



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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10-04

October 9, 2019

The Honorable Ruben Lujan  
Justice of the Peace, Precinct Number 6 Place 1  
190 N. San Elizario Rd.  
Clint, 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.

The audit report is attached. We tested seven financial controls and one operational control with a total of 80 samples. There was one finding 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.

Respectfully,

Edward A. Dion  
County Auditor

EAD:PT:ya

cc: Ms. Betsy Keller, Chief Administrator



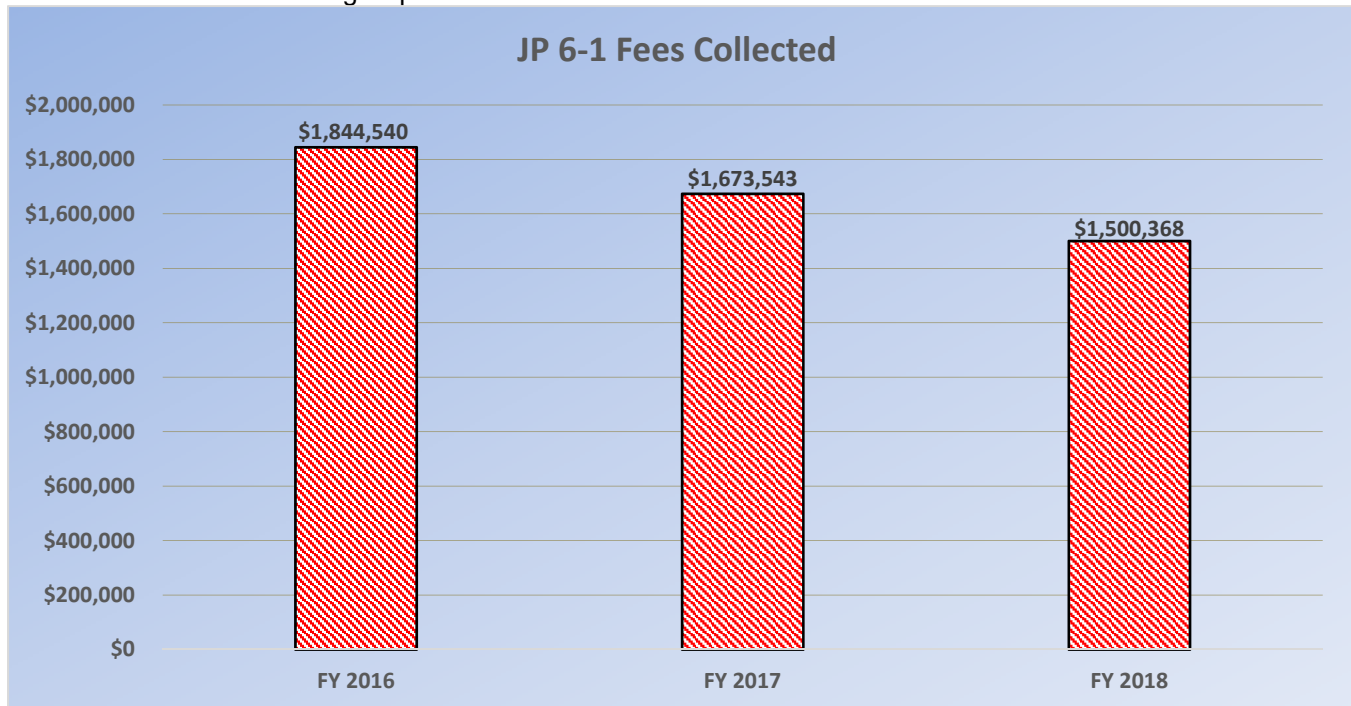
EXECUTIVE SUMMARY

BACKGROUND

Justices of the Peace are elected officials and serve four year terms. Precinct 6 Place 1 (JP6-1) has judicial power over criminal cases involving minor offenses under their jurisdiction and civil matters where the amount in controversy does not exceed \$10,000. Other duties include issuing search and arrest warrants and the performance of marriage services. The audit was performed by Phillip Trevizo, internal auditor and Rene Balderrama, audit accountant senior. The most recent prior audit report was issued on August 7, 2018. The status of prior year audit action plans may be found in the Findings and Action Plans section of this report.

FINANCIAL REPORTING

Financial reports are generated from the Odyssey Courts and Justice System (Odyssey) showing all transactions occurring each month. The following chart is a comparison of fees collected at JP6-1 for the past three fiscal years; the decline is due to declining disposed cases.



