



El Paso County
OFFICE OF THE COUNTY AUDITOR

09-28

September 30, 2025

The Honorable Brian Haggerty
Justice of the Peace, Precinct Number 2
4641 Greg Cohen, Suite A
El Paso, Texas 79924

Dear Judge Haggerty:

The County Auditor's Internal Audit division performed an audit of the Justice of the Peace, Precinct Number 2 (JP2) financial records to determine if internal controls are adequate to ensure proper preparation of JP2 financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating, and efficient.

The audit report is attached. We tested six financial controls and one operating control with a total of 61 samples. There were five findings noted as a result of the audit procedures; four were repeat findings. We wish to thank the management and staff of JP2 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 black ink, appearing to read "Michael Lamas".

Michael Lamas for Barbara Parker

Barbara Parker
County Auditor

BP:LD:ya

cc: Mrs. Betsy Keller, Chief Administrator
Ms. Crystal Urquidi, Court Coordinator





**Justice of the Peace, Precinct Number 2 Audit
For the Period of June 2024 thru May 2025**

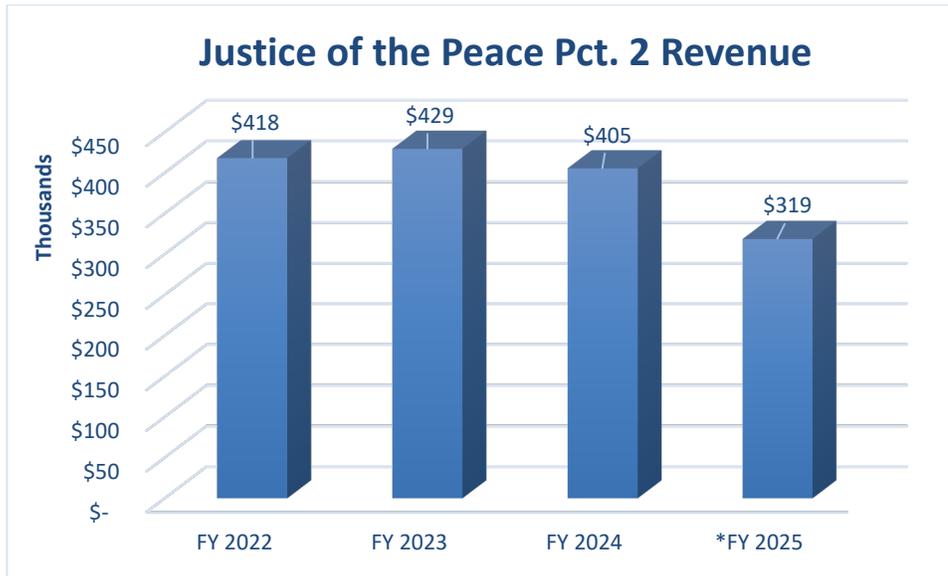


EXECUTIVE SUMMARY

BACKGROUND

Justices of the Peace are elected officials and serve four-year terms. Precinct 2 (JP2) 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 JP2 has been in office since March 2010. The audit was performed by Letty Dominguez, internal auditor certified I. The most recent prior audit was issued in December 2024, with four findings.

Financial reports are generated using the Enterprise Justice system showing all transactions occurring each month. The following chart is a comparison of fees collected at JP2 for FY22-FY25:



Source: Funds and Fees Report and Enterprise Justice
*Data reflects up to May FY25

SCOPE

The scope of the audit is from June 2024 through May 2025.

OBJECTIVES

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to JP2 financial reports. Following are the business objectives and related control assessment.

