



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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06-01

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June 4, 2019

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

Dear Judge Herrera:

The County Auditor's Internal Audit division performed an audit of the Justice of the Peace, Precinct 3 (JP3) financial records 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. We tested two operational and seven financial controls using 322 samples. There were no findings 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.

Respectfully,

A handwritten signature in blue ink that reads "Barbara Franco for Edward A. Dion".

Edward A. Dion
County Auditor

EAD:BT:ya

cc: Ms. Betsy Keller, Chief Administrator



Justice of the Peace, Precinct Number 3

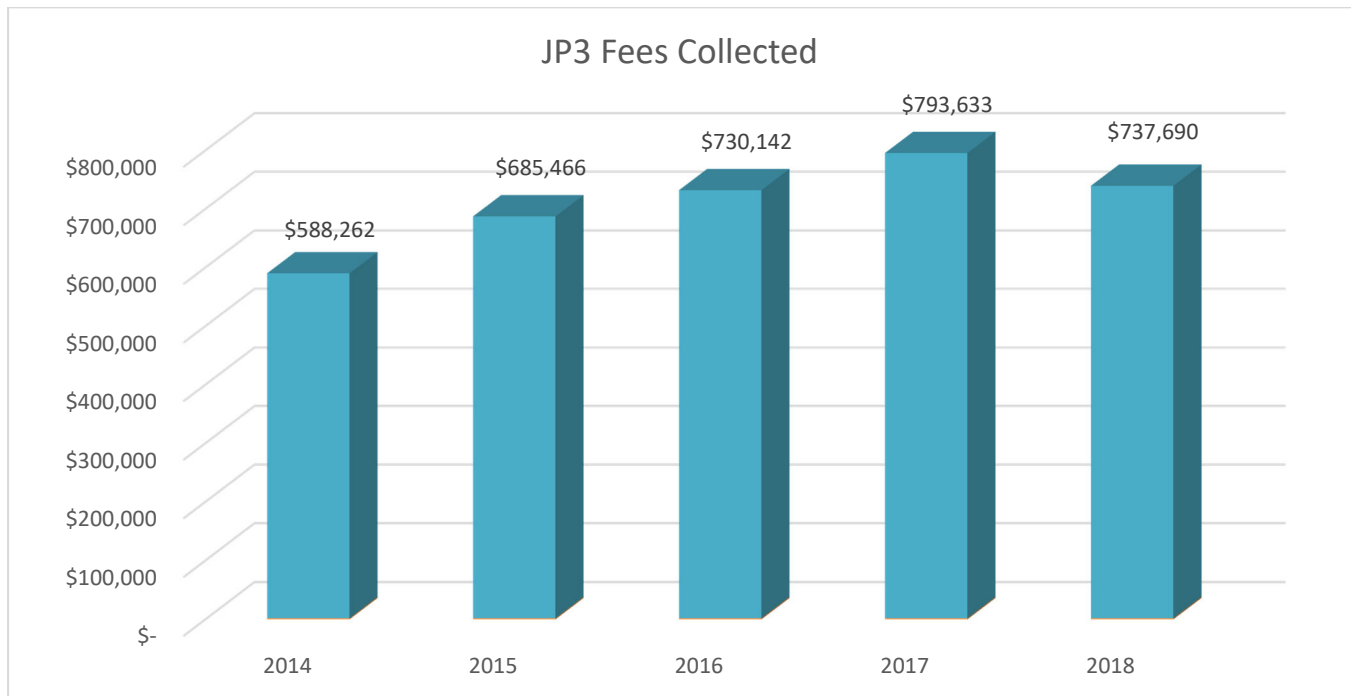


EXECUTIVE SUMMARY

BACKGROUND

Justices of the Peace are elected officials and serve four year terms. Precinct 3 (JP3) 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 current Justice of the Peace for JP3 has been in office since January 2019. The audit was performed by Bertha Tafoya, internal auditor. The most recent prior audit report was issued on December 19, 2018.

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 JP3 for the past five fiscal years.



Source: Odyssey system

SCOPE

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

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 and related control assessment.

Business Objective	Control Assessment
1. Established and documented policies and procedures	Satisfactory
2. Functioning appropriate cashiering controls	Satisfactory
3. Timely deposits of daily collections in accordance with <i>Local Government Code 113.022</i>	Satisfactory
4. Proper supporting documentation of dismissed cases	Satisfactory
5. Completeness of the payment mail log and timely posting to Odyssey	Satisfactory
6. Timely processing of cash bonds	Satisfactory
7. Proper void and reversed Odyssey entries	Satisfactory
8. Proper posting of jail time credits	Satisfactory
9. Judge's compliance with education requirements of <i>Government Code § 27.005</i>	Satisfactory



Justice of the Peace, Precinct Number 3



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 April 10, 2019, in accordance with *Local Government Code §115.0035*.
- Tested a sample of daily deposit slips and verified posting to the County's financial system.
- Tested a sample of daily deposits sent to the bank to ensure compliance with *Local Government Code §113.022(a)*.
- Tested a sample of mail log entries for appropriate documentation and timely deposit in accordance with *Local Government Code §113.022*.
- Tested a sample of dismissed cases to verify disposition and supporting documentation.
- Tested a sample of cash bonds collected to verify timeliness of disposition and supporting documentation.
- Reviewed a sample of void and reversal Odyssey transactions to verify legitimacy.
- Tested a sample of cases dismissed under Jail Time Credit completed to verify supporting documentation.
- Reviewed Judge's training certificates for compliance with *Government Code § 27.005*.

RESULTS

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

Controls Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Documentation of established policies and procedures (Obj. 1) • Cash handling procedures (Obj. 2) • Timely deposits of daily collections in accordance with <i>Local Government Code §113.022</i> (Obj. 3) • Documentation on dismissed cases (Obj. 4) • Review of the payment mail log for completeness (Obj. 5) • Review of pending cash bonds (Obj. 6) • Void and reversed transactions (Obj. 7) • Posting and documentation of jail time credit (Obj. 8) • Compliance with educational requirements (Obj. 9) 	
Findings Summary	
None.	

INHERENT LIMITATIONS

This financial review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the County's assets from loss, theft, or misuse. The County's internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of implementing the controls should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires the use of estimates and judgment by management. Because of the inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected.

CONCLUSION

JP3 met all objectives of this audit. Internal controls are adequate to ensure proper preparation of the JP3 financial reports. Processes documented appear to be operating efficiently.