



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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06-14

June 27, 2019

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. We tested ten financial controls and two operating control with a total of 255 samples. There were no findings 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.

Respectfully,

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

Edward A. Dion
County Auditor

EAD:HM:ya

cc: Ms. Betsy Keller, Chief Administrator



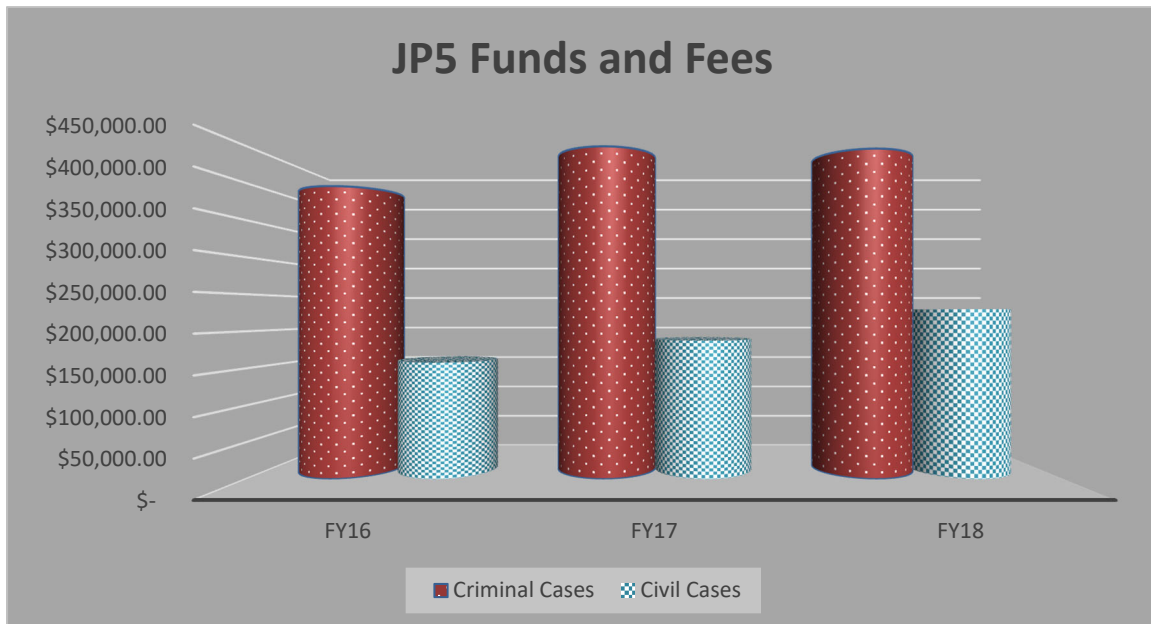
Justice of the Peace, Precinct Number 5



EXECUTIVE SUMMARY

BACKGROUND

Justices of the Peace are elected officials and serve four year terms. Precinct five 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. Funds and Fees collected for 2016, 2017, and 2018 are illustrated below.



Source: Annual Funds and Fees reports

The audit was performed by Hadi Medina, internal auditor. The most recent audit report was issued July 11, 2018, with a scope of June 2017 to April 2018.

AUDIT OBJECTIVES

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to JP5 financial reports. Following are the business objectives and related control assessment.

Business Objective	Control Assessment
1. Court order compliance in dismissed cases	Satisfactory
2. Timely posting of Bond and Inmate Trust Section (BITS) payments	Satisfactory
3. Functioning appropriate void controls	Satisfactory
4. Proper posting of jail time credits	Satisfactory
5. Functioning appropriate cash controls	Satisfactory
6. Timely processing and resolution of cash bonds	Satisfactory
7. Timely deposits of collections in accordance with <i>Local Government Code 113.022</i>	Satisfactory
8. Adequate controls of interpreter services payments	Satisfactory
9. Appropriate and timely posting of manual receipts to Odyssey	Satisfactory
10. Accuracy of mail log information and timely posting to Odyssey	Satisfactory
11. Judge's education compliance with <i>Local Government Code § 27.005</i>	Satisfactory
12. Adherence to documented policies and procedures	Satisfactory

SCOPE

The scope of the audit is from May 2018 through April 2019.



EXECUTIVE SUMMARY

METHODOLOGY

To achieve the audit objectives we:

- Reviewed policies, procedures, and applicable statutes.
Tested a sample of dismissed cases to verify court order compliance and supporting documentation.
Reviewed a sample of cash bonds posted to verify bonds were being addressed in a timely manner.
Tested a sample of cases with jail time credit to verify jail time served and supporting documentation.
Performed a surprise cash count in accordance with Local Government Code (LGC) §115.0035.
Traced a sample of deposit slips to the financial accounting system for compliance with LGC §113.022.
Tested all BITS payments for timely posting and supporting documentation.
Analyzed a sample of interpreter services invoices for proper authorization and documentation.
Reviewed a sample of voided transactions in Odyssey to verify legitimacy of transactions and management verification.
Tested a sample of mail logs to determine deposit completeness, accuracy, and timeliness.
Tested a sample of manual receipts for appropriate and timely posting.
Reviewed Judge's training certificates for compliance with LGC §27.005.

RESULTS

Listed below are controls and findings summaries, with findings listed from highest to lower risk. Please see the Findings and Action Plans section of this report for the status of prior audit report findings.

Table with 2 columns: Control Summary (Good Controls, Weak Controls) and 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

JP5 continues to implemented improvements in their operations and have met all the objectives of this audit.



Justice of the Peace, Precinct Number 5



FINDINGS AND ACTION PLANS

Prior Audit Findings Summarized with Current Status

Status

M Closed

1. **Finding:** Interpreter services are not properly document by JP office. This information is vital in order to verify and confirm invoice information at time of payment. The court requests interpreter services but does not log specific times and dates of when the services were provided. When the invoices are received and approved for payment, the staff only verifies there was court on the dates presented on the invoices.

Recommendation: JP5 staff should develop a system that accurately records an interpreter's services in order to verify the information provided on the invoices. We recommend a sign-in sheet be created for the interpreters to log in and out on court dates. This information can then be entered into the Odyssey calendar by the court coordinator.

Action Plan: Management has implemented the Auditor's recommendation. Procedures now include a log sheet for interpreters and entering the information into the Odyssey calendar.