
Recommendation	
Justice of the Peace should ensure all payments received from Sheriff's Office are promptly posted in Odyssey. Any outstanding payments should be immediately researched and posted in Odyssey.	
Action Plan	
Person Responsible	Estimated Completion Date
Monica Carmona	9/16/2015
The Court Coordinator will review this issue with her staff for resolution and ensure future cases are reviewed and all payments are posted in a timely basis.	

Observation #2	Risk Level (M)
Pending bonds are not being reviewed (prior audit issue). Pending bonds currently total \$78,804.	
Recommendation	
Review all bond collections at least quarterly to ensure cases are heard in a timely fashion to meet statutory requirements.	
Action Plan	
Person Responsible	Estimated Completion Date
Monica Carmona	December 2015
The Court Coordinator will review the outstanding bond list and prepare for the cases to be heard. Once judgment is rendered, an action will be taken on the bonds.	

Observation #3	Risk Level ●
<p>We reviewed a sample of 568 of 11,352 dismissed cases from Odyssey for supporting documentation. Five cases did not have proper documentation scanned into Odyssey to validate the reason for dismissal, one case was not dismissed properly in Odyssey, and one case had a driver's safety course granted but was not eligible for dismissal.</p>	
Recommendation	
<p>Ensure dismissed cases have proper documentation scanned into Odyssey to validate court orders. In addition, as soon as a judgment is granted, the Justice of the Peace personnel should review the court orders for completeness and accuracy.</p>	
Action Plan	
Person Responsible	Estimated Completion Date
Monica Carmona	Immediately
<p>All dismissals will be reviewed for accuracy and completeness. The Court Coordinator will work with her staff ensure that all documentation is provided on each.</p>	

Observation #4	Risk Level ●																
<p>We noted 362 of 11,352 dismissed cases were dismissed because the officer was not present. Of those 362 cases, 14 did not have the officer's name in Odyssey. The 362 cases represent 4% of dismissed cases. This type of dismissal may result in loss of revenue to the County.</p>																	
<p>Officer Not Present Dismissals</p> <table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Jurisdiction</th> <th style="text-align: right;">#</th> </tr> </thead> <tbody> <tr> <td>Department of Public Safety</td> <td style="text-align: right;">158</td> </tr> <tr> <td>El Paso Independent School District</td> <td style="text-align: right;">95</td> </tr> <tr> <td>Sheriff</td> <td style="text-align: right;">64</td> </tr> <tr> <td>Texas Tech University Police</td> <td style="text-align: right;">33</td> </tr> <tr> <td>Constable</td> <td style="text-align: right;">7</td> </tr> <tr> <td>Other Jurisdictions</td> <td style="text-align: right;">5</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">362</td> </tr> </tbody> </table>		Jurisdiction	#	Department of Public Safety	158	El Paso Independent School District	95	Sheriff	64	Texas Tech University Police	33	Constable	7	Other Jurisdictions	5	Total	362
Jurisdiction	#																
Department of Public Safety	158																
El Paso Independent School District	95																
Sheriff	64																
Texas Tech University Police	33																
Constable	7																
Other Jurisdictions	5																
Total	362																
Recommendations																	
<p>Justice of the Peace should notify law enforcement agencies that issued citations of upcoming court dates. It is also recommended that a list of officers not attending 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 dates</p>																	
Action Plan																	
Person Responsible	Estimated Completion Date																
Monica Carmona	Implemented prior to report issuance																
<p>The Court Coordinator is currently emailing the Supervisors at each respective jurisdiction when officers are present. The email includes the amounts that are dismissed. The auditor assigned to our court is now included in those emails.</p>																	



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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COUNTY AUDITOR
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09-05

September 25, 2015

The Honorable Brain Haggerty
Justice of the Peace, Precinct Number 2
4641 Greg Cohen, Suite A
El Paso, Texas 79924

Dear Judge Haggerty:

The County Auditor's Internal Audit division performed an audit of the Justice of the Peace, Precinct Number 2 (JP2) financial records to determine if internal controls are adequate to ensure proper preparation of JP2 financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating and efficient.

The audit report is attached. There were six observations noted as a result of the audit procedures. We wish to thank the management and staff of JP2 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,

A handwritten signature in black ink, appearing to read "Edward A. Dion", with a long, sweeping horizontal line extending to the right.

Edward A. Dion
County Auditor

EAD:DC:ya

Attachment



Justice of the Peace, Precinct Number 2



EXECUTIVE SUMMARY

BACKGROUND

Financial reports are generated from the Odyssey Courts and Justice System (Odyssey) showing all transactions occurring each month. The audit was performed by Daisy Caballero, Internal Auditor – Intermediate.

SCOPE

The scope of the audit includes:

- Justice of the Peace, Precinct number 2 (JP2) financial records
- July 2014 through June 2015

OBJECTIVES AND RESULTS

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to JP2 financial reports. Following are the business objectives, related control assessment, and a summary of good and weak controls noted in the audit.

Business Objective	Control Assessment
1. Functioning appropriate cash controls	Needs Improvement
2. Posting of deposits to Financial Accounting Management Information System (FAMIS)	Needs Improvement
3. Judge's compliance with education requirements of Government Code § 27.005	Satisfactory
4. Proper assessment and completion of jail time credits	Needs Improvement
5. Proper disposition and supporting documentation of dismissed cases	Needs Improvement
6. Completeness of the payment mail log and timely posting to Odyssey	Needs Improvement
7. Completeness and supporting documentation of deferred disposition cases	Needs Improvement
8. Judge's bond compliance with Government Code § 27.001	Satisfactory
9. Resolution of prior audit issues	Satisfactory

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • JP2 staff frequently attend training and continuing education (Obj. 3) 	<ul style="list-style-type: none"> • Daily deposits (Obj. 1) • Separation of duties regarding the daily deposit reconciliation process (Obj. 1) • Timely posting of deposits to FAMIS (Obj. 2) • Proper documentation of dismissed cases and deferred disposition cases (Obj. 5 & 7) • Completeness of the payment mail log process (Obj. 6)

OBSERVATIONS AND ACTION PLAN

Please see the *Detail Observations and Action Plans* section of this report for a table detailing observations from the audit in order of risk with management's action plans to address those issues.

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 JP2 has implemented improvements in their operations. However, they did not meet all objectives of this audit. Financial reports generated from Odyssey do not recapitulate all transactions occurring each month. Implementation of the recommendations provided in this report should assist JP2 in producing complete and accurate financial reports by strengthening their internal control structure.



Justice of the Peace, Precinct Number 2

DETAIL OBSERVATIONS AND ACTION PLANS

Observation #1		Risk Level <input checked="" type="radio"/>	
<p>Counter payments were not deposited in compliance with <i>Local Government Code § 113.022</i> on two separate occasions. On 10/10/14, a total of \$1,107 in cash payments were collected but not deposited until 10/27/14. On 01/08/2015, a \$50 cash payment was received but not deposited until 01/23/14. In both occurrences, it took 11 business days to deposit the money in the bank. Code requires deposits be made within five days of receipt.</p>			
Recommendation			
<p>Collections should be deposited daily in order to follow proper policies and procedures and to adequately safeguard the county's assets.</p>			
Action Plan			
Person Responsible	Judge Haggerty, Robert Garcia, Yvonne Villa, Crystal Urquidi	Estimated Completion Date	Already in effect
<p>Every effort will be made to make deposits daily. In case of an emergency when someone leaves without closing their till, anyone in a supervisory position will be in charge of closing the till in order to reconcile and make the deposit on time.</p>			

Observation #2		Risk Level <input checked="" type="radio"/>	
<p>The court coordinator does not review and approve daily deposit documentation on a regular basis. The staff members that prepare, review, and approve the daily deposits also have access to take payments.</p>			
Recommendation			
<p>The court coordinator should review and approve daily deposit supportive documentation on a daily basis. The person who approves and verifies daily deposits should not be involved in any cash handling duties including the receipt of payments.</p>			
Action Plan			
Person Responsible	Judge Haggerty, Robert Garcia, Yvonne Villa	Estimated Completion Date	09/16/2015
<p>Judge Haggerty will be in charge of reviewing the daily deposit reconciliation documentation. He is the most independent person in the office since he does not take any payments. In case he is unable to review it, Robert Garcia and Yvonne Villa, who have supervisory positions and are not often involved in taking payments, will be the reviewers.</p>			



