



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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02-01

February 4, 2019

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) 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. We tested one operational and eight financial controls with a total of 115 samples. There was one finding 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.

Respectfully,

Edward A. Dion
County Auditor

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cc: Mrs. Betsy Keller, Chief Administrator



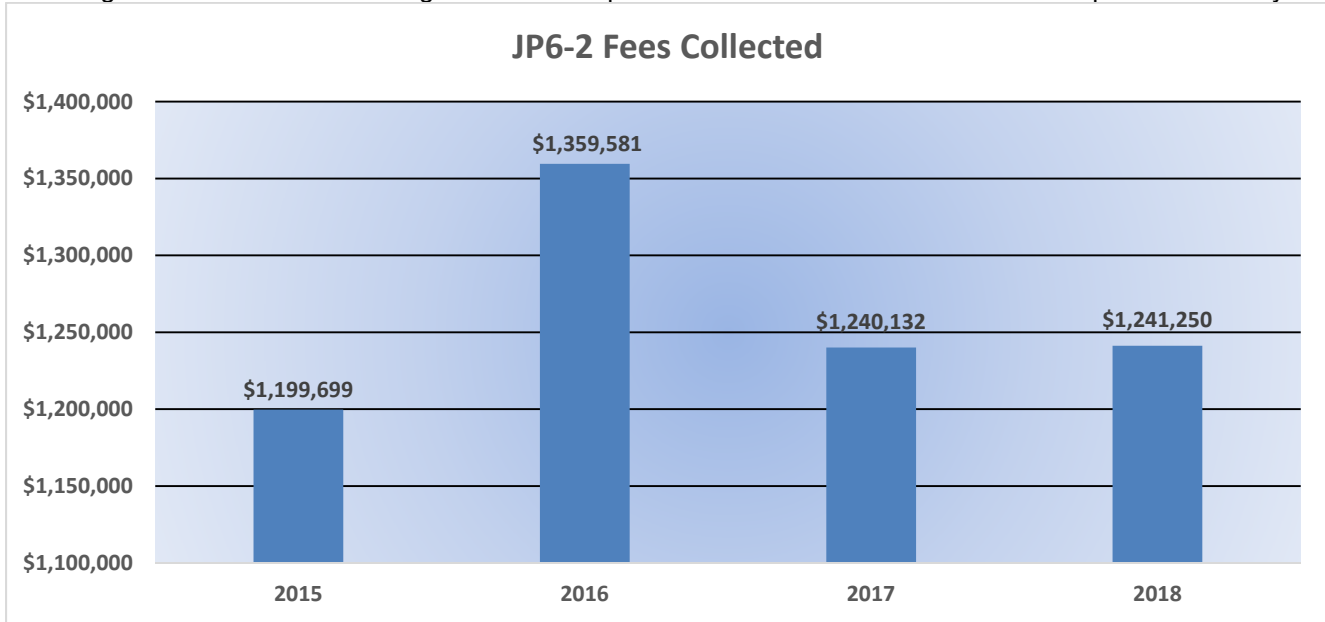
EXECUTIVE SUMMARY

BACKGROUND

Justices of the Peace are elected officials and serve four year terms. Precinct 6 Place 2 (JP6-2) 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. The most recent prior audit report was issued on April 10, 2018. The prior audit had one finding; which has been resolved.

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 JP6-2 for the past four fiscal years.



Source: El Paso County Funds and Fees of Office Reports

*Increase in collections for 2016 was due to a combination of an increase in cases filed and an increase in cases adjudicated.

OBJECTIVES

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 and related controls assessments.

Business Objective	Control Assessment
1. Functioning appropriate cash controls	Satisfactory
2. Timely posting of Bond and Inmate Trust Section (BITS) payments	Satisfactory
3. Court order compliance in dismissed cases	Satisfactory
4. Timely processing and resolution of cash bonds	Satisfactory
5. Completeness and timely posting of manual receipts issued	Satisfactory
6. Proper authorization of interpreter services invoices	Satisfactory
7. Proper voided and reversed Odyssey entries	Needs Improvement
8. Completeness of the payment mail log and timely posting to Odyssey	Satisfactory
9. Established and documented policies and procedures	Satisfactory

SCOPE

The scope of the audit is from February 2018 to October 2018.

METHODOLOGY

To achieve the audit objectives we:

- Reviewed policies, procedures and applicable statutes.
- Performed a surprise cash count in accordance with *Local Government Code §115.0035*.



Justice of the Peace, Precinct Number 6 Place2



EXECUTIVE SUMMARY

- Reviewed cases with BITS payments for timely posting.
- 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.
- Reviewed manual receipts for appropriate documentation and timely posting.
- Tested a sample of interpreter services invoices for proper authorization of payments.
- Reviewed a sample of void and reversal Odyssey entries to verify legitimacy of transactions.
- Tested a sample of mail log entries to determine completeness, accuracy, and timeliness (compliance with Local Government Code § 113.02)
- Reviewed the prior audit recommendations for status.

RESULTS

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

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Cash handling procedures (Obj. 1) • Posting of collections by Sheriff's Office (Obj. 2) • Proper documentation on dismissed cases (Obj. 3) • Review of pending cash bonds (Obj. 4) • Manual receipt procedures (Obj. 5) • Review of interpreter services expenditures (Obj. 6) • Mail log controls (Obj. 8) • Documentation of established policies and procedures (Obj. 9) 	<ul style="list-style-type: none"> • Voided and reversed transactions (Obj. 7)
Findings Summary	
<ol style="list-style-type: none"> 1. 76% of voided transactions sampled did not have supervisor approval. 	

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

JP6-2 met eight of the nine business objectives of this audit. Implementation of recommendations provided in this report should 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



Findings and Action Plans

Prior Audit Findings Summarized with Current Status

Status

Closed L

1. **Finding:** One BITS payment collected at the Sheriff's department for JP6-2 was not receipted into Odyssey by the justice court staff.

Recommendation: JP6-2 personnel should ensure payments for collections received by the Sheriff's Office are promptly receipted in Odyssey.

Action Plan: The Court Coordinator or Office Manager will ensure payments for collections received by the Sheriff's Office are promptly receipted in Odyssey. *Resolved.*

Current Audit Findings & Action Plans

Finding #1	Risk Level M
Voided Transactions – 25 of 93 voided or adjusted transactions were reviewed for legitimacy and supervisory approval. 19 transactions (76% of transactions sampled) did not have approval from the Court Coordinator or the Office Manager as required by the JP's policies and procedures for voided transactions. This discrepancy could allow for unauthorized voided transactions to be entered into Odyssey. Upon further inquiry it was explained the discrepancy was due to lack of training on the proper procedures for voided transactions.	
Recommendation	
We recommend JP6-2 staff receive training and follow the JP's documented policies and procedures for voided transactions.	
Action Plan	
Person Responsible	Court Coordinator
Estimated Completion Date	01/08/2019
The Court Coordinator conducted staff training on January 8, 2019, to review the proper procedures for voided transactions.	