



Audit Report
JUSTICE OF THE PEACE - PRECINCT 2
JANUARY 1, 2014 – MARCH 31, 2014
Status: Final

For action:

Judge Jerry Shaffer Justice of the Peace Precinct 2

For information:

Jeff May County Auditor
Linda Riggs First Assistant Auditor

Audit Report
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Report Summary

As part of the 2014 Compliance Audit Plan, an audit of the Justice of the Peace - Precinct 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 January 1, 2014 through March 31, 2014.

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 2 was held on Thursday, February 19, 2015 to discuss this report.

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

Observations and Recommendations

Observation	Recommendation	Management Response
<p><u>Condition:</u> The General Account bank reconciliation for March 2014 was not completed during the time of the audit, June 2014. Since it was not completed, management did not review or approve the reconciliation. Furthermore, the Escrow Account bank reconciliation for March 2014 was submitted on 4/25/14, which was after the due date.</p> <p><u>Effect:</u> The financial records were not updated with the current financial information. Furthermore, if there was an issue with a transaction on the bank statement, the bank may not accept the change request because it was not completed in a timely manner.</p> <p><u>Cause:</u> The bank reconciliations were not completed by JP-2 staff.</p> <p><u>Criteria:</u> The bank reconciliation should be completed by the 15th calendar day of the subsequent month in order to notify the bank and secure correction of errors.</p>	<p><u>A. Transaction Required:</u> None needed at this time. The bank reconciliation for the General Account was completed on 7/3/14 (after the audit was completed).</p> <p><u>B. Internal Control:</u> The bank reconciliation for both accounts must be completed accurately and on a timely basis. JP-2 management should approve all reconciliations to ensure awareness of financial activities.</p>	<p><u>A. Response:</u> Matter has been resolved.</p> <p><u>B. Response:</u> Matter has been resolved</p> <p><u>Status of Recommendation:</u> Office is in full cooperation with auditing recommendations.</p>