



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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06-02

June 2, 2020

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 two operational and five financial controls with a total of 87 samples. There were two findings 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,

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

Edward A. Dion  
County Auditor

EAD:PT:ya

cc: Ms. Betsy Keller, Chief Administrator



**Justice of the Peace, Precinct Number 6 Place2  
November 2018 to January 2020**



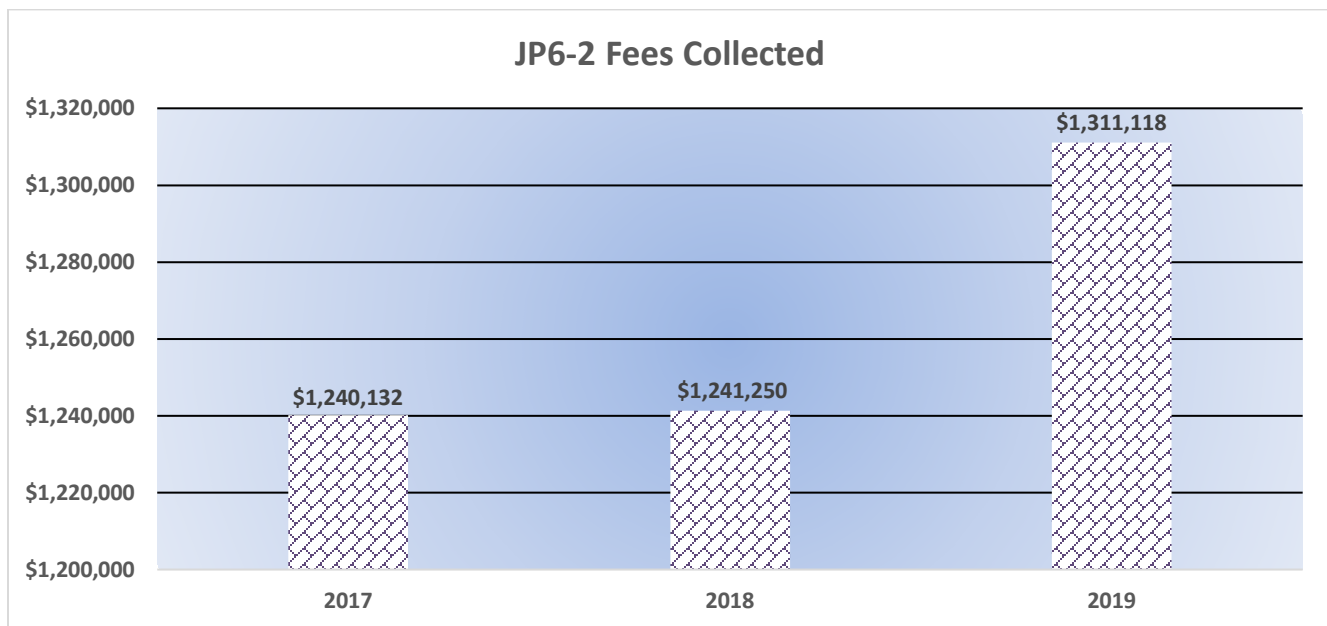
**EXECUTIVE SUMMARY**

**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 current Justice of the Peace for JP6-2 has been in office since January 1, 2015. This audit was performed by Phillip Trevizo, internal auditor. The most recent prior audit report was issued on February 4, 2019.

**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 three fiscal years. The increase in collections for 2019 is due to an increase in debt claim case filings.



Source: El Paso County Funds and Fees of Office Reports

**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. Timely processing and resolution of cash bonds	Needs Improvement
4. Completeness and timely posting of manual receipts issued	Satisfactory
5. Proper authorization of interpreter services invoices	Satisfactory
6. Proper voided and reversed Odyssey entries	Needs Improvement
7. Completeness of the payment mail log and timely posting to Odyssey	Satisfactory

**SCOPE**

The scope of the audit is from November 2018 to January 2020.

**METHODOLOGY**

To achieve the audit objectives we:

- Performed a surprise cash count in accordance with *Local Government Code §115.0035*.



**Justice of the Peace, Precinct Number 6 Place2  
November 2018 to January 2020**



**EXECUTIVE SUMMARY**

- Reviewed cases with BITS payments for timely posting.
- Reviewed a sample of cash bonds posted to verify bonds were 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 § 113.022)

**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 related details, management action plans and the status of prior audit report findings.

