



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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10-10

October 18, 2021

The Honorable Rebeca Bustamante  
Justice of the Peace, Precinct Number 4  
2350 George Dieter, Ste A  
El Paso, Texas 79936

Dear Judge Bustamante:

The County Auditor's Internal Audit division performed an audit of the Justice of the Peace, Precinct 4 (JP4) financial records to determine if internal controls are adequate to ensure proper preparation of the JP4 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 six financial controls using 200 samples. There were two findings noted as a result of the audit procedures. We wish to thank the management and staff of JP4 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 black ink that reads "Edward A. Dion".

Edward A. Dion  
County Auditor

EAD:PH:ya

cc: Mrs. Betsy Keller, Chief Administrator



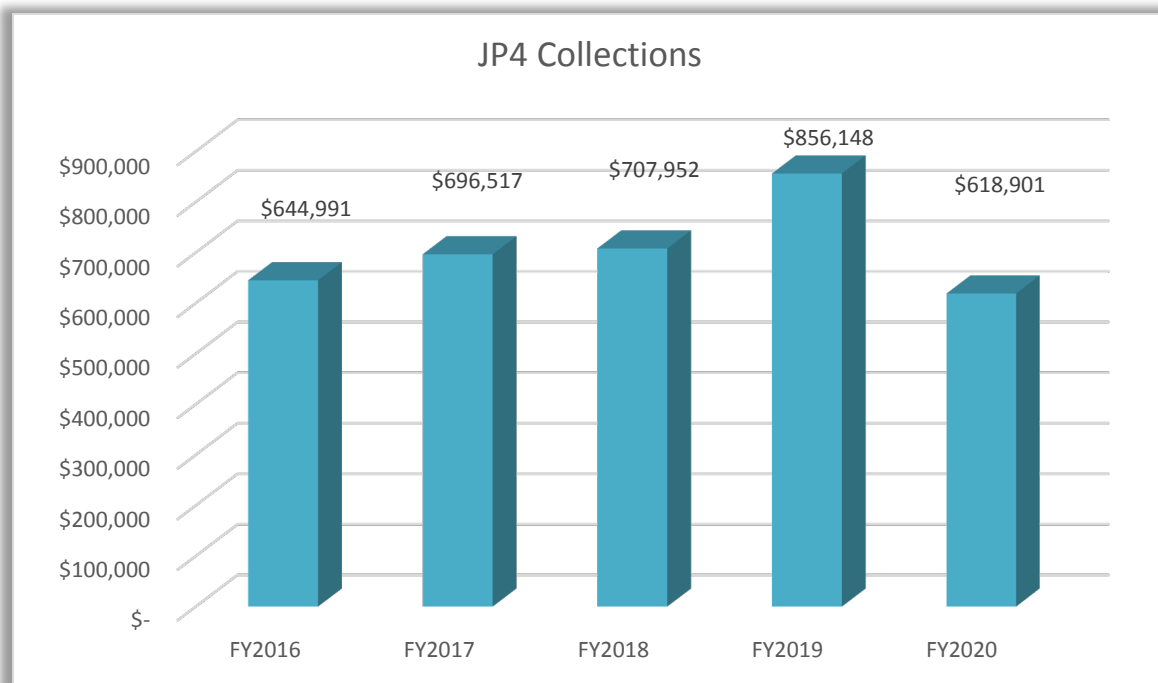
**JUSTICE OF THE PEACE, PRECINCT NUMBER 4  
APRIL 2020 – JUNE 2021  
EXECUTIVE SUMMARY**



**BACKGROUND**

Justices of the Peace are elected officials and serve four year terms. Precinct 4 (JP4) 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. The current Justice of the Peace for JP4 has been in office since January 2019. The audit was performed by Patrice Hills, CIA, internal auditor certified. The most recent prior audit report was issued on October 7, 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 JP4 for the past five fiscal years. Due to COVID-19 restrictions, the reduction of civil cases filed and criminal cases adjudicated caused a \$237,247 (27%) decline in JP4 collections from fiscal year 2019 to fiscal year 2020.



Source: Odyssey Judicial Reporting System

**SCOPE**

The scope of the audit is from April 2020 through June 2021. The scope of this audit was limited as it did not include a surprise cash count or a review of manual receipts 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 JP4 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 void and reversal Odyssey entries.	Needs Improvement
3. Timely deposits in accordance with <i>Local Government Code (LGC) § 113.022</i> .	Satisfactory
4. Completeness of the payment mail log and timely posting to Odyssey.	Satisfactory
5. Adequate expenditure controls.	Satisfactory
6. Timely processing of constable collection receipts to Justice of the Peace records.	Needs Improvement
7. Timely processing of cash bonds in relation to granting of hearing.	Satisfactory
8. Compliance with education requirements of <i>Government Code (GC) § 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 and reversal entries to verify legitimacy of transactions and management approval.
- Tested a sample of daily deposits sent to verify compliance with *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 expenditures for proper authorization.
- Tested a sample of cash bonds collected to verify timeliness of disposition and supporting documentation.
  - Test a sample of dates from the constable collection receipts and compare with the JPs cash bond posting dates.
  - Test the court's bond schedule to ensure cases are being heard in a reasonable time period and that court orders are be followed and enforced.
- Reviewed training records to verify compliance with *GC § 27.005*.