Justice of the Peace, Precinct Number 2

DETAIL OBSERVATIONS AND ACTION PLANS

Observation #3		Risk Level ●
<p>In a sample of 40 mailed payment postings, 8% were delayed by an average of six business days before being posted in Odyssey and deposited. This is in violation of <i>Local Government Code § 113.022</i>. The mail log is not being reviewed and payments are not being traced to Odyssey.</p>		
Recommendation		
<p>Mail payments should be entered in Odyssey and deposited on a daily basis. The court coordinator should review the mail log periodically to ensure mail payments are being posted and deposited in a timely manner.</p>		
Action Plan		
Person Responsible	Judge Haggerty, Robert Garcia, Yvonne Villa, Crystal Urquidi	Estimated Completion Date Last week of every month
<p>A sample of payment mail log entries will be reviewed during the last week of every month by a supervisor. The reviewer will date and initial next to the entries that were verified.</p> <p>Mail payments will be deposited daily with the exception of unidentified payments. JP2 sometimes gets mail payments that correspond to cases that have not been created due to lack of information and documentation. Department will hold the payment for research for four business days. The funds will be returned to the owner by the fifth business day after the funds were received if there is still nothing to apply the payment to. Funds will be kept in the safe until deposit date or return date.</p>		

Observation #4		Risk Level ●
<p>In a sample of 13, one of the jail time credit disposition cases was entered as an adjustment instead of a credit in the financial section of the case.</p>		
Recommendation		
<p>Due care should be exercised when entering jail time credits in the financial section of each case; they should be entered as credits and not as adjustments.</p>		
Action Plan		
Person Responsible	Robert Garcia	Estimated Completion Date 09/23/15
<p>Case will be fixed in Odyssey to reflect the jail time credit in the financial section of the case. Judge Haggerty will hold a meeting on 09/23/15 to review the audit findings with all of his staff and ask for their cooperation in being more diligent when entering case information in Odyssey.</p>		



Justice of the Peace, Precinct Number 2

DETAIL OBSERVATIONS AND ACTION PLANS

Observation #5	Risk Level ●
In a sample of 54 dismissed cases, 7% did not have the signed dismissal form attached to the case. Furthermore, 9% of the cases sampled had an incorrect balance reflected in the financial section of the case and 6% had an incorrect case status.	
Recommendation	
Proper documentation should be attached in the defendant's file to support the validity of the dismissals. The case status and financial balance should be updated to reflect the current status of the case.	
Action Plan	
Person Responsible	Estimated Completion Date
Judge Haggerty	09/23/2015
Judge Haggerty will hold a meeting on 09/23/15 to review the audit findings with all of his staff and ask for their cooperation in being more diligent when entering case information in Odyssey.	

Observation #6	Risk Level ●
In a sample of 65 deferred disposition cases, 12% did not have the signed deferred disposition form attached to the case. Moreover, 12% of cases sampled had an incorrect balance reflected in the financial section of the case.	
Recommendation	
Proper documentation should be attached in the defendant's file to support the legitimacy of the deferred disposition. The financial balance should be updated to reflect the current financial status of the case.	
Action Plan	
Person Responsible	Estimated Completion Date
Judge Haggerty	09/23/2015
Judge Haggerty will hold a meeting on 09/23/15 to review the audit findings with all of his staff and ask for their cooperation in being more diligent when entering case information in Odyssey.	



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10-09

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September 30, 2015

The Honorable Robert T. Pearson
Justice of the Peace, Precinct Number 1
424 Executive Center, Suite 100
El Paso, Texas 79902

Dear Judge Pearson:

The County Auditor's Internal Audit division performed an audit of the Justice of the Peace, Precinct Number 1 (JP1) financial records to determine if internal controls are adequate to ensure proper preparation of JP1 financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating and efficient.

The audit report is attached. There were three observations noted as a result of the audit procedures. We wish to thank the management and staff of JP1 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,

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

Edward A. Dion
County Auditor

EAD:LV:ya



Justice of the Peace, Precinct Number 1



EXECUTIVE SUMMARY

BACKGROUND

Financial reports are generated from the Odyssey Courts and Justice System (Odyssey) showing all transactions occurring each month. The audit was performed by Lizeth Veliz, Internal Auditor – Intermediate.

SCOPE

The scope of the audit includes:

- JP1 financial records
- November 2014 through August 2015

OBJECTIVES AND RESULTS

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to JP1 financial reports. Following are the business objectives, related control assessment, and a summary of good and weak controls noted in the audit.

Business Objective	Control Assessment
1. Functioning appropriate cash controls	Satisfactory
2. Review of overages and shortages during the audit period	Satisfactory
3. Completeness and supporting documentation of deferred disposition cases	Needs Improvement
4. Accuracy of mail log information and timely posting to Odyssey	Satisfactory
5. Review of outstanding cases on the Bond Schedule	Needs Improvement
6. Judge's compliance with education requirements of Government Code § 27.005	Satisfactory
7. Judge's bond compliance with Government Code § 27.001	Satisfactory
8. Review of standard operating procedures for implementation	Unsatisfactory

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Timely deposits in compliance with <i>Local Government Code</i> §113.022. (Obj. 1) • Cash handling procedures (Obj. 2) • Completeness of the payment mail log process (Obj.4) • Education requirement compliance (Obj.6) • Bond requirement compliance (Obj. 7) 	<ul style="list-style-type: none"> • Proper disposition of cases on Odyssey and completeness of deferred disposition cases (Obj. 3) • Continuous review of pending bonds (Obj. 5) • Documentation of policies and procedures (Obj.8)

OBSERVATIONS AND ACTION PLAN

Please see the *Detailed Observations and Action Plans* section of this report for a table detailing observations from the audit in order of risk with management's action plan to address those issues.

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

JP1 has implemented improvements in their operations. However, they did not meet all objectives of this audit. Implementation of the recommendations provided in this report should assist JP1 in producing complete and accurate financial reports by strengthening their internal control structure.



Justice of the Peace, Precinct Number 1

DETAIL OBSERVATIONS AND ACTION PLANS



Observation #1	Risk Level (M)
<p>A review of outstanding bonds ranging from September 2011 to April 2015 was conducted to ensure they were addressed in a timely manner. There are a total of 25 cases that require immediate attention:</p> <ul style="list-style-type: none">• Five cases need a refund voucher to be sent to the auditor's office for processing.• 14 cases had been on the bond schedule since 2012-2013 or for more than four months and need to be set up for a hearing.• Three cases dated from 2014 are pending on the Judge's review.• One case needs the bond forfeited in Odyssey.• Two cases had a bond hearing or final trial; however, there was no documentation in Odyssey of the status or outcome	
Recommendation	
<p>It is important that older cases be addressed as soon as possible, and appropriate measures be taken to update the bond status. The current bond schedule should be reviewed monthly to keep track of pending cash bonds. The justice court should ensure hearings are scheduled on a timely basis and forfeitures or refunds are processed accordingly.</p>	
Action Plan	
Person Responsible	Marla Silvas
Estimated Completion Date	10/02/15
<p>We will request and use the monthly bond schedule from the Auditor's Office to track pending cash bonds. Hearings will be scheduled in a timely manner and refunds will be addressed accordingly.</p>	

Observation #2	Risk Level (M)
<p>No written policies and procedures exist.</p>	
Recommendation	
<p>Develop and implement written policies and procedures that address key operating functions of the justice court such as:</p> <ul style="list-style-type: none">• Daily Deposit Procedures• Refund Procedures• Manual Receipts Policies and Procedures• Mail Log Policies and Procedures• Cashiering Duties• Deferred Disposition Policies and Procedures• Cash Bond Review Policies and Procedures <p>Documented policies and procedures will be helpful as training tools, reference documents, and may provide for continuity of internal controls when changes in personnel occur. These written policies and procedures should be reviewed and updated as necessary, but reviewed at least annually.</p>	
Action Plan	
Person Responsible	Marla Silvas
Estimated Completion Date	12/01/16
<p>We will develop and implement written policies and procedures.</p>	



