



Audit Report
JUSTICE OF THE PEACE - PRECINCT 3-2
OCTOBER 1, 2012 – MARCH 31, 2013
Status: Final

For action:

Judge John Payton Justice of the Peace Precinct 3-2

For information:

Jeff May
Shela Vinson

County Auditor
Second Assistant Auditor

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Report Summary

As part of the 2013 Compliance Audit Plan, an audit of the Justice of the Peace - Precinct 3-2 was conducted in accordance with Texas Local Government Code §115.002.

The overall objective of the audit was to provide assurance that internal controls are in place to ensure:

- The officer has collected all the money they are obligated to collect
- The money collected was properly remitted to the appropriate party
- All funds are properly managed
- All money is properly accounted for, accurately reported, and adequately safeguarded
- The operations of the office conform to prescribed procedures
- Exposure to potential risk is minimized

The audit scope included an audit of banking, cash receipts and internal controls. The time period audited was October 1, 2012 through March 31, 2013.

Refer to the Observations and Recommendations section for the results of the audit.

This review was not intended to provide absolute assurance on all procedures, activities, or controls. We will continue to examine aspects of the office in compliance with statutes and to provide reasonable assurance that County assets are safeguarded and appropriately managed.

An exit conference with the Justice of the Peace Precinct 3-2 was held on Tuesday, August 27, 2013 to discuss this report.

The time and assistance provided by the Justice of the Peace Precinct 3-2 and the staff during this engagement is greatly appreciated.

Observations and Recommendations

Observation	Recommendation	Management Response
<p><u>Condition:</u> There is a \$101.10 adjustment entered on the General Account Bank Reconciliation on March 29, 2013 used to balance the March 2013 reconciliation.</p> <p><u>Effect:</u> The March 2013 reconciliation is not in balance due to the unknown adjustment.</p> <p><u>Cause:</u> A \$101.10 adjustment to remove a \$101.10 difference that was not identified.</p> <p><u>Criteria:</u> The reconciliation for all accounts should be reconciled on a monthly basis. All reconciling items entered onto the bank reconciliation should have backup and should have valid identifiable offset amounts necessary to bring the book balance and bank balance into agreement.</p>	<p><u>a. Transaction Required:</u> Identify the \$101.10 difference and enter these items onto the March 2013 bank reconciliation.</p> <p><u>b. Internal Control Change:</u> Any imbalance between the book balance and bank balance should be investigated as it may represent a difference in financial activity. If an adjustment amount is entered onto the bank reconciliation, the adjustment should be identified.</p>	<p><u>Response:</u> The \$101.10 adjustment was identified and cleared on the March 2013 reconciliation and balanced to zero.</p>

