



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

For action:
Jerry Shaffer

Justice of the Peace Precinct 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 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 2 was held on Wednesday, May 17, 2017 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
FINDING NUMBER: 156		
<p><u>Condition:</u> During the audit period, JP-2 bank reconciliations were not completed and submitted by the 15th of the following month. The October 2015 general account reconciliation was submitted one month late, and the March 2016 general and escrow account reconciliations were submitted over two months late.</p> <p><u>Effect:</u> The financial records were not updated with the current financial information. 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 in a timely manner by JP-2 staff.</p> <p><u>Criteria:</u> The bank reconciliation should be completed and submitted 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 the time. The bank reconciliations have since been completed and submitted.</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 by the 15th of the following month to ensure awareness of financial activities.</p>	<p><u>A. Response:</u> Will do our best.</p> <p><u>B. Response:</u> Will do our best.</p>