**RESULTS**

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

<b>Controls Summary</b>	
<b>Good Controls</b>	<b>Weak Controls</b>
<ul style="list-style-type: none"> <li>• Documented policies and procedures (Obj. 1)</li> <li>• Timely deposits of daily collections (Obj. 3)</li> <li>• Mail payment log and timely posting to Odyssey (Obj. 4)</li> <li>• Adequate expenditure controls (Obj. 5)</li> <li>• Timely processing of cash bonds in relation to hearings (Obj. 7)</li> <li>• Educational requirement compliance (Obj. 8)</li> </ul>	<ul style="list-style-type: none"> <li>• Void and reversed transactions (Obj. 2)</li> <li>• Documentation of constable collections (Obj. 6)</li> </ul>
<b>Findings Summary</b>	
<ol style="list-style-type: none"> <li>1. Review and approval of void transactions are not properly documented.</li> <li>2. JP postings of constable collections are not properly documented.</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**

JP4 has met six of the eight objectives of this audit. Implementation of the recommendations provided in this report should assist JP4 in producing complete and accurate financial reports by strengthening their internal control structure.



**JUSTICE OF THE PEACE, PRECINCT NUMBER 4  
APRIL 2020 – JUNE 2021  
FINDINGS AND ACTION PLANS**



**Prior Audit Findings Summarized with Current Status**

**Status**

**M** Closed

- Finding:** Mail log is being used to enter all items received through the mail, instead of only monetary payments.  
**Recommendation:** Utilize mail log for monetary transactions only and add a column to record each individual transaction amount when an aggregate check is received.  
**Action Plan:** The mail log will only be utilized for monetary transactions only. The Court Coordinator will add a column to the mail log and review the mail log periodically. Staff will be trained on the proper usage of the mail log.  
**Status:** Resolved.

**L** Closed

- Finding:** Policies and procedures utilized differ from those documented in the manual.  
**Recommendation:** Finalize policies and procedures manual to reflect most current processes. Review manual periodically and update changes as necessary.  
**Action Plan:** Court Coordinator will draft and complete an updated manual utilizing the court's current policies and procedures and additional resources provided by the County Auditor's office.  
**Status:** Resolved.

**Current Audit Findings & Action Plans**

Finding #1	Risk Level <b>H</b>				
<p><b>Void Transactions – Lacking Supervisory Approval</b> – In a sample of 30 void transactions, supervisory approval did not exist. However, JP4 clerical staff did input rationale for each transaction in either the Financial or Case Events Module of Odyssey and all transactions contained supporting documentation.</p> <p>Policies and procedures require void transactions to be subsequently reviewed and approved by a supervisor with notes to be documented in Odyssey for reference. Review and approval of void transactions may reduce the risk of loss due to manipulation of records or accounting errors.</p>					
<p><b>Recommendation</b></p> <p>We recommend the clerk notate the rationale for all transactions in the Financial Module under "Comments." Further, we recommend a void transaction log be created. The clerk performing the transaction should use the log to record the transaction and initial the log entry. Monthly, the supervisor should review the log to ensure all transactions are properly documented and logged. The void report will be signed to document the review and be maintained until audited.</p>					
<p><b>Action Plan</b></p> <table border="1"> <tr> <td><b>Person Responsible</b></td> <td><b>Judge R. Bustamante</b></td> <td><b>Estimated Completion Date</b></td> <td><b>October 13, 2021</b></td> </tr> </table> <p>Clerks and supervisor will implement recommended void transaction log. Additionally, every month the supervisor will review the Odyssey voided transaction report to ensure all voids have appropriate documentation. Review of the void transaction report will be documented and maintained until audited.</p>		<b>Person Responsible</b>	<b>Judge R. Bustamante</b>	<b>Estimated Completion Date</b>	<b>October 13, 2021</b>
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**JUSTICE OF THE PEACE, PRECINCT NUMBER 4  
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FINDINGS AND ACTION PLANS**



<b>Finding #2</b>		<b>Risk Level</b> <span style="color: red; font-weight: bold;">H</span>
<p><b>Postings of Constable Collections Missing Supporting Documentation</b> – In a sample of 45 transactions, five (11%) did not contain a copy of the original collection in the Case Events Module; however, receipt of the cash bond was recorded.</p> <p>Policies and procedures require supporting documentation for cash bonds to be saved in the Case Events Module. Although the collections are being posted timely, the addition of supporting documentation ensures a proper paper trail has been established.</p>		
<b>Recommendation</b>		
We recommend attaching a copy of the original collection documentation to the Case Events Module in Odyssey.		
<b>Action Plan</b>		
<b>Person Responsible</b>	<b>Judge R. Bustamante</b>	<b>Estimated Completion Date</b> <b>October 31, 2021</b>
The clerical staff will attach a copy of original collection documentation in Odyssey after the copy is received from the Constable.		