



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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09-14

September 20, 2022

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 two operational and seven financial controls using 77 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,

Edward A. Dion
County Auditor

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cc: Ms. Betsy Keller, Chief Administrator



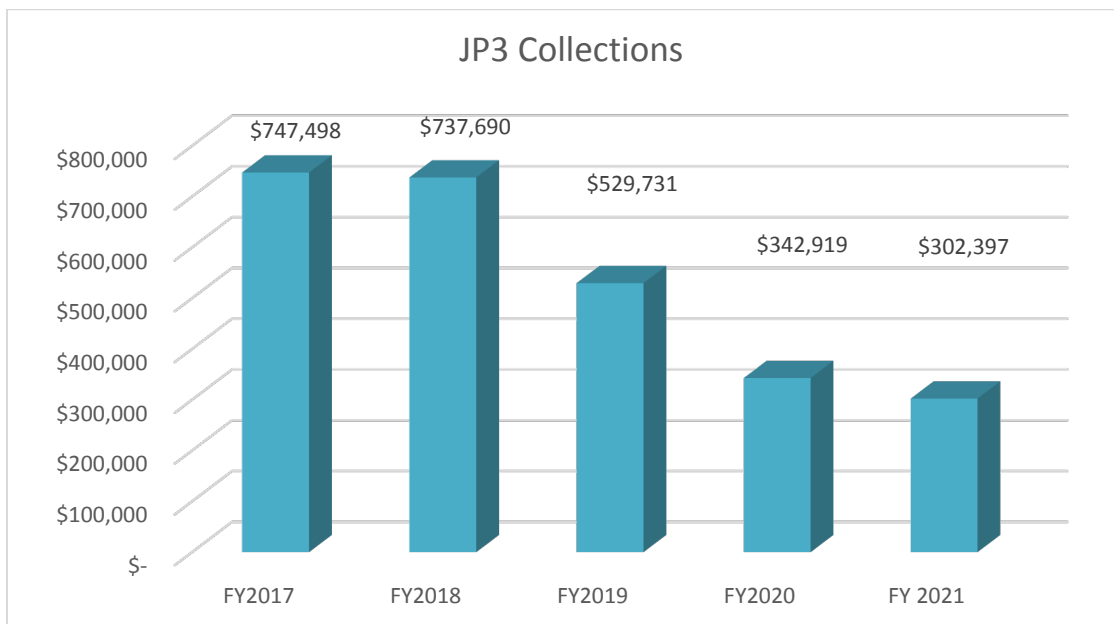
**JUSTICE OF THE PEACE, PRECINCT NUMBER 3
MAY 2021 – JUNE 2022
EXECUTIVE SUMMARY**



BACKGROUND

Justices of the Peace are elected officials and serve 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 \$20,000. Other duties include issuing search and arrest warrants 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 certified. The most recent prior audit report was issued on August 18, 2021.

Financial reports are generated from the Enterprise Justice System showing all transactions occurring each month. The following chart is a comparison of fees collected at JP3 for the past five fiscal years. Please note that in fiscal year 2020, all precincts experienced a significant decline in conjunction with COVID-19 restrictions. In fiscal year 2021, JP3 experienced a \$40,522 decrease, attributed to a decrease in adjudication of criminal cases and the filing of civil cases.



Source: Enterprise Justice Judicial Reporting System

SCOPE

The scope of the audit is from May 2021 through June 2022.

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. Established and documented policies and procedures.	Satisfactory
2. Functioning and appropriate cash controls.	Satisfactory
3. Adequate documentation for void and reversal Enterprise Justice entries.	Satisfactory
4. Timely deposits in accordance with <i>Local Government Code (LGC) § 113.022</i> .	Satisfactory
5. Completeness of the payment mail log and timely posting to Enterprise Justice.	Satisfactory
6. Timely processing of cash bonds (to include receipt, deposit, and posting of bonds and granting of hearing).	Satisfactory
7. Appropriate authorization of interpreter services expenditures.	Satisfactory
8. Safeguarding of assets.	Satisfactory



**JUSTICE OF THE PEACE, PRECINCT NUMBER 3
MAY 2021 – JUNE 2022
EXECUTIVE SUMMARY**



METHODOLOGY

To achieve the audit objectives we:

- Reviewed policies and procedures.
- Performed a surprise cash count on August 9, 2022, in accordance with *LGC §115.0035*.
- 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.
- Tested a sample of cash bonds collected to verify timeliness of disposition and supporting documentation.
 - Tested a sample of dismissals with jail time credit and compared with Bond and Inmate Trust System (BITS) collections documentation to verify accurate JP posting of fines and jail time credit in Enterprise Justice.
 - Tested a sample of constable collection receipts and compared with the JP cash bond posting dates to verify timeliness of disposition and existence of supporting documentation.
- Reviewed a sample of interpreter service invoices for proper authorization.
- Reviewed approved inventory listing to verify compliance with *LGC § 262.011* and perform a physical inventory count to confirm accuracy.

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.

Controls Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Documented policies and procedures (Obj. 1) • Functioning appropriate cash controls (Obj. 2) • Void and reversal transactions (Obj. 3) • Timely deposits of daily collections (Obj. 4) • Mail payment log and timely posting to Enterprise Justice (Obj. 5) • Timely processing of cash bonds (Obj. 6) • Appropriate authorization of interpreter services expenditures (Obj. 7) • Inventory listing in accordance with <i>LGC § 262.011</i>. (Obj. 8) 	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

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.



**JUSTICE OF THE PEACE, PRECINCT NUMBER 3
MAY 2021 – JUNE 2022
FINDINGS AND ACTION PLANS**



Prior Audit Findings Summarized with Current Status

Status

H Closed

- Finding:** Voided transactions updated by the same employee without supervisor approval.
Recommendation: Create a void transactions log to record all void transactions. On a monthly basis, the supervisor shall run an Enterprise Justice voided transactions report to ensure all transactions are properly documented on the void transaction log. The void report will be signed off as reviewed and maintained until audited.
Action Plan: Clerks and court coordinator will use void transaction log. Additionally, every month the court coordinator 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. *Resolved.*