



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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

County Administrative Offices
800 East Overland Street, Rm. 406
EL PASO, TEXAS 79901-2407
(915) 546-2040
(915) 546-8172 FAX

08-16

August 14, 2020

The Honorable Stephanie Fietze
Justice of the Peace, Precinct 7
435 E. Vinton Rd, Suite C
Vinton, Texas 79281

Dear Judge Fietze:

The County Auditor's Internal Audit division performed an audit of the Justice of the Peace, Precinct Number 7 (JP7) financial records to determine if internal controls are adequate to ensure proper preparation of the JP7 financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating and efficient.

The audit report is attached. We tested nine financial controls and two operating controls with a total of 229 samples. There were no findings noted as a result of the audit procedures. We wish to thank the management and staff of JP7 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:HM:ya

cc: Ms. Betsy Keller, Chief Administrator



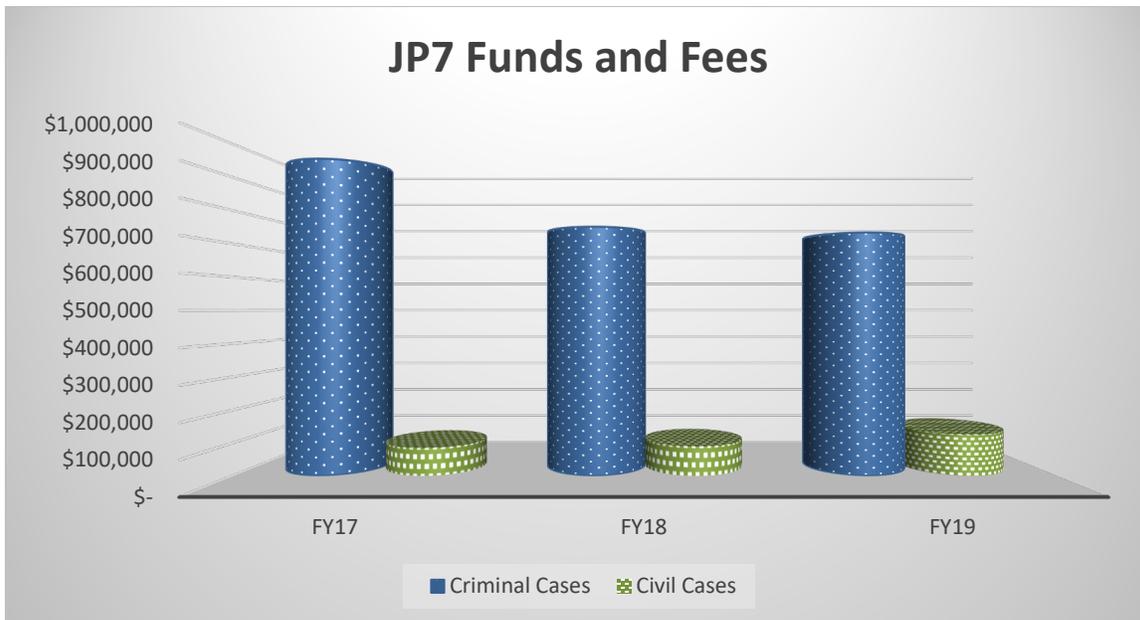
**Justice of the Peace, Precinct Number 7
For the Period of June 2019 to May 2020**



EXECUTIVE SUMMARY

BACKGROUND

Justices of the Peace are elected officials and serve four year terms. Precinct 7 (JP7) has judicial power over criminal cases involving minor offenses under their jurisdiction and civil matters where the amount in controversy does not exceed \$10,000. The current judge was elected January 2019. Other duties include issuing search and arrest warrants and the performance of marriage services. The following chart is a comparison of Funds and Fees collected at JP7 for fiscal years 2017, 2018, and 2019. Collections in 2017 were higher due to an increase in forfeitures that resulted from JP7 addressing old outstanding bonds.



