



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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10-22

October 24, 2024

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 one operational and six financial controls using 139 samples. There is one finding 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 "Barbara A. Parker".

Barbara A. Parker
County Auditor

BP:PH:ya

cc: Ms. Betsy Keller, Chief Administrator



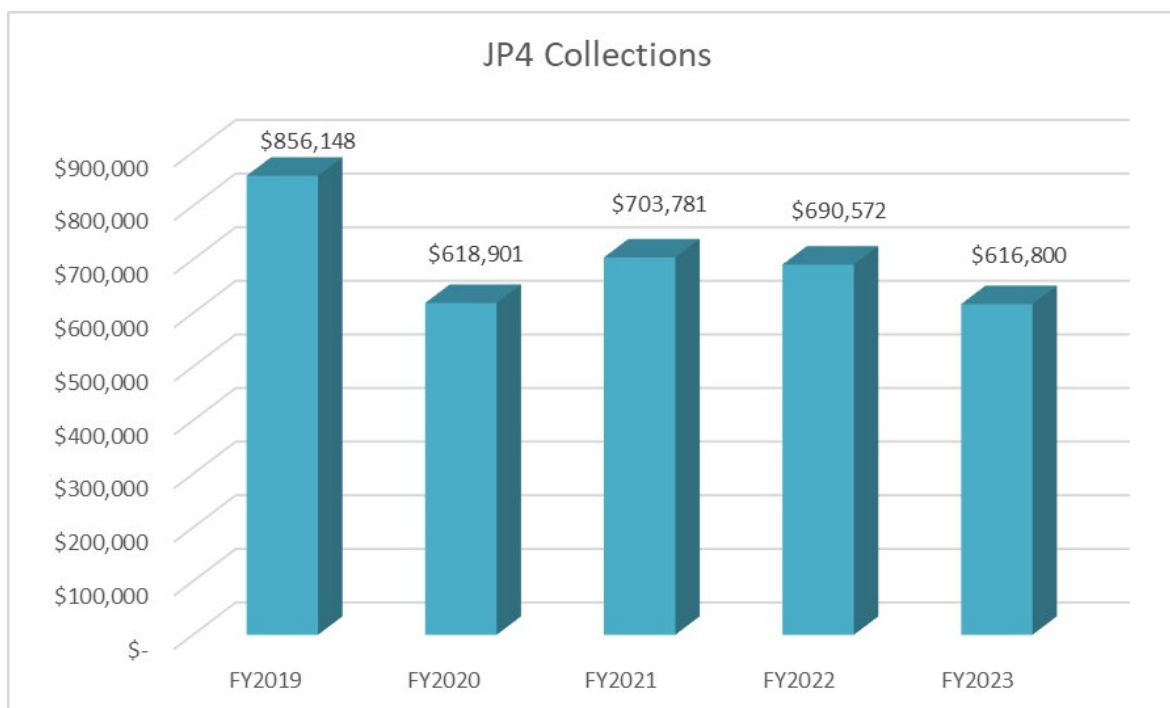
JUSTICE OF THE PEACE, PRECINCT NUMBER 4 JULY 2023 – JUNE 2024 EXECUTIVE SUMMARY



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 II. The most recent prior audit report was issued on August 29, 2023, with no findings.

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. 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 and in fiscal year 2023 collection amounts decreased due to redistricting.



Source: El Paso County Funds and Fees of Office Reports

SCOPE

The scope of the audit is from July 2023 through June 2024.

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 processing of cash bonds (to include receipt, deposit posting of bonds and granting of hearing).	Satisfactory
7. Appropriate authorization and accurate payment of interpreter services.	Needs Improvement



JUSTICE OF THE PEACE, PRECINCT NUMBER 4
JULY 2023 – JUNE 2024
EXECUTIVE SUMMARY



METHODOLOGY

To achieve the audit objectives, we:

- Reviewed policies and procedures.
- Performed a surprise cash count in accordance with *Local Government Code (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 cash bonds collected to verify timeliness of disposition and supporting documentation.
- Tested a sample from the court's bond schedule to ensure cases are being heard in a reasonable time period and that court orders are followed and enforced.
- Compared a sample of interpreter invoices to payroll time entries to verify occurrence, authorization and accurate payment.

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. The prior audit had no findings.

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 process of cash bonds (Obj. 6)	<ul style="list-style-type: none">• Appropriate authorization and accurate payment of interpreter services (Obj. 7)
Findings Summary	
1. Interpreter invoices were paid at the wrong amount and from the wrong expense account.	

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 seven 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 and mitigating the reoccurrence of expensing interpreter invoices at the wrong amount from wrong account.



JUSTICE OF THE PEACE, PRECINCT NUMBER 4
JULY 2023 – JUNE 2024
FINDINGS AND ACTION PLANS



Current Audit Findings & Action Plans

Finding #1		Risk Level M	
<p>Interpreter Services Paid Incorrectly – 4 out of 12 (33.3%) UKG (the County’s time and attendance management system) time entries contained errors in the number of interpreter hours input and/or the activity code selected for paying interpreter invoices. The court coordinator receives interpreter invoices and enters the documented number of interpreter hours into UKG to the appropriate activity code to charge the expense account accordingly. To review the accuracy of the process, the UKG audit trail was compared to the interpreter invoices. The cumulative effect of the errors found resulted in a half-hour overpayment to an interpreter from the wrong expense account.</p> <p>We found invoice # 01089-23 (interpreter services provided on 10/5/2023) reflected 3.5 hours in UKG, however the documentation on the invoice only reflected 2.5 hours equaling an overpayment of 1 hour. Invoice # 01038-24 (interpreter services provided on 4/11/2024) reflected the same type of error resulting in a half-hour overpayment. Additionally, invoice # 01038-24 was coded to “<i>training-gd</i>”, the wrong activity code, and expensed from the incorrect account; the correct activity code and expense account is “interpreter JP-4.”</p> <p>The final discrepancy found reflected both incorrect hours and incorrect expense account charges resulting in an underpayment of 1 hour. In this instance, the JP4 court coordinator modified the hours and activity code entered by the JP6-2 court coordinator, instead of adding a time entry for interpreter services provided to JP4 on 3/7/2024 (invoice # 01026-24). In May 2024, an audit of JP6-2 identified this error and a transfer was performed to correct it.</p> <p>Inquiry of payroll staff along with review of UKG access controls confirmed that JP court coordinators have the ability to enter, modify and approve time entries for all interpreters and activity codes in the interpreter pool. Moreover, an interpreter can provide services at any JP court on any day that court is held. This work schedule may allow an interpreter to work in different courts on the same day requiring UKG time entries from multiple time approvers.</p> <p>The two risks associated with this finding are: 1) interpreter hours entered into UKG may not match the interpreter services provided on invoicing resulting in incorrect payment and 2) improper activity coding of interpreter services can result in payment from the wrong JP expense accounts.</p>			
Recommendation			
<p>We recommend UKG approvers exercise due care and verification to ensure that hours worked match hours invoiced and appropriate interpreter activity codes are utilized. The County Auditor’s Revenues division will complete a transfer from “<i>training-gd</i>” to JP4 to record the expense in the correct account.</p>			
Action Plan			
Person Responsible	Administrative Specialist Senior	Estimated Completion Date	October 15, 2024
<p>As of September 1, 2024, duties related to verification and approval of interpreters’ time were transferred from the court coordinator to the administrative specialist senior. The administrative specialist senior will exercise due care when inputting interpreters’ hours worked and activity codes. Additionally, UKG approvers will utilize a log to track and verify the hours worked by an interpreter and reconcile to invoices received from an interpreter.</p>			