Justice of the Peace, Precinct Number 1

DETAIL OBSERVATIONS AND ACTION PLANS



Observation #3	Risk Level ●
<p>A sample of 15 out of 59 Deferred Disposition Cases was reviewed. Two cases require immediate attention:</p> <ul style="list-style-type: none">• One case has not been completed. A 10 day letter was sent on 8/4/15. No action was taken afterwards.• One case was disposed instead of dismissed in Odyssey.	
Recommendation	
<p>The Justice of the Peace personnel should review the court orders for completeness and accuracy. Proper procedures should be followed while dismissing a case.</p>	
Action Plan	
Person Responsible	Estimated Completion Date
Maria Silvas	10/02/15
<p>We will run monthly event reports to capture cases and review for accuracy. The case noted as disposed instead of dismissed in Odyssey has already been corrected.</p>	



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10-02

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October 2, 2015

The Honorable Enedina Nina Serna
Justice of the Peace, Precinct Number 6 Place 2
14608 Greg Dr.
El Paso, Texas 79938

Dear Judge Serna:

The County Auditor's Internal Audit division performed an audit of the Justice of the Peace, Precinct Number 6 Place 2 (JP6-2) financial records to determine if internal controls are adequate to ensure proper preparation of JP6-2 financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating and efficient.

The audit report is attached. There were six observations noted as a result of the audit procedures. We wish to thank the management and staff of JP6-2 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,

A handwritten signature in black ink, appearing to read "Edward A. Dion", with a long horizontal flourish extending to the right.

Edward A. Dion
County Auditor

EAD:PT:ya

**EXECUTIVE SUMMARY****BACKGROUND**

Financial reports are generated from the Odyssey Courts and Justice System (Odyssey) showing all transactions occurring each month. The audit was performed by Phillip Trevizo, Internal Auditor – Intermediate.

SCOPE

The scope of the audit includes:

- JP6-2 financial records
- Policies , Procedures and Regulations
- December 2014 through July 2015

OBJECTIVES AND RESULTS

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to JP6-2 financial reports. Following are the business objectives, related control assessment, and a summary of good and weak controls noted in the audit.

Business Objective	Control Assessment
1. Functioning appropriate cash controls	Satisfactory
2. Review of overages and shortages during the audit period	Needs Improvement
3. Judge's compliance with education requirements of Government Code § 27.005	Satisfactory
4. Established and documented policies and procedures	Needs Improvement
5. Appropriate allocation of court cost	Unsatisfactory
6. Completeness of the payment mail log and timely posting to Odyssey	Needs Improvement
7. Completeness and supporting documentation of deferred disposition cases	Needs Improvement
8. Judge's bond compliance with Government Code § 27.001	Satisfactory
9. Completeness and timely posting of manual receipts issued	Satisfactory
10. Review of pending cash bonds	Needs Improvement

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Cash handling procedures (except for overages and shortages) (Obj.1) • Manual receipts procedures (Obj. 9) 	<ul style="list-style-type: none"> • Cash handling procedures (Obj. 2) • Documentation of established Policies and Procedures (Obj. 4) • Proper documentation of deferred disposition cases (Obj. 7) • Review of the payment mail log for completeness (Obj. 6) • Training and review proper allocation of court cost (Obj. 5) • Review of pending cash bonds (Obj. 10)

OBSERVATIONS AND ACTION PLAN

Please see the *Detail Observations and Action Plans* section of this report for a table detailing observations from the audit in order of risk with management action plans to address those issues.

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.



Justice of the Peace, Precinct Number 6 Place 2



EXECUTIVE SUMMARY

CONCLUSION

JP6-2 did not meet all objectives of this audit. Financial reports generated from Odyssey do not recapitulate all transactions occurring each month. The court experienced a high employee turnover during the audit period; however, the new staff should improve its knowledge of court operations with more training and experience. Furthermore, the Justice Court should see an increase in efficiency for Fiscal Year 2016 with the addition of one full time employee and one part time employee. Implementation of the recommendations provided in this report should also assist JP6-2 in producing complete and accurate financial reports by strengthening their internal control structure.



Justice of the Peace, Precinct Number 6 Place 2



DETAIL OBSERVATIONS AND ACTION PLANS

A sample of 75 out of 838 cases was reviewed for proper allocation of court cost and the following was noted:

- 20% had incorrect court cost and fines allocated
- 10% had the wrong fees assessed to the case

Justice of the Peace staff should be trained on the proper allocation of court cost when applying payment from a Judges' Order or when forfeiting a bond.

Person Responsible	Estimated Completion Date
--------------------	---------------------------

Transaction Listing reports will be generated weekly to review previous week transactions, and any discrepancies will be discussed with each clerk. Discrepancies will also be a part of the clerk's performance evaluations and this will serve as an ongoing training supplement to what has already been initiated.

A total of 153 days of deposits were reviewed for overages and shortages; discrepancies were found on 11 deposits and ranged from \$.30 to \$30.00. Nine of the 11 were greater than \$5.00

It is recommended that due care be exercised when handling payments and entering data into Odyssey

Person Responsible	Estimated Completion Date
--------------------	---------------------------

Clerks will be informed about cash handling issues and asked to exercise due care on all payment transactions. They will be informed of each error and it will be a part of the clerk's performance evaluations.



Justice of the Peace, Precinct Number 6 Place 2



DETAIL OBSERVATIONS AND ACTION PLANS

The following key operating functions are not addressed in the written policies and procedures for the justice court:

- Daily Deposit Procedures
- Refund Procedures
- Manual Receipts Policies and Procedures
- Mail Log Policies and Procedures
- Cashiering Duties

Formal operating policies and procedures of key office operations help ensure implementation of controls, consistent processes and may also address areas where employee training is needed.

Management should document policies and procedures that address key operating functions of the justice court.

Person Responsible

Estimated Completion Date

A comprehensive manual relating to key operating functions will be assembled.

A review of outstanding bonds prior to June 2015 was conducted to ensure they were being addressed in a timely manner.

- 45% were on the bond schedule for more than 60 days and needed to be set up for a bond hearing or court date
- 10% had a bond hearing; however, there was no documentation in Odyssey of the status or outcome of the hearing
- 13% need a refund voucher to be sent to the auditor's office for processing
- 19% need the bond forfeited in Odyssey and the balance, if applicable, refunded

Cash bonds should be scheduled timely for hearings and follow up should be conducted accordingly. A quarterly review of cash bonds is recommended to ensure timeliness of hearings and forfeitures/refunds.

Person Responsible

Estimated Completion Date

Cash bonds will be reviewed on the 3rd Thursday of every month. Furthermore, each bond hearing will be reviewed the day after the hearing. Any discrepancies will be discussed with the responsible clerk.



DETAIL OBSERVATIONS AND ACTION PLANS

A sample of 49 of 605 total deferred disposition cases identified the following issues related to supporting documentation and completeness:

- 12% had incorrect fees applied or charged in Odyssey
- 2% had no action since deferred disposition was granted
- 2% need the case status updated to dismissed after deferred disposition completed

Justice court staff should exercise due care when applying payments for deferred disposition cases and when updating case status. A review should be conducted on cases that are placed on deferred disposition status.

Person Responsible

Estimated Completion Date

Transaction Listing reports will be generated weekly to review previous week transactions, and any discrepancies will be discussed with each clerk. Discrepancies will also be a part of the clerk's performance evaluations and this will serve as an ongoing training supplement to what has already been initiated.

In a sample of 32 entries from the mail log we found two cases did not have a received date entered in the log, and one case had the payment posted in Odyssey before the date received indicated in the mail log.

Employee training addressing the mail log procedures should be conducted. Periodic supervisory review should be conducted on mail log completeness.

