



COUNTY OF EL PASO

OFFICE OF THE COUNTY AUDITOR

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08-26

August 18, 2020

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 one operational and eight financial controls using 357 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 "Edward A. Dion".

Edward A. Dion
County Auditor

EAD:PH:ya

cc: Ms. Betsy Keller, Chief Administrator



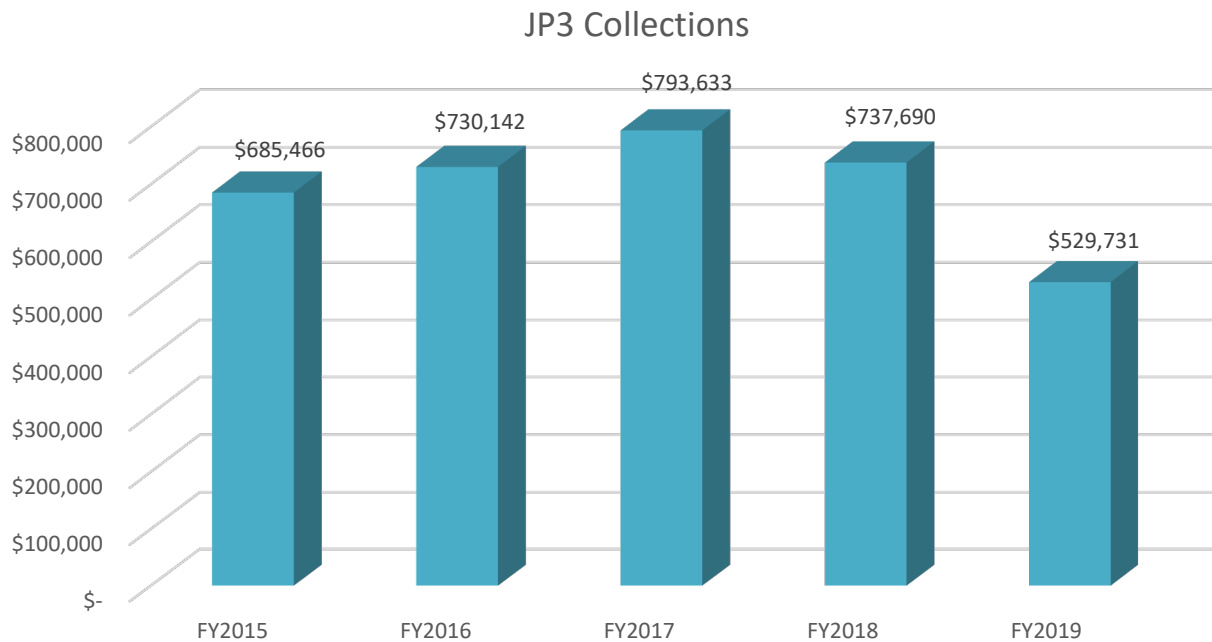
**JUSTICE OF THE PEACE, PRECINCT NUMBER 3
APRIL 2019 THROUGH FEBRUARY 2020
EXECUTIVE SUMMARY**



BACKGROUND

The Justice of the Peace is an elected official that serves as the presiding officer of the justice court for 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, conducting preliminary hearings, 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 Patrice Hills, CIA, internal auditor. The most recent prior audit report was issued on June 4, 2019.

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. When comparing collections for fiscal year 2019 to the collections for fiscal year 2018, the graph displays a \$207,959 decrease which is due to a 25.5% decrease in cases filed.



Source: Odyssey system

SCOPE

The scope of the audit is from April 2019 through February 2020. The scope of this audit was limited as it did not include review of manual receipts or a surprise cash count due to office closures related to COVID-19.

OBJECTIVES

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. Functioning appropriate cashiering controls.	Satisfactory
2. Timely bank deposits in accordance with <i>Local Government Code § 113.022</i> .	Satisfactory
3. Proper supporting documentation of dismissed cases.	Satisfactory
4. Timely processing of cash bonds (to include receipt, deposit, and posting of bonds and granting of hearings).	Satisfactory
5. Adequate expenditure controls.	Satisfactory
6. Justice of the Peace has an emergency plan in place.	Satisfactory



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METHODOLOGY

To achieve the audit objectives we:

- Tested a sample of deposits to verify compliance with *LGC §113.022*.
- Tested a sample of mail log entries to verify appropriate documentation and timely deposit in accordance with *LGC §113.022*.
- Tested a sample of dismissed cases to verify disposition and proper supporting documentation.
- Tested a sample of cash bonds collected to verify timeliness of disposition and proper supporting documentation.
- Tested a sample of expenditures for proper authorization.
- Reviewed the emergency plan.

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"> • Functioning appropriate cash controls (Obj. 1) • Timely bank deposits in accordance with <i>LGC §113.022</i> (Obj. 2) • Proper documentation of dismissed cases (Obj. 3) • Timely processing of cash bonds (Obj. 4) • Adequate expenditure controls (Obj. 5) • Justice of the Peace has an emergency plan (Obj. 6) 	
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.