Business Objective	Control Assessment
1. Functioning appropriate cash controls	Satisfactory
2. Voids are properly justified, approved, and documented	Needs Improvement
3. Timely bank deposits and complete documentation	Needs Improvement
4. Timely posting, completeness, and accuracy of manual receipts	Satisfactory
5. Review interpreter payments for proper authorization	Needs Improvement
6. Proper posting of mail payments	Needs Improvement
7. Proper authorization of expenditures	Needs Improvement
8. Proper posting of fees in the office	Satisfactory
9. Documentation of updated policies and procedures	Satisfactory



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METHODOLOGY

To achieve the audit objectives, we:

- Performed a surprise cash count in accordance with *Local Government Code (LGC) §115.0035*
- Tested a sample of void transactions for justification, management approval, and proper documentation
- Tested a sample of daily collections and armored car receipt logs for complete documentation and compliance with *LGC §113.022*
- Tested manual receipts for completeness and accuracy
- Tested interpreter payments for proper authorization and documentation
- Tested mail log for completeness and proper posting
- Tested a sample of expenditures for proper authorization
- Observed proper posting of fees in accordance with *(LGC) §603.008*
- Reviewed policies and procedures for completeness and updates
- Reviewed previous audit action plans for implementation

RESULTS

Listed below are control 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, as well as the status of prior audit action plans.

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Cash handling controls (Obj. 1) • Proper posting of manual receipts (Obj. 4) • Proper posting of fees in the office (Obj. 8) • Documentation of policies and procedures (Obj. 9) 	<ul style="list-style-type: none"> • Void transaction controls (Obj. 2) • Timely deposits and proper documentation (Obj. 3) • Interpreter payments and proper documentation (Obj. 5) • Proper posting of mail payments (Obj. 6) • Authorization of payments (Obj. 7)
Findings Summary	
<ol style="list-style-type: none"> 1. Voids did not have documented management approval (prior finding). 2. Interpreter payments did not have supporting documentation (prior finding). 3. Lack of segregation of duties in procurement process. 4. Daily deposits did not have signed cash count sheets (prior finding). 5. Mail payments had incomplete mail log entries, incorrect transaction types, and information did not match Enterprise Justice (prior finding). 	

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

JP2 met four of the current nine objectives of this audit. Four prior audit findings are still open and addressed in the current audit findings section of this report. JP2 has shown some improvement in the daily deposit finding. Implementation of the recommendations provided in this report should assist JP2 in producing complete and accurate financial reports by strengthening their internal control structure.



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FINDINGS AND ACTION PLANS

Prior Audit Findings Summarized with Current Status

Status

H Open
See current finding #1

1. **Finding:** Void transactions do not have documented management approval.
Recommendation: Void transactions should have documented management approval. Management should review a system generated voids report periodically.
Action Plan: Management will review and approve every voided transaction. Management will review a system generated voids report on a quarterly basis. **Unresolved**

H Open
See current finding #2

2. **Finding:** Interpreter payments did not have supporting documentation.
Recommendation: Backup documentation such as invoices should be maintained. Update procedures for handling interpreter hours should be documented.
Action Plan: Management concurs with the recommendation. **Unresolved**

M Open
See current finding #3

3. **Finding:** Of the 28 daily deposits sampled, 14 (50%) were not verified by a second person. 5 (18%) did not have signed cash count sheets. 4 (14%) were noncompliant with Local Government Code §113.022
Recommendation: Daily deposits should be reviewed and verified by a second person, as per JP2 policies and procedures manual.

Action Plan: Segregation of duties will be enforced in the collection process. The signed cash count sheets will be included in the daily deposit documentation. There was an improvement in handling of deposits as the prior audit found lack of documented review and noncompliance with Local Government Code §113.022 **Unresolved**

M Open
See current finding #4

4. **Finding:** Of the 3 mail log entries sampled, 3 (100%) had incorrect tender types, 1 (33%) had incomplete mail log entries, and 2 (66%) had information that did not match.
Recommendation: JP2 has established mail log procedures that should be followed. Management should enforce the importance of entering accurate information in the mailed payment log and Enterprise Justice.
Action Plan: Management concurs with the recommendation. **Unresolved**