Person Responsible

Estimated Completion Date

Mail log issues will be discussed with clerks that have been most active with the log. The Court Coordinator and two other clerks will be designated as mandatory signees on the log. Clerks will also be informed of the deficiencies in the audit and instructed to audit each field on the log for completeness and accuracy.



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October 5, 2015

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

Dear Judge Chatman:

The County Auditor's Internal Audit division performed an audit of the Justice of the Peace, Precinct Number 5 (JP5) financial records to determine if internal controls are adequate to ensure proper preparation of JP5 financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating and efficient.

The audit report is attached. There were three observations noted as a result of the audit procedures. We wish to thank the management and staff of JP5 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.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edward A. Dion", with a stylized flourish at the end.

Edward A. Dion
County Auditor

EAD:HM:ya



Justice of the Peace, Precinct Number 5



EXECUTIVE SUMMARY

BACKGROUND

Financial reports are generated from the Odyssey Courts and Justice System (Odyssey) showing all transactions occurring each month. The audit was performed by Hadi Medina, Internal Auditor – Intermediate.

SCOPE

The scope of the audit includes:

- JP5 financial records
- January 2015 through July 2015

OBJECTIVES AND RESULTS

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to JP5 financial reports. Following are the business objectives, related control assessment, and a summary of good and weak controls noted in the audit.

Business Objective	Control Assessment
1. Compliance and supporting documentation of deferred disposition cases	Needs Improvement
2. Timely resolution of outstanding cases on the Bond Schedule	Needs Improvement
3. Resolution of prior audit issues	Needs Improvement
4. Functioning appropriate cash controls	Satisfactory
5. Posting of deposits to Financial Accounting Management Information System (FAMIS)	Satisfactory
6. Accuracy of mail log information and timely posting to Odyssey	Satisfactory
7. Appropriate and timely posting of manual receipts to Odyssey	Satisfactory
8. Judge's compliance with education requirements of Government Code § 27.005	Satisfactory
9. Judge's bond compliance with Government Code § 27.001	Satisfactory

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Timely deposits in compliance with <i>Local Government Code</i> §113.02. (Obj. 5) • Cash handling procedures (Obj. 4) • Manual receipt and Mail log controls (Obj. 6 & 7) 	<ul style="list-style-type: none"> • Proper documentation and follow up of deferred disposition cases (Obj. 1) • Continuous review of current outstanding bonds (Obj. 2) • Timely posting of sheriff collections to Odyssey (Obj. 3)

OBSERVATIONS AND ACTION PLAN

Please see the *Detail Observations and Action Plans* section of this report for a table detailing observations from the audit in order of risk management's action plans to address those issues.

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 JP5 has implemented improvements in their operations. However, they did not meet all objectives of this audit. Implementation of the recommendations provided in this report should assist JP5 in producing complete and accurate financial reports by strengthening their internal control structure.



Justice of the Peace, Precinct Number 5

DETAIL OBSERVATIONS AND ACTION PLANS

Observation #1		Risk Level M	
Deferred Disposition Cases: A sample of 68 out of 452 cases was reviewed for compliance and supporting documentation.			
<ul style="list-style-type: none">• A ten day warning notice for warrant issuance was sent, payment was not received, but a warrant was never issued for the following 14 cases:<ul style="list-style-type: none">○ In four cases the defendants were "no shows" to follow up hearings and were assessed the full fine amount.○ Five cases did not complete the deferred disposition judgment as ordered by the judge.○ Five cases completed the deferred disposition but never paid the court costs.• One case did not comply with the deferred disposition judgment but was dismissed and charges were waived. This particular case was combined with another offense, under <i>Penal Code §12.45</i>, and was eligible to be dismissed if the deferred disposition was completed but it never was.			
Recommendation			
Ensure dismissed cases have proper documentation scanned into Odyssey to validate court orders. In addition, as soon as a judgment is granted, the Justice of the Peace personnel should review the case status and financial balance for completeness and accuracy. A follow up is recommended to ensure adequate fees are being collected and warrants are being issued to avoid loss of revenue to the county.			
Action Plan			
Person Responsible	Judge John Chatman and Yolanda Rodela	Estimated Completion Date	10/31/2015
Judge John Chatman will ensure a warrant is issued for cases in which the defendant did not complete the deferred disposition judgment or they were "no shows". For the five cases in which the court costs were not paid, Yolanda Rodela will ask the prosecution what action should be taken. Dismissed cases will be reviewed to verify they have proper documentation scanned into Odyssey to validate court orders. When a judgment is granted, Justice of the Peace personnel will review the case status and financial balance for completeness and accuracy.			



Justice of the Peace, Precinct Number 5

DETAIL OBSERVATIONS AND ACTION PLANS

Observation #2	Risk Level (M)								
<p>Outstanding Bonds: A review of all outstanding bonds prior to FY2015 was conducted to ensure they were forfeited or refunded in a timely manner. Previous administrations have failed to maintain adequate overview of cases with a bond. There are a total of 54 cases that require immediate attention.</p> <ul style="list-style-type: none">• Nine cases have an outstanding bond ranging from 2008 to 2010• Twenty six cases have an outstanding bond ranging from 2011 to 2012• Nineteen cases have an outstanding bond ranging from 2013 to 2014									
<p>Recommendation</p> <p>It is important that older cases be addressed as soon as possible, and appropriate measures be taken to update the bond status. Bond collections should be reviewed quarterly to ensure hearings are scheduled in a timely manner and bonds are either forfeited or refunded.</p>									
<p>Action Plan</p> <table border="1"><thead><tr><th>Person Responsible</th><th>Rosie Perez</th><th>Estimated Completion Date</th><th>3/31/2016</th></tr></thead><tbody><tr><td colspan="4"><p>Although previous administrations have failed to maintain adequate overview of cases with a bond, JP5 will cooperate with clearing the old cases with a bond; Rosie Perez will take the appropriate measures to revise the bond status of ten cases per month. Bond collections will be reviewed quarterly to ensure hearings are scheduled in a timely manner and bonds are either forfeited or refunded.</p></td></tr></tbody></table>		Person Responsible	Rosie Perez	Estimated Completion Date	3/31/2016	<p>Although previous administrations have failed to maintain adequate overview of cases with a bond, JP5 will cooperate with clearing the old cases with a bond; Rosie Perez will take the appropriate measures to revise the bond status of ten cases per month. Bond collections will be reviewed quarterly to ensure hearings are scheduled in a timely manner and bonds are either forfeited or refunded.</p>			
Person Responsible	Rosie Perez	Estimated Completion Date	3/31/2016						
<p>Although previous administrations have failed to maintain adequate overview of cases with a bond, JP5 will cooperate with clearing the old cases with a bond; Rosie Perez will take the appropriate measures to revise the bond status of ten cases per month. Bond collections will be reviewed quarterly to ensure hearings are scheduled in a timely manner and bonds are either forfeited or refunded.</p>									

Observation #3	Risk Level (M)								
<p>Sheriff Collections: A review of all sheriff collections was conducted to verify resolution of prior audit issues. The previous administration failed to comply with the recommendation of proper and timely posting of sheriff collections in Odyssey. The collections of six cases, which total \$2,145.20, have not been posted in Odyssey.</p>									
<p>Recommendation</p> <p>Sheriff collections should be recorded in Odyssey as soon as they are received and reviewed by a supervisor on a regular basis. The necessary receipt information should be requested from the Sheriff's Department for any pending cases and recorded as soon as possible.</p>									
<p>Action Plan</p> <table border="1"><thead><tr><th>Person Responsible</th><th>Rosie Perez</th><th>Estimated Completion Date</th><th>12/1/2015</th></tr></thead><tbody><tr><td colspan="4"><p>Rosie Perez will post the payment and scan all the provided documentation into Odyssey to reflect the sheriff's payment as soon as it is provided. JP5 is aware that past administrations have failed to post sheriff collections in Odyssey in a proper and timely manner. The County Auditor's Office will provide the necessary backup information to JP5 in order to allow proper posting of the six exceptions into Odyssey.</p></td></tr></tbody></table>		Person Responsible	Rosie Perez	Estimated Completion Date	12/1/2015	<p>Rosie Perez will post the payment and scan all the provided documentation into Odyssey to reflect the sheriff's payment as soon as it is provided. JP5 is aware that past administrations have failed to post sheriff collections in Odyssey in a proper and timely manner. The County Auditor's Office will provide the necessary backup information to JP5 in order to allow proper posting of the six exceptions into Odyssey.</p>			
Person Responsible	Rosie Perez	Estimated Completion Date	12/1/2015						
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COUNTY OF EL PASO
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10-11

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(915) 546-8172 FAX

October 7, 2015

The Honorable Kelly Dickson
Justice of the Peace, Precinct 7
435 E. Vinton Rd., Suite C
Vinton, Texas 79821

Dear Judge Dickson:

The County Auditor's Internal Audit division performed an audit of the Justice of the Peace, Precinct 7 (JP7) financial records for the period of May 2014 through July 2015 to determine if internal controls are adequate to ensure proper preparation of the JP7 financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating and efficient.