<b>Control Summary</b>	
<b>Good Controls</b>	<b>Weak Controls</b>
<ul style="list-style-type: none"> <li>• Cash handling procedures (Obj. 1)</li> <li>• Posting of collections by Sheriff's Office (Obj. 2)</li> <li>• Manual receipt procedures (Obj. 4)</li> <li>• Review of interpreter services expenditures (Obj. 5)</li> <li>• Mail log controls (Obj. 7)</li> </ul>	<ul style="list-style-type: none"> <li>• Voided and reversed transactions (Obj. 6)</li> <li>• Review of pending cash bonds (Obj. 3)</li> </ul>
<b>Findings Summary</b>	
<ol style="list-style-type: none"> <li>1. Four of 30 (13%) voided transactions sampled did not have supervisor approval. (Repeat finding)</li> <li>2. Seven of 11 (64%) pending cash bonds sampled need further action by JP6-2.</li> </ol>	

**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 five of the seven business objectives of this audit. Implementation of recommendations provided in this report should assist JP6-2 in strengthening their internal controls over voided transactions and improving their review of pending cash bonds.



**Justice of the Peace, Precinct Number 6 Place 2  
November 2018 to January 2020**



**Findings and Action Plans**

**Prior Audit Findings Summarized with Current Status**

**Status**

**Open** M

See Finding #1

1. **Finding:** 76% of voided transactions sampled did not have supervisor approval.  
**Recommendation:** JP6-2 personnel should receive training and follow the JP's documented policies and procedures for voided transactions.  
**Action Plan:** The Court Coordinator conducted staff training on January 8, 2019, to review the proper procedures for voided transactions. **Status:** Although training was conducted this continues to be an issue.

**Current Audit Findings & Action Plans**

Finding #1		Risk Level
<p><b>Voided Transactions</b> – Thirty of 117 voided or adjusted transactions were reviewed for legitimacy and supervisory approval. Four transactions (13%) 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.</p>		<span style="background-color: yellow; border: 1px solid black; border-radius: 50%; padding: 2px;">M</span>
Recommendation		
<p>We recommend JP6-2 staff receive training and follow the JP's documented policies and procedures for voided transactions. Management should enforce the documented procedures and disciplinary actions taken if warranted.</p>		
Action Plan		
<b>Person Responsible</b>	<b>Court Coordinator</b>	<b>Estimated Completion Date</b>
		<b>04/30/2020</b>
<p>A staff meeting was held on 4/30/20 to discuss the issue. Judge Serna advised clerks that supervisor review must be done on the same day of voided/reversed transaction or employee will be reprimanded.</p>		

Finding #2		Risk Level
<p><b>Cash Bond Review</b> – A review of outstanding cash bonds listed in the bond schedule for more than 90 days was conducted to ensure bonds are addressed in a timely manner. Of the 11 cash bond reviewed, the following was noted:</p> <ul style="list-style-type: none"> <li>• Five cases need further court action to file a Judgement Nisi bond forfeiture case</li> <li>• Two cases need follow up from County Courts on cash bond registry status</li> </ul>		<span style="background-color: yellow; border: 1px solid black; border-radius: 50%; padding: 2px;">M</span>
Recommendation		
<p>We recommend court personnel address the cases identified during the audit review. Furthermore, the Revenue Estimation Analysis and Reporting division from the County Auditor's Office will be providing JP's with quarterly Cash Bond Schedules for their review beginning in April 2020. Court personnel should review the cash bond schedule to ensure cases are scheduled to ensure timeliness of hearings and forfeitures/refunds of cash bonds.</p>		
Action Plan		
<b>Person Responsible</b>	<b>Court Coordinator</b>	<b>Estimated Completion Date</b>
		<b>04/30/2020</b>
<p>Clerks will reach out to higher courts for cases that have bonds or funds in the registry to obtain judgments or dismissals in order to disburse the funds accordingly. On cases pending refunds or forfeitures of bonds posted at the jail, the court will try reaching out to the defendants as soon as the bonds are received and notify them that they must appear to a bond hearing and enter a plea to avoid a Judgment NISI. Also the court will try to reach out to the defendants who posted cash bonds at the County Jail and failed to appear to their scheduled bond hearing one last time before proceeding with Judgment NISI. In the future, to avoid this issue from continuing, the court will keep track of the cash bond schedules that will be submitted by the Auditor's office on a quarterly basis.</p>		