



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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09-11

September 16, 2021

The Honorable Robert T. Pearson
Justice of the Peace, Precinct Number 1
424 Executive Center, Suite 100
El Paso, Texas 79902

Dear Judge Pearson:

The County Auditor's Internal Audit division performed an audit of the Justice of the Peace, Precinct 1 (JP1) financial records to determine if internal controls are adequate to ensure proper preparation of the JP1 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 141 samples. There were no findings noted as a result of the audit procedures. We wish to thank the management and staff of JP1 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: Mrs. Betsy Keller, Chief Administrator



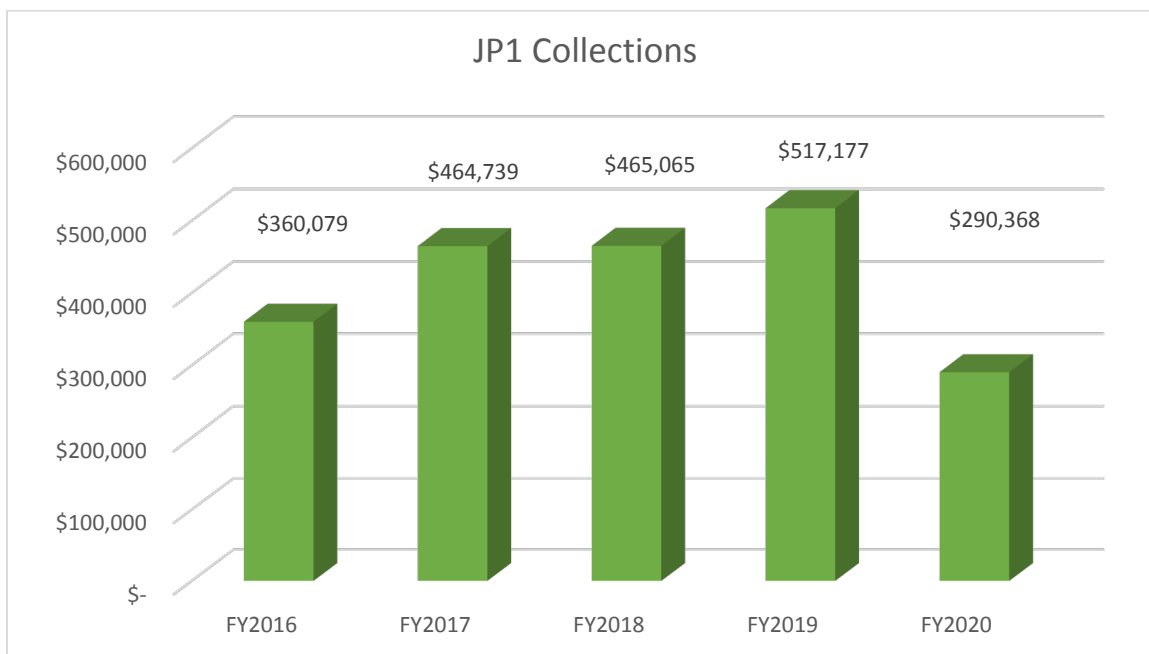
**JUSTICE OF THE PEACE, PRECINCT NUMBER 1
APRIL 2020 – MARCH 2021
EXECUTIVE SUMMARY**



BACKGROUND

Justices of the Peace are elected officials and serve four year terms. Precinct 1 (JP1) has judicial power over criminal cases involving minor offenses under their jurisdiction and civil matters where the amount in controversy does not exceed \$20,000. Other duties include issuing search and arrest warrants and the performance of marriage services. The current Justice of the Peace for JP1 has been in office since 2007. The audit was performed by Patrice Hills, CIA, internal auditor certified. The most recent prior audit report was issued on August 10, 2020.

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 JP1 for the past five fiscal years. In fiscal year 2020, all precincts experienced a decline in conjunction with COVID-19 restrictions. Specifically, JP1 experienced a 43.86% decline, or \$226,809 decrease, attributed to the decline in civil cases filed and criminal cases adjudicated.



Source: Odyssey Judicial Reporting System

SCOPE

The scope of the audit is from April 2020 through March 2021. The scope of this audit was limited, as it did not include review of manual receipts or a surprise cash count due to restrictions related to COVID-19.

OBJECTIVES

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to JP1 financial reports. Following are the business objectives and related control assessment.

Business Objective	Control Assessment
1. Established and documented policies and procedures.	Satisfactory
2. Adequate documentation for voided and reversed Odyssey entries.	Satisfactory
3. Timely deposits in accordance with <i>Local Government Code § 113.022</i> .	Satisfactory
4. Completeness of the payment mail log and timely posting to Odyssey.	Satisfactory
5. Proper supporting documentation of dismissed cases.	Satisfactory
6. Timely processing of cash bonds (to include receipt, deposit, and posting of bonds and granting of hearing).	Satisfactory
7. Compliance with education requirements of <i>Government Code § 27.005</i> .	Satisfactory



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METHODOLOGY

To achieve the audit objectives we:

- Reviewed policies and procedures.
- Tested a sample of void, adjustment, reversal entries to verify legitimacy of transactions and management approval.
- Tested a sample of daily deposits sent to verify compliance with *Local Government Code (LGC) §113.022*.
- Tested a sample of mail log entries for appropriate documentation and timely deposit in accordance with *LGC §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.
 - Tested a sample of constable collection receipts and compared with the JP cash bond posting dates.
 - Tested the court's bond schedule to ensure cases are heard in a reasonable time period and court orders are followed and enforced.
- Reviewed a sample of expenditures for proper authorization.
- Reviewed training records to verify compliance with *Government Code (GC) § 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. Please see the *Findings and Action Plans* section of this report for the status of prior action plans.

Controls Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Documented policies and procedures (Obj. 1) • Void and reversed transactions (Obj. 2) • Timely deposits of daily collections (Obj. 3) • Mail payment log and timely posting to Odyssey (Obj. 4) • Documentation on dismissed cases (Obj. 5) • Timely processing of cash bonds (Obj. 6) • Training in accordance with <i>GC § 27.005</i>. (Obj. 7) 	<ul style="list-style-type: none"> • None
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

JP1 met all objectives of this audit. Internal controls are adequate to ensure proper preparation of the JP1 financial reports. Processes documented appear to be operating efficiently.



JUSTICE OF THE PEACE, PRECINCT NUMBER 1
APRIL 2020 – MARCH 2021
FINDINGS AND ACTION PLANS



Prior Audit Findings Summarized with Current Status

Status

M Closed

- Finding:** Voided transactions review is not documented as required by procedures.

Recommendation: Void transaction reports should be run periodically to ensure all voided transactions have been reviewed and approved. The procedures for reviewing the void report should be documented in the office policies and procedures.

Action Plan: Court Coordinator will sign off on documentation related to the void transaction, which will be stored in Odyssey case events. Additionally, every two months the court coordinator will review the void report to ensure all voids have appropriate supporting documentation. The void report will be signed off as reviewed and maintained until audited. The updated procedure for voided transactions will be added to the JP's policies and procedures.

Status: Void transactions included commentary or documentation justifying void/adjustment/reversal entry (evidence of partial implementation of action plan).The periodic review of the void transaction report every two months has not been implemented. A verbal recommendation to complete the implementation was provided.