



Audit Report
JUSTICE OF THE PEACE - PRECINCT 2
APRIL 1, 2016 – SEPTEMBER 30, 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 April 1, 2016 through September 30, 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 Monday, December 11, 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: 162		
<p>Condition: The September 2016 General account bank reconciliation shows a deposit in transit of \$110, dated 6/15/16. This should be recorded as a bank adjustment, dated 3/17/16, for \$110 that has not cleared the bank yet. On 10/9/15 a credit card payment was accepted for \$110 (02-TR-15-01648) which was deposited at the bank twice on 10/15/15. However the double payment was refunded back to the customer's credit card on 11/4/15 and 3/17/16. Therefore the \$110 payment still needs to be collected by the Justice of the Peace, Precinct 2. Additionally the case shows no financial balance due, when the customer still owes \$110.</p> <p>Effect: The bank adjustment for \$110 has not been resolved and funds have not been received so the Justice of the Peace, Precinct 2 General account is short \$110.</p> <p>Cause: The customer's credit card company and the agency's bank both processed a refund causing the shortage of \$110.</p>	<p>A. Transaction Required: Justice of the Peace, Precinct 2 should work with the bank, credit card company, and the customer to resolve the \$110 owed. A financial balance should be reflected on case 02-TR-15-01648 until the correct payment is reflected at the bank.</p> <p>B. Internal Control Change: Bank adjustments should be researched and verified by the end of the following month.</p>	<p>A. Response: At this time we are trying to collect the \$110.00 from the defendant. We will do our best to get this resolved.</p> <p>B. Response: I can't make adjustment if I can't find the problem. But I will do my best to complete on time.</p>

Criteria:

Bank reconciliations should be completed in a timely manner. As soon as chargeback, adjustments, reversals, etc. are noted these issues should be handled immediately to ensure money is received correctly.

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