The audit report is attached. There were four observations noted as a result of the audit procedures. We wish to thank the management and staff of JP7 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,

A handwritten signature in cursive script that reads "Barbara France for Edward Dion".

Edward A. Dion
County Auditor

EAD:RB:ya

Attachment



Justice of the Peace, Precinct 7



EXECUTIVE SUMMARY

BACKGROUND

Financial reports are generated from the Odyssey Courts and Justice System (Odyssey) showing all transactions occurring each month. The audit was performed by Rene Balderrama, Internal Auditor – Intermediate.

SCOPE

The scope of the audit includes:

- JP7 financial records
- May 2014 through July 2015

OBJECTIVES AND RESULTS

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to JP7 financial reports. Following are the business objectives, related control assessment, and a summary of good and weak controls noted in the audit.

Business Objective	Control Assessment
1. Functioning appropriate cash controls	Satisfactory
2. Posting of deposits to Financial Accounting Management Information System (FAMIS)	Satisfactory
3. Prompt and accurate posting in Odyssey of mail payments	Unsatisfactory
4. Appropriate allocation of court costs	Satisfactory
5. Minimization of possible lost revenues	Needs Improvement
6. Resolution of prior audit issues	Unsatisfactory

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none">• Cash handling procedures. (Obj. 1)• Timely deposits of collections. (Obj. 1)• Timely posting of deposits to FAMIS. (Obj. 2)• Schedules for appropriate allocation of court costs. (Obj. 4)	<ul style="list-style-type: none">• Completeness of the payment mail log process. (Obj. 3)• Notifications to jurisdictions of upcoming court dates. (Obj. 5)• Proper documentation of dismissed cases (Obj. 5)• Review of pending bonds. (Obj. 6)

OBSERVATIONS AND ACTION PLAN

Please see the *Detail Observation and Actions Plans* section of this report for a table detailing observations from the audit in order of risk with management's action plans to address those issues.

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 JP7 has implemented improvements in their operations. However, they did not meet all objectives of this audit. Financial reports generated from Odyssey do not recapitulate all transactions occurring each month. Implementation of the recommendations provided in this report should assist JP7 in producing complete and accurate financial reports by strengthening their internal control structure.



Justice of the Peace, Precinct 7



DETAIL OBSERVATIONS AND ACTIONS PLANS

Observation #1	Risk Level ●
JP7 does not log and track incoming mail payments from defendants.	
Recommendation	
All payments received by mail should be logged in a mail log. The log should consist of the defendant's name, case number, date received and amount.	
Action Plan	
Person Responsible	Estimated Completion Date
Marc Brammer	10-1-2015
JP7 will initiate a log for payments submitted by mail which will track date received, who received it, who posted it to the case in Odyssey and what time it was posted. The sheets will be scanned monthly and kept in a folder on the JP7 home drive.	

Observation #2	Risk Level (M)
Pending bonds are not being reviewed as cases from 2003 have not been resolved (prior audit recommendation). Pending bonds currently total \$59,484.30.	
Recommendation	
Review all bond collections at least quarterly to ensure cases are heard in a timely fashion to meet statutory requirements.	
Action Plan	
Person Responsible	Estimated Completion Date
Alejandra Sandoval with Marc Brammer as oversight	1-31-2016
Alejandra will review the outstanding bond list at least quarterly, ensure court dates are given to defendants, and ensure refunds are completed timely.	



Justice of the Peace, Precinct 7



DETAIL OBSERVATIONS AND ACTIONS PLANS

Observation #3	Risk Level ●
<p>A sample of 568 out of 11,438 dismissed cases from Odyssey was reviewed for supporting documentation. Five cases did not have proper documentation scanned into Odyssey to validate the reason for dismissal, one case was not dismissed properly in Odyssey, and one case had a driver's safety course granted but was not eligible for dismissal.</p>	
Recommendation	
<p>Ensure dismissed cases have proper documentation scanned into Odyssey to validate court orders. In addition, as soon as a judgment is granted, the Justice of the Peace personnel should review the court orders for completeness and accuracy.</p>	
Action Plan	
Person Responsible Marc Brammer	Estimated Completion Date 10-5-2015
<p>JP7 will periodically perform spot checks to ensure all cases disposed of have proper documentation and judge's signature. Training will be provided to staff which will clarify that cases closed with "proof" such as FTMFR and expired registration or inspection, should include a dismissal.</p>	

Observation #4	Risk Level ●																
<p>It was noted that 452 out of 11,438 dismissed cases were dismissed due to the officer not appearing for court. Of those 452 cases, 4 did not have the officer's name in Odyssey. The 452 cases represent 4% of dismissed cases. This type of dismissal may result in loss of revenue to the County.</p>																	
Officer Not Present Dismissals																	
<table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 5px;">Jurisdiction</th> <th style="text-align: left; padding: 5px;">#</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Sheriff</td> <td style="text-align: right; padding: 5px;">253</td> </tr> <tr> <td style="padding: 5px;">Department of Public Safety</td> <td style="text-align: right; padding: 5px;">154</td> </tr> <tr> <td style="padding: 5px;">Constables</td> <td style="text-align: right; padding: 5px;">30</td> </tr> <tr> <td style="padding: 5px;">Texas Park and Wildlife</td> <td style="text-align: right; padding: 5px;">8</td> </tr> <tr> <td style="padding: 5px;">El Paso Independent School District</td> <td style="text-align: right; padding: 5px;">4</td> </tr> <tr> <td style="padding: 5px;">Other Jurisdictions</td> <td style="text-align: right; padding: 5px;">3</td> </tr> <tr> <td style="padding: 5px;">Total</td> <td style="text-align: right; padding: 5px; border-top: 1px solid black;">452</td> </tr> </tbody> </table>		Jurisdiction	#	Sheriff	253	Department of Public Safety	154	Constables	30	Texas Park and Wildlife	8	El Paso Independent School District	4	Other Jurisdictions	3	Total	452
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Recommendations																	
<p>Law enforcement agencies should be notified of upcoming court dates. A list of officers not attending court hearings should be given to a superior officer in each of the agencies listed above in an effort to ensure officers attend their respective court dates.</p>																	
Action Plan																	
Person Responsible Marc Brammer	Estimated Completion Date 12-1-2016																
<p>JP7 will email the appropriate supervisor of upcoming court dates and will also email an Odyssey report monthly listing officers that did not appear for court.</p>																	



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10-16

October 8, 2015

The Honorable Jesus Urenda
Justice of the Peace, Precinct Number 4
2350 George Dieter, Ste A
El Paso, Texas 79936

Dear Judge Urenda:

The County Auditor's Internal Audit division performed an audit of the Justice of the Peace, Precinct Number 4 (JP4) financial records to determine if internal controls are adequate to ensure proper preparation of JP4 financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating, and efficient.

The audit report is attached. There were four observations noted as a result of the audit procedures. We wish to thank the management and staff of JP4 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.