Source: Annual Funds and Fees reports

The audit was performed by Hadi Medina, internal auditor. The scope of the last audit performed was June 2018 to May 2019 and the last audit report was issued August 19, 2019.

AUDIT OBJECTIVES

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to JP7 financial reports. Following are the business objectives and related control assessment.

Business Objective	Control Assessment
1. Adherence to documented policies and procedures	Satisfactory
2. Court order compliance in dismissed cases	Satisfactory
3. Timely processing and resolution of cash bonds	Satisfactory
4. Proper posting of jail time credits	Satisfactory
5. Functioning appropriate cash controls	Satisfactory
6. Timely deposits of collections in accordance with <i>Local Government Code (LGC) 113.022</i>	Satisfactory
7. Adequate controls of interpreter services payments	Satisfactory
8. Functioning appropriate void controls	Satisfactory
9. Accuracy of mail log information and timely posting to Odyssey	Satisfactory
10. Appropriate and timely posting of manual receipts to Odyssey	Satisfactory
11. Judge's education compliance with <i>LGC § 27.005</i>	Satisfactory

SCOPE

The scope of the audit is from June 2019 through May 2020.



**Justice of the Peace, Precinct Number 7
For the Period of June 2019 to May 2020**



EXECUTIVE SUMMARY

METHODOLOGY

To achieve the audit objectives we:

- Reviewed policies, procedures, and applicable statutes for proper documentation and updates.
- Tested a sample of dismissed cases to verify court order compliance and supporting documentation.
- Tested a sample of cash bonds posted to verify bonds were addressed in a timely manner.
- Tested a sample of cases with jail time credit to verify jail time served and supporting documentation.
- Performed a surprise cash count in accordance with LGC §115.0035.
- Tested a sample of deposits for compliance with LGC §113.022
- Verified all interpreter services invoices for proper authorization and documentation.
- Tested all voided transactions in Odyssey to verify legitimacy of transactions and management verification.
- Tested a sample of mail logs to determine deposit completeness, accuracy, and timeliness.
- Tested a sample of manual receipts for appropriate and timely posting.
- Reviewed Judge’s training certificates for compliance with LGC §27.005.

RESULTS

Listed below are controls and findings summaries, with findings listed from highest to lower risk. Please see the *Findings and Action Plans* section of this report for the status of prior audit report findings.

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Proper documentation on dismissed cases (Obj. 1) • Posting and documentation of jail time credit and collections by Sheriff’s Office (Obj. 2,4) • Void controls and procedures (Obj. 3) • Cash handling procedures (Obj. 5) • Continuous review of outstanding bonds (Obj. 6) • Timely deposit controls (Obj. 7) • Interpreter services invoice controls (Obj. 8) • Manual receipt controls (Obj. 9) • Mail log controls (Obj. 10) • Compliance with educational requirement (Obj. 11) • Maintain and follow department policies and procedures (Obj. 12) 	
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

JP7 has implemented improvements in their operations and have met all of the objectives of this audit.



**Justice of the Peace, Precinct Number 7
For the period of June 2019 to May 2020**



FINDINGS AND ACTION PLANS

Prior Audit Findings Summarized with Current Status

Status

(M) Closed

- Finding:** A sample of 30 from 365 cash count sheets and deposit slips were reviewed and one (3%) was missing a secondary verification signature. Required verification signatures were implemented by current management due to lack of segregation of duties. It is best practice to have these tasks performed by two separate employees. Segregation of duties ensures oversight and review to catch errors, but can also help prevent and deter fraud.

Recommendation: We recommend JP7 implement best practice internal control that includes appropriate segregation of duties for depositing procedures.

Action Plan: JP7 management will continue their current procedure having the main cashier prepare the daily deposits. They will continue to monitor the effectiveness of their current controls and make changes if necessary.

Auditor's Comment: Auditor strongly recommends segregation of duties between cashing and the preparation of daily deposits.