



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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09-03

September 8, 2021

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 three operational and five financial controls with a total of 93 samples. There was one finding noted as a result of the audit procedures, which is a repeat prior audit finding. 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: Ms. Betsy Keller, Chief Administrator



**Justice of the Peace, Precinct Number 6 Place2
February 2020 to June 2021**



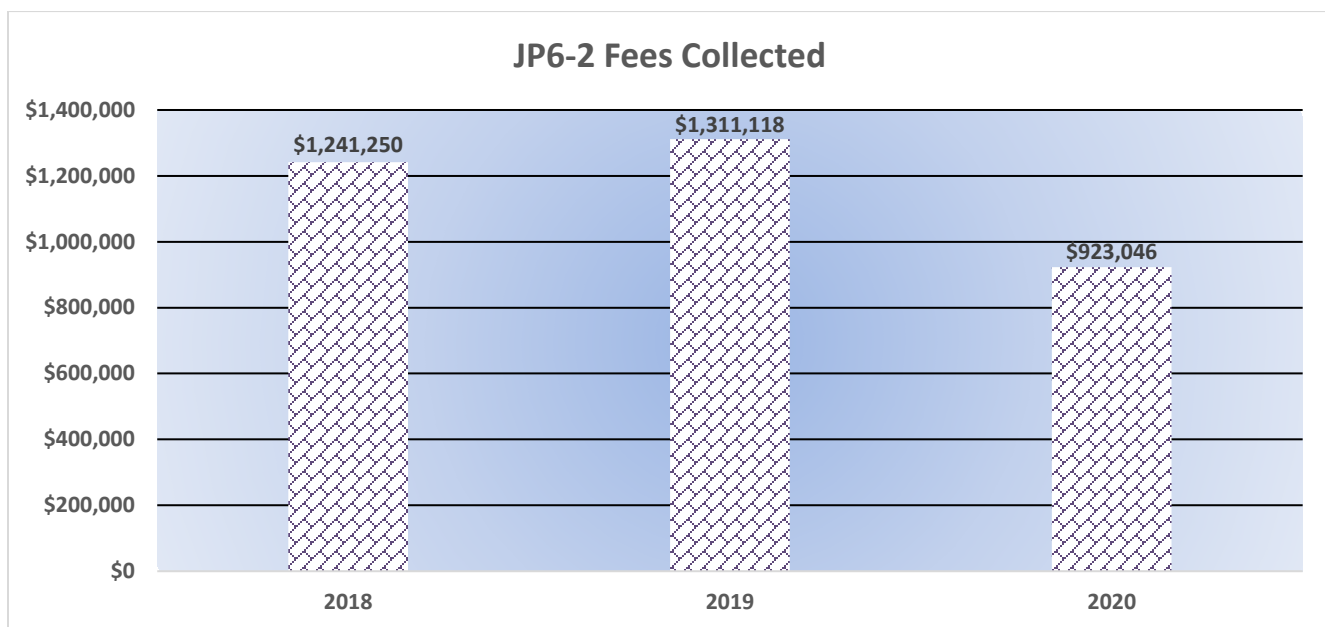
EXECUTIVE SUMMARY

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 \$20,000. 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 June 2, 2020.

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 decrease in collections for 2020 was due to COVID-19 closures and restrictions enforced by the County wide mandatory stay at home order issued in March 2020.



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. Documented policies and procedures	Satisfactory
2. Timely processing and resolution of cash bonds	Satisfactory
3. Completeness and timely posting of manual receipts issued	Satisfactory
4. Judge's compliance with educational requirements	Satisfactory
5. Proper voided and reversed Odyssey entries	Needs Improvement
6. Completeness of the payment mail log and timely posting to Odyssey	Satisfactory
7. Proper dismissal of cases	Satisfactory
8. Timely posting of Bond and Inmate Trust Section (BITS) Payments	Satisfactory

SCOPE

The scope of the audit is from February 2020 to June 2021. The scope of the audit was limited as a cash count was not performed due to the County's work safe stay home order.



**Justice of the Peace, Precinct Number 6 Place2
February 2020 to June 2021**



EXECUTIVE SUMMARY

METHODOLOGY

To achieve the audit objectives we:

- Reviewed policies and procedures to ensure they are documented and efficient.
- 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.
- Reviewed Judges Texas Justice Court Training Center transcripts to ensure compliance with Government Code §27.005.
- Reviewed a sample of void and reversed 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)
- Reviewed a sample of dismissed cases for proper case dismissal.
- Reviewed cases with BITS payments for timely posting.

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.

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Documented policies and procedures (Obj. 1) • Review of pending cash bonds (Obj. 2) • Manual receipt procedures (Obj. 3) • Judge’s compliance with education requirements (Obj. 4) • Mail log controls (Obj. 6) • Proper dismissal of cases (Obj. 7). • Posting of collections by Sheriff’s Office (Obj. 8) 	<ul style="list-style-type: none"> • Voided and reversed transactions (Obj. 5)
Findings Summary	
1. Five of 20 (25%) void transactions sampled did not have supervisor approval. (Repeat finding)	

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 seven of the eight business objectives of this audit. Implementation of recommendations provided in this report should assist JP6-2 in strengthening their internal controls over voided transactions.



**Justice of the Peace, Precinct Number 6 Place 2
February 2020 to June 2021**



Findings and Action Plans

Prior Audit Findings Summarized with Current Status

Status

Open (M)

See Finding #1

1. **Finding:** 13% of void 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 April 30, 2020, to review the proper procedures for void transactions. Justice of the Peace also had meeting with staff to discuss the importance of following policies and procedures. **Status:** Although training was conducted this continues to be an issue.

Closed (M)

2. **Finding:** 7 cash bonds needed further review to be addressed in a timely manner.
Recommendation: JP6-2 personnel should address cases identified in the audit. Furthermore, JP staff should review the quarterly bond schedule from the Auditor's office to ensure timeliness of hearings and forfeitures/refunds of cash bonds.
Action Plan: JP Staff will address the bonds identified in the audit and will review the quarterly bond schedules to ensure timely disposition of cash bond cases. **Status:** Closed.

Current Audit Findings & Action Plans

Finding #1	Risk Level (M)								
<p>Void Transactions – Supervisory approval was not documented on five (25%) sampled transactions. We sampled 20 of 68 void transactions reviewing for legitimacy and supervisory approval. Policies and Procedures require Court Coordinator or Office Manager approval of void transactions. The lack of management approval increases the risk of financial loss to the County (repeat finding).</p>									
<p>Recommendation</p> <p>Management should enforce the documented procedures and disciplinary actions taken if warranted. We recommend JP6-2 implement a void transactions log, and that supervisory staff reconcile the log on a quarterly basis to the Odyssey Transaction Listing Report.</p>									
<p>Action Plan</p> <table border="1"> <thead> <tr> <th align="left">Person Responsible</th> <th align="left">Court Coordinator</th> <th align="left">Estimated Completion Date</th> <th align="left">8/20/2021</th> </tr> </thead> <tbody> <tr> <td colspan="4"> <p>On August 20, 2021, the Justice of the Peace held a staff training to discuss the new procedures on void transactions to include the implementation of a void transactions log. Furthermore, policies and procedures have been updated to include the implementation of the voided transactions log.</p> </td> </tr> </tbody> </table>		Person Responsible	Court Coordinator	Estimated Completion Date	8/20/2021	<p>On August 20, 2021, the Justice of the Peace held a staff training to discuss the new procedures on void transactions to include the implementation of a void transactions log. Furthermore, policies and procedures have been updated to include the implementation of the voided transactions log.</p>			
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