Very truly yours,

Barbara Franco for Edward Dion

Edward A. Dion
County Auditor

EAD:BT:ya

Attachments



Justice of the Peace, Precinct Number 4



EXECUTIVE SUMMARY

BACKGROUND

Financial reports are generated from the Odyssey Courts and Justice System (Odyssey) showing all transactions occurring each month. The audit was performed by Bertha Tafoya, Internal Auditor – Intermediate.

SCOPE

The scope of the audit includes:

- JP4 financial records
- January 2015 through August 2015

OBJECTIVES AND RESULTS

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to JP4 financial reports. Following are the business objectives, related control assessment, and a summary of good and weak controls noted in the audit.

Business Objective	Control Assessment
1. Functioning appropriate cash controls	Unsatisfactory
2. Posting of deposits to Financial Accounting Management Information System (FAMIS)	Satisfactory
3. Constable cash bonds compliance with <i>Texas Code of Criminal Procedures Chapter 17.02</i> and County Attorney opinion	Unsatisfactory
4. Prompt posting in Odyssey of payments collected by the Sheriff's Office and Constables	Satisfactory
5. Payments by mail – deposit timeliness compliance with <i>Local Government Code §113.022(a)</i>	Unsatisfactory
6. Appropriate allocation of court costs	Satisfactory
7. Policies and procedures as they relate to the collection of funds	Unsatisfactory
8. Timely processing of refunds	Unsatisfactory

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Timely deposits in compliance with Local Government Code §113.02 (Obj. 2) • All necessary schedules are being prepared for appropriate allocation of court costs (Obj. 6) • Timely posting of funds collected by other departments (Obj. 4) 	<ul style="list-style-type: none"> • Appropriate cash controls (Obj. 1 & 5) • Compliance with Refund requests (Obj. 8) • Non-cash payments for cash bonds (Obj. 3) • Collection procedures (Obj. 7)

OBSERVATIONS AND ACTION PLAN

Please see the *Detailed Observations and Action Plans* section of this report for a table detailing observations from the audit in order of risk with management's action plan to address those issues.

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 internal control structure of the Justice Court Precinct 4 did not meet the objectives of this audit. Financial reports generated from Odyssey do not recapitulate all transactions occurring each month. However, implementation of the recommendations provided in this report should assist in strengthening the internal control structure.



Justice of the Peace, Precinct Number 4



DETAIL OBSERVATIONS AND ACTION PLANS

Observation #1		Risk Level ●	
<p>Eighty-two, 20%, of 420 payments received by mail were reviewed. 87% of the sample reviewed was posted and deposited 16 to 41 days after the payment was received. All of those exceptions were debt claim cases. Payments were not deposited until cases were filed. <i>Local Government Code §113.022(a) requires payments be deposited within five business days of receipt.</i></p>			
Recommendations			
<p>All collections should be deposited daily without exception. A separate deposit slip should be prepared to identify payments that are deposited but not posted in Odyssey.</p>			
Action Plan			
Person Responsible	Judge Jesus Urenda	Estimated Completion Date	October 2, 2015
<p>Management agrees with recommendations, all payments by mail will be deposited daily.</p>			

Observation #2		Risk Level ●	
<p>Two out of the 27 new cash bonds reviewed for the month of June 2015 were paid with a debit/credit card.</p>			
Recommendation			
<p>Payments for cash bonds must be made in "cash" only, no other tender type may be accepted in lieu of cash. County Attorney opinion attached.</p>			
Action Plan			
Person Responsible	Judge Jesus Urenda	Estimated Completion Date	October 2, 2015
<p>Staff personnel will be reminded to accept cash only for cash bonds.</p>			



Justice of the Peace, Precinct Number 4

DETAIL OBSERVATIONS AND ACTION PLANS



Observation #3	Risk Level
<p>A review of 62 outstanding bonds identified the following refunding issues:</p> <ul style="list-style-type: none">• 29 had refund voucher information, supporting documentation and information on Odyssey that did not match. Discrepancies noted included incorrect deposit dates, incorrect forfeited amounts, unsigned ADA dismissals, etc.• Refund vouchers were not always scanned into the Odyssey system.• Three of four Constable collections exceeding the amount owed were not refunded timely.• As of July 31, 2015, refund information for 29 cases has not been submitted to The County Auditor's office. Twenty-one of these cases were dismissed/forfeited during March and April 2015.	
Recommendations	
<ol style="list-style-type: none">1. Management should review refund vouchers and supporting documentation to ensure they are consistent.2. When bonds are forfeited and/or dismissed, refund vouchers including related information should be submitted to the County Auditor's office in a timely manner.3. All supporting documentation for cases processed should be scanned in a timely manner.	
Action Plan	
Person Responsible	Judge Jesus Urenda
Estimated Completion Date	November 11, 2015
<p>Recommendations will be implemented. The Internal Audit division of the County Auditor's Office will provide a bond schedule with pending refunds/forfeitures identified. Bonds with pending refunds/forfeitures will be worked as agreed.</p>	

Observation #4	Risk Level
<p>Documented detailed operational procedures as they relate to the collection of funds do not exist.</p>	
Recommendation	
<p>Documented procedures related to collection of funds should be developed. Such procedures will be helpful as training tools, reference documents, and may provide for continuity of internal controls when changes in personnel occur. These written procedures should be reviewed and updated as necessary, but reviewed at least annually.</p>	
Action Plan	
Person Responsible	Judge Jesus Urenda
Estimated Completion Date	April 4, 2016
<p>Collections procedures will be documented, a copy will be provided to the County Auditor's Office upon completion.</p>	



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10-15

October 8, 2015

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

Dear Ms. Favela:

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. There were no observations noted. Policies and procedures in place appear to be operating efficiently. As a result of management's proactive involvement, funds for the juvenile, deposit, and the custodial bank accounts are being reconciled to Odyssey. Furthermore, funds invested at different financial institutions are also being reconciled to Odyssey. The District Clerk's Office, specifically the accounting division, should be commended for their professionalism and excellent work.

We wish to thank the management and staff of the 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.

Very truly yours,

A handwritten signature in cursive script that reads "Norma France for Edward Dion".

Edward A. Dion
County Auditor

EAD:BT:ya

Attachments



The Office of The District Clerk
EXECUTIVE SUMMARY



BACKGROUND

Financial reports are generated from the Odyssey Courts and Justice System (Odyssey) showing all transactions occurring each month. The audit was performed by Bertha Tafoya, Internal Auditor – Intermediate.

SCOPE

The scope of the audit includes:

- District Clerk's financial records
- Bank reconciliations for the custodial, deposit, and juvenile bank accounts.
- July 2014 through July 2015

OBJECTIVES AND RESULTS

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to the District Clerk's Office financial reports. Following are the business objectives, related control assessment, and a summary of good and weak controls noted in the audit.

Business Objective	Control Assessment
1. Functioning appropriate cash controls	Satisfactory
2. Timely and complete bank reconciliations	Satisfactory
3. Investment balances at various financial institutions are properly recorded in Odyssey	Satisfactory
4. Timely processing of reimbursement requests for Title IV-D cases in compliance with <i>Texas Family Code Chapter 231 § 231.202 and Chapter 110 Sections § 51.317, 318(b)(2) and § 51.319(2) of the Texas Government Code</i>	Satisfactory
5. Timely processing of refunds and due-to-other payments	Satisfactory
6. Appropriate policies and procedures related to the collection of funds	Satisfactory

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Timely deposits in compliance with Local Government Code §113.02 (Obj. 1) • All necessary reports are being prepared for appropriate allocation of court cost (Obj. 4) • Appropriate cash controls (Obj. 1, 2, 3 & 5) • Timely processing of refund requests (Obj. 5) • Collection procedures (Obj. 6) 	

OBSERVATIONS AND ACTION PLAN

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 internal control structure of the District Clerk's Office met the objectives of this audit. Financial reports generated from Odyssey recapitulate all transactions occurring each month.



