



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

EDWARD A. DION, CPA
COUNTY AUDITOR
edion@epcounty.com
www.epcounty.com/auditor

Downtown County Annex
320 S. Campbell, Suite 140
El Paso, Texas 79901
(915) 273-3262
(915) 273-3266 FAX

08-26

August 29, 2023

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 six financial controls using 123 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: Ms. Betsy Keller, Chief Administrator



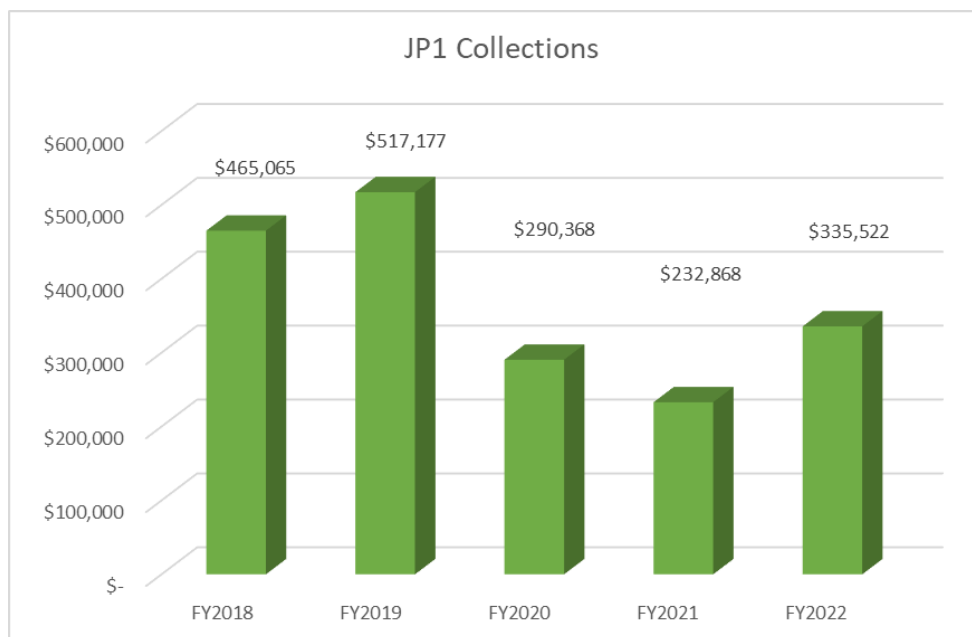
**JUSTICE OF THE PEACE, PRECINCT NUMBER 1
MAY 2022 – MARCH 2023
EXECUTIVE SUMMARY**



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 16, 2022, with one finding.

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 JP1 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 2022, JP1 experienced a \$102,654 (44.08%) increase attributed to 65.04% increase in civil fees and a 23.38% increase in misdemeanor fees; the collections increase is a combination of the following fees, Constables by \$60,470, State fees by \$26,297 and Justice fees by \$14,591.



Source: Enterprise Justice Judicial Reporting System

SCOPE

The scope of the audit is from May 2022 through March 2023.

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 assessments.

Business Objective	Control Assessment
1. Established and documented policies and procedures.	Satisfactory
2. Functioning and appropriate cash controls.	Satisfactory
3. Adequate documentation for voided and reversed 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. Proper supporting documentation of dismissed cases.	Satisfactory
7. Timely processing and resolution of cash bond.	Satisfactory
8. Compliance with education requirements of <i>Government Code (GC) § 27.005</i> .	Satisfactory



**JUSTICE OF THE PEACE, PRECINCT NUMBER 1
MAY 2022 – MARCH 2023
EXECUTIVE SUMMARY**



METHODOLOGY

To achieve the audit objectives, we:

- Requested updated policies and procedures.
- Performed a surprise cash count on May 8, 2023, 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 to verify compliance with *LGC §113.022*.
- Tested a sample of mail log entries for appropriate documentation.
- Tested a sample of dismissed cases to verify disposition and supporting documentation.
- Tested a sample of constable collections receipts and compared with JPs cash bond postings to verify timeliness of disposition and supporting documentation.
- 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 the status of prior finding related details and management action plan.

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 reversed transactions (Obj. 3) • Timely deposits of daily collections (Obj. 4) • Mail payment log and timely posting to Enterprise Justice (Obj. 5) • Documentation on dismissed cases (Obj. 6) • Timely processing of cash bonds (Obj. 7) • Judge’s educational requirements in accordance with <i>GC §27.005</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

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
MAY 2022 – MARCH 2023
FINDINGS AND ACTION PLANS**



Prior Audit Findings Summarized with Current Status

Status

H Closed

- Finding:** Voided transactions review is not documented as required by procedures.
Recommendation: The court coordinator will review the void report and staff documentation to ensure all voids have appropriate supporting documentation. The void report should be signed off as reviewed and maintained until audited. The updated procedure for void transactions should be added to the JP's policies and procedures.
Action Plan: Quarterly, the court coordinator will review the void report for appropriate supporting documentation. The void report will be signed off as reviewed and maintained until audited. The updated procedure for void transactions will be added to the JP's policies and procedures.
Status: The court coordinator is reviewing, signing off on, and maintaining the void report for appropriate supporting documentation (evidence of partial implementation of action plan). The JP's policies and procedures, were updated accordingly during the audit following verbal reminder.