



**Audit Report**  
**JUSTICE OF THE PEACE - PRECINCT 3-2**  
**APRIL 1, 2016 – SEPTEMBER 30, 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 April 1, 2016 through September 30, 2016.

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 Thursday, February 8, 2018 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
<b>FINDING NUMBER:</b>		
<p><b><u>Condition:</u></b> Bank reconciliations were not accurately completed.</p> <p><b><u>Effect:</u></b> Generates inaccurate accounting records.</p> <p><b><u>Cause:</u></b> Book adjustments and deposits in transit were not properly recorded.</p> <p><b><u>Criteria:</u></b> Book adjustments, bank adjustments and deposits in transit must be researched, documented and correctly recorded.</p>	<p><b><u>A. Transaction Required:</u></b> The reconciliations should be accurately completed and resubmitted.</p> <p><b><u>B. Internal Control Change:</u></b> Procedures should be in place for management review of bank reconciliations on all reconciling items to ensure items are listed accurately and properly cleared to ensure awareness of financial activities.</p>	<p><b><u>A. Response:</u></b> The reconciliations were amended and resubmitted for FY 2018 4/9/18.</p> <p><b><u>B. Response:</u></b> Procedures are currently in place.</p>