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10-17

October 8, 2015

Mr. Roger Martinez
Chief Juvenile Probation Department
6400 Delta Drive
El Paso, Texas 79905

Dear Mr. Martinez:

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

The audit report is attached. There were no observations noted as a result of the audit procedures. Management's proactive involvement, specifically the finance and support division, should be commended for their professionalism and excellent work.

We wish to thank the management and staff of the Juvenile Probation 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.

Very truly yours,

A handwritten signature in black ink that reads "Barbara Franco for Edward A. Dion". The signature is written in a cursive, flowing style.

Edward A. Dion
County Auditor

EAD:BT:ya

Attachments



Juvenile Probation Department

EXECUTIVE SUMMARY



BACKGROUND

Financial reports are generated from the CaseWorker Management System showing all transactions occurring each month. The audit was performed by Bertha Tafoya, Internal Auditor – Intermediate.

SCOPE

The scope of the audit includes:

- Juvenile Probation financial records
- October 2014 through August 2015

OBJECTIVES AND RESULTS

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to the Juvenile Probation financial reports. Following are the business objectives, related control assessment, and a summary of good and weak controls noted in the audit.

Business Objective	Control Assessment
1. Functioning appropriate cash controls	Satisfactory
2. Payments by mail – compliance with <i>Local Government Code</i> §113.022(a)	Satisfactory
3. Complete and efficient processing related to the collection of funds	Satisfactory
4. Timely processing of refunds and due-to-others payments	Satisfactory
5. Resolution of prior audit issues	Satisfactory
Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Appropriate cash controls (Obj. 1, 2,3) • Timely deposits in compliance with <i>Local Government Code</i> §113.02 (Obj.1) • Collection procedures (Obj.2 & 3) • Compliance with Refund requests (Obj. 4) 	

OBSERVATIONS AND ACTION PLAN

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 internal control structure of the Juvenile Probation Department meets the objectives of this audit. Financial reports generated from CaseWorker recapitulate all transactions occurring each month. Prior audit findings related to victim restitution and updating templates have been resolved. Policies and procedures appear to be operating efficiently.



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10-25

October 20, 2015

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

Dear Judge Lujan:

The County Auditor's Internal Audit division performed an audit of the Justice of the Peace, Precinct Number 6 Place 1 (JP6-1) financial records to determine if internal controls are adequate to ensure proper preparation of JP6-1 financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating and efficient.

The audit report is attached. There were three observations noted as a result of the audit procedures. We wish to thank the management and staff of JP6-1 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.

Very truly yours,

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

Edward A. Dion
County Auditor

EAD:RG:JO:ya

Attachment

**EXECUTIVE SUMMARY****BACKGROUND**

Financial reports are generated from the Odyssey Courts and Justice System (Odyssey) showing all transactions occurring each month. The audit was performed by Ricardo Gabaldon, Internal Auditor – Intermediate and James O’Neal, Internal Auditor Manager - Senior.

SCOPE

The scope of the audit includes:

- JP6-1 financial records
- Policies, Procedures and Regulations
- July 2014 through July 2015

OBJECTIVES AND RESULTS

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to JP6-1 financial reports. Following are the business objectives, related control assessment, and a summary of good and weak controls noted in the audit.

Business Objective	Control Assessment
1. Functioning appropriate cash controls	Satisfactory
2. Review of overages and shortages	Needs Improvement
3. Judge’s compliance with education requirements of Government Code § 27.005	Satisfactory
4. Completeness of the payment mail log and timely posting to Odyssey	Needs Improvement
5. Completeness and supporting documentation of deferred disposition cases	Needs Improvement
6. Completeness and timely posting of manual receipts issued	Satisfactory

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Daily deposits compliance with Local Government Code §113.022 (Obj. 1) • Education requirement compliance (Obj. 3) • Procedures for complete and timely posting of manual receipts in the Odyssey system. (Obj. 6) 	<ul style="list-style-type: none"> • Monthly review of overages and shortages (Obj. 2) • Proper documentation of deferred disposition cases (Obj. 5) • Mail log process for mailed payments (Obj. 4)

OBSERVATIONS AND ACTION PLAN

Please see the *Detail Observations and Action Plans* section of this report for a table detailing observations from the audit in order of risk with management’s action plans to address those issues.

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 JP6-1 did not meet all objectives of this audit. Financial reports generated from Odyssey do not recapitulate all transactions occurring each month. Implementation of the recommendations provided in this report should also assist JP6-1 in producing complete and accurate financial reports by strengthening their internal control structure.



Justice of the Peace, Precinct Number 6 Place 1



DETAIL OBSERVATIONS AND ACTION PLANS

Observation #1	Risk Level (M)
There were 18 daily deposits with overages averaging \$110.11 and 5 daily deposits with shortages averaging \$99.95. These discrepancies resulted in a net overage of \$10.16 for the audit period.	
Recommendation	
It is recommended that due care be exercised when handling payments and entering data into Odyssey.	
Action Plan	
Person Responsible	Estimated Completion Date
Judge Lujan and Margie Kalnas	10/31/15
Overages or shortages, for dollar amount to be determined, will be documented for disciplinary action (if needed as provided by legal opinion from County Attorney division). Written cash handling policies and procedures will be introduced to current and future employees with the assistance of the Auditor's Office. Further training will be introduced if the issues persist.	

Observation #2	Risk Level (M)
A sample of 80 cases out of 383 total deferred disposition cases identified the following issues related to supporting documentation and completeness:	
<ul style="list-style-type: none">• 80% had judgments entered into Odyssey 90 days or more after deferred disposition was completed• 11% had no action since deferred disposition was granted• 1% had missing scanned supportive documentation in Odyssey	
Recommendation	
Justice court staff should exercise due care when updating and entering information for deferred disposition cases. Furthermore, case information should be updated in a timely manner to show the true case status and information.	
Action Plan	
Person Responsible	Estimated Completion Date
Judge Lujan and Margie Kalnas	9/28/15
Staff has a difficult time with some agencies providing ticket documentation in a timely manner. This has been an ongoing situation with all Justice of the Peace courts. Management is determined to decrease the amount of time between receipt of ticket information and posting of information into the Odyssey system. However, this will always be an issue until all the arresting agencies supply the courts with necessary ticket information. According to Ms. Kalnas, the Department of Public safety has the longest turnaround time when delivering tickets; which is usually once a week sometimes up to once every 2 weeks.	



Justice of the Peace, Precinct Number 6 Place 1



DETAIL OBSERVATIONS AND ACTION PLANS

Observation #3		Risk Level ●
A sample of 285 entries from the mail log found 22 cases did not have case numbers listed on the mail log.		
Recommendation		
Employee training addressing mail log procedures should be conducted. Furthermore, supervisory review should be conducted on mail log procedures.		
Action Plan		
Person Responsible	Judge Lujan and Margie Kalnas	Estimated Completion Date 9/28/15
Court clerk previously responsible for mail log entries and data collection has been terminated due to information not being posted in a timely manner. New court clerk has caught up the backlog left by the previous clerk and is currently entering information in a more timely manner.		



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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10-40

October 28, 2015

The Honorable Ruben P. Gonzalez
El Paso County Tax Assessor-Collector
301 Manny Martinez Dr., 1st Floor
El Paso, Texas 79905

Dear Mr. Gonzalez:

The County Auditor's Internal Audit division performed an audit of the Enforcement Division financial records for the period of July 2014 through August 2015 to determine if internal controls are adequate to ensure proper preparation of the Enforcement Division financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating and efficient.

The audit report is attached. There was one observation noted as a result of the audit procedures. We wish to thank the management and staff of the Enforcement Division 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.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edward A. Dion", with a stylized flourish at the end.

Edward A. Dion
County Auditor

EAD:RB:ya

Attachments



Enforcement Division
EXECUTIVE SUMMARY



BACKGROUND

Financial reports are generated from RecWare showing all transactions occurring each month. The audit was performed by Rene Balderrama, Internal Auditor – Intermediate.

SCOPE

The scope of the audit includes:

- Enforcement Division financial records
- May 2014 through August 2015

OBJECTIVES AND RESULTS

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to the Enforcement Division financial reports. Following are the business objectives, related control assessment, and a summary of good and weak controls noted in the audit.

