



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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10-27

October 25, 2022

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 seven financial controls using 193 samples. There were no 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 blue ink that reads "Edward A. Dion".

Edward A. Dion
County Auditor

EAD:PH:ya

cc: Ms. Betsy Keller, Chief Administrator



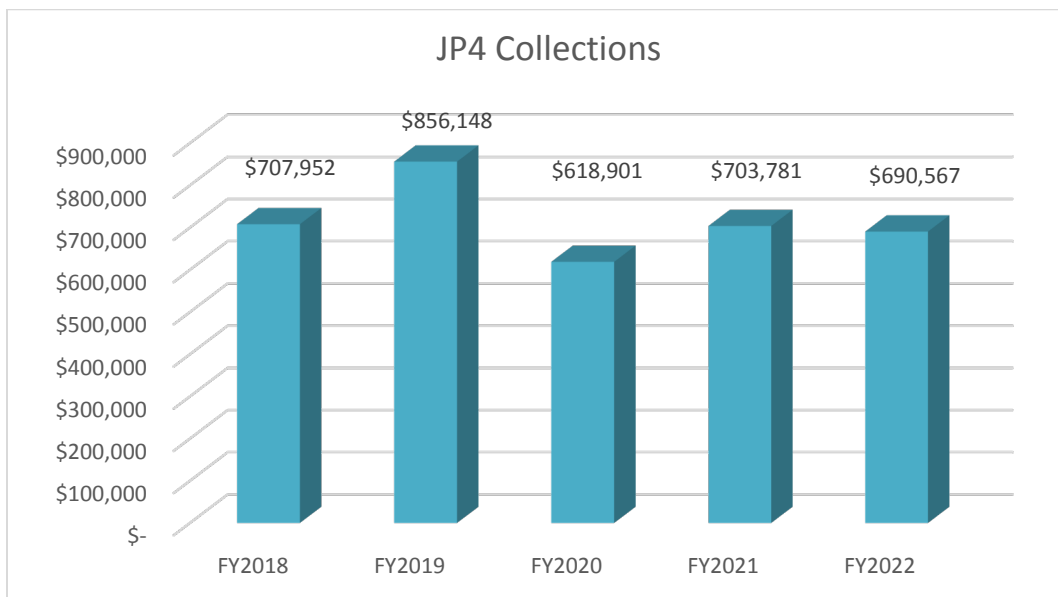
**JUSTICE OF THE PEACE, PRECINCT NUMBER 4
SEPTEMBER 2021 – JUNE 2022
EXECUTIVE SUMMARY**



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. Other duties include issuing search and arrest warrants and the performance of marriage services. 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 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 JP4 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, JP4 experienced a \$84,880 increase, attributed to an increase in adjudication of criminal cases and the filing of civil cases.



Source: Enterprise Justice Judicial Reporting System

SCOPE

The scope of the audit is September 2021 through June 2022.

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. 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 and complete posting of manual receipts issued.	Satisfactory
7. Proper supporting documentation of dismissed cases.	Satisfactory
8. Timely processing of cash bonds (to include receipt, deposit, and posting of bonds and granting of hearing).	Satisfactory
9. Safeguarding of assets.	Satisfactory



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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 manual receipts to verify completeness, accuracy, and posting to Enterprise Justice.
- 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 to verify timeliness of disposition and existence of supporting documentation.
- Reviewed approved inventory listing to verify compliance with *LGC §262.011*.

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 the prior audit 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 manual receipts (Obj. 6) • Documentation on dismissed cases (Obj. 7) • Timely processing of cash bonds (Obj. 8) • Inventory listing in accordance with <i>LGC §262.011</i>. (Obj. 9) 	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

JP4 met all objectives of this audit. Internal controls are adequate to ensure proper preparation of the JP4 financial reports. Processes documented appear to be operating efficiently.



**JUSTICE OF THE PEACE, PRECINCT NUMBER 4
SEPTEMBER 2021 – JUNE 2022
FINDINGS AND ACTION PLANS**



Prior Audit Findings Summarized with Current Status

Status

H Closed

1. **Finding:** Void transactions lacking supervisory approval.
Recommendation: Create a void transactions log to record all void transactions. On a monthly basis, the supervisor will review the log 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 supervisor will use void transaction log. Additionally, every month the supervisor will review the Enterprise Justice void transaction report to ensure all voids have appropriate documentation. Review of the void transaction report will be documented and maintained until audited. *Resolved.*

2. **Finding:** Posting of constable collections missing supporting documentation.
Recommendation: Attach a copy of the original collection documentation to the Case Events Module in Enterprise Justice.
Action Plan: Clerical staff will attach a copy of the original collection documentation in Enterprise Justice after the copy is received from the Constable. *Resolved.*