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FINDINGS AND ACTION PLANS

Current Audit Findings

Finding #1			Risk Level H
<p>Voids – Of the five voided transactions sampled, three (60%) did not have documented management approval entered in the voids comment section of the case as required by the JP2 policies and procedures manual. Additionally, management is not documenting the quarterly review of the Enterprise Justice system voids report. Lack of management review and approval of voids could result in misappropriation of County funds. This is a repeat finding.</p>			
Recommendation			
<p>All void transactions should have documented management approval. Management should review a system generated voids report periodically to verify management approval of voids is documented in the Enterprise Justice system.</p>			
Action Plan			
Person Responsible	Court Coordinator	Estimated Completion Date	1/1/26
<p>Management will verify void approvals are documented in the Enterprise Justice system by reviewing a system generated voids report on a quarterly basis.</p>			

Finding #2			Risk Level H
<p><u>Interpreter Payments</u> - Of the seven interpreter payments sampled, three (43%) did not have supporting documentation and no invoice or additional supporting documentation was received from the office when requested. Furthermore, policies and procedures for interpreter payments are not documented. Failure to keep proper documentation and correctly apply interpreter hours could result in inaccurate reporting or payment errors. This is a repeat finding.</p>			
Recommendation			
<p>Backup documentation or invoices for interpreter hours billed should be maintained by the JP2 office. Updated procedures for handling interpreter hours should be documented in the JP2 policies and procedures manual.</p>			
Action Plan			
Person Responsible	Court Coordinator	Estimated Completion Date	11/1/25
<p>Management concurs with the recommendation.</p>			



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FINDINGS AND ACTION PLANS

Finding #3		Risk Level H	
<p><u>Segregation of Duties During Procurement Process</u> - Of the eight purchase order payments sampled, six (75%) did not have documented segregation of duties. This indicates that the same individual was both the authorizing and receiving agent of procured items. It is best practice to have proper segregation of duties when authorizing, recording, and accepting all procured items. Improper segregation of duties may lead to an increases risk of fraud, theft, or misuse of County funds and property.</p>			
Recommendation			
<p>JP2 should communicate the importance of proper procedures for segregation of duties. Further, this should be documented in the office policies and procedures to ensure proper reference for current and departmental staff.</p>			
Action Plan			
Person Responsible	Court Coordinator	Estimated Completion Date	11/1/25
<p>Segregation of duties will be enforced in the procurement process. Policies and procedures will be updated.</p>			

Finding #4		Risk Level M	
<p><u>Daily Deposits</u> – There were a total of 162 daily deposits processed during the audit scope. 30 daily deposits were sampled and seven (23%) did not have signed cash count sheets. Weak cash handling controls could result in misappropriation of County funds. Although this is a repeat finding, there was an improvement in handling of deposits as the prior audit found lack of documented review and noncompliance with Local Government Code §113.022, JP2 is now compliant in these areas.</p>			
Recommendation			
<p>Daily deposits should be prepared and signed by a supervisor who is independent from the collection process. If a supervisor is not available, another employee should verify and sign the deposit. All deposits should include signed cash count sheets as part of the daily deposit documentation, as per the County Auditor’s Accounting Procedures Manual.</p>			
Action Plan			
Person Responsible	Court Coordinator	Estimated Completion Date	9/26/25
<p>The signed cash count sheets will be included in the daily deposit documentation.</p>			



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FINDINGS AND ACTION PLANS

Finding #5		Risk Level
<p>Mail Payments- A sample of six mail log entries (20%) were tested and the following was noted:</p> <ul style="list-style-type: none"> • Two (33%) had the incorrect transaction type entered in Enterprise Justice • Six (100%) had incomplete mail log entries • Two (33%) mail log entries had other information that did not match Enterprise Justice <p>Policies and procedures state the appropriate information should be filled out and each entry must include a receipt number, case number and amount. The accuracy of the mailed payment log and Enterprise Justice information is essential to keeping accurate records of mailed payments received. Weak controls related to mailed payments could result in misappropriation of County funds.</p>		
Recommendation		
<p>JP2 has established mail log procedures that should be followed. Management should enforce the importance of entering accurate information in the mailed payment log and Enterprise Justice.</p>		
Action Plan		
Person Responsible	Court Coordinator	Estimated Completion Date
Completed		
<p>Management concurs with the recommendation.</p>		