



Audit Report
JUSTICE OF THE PEACE - PRECINCT 3-2
OCTOBER 1, 2015 – MARCH 31, 2016
Status: Final

For action:

Judge John Payton Justice of the Peace Precinct 3-2

For information:

Jeff May
Linda Riggs

County Auditor
First Assistant Auditor

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Report Summary

As part of the 2016 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, 2015 through March 31, 2016.

Refer to the Observations and Recommendations section, as well as the Appendix 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 Wednesday, June 21, 2017 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
FINDING NUMBER: 161		
<p><u>Condition:</u> While reviewing case adjustments during the audit period, there were three cases (32-TR-12-04394-\$115/32-TR-15-02179-\$85/32-TR-15-03060-\$2) that had more money paid out than was collected. One case's payment and records have since been reversed and corrected (32-TR-15-02179-\$85), however the payments and records on the other two cases have not been resolved nor corrected.</p> <p><u>Effect:</u> Since JP 3-2 paid out \$115 and \$2 more than collected and has not been reimbursed for the extra payments, the office is short the sum of \$117.</p> <p><u>Cause:</u> Money was disbursed without being received. Furthermore, the case files reflected \$0.00 escrow balance and checks were still processed.</p> <p><u>Criteria:</u> Disbursements should only be made when actual money has been received.</p>	<p><u>A. Transaction Required:</u> The additional payments should be resolved on case 32-TR-12-04394-\$115 and 32-TR-15-03060-\$2 and the case records need to be updated to reflect the correct transactions.</p> <p><u>B. Internal Control Change:</u> Ensure that disbursements do not exceed receipts by verifying the receipt amount on the case before making a disbursement. Also check that there is an escrow balance to be disbursed.</p>	<p><u>A. Response:</u> The issues were resolved and the cases updated accordingly by the previous Court Administrator.</p> <p><u>B. Response:</u> The issues were resolved and the cases updated accordingly by the previous Court Administrator.</p> <p><u>Status of Recommendation:</u> Completed</p>