\*Source: El Paso County Funds and Fees of Office Report

OBJECTIVES

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 and related controls assessments.

| Business Objective  | Control Assessment |
|---|--------------------|
| 1. Established and documented policies and procedures                 | Satisfactory       |
| 2. Functioning appropriate cash controls                              | Satisfactory       |
| 3. Timely posting of Bond and Inmate Trust Section (BITS) payments    | Needs Improvement  |
| 4. Timely processing and resolution of cash bonds                     | Satisfactory       |
| 5. Completeness and timely posting of manual receipts issued          | Satisfactory       |
| 6. Properly documented voided and reversed Odyssey entries            | Satisfactory       |
| 7. Adequate controls of interpreter services payments                 | Satisfactory       |
| 8. Completeness of the payment mail log and timely posting to Odyssey | Satisfactory       |

SCOPE

The scope of the audit is from June 2018 through July 2019.



EXECUTIVE SUMMARY

METHODOLOGY

To achieve the audit objectives we:

- Reviewed policies, procedures as they relate to the collection of funds and applicable statutes
Performed a surprise cash count in accordance with Local Government Code §115.0035.
Reviewed cases with BITS payments for timely posting.
Reviewed a sample of cash bonds posted to verify bonds were being addressed in a timely manner.
Reviewed manual receipts for appropriate documentation and timely posting.
Reviewed a sample of void and reversal Odyssey entries to verify legitimacy of transactions.
Tested a sample of interpreter services invoices for proper authorization of payments
Reviewed a sample of mail log entries for appropriate documentation and timely deposit in accordance with Local Government Code §113.022.

RESULTS

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

Table with 2 columns: Good Controls and Weak Controls. Good Controls list includes Cash handling procedures, Posting of collections, Manual receipt procedures, Voided and reversed transactions, Review of interpreter services invoices, Mail log controls, and Documented policies. Weak Controls list includes Disposition of cash bonds. Below is a Findings Summary table with one entry: Two cash bonds posted since June 5, 2018, have not been addressed by the court.

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

JP6-1 met seven of eight business objectives for this audit. Implementation of recommendations provided in this report should assist JP6-1 in producing complete and accurate financial reports by strengthening their internal control structure.



Findings and Action Plans

Prior Audit Findings Summarized with Current Status

Status

- M Closed** 1. **Finding:** Three cash bonds were not forfeited properly. They should have been referred to the County Attorney’s Office for a judgement nisi bond forfeiture under Chapter 22 of the Code of Criminal Procedures.  
**Recommendation:** Justice of the Peace staff should follow proper judgement nisi bond forfeiture procedures on required bond forfeiture cases.  
**Action Plan:** Court staff will follow proper judgement nisi bond forfeiture procedures on required bond forfeiture cases. *Resolved*
  
- L Closed** 2. **Finding:** Three cases with collections from the Sheriff’s Office were not posted timely.  
**Recommendation:** Procedures for jail time credit and BITS payments should be followed to ensure collections received by the Sheriff’s Office are promptly receipted in Odyssey.  
**Action Plan:** The three cases with the discrepancies were corrected, and staff will ensure procedures are followed to make certain collections received by the Sheriff’s Office are promptly receipted in Odyssey. *Resolved*
  
- L Closed** 3. **Finding:** Requested interpreter services are not adequately documented by the JP office.  
**Recommendation:** JP6-1 staff should develop a system that accurately records an interpreter’s services in order to verify the information provided on invoices. We recommend a sign-in log be created for the interpreters to log in and out on court dates, and for daily verification of the log by court staff.  
**Action Plan:** Court staff will continue to review the interpreter invoices with the court calendar and will implement the recommended interpreter sign-in log to ensure the number of service hours invoiced can be verified prior to payment. *Resolved*

Current Audit Findings & Action Plans

| Finding #1  |                          | Risk Level <b>M</b>              |                  |
|---|--------------------------|----------------------------------|------------------|
| <b>Cash bond disposition</b> – We reviewed 16 of 80 cash bond cases to determine if bond hearings are being set in a timely manner. Two cases, or 13% of cases sampled, had a cash bond posted on June 5, 2018, and no action had been taken by the court. Cash bond cases should be set up for a docket hearing when the cash bond is posted as per documented procedures. Cases not being set up for bond hearings increase the risk of slow case disposition and lack of updated case information.   |                          |                                  |                  |
| <b>Recommendation</b>   |                          |                                  |                  |
| JP6-1 staff should periodically review cash bonds to ensure cases are heard and a judgement is rendered in a timely manner.   |                          |                                  |                  |
| <b>Action Plan</b>  |                          |                                  |                  |
| <b>Person Responsible</b>   | <b>Court Coordinator</b> | <b>Estimated Completion Date</b> | <b>9/30/2019</b> |
| The two cases were not set up for a docket hearing due to the employee responsible for posting the cash bonds being out on vacation. Another employee posted the check from the Sheriff’s Office due to only having 3 days to post it. That employee informed the employee on vacation about the bond, but nothing was done regarding the bond. Once made aware of the discrepancy, the two cases were set up for a bond hearing. Outstanding Cash Bonds Reports from Odyssey will be reviewed on a periodic basis to ensure cash bond cases are being set up for bond hearings in a timely manner. |                          |                                  |                  |