Business Objective	Control Assessment
1. Functioning appropriate cash controls	Satisfactory
2. Posting of deposits to Financial Accounting Management Information System (FAMIS)	Satisfactory
3. Bank Reconciliations for Vehicle Inventory Tax (V.I.T.) escrow and discretionary accounts	Satisfactory
4. Discretionary account disbursement	Needs Improvement
5. Vehicle mileage usage	Satisfactory
6. Vehicle Registration Abuse Program (V.R.A.P.)	Satisfactory

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Cash handling procedures (Obj. 1) • Timely deposits of collections. (Obj. 1) • Timely posting of deposits to FAMIS. (Obj. 2) • Vehicle usage log (Obj. 5) • Schedules of appropriate allocation of fees. (Obj. 3 & 6) 	<ul style="list-style-type: none"> • Authorization of discretionary funds (Obj. 4)

OBSERVATIONS AND ACTION PLAN

Please see the *Detail Observation and Actions Plans* section of this report for a table detailing observations from the audit in order of risk with management's action plans to address those issues.

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 Enforcement Division has implemented improvements in their operations. However, they did not meet all objectives of this audit. Financial reports generated from RecWare do not recapitulate all transactions occurring each month. Implementation of the recommendations provided in this report should assist the Enforcement Division in producing complete and accurate financial reports by strengthening their internal control structure.



Enforcement Division



DETAIL OBSERVATIONS AND ACTION PLANS

Observation #1	Risk Level (M)
<p>The Enforcement Division used the Vehicle Inventory Tax discretionary fund to purchase photographs of the Tax Office for promotional use. Tax Code §23.121 (c) specifies discretionary purchases must be used to defray costs related solely to Vehicle Inventory. Promoting the Tax Office is not related solely to Vehicle Inventory.</p>	
Recommendation	
<p>It is recommended that the Enforcement Division review discretionary account purchases to ensure compliance with criteria set forth in Tax Code §23.121 (c)- prior to purchase.</p>	
Action Plan	
Person Responsible	Estimated Completion Date
Sergio Garcia	11/1/2015
<p>The Enforcement Director, Sergio H. Garcia, has reviewed Property Tax Code 23.122 (c), which specifies that any purchases must be used to defray the costs solely to vehicle inventory. In the future any requests from our VIT discretionary account will be reviewed in detail before making any purchases.</p>	



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10-39

October 28, 2015

The Honorable Ruben P. Gonzalez
County Tax Assessor - Collector
500 E. Overland
El Paso, Texas 79901

Dear Mr. Gonzalez:

The County Auditor's Internal Audit division performed an audit of the County Tax Office Full Service Contracted Offices to determine if internal controls are adequate to ensure that the eleven Full Service Contracted Offices are in compliance with Tax Office contracts and State laws.

The audit report is attached. There were two (2) observations noted as a result of the audit. We wish to thank the management and staff of the Tax Office and the eleven Full Service Contracted Offices 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.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edward A. Dion", with a stylized flourish at the end.

Edward A. Dion
County Auditor

EAD:BT:ya



Tax Office – Full Service Contracted Offices



EXECUTIVE SUMMARY

BACKGROUND

As of March 9, 2015 the Tax Office is under the administration of a new Tax Assessor-Collector. Contracts were reviewed to ensure that Full Service Contracted Offices are in compliance with Tax Office contracts. Fees displayed at each contracted office were verified to ensure compliance with State laws. The audit was performed by Bertha Tafoya, Internal Auditor – Intermediate.

SCOPE

The scope of the audit includes:

- Cash counts
- Contracts
- March through July 2015

OBJECTIVES AND RESULTS

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to the Tax Office Full Service Contracted Offices. Following are the business objectives, related control assessment, and a summary of good and weak controls noted in the audit.

Business Objective	Control Assessment
1. Functioning appropriate cash controls	Unsatisfactory
2. Contract compliance – Fees Charged <i>Transportation Code § 520.0071(4)</i>	Unsatisfactory
3. Contract compliance - Deputations <i>Transportation Code § 520.0071(b)</i>	Satisfactory

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Existence of bonds and deputation records (Obj. 3), • Cash controls for El Paso Auto Registration III, Flash Auto, Texas Auto Registration & Titles, and Tri-Star Auto Title Co. (Obj. 1) 	<ul style="list-style-type: none"> • Surprise cash counts (Obj. 1) • El Paso Auto Registration & Titling II, IV & V, no appropriate cash controls (Obj. 1) • Express Car Titling II, no appropriate cash controls (Obj. 1) • E-Z Auto Title Registrations & Express Auto Titling Service, Inc. I, non-compliance with contract stipulations (Obj. 2)

OBSERVATIONS AND ACTION PLAN

Please see the *Detail Observations and Action Plans* section of this report for a table detailing observations from the audit in order of risk with management's action plans to address those issues.

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 internal control structure of the County Tax Office, as it relates to the Full Service Contracted Offices, did not meet the objectives of this review. Implementation of the recommendations provided in this report should assist in strengthening the internal control structure of the eleven Full Service Contracted Offices.



Tax Office – Full Service Contracted Offices
DETAIL OBSERVATIONS AND ACTION PLANS



Observation #1	Risk Level ●
<p>In surprise cash counts in accordance with <i>Local Government Code §115.0035</i>, the following issues were identified:</p> <ul style="list-style-type: none">• An employee at El Paso Auto Registration & Titling location II indicated she would make up a \$6.60 shortage from personal funds.• At El Paso Auto Registration & Titling location IV a cashier had a parking ticket receipt to account for a \$5.00 shortage.• At the El Paso Auto Registration & Titling location V a cashier with a \$200 shortage indicated she had voided a prior day transaction for the amount of the shortage. Further, she indicated that the \$200 would be reimbursed to the customer. Other cashiers were not able to justify a net shortage in the amount of \$15.44.• Two cashiers at Express Car Titling location I could not account for an aggregate overage in the amount of \$32.79.• A cashier at Express Titling location II indicated a receipt for \$35.50, the amount of the shortage, would be void at the end of the business day. Another cashier had a \$1.55 overage. The four cashiers had change funds with different amounts. A cashier indicated a \$20 overage was due to customers being shortchanged.	
Recommendation	
<p>We recommend:</p> <ol style="list-style-type: none">1. Funds should not be comingled.2. Daily collections should not be utilized as petty cash.3. When voids are necessary, transactions should be voided on the same day they are receipted.4. Cashiers should use due diligence when issuing change and management should conduct periodic surprise cash counts to minimize and/or eliminate overages/shortages5. Change fund amount for all cashiers be standardized.	
Action Plan	
Person Responsible	Mr. Ruben P. Gonzalez
Estimated Completion Date	December 31, 2015
<p>County Tax Assessor Collector will work with the full service contracted offices to ensure collections/cash procedures are similar to the County's procedures to help reduce overages and shortages.</p>	

Observation #2	Risk Level ●
<p>Express Car Titling location I displayed fees do not comply with contract requirements. At E-Z Auto Title Registration the sign displaying the approved fee schedule reflects an effective date of January 31, 2000. Also, verbiage was added to indicate some transactions may have an additional fee. As per approved fee schedule disabled placards and applications are free of charge; however, the line next to disabled placards reflect a dollar sign (\$) which implies there may be a charge and applications are included with other fees for which a \$4.00 may be charged.</p>	
Recommendation	
<p>We recommend Tax Office management conduct sporadic surprise visits at all Full Service Contracted Office locations to verify contract compliance for signage.</p>	
Action Plan	
Person Responsible	Mr. Ruben P. Gonzalez
Estimated Completion Date	January 31, 2016
<p>All contracted offices have been instructed by the Tax Assessor Collector to display consistent fee schedules in a conspicuous location. The Tax Assessor Collector will ensure that Fee Schedules are revised to match the fee recommendations that come out of the State's Cost Study which has an anticipated completion date of January 2016. Physical inspections will be conducted at all Full Service Contracted Office locations to ensure compliance.</p>	