



**Audit Report**  
**JUSTICE OF THE PEACE - PRECINCT 2**  
**APRIL 1, 2015 – SEPTEMBER 30, 2015**  
**Status: Final**

**For action:**

Judge Jerry Shaffer     Justice of the Peace Precinct 2

**For information:**

Jeff May     County Auditor  
Linda Riggs     First Assistant Auditor

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**Report Summary**

As part of the 2015 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, 2015 through September 30, 2015.

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, September 19, 2016 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
<b>FINDING NUMBER: 143</b>		
<p><b><u>Condition:</u></b> The Escrow account had ten checks (3161-3170) that were manually altered by changing the preprinted check number in the upper right corner of the checks. The check numbers were changed on the actual checks to reflect disbursement information from Odyssey's case manager and financial manager.</p> <p><b><u>Effect:</u></b> Even though the financial instruments were altered, the actual checks still cleared the bank under the preprinted check numbers. Therefore the bank records and Odyssey's records do not reflect the same information.</p> <p><b><u>Cause:</u></b> The checks were not printed correctly and JP-2 wanted to reflect consistent check information between the bank and Odyssey records.</p> <p><b><u>Criteria:</u></b> Financial instruments should be accurate and unaltered.</p>	<p><b><u>A. Transaction Required:</u></b> No action needed-The altered checks have already cleared bank.</p> <p><b><u>B. Internal Control Change:</u></b> The office needs to develop procedures on how to correctly print checks and handle misprinted checks.</p>	<p><b><u>A. Response:</u></b> N/A</p> <p><b><u>B. Response:</u></b> In the future the checks will be voided and reprinted</p>

Observation	Recommendation	Management Response
<b>FINDING NUMBER: 154</b>		
<p><b><u>Condition:</u></b> During the audit period, JP-2 did not charge \$0.10 for the Statewide Repository Fee on (29) Driving while License Invalid and Expired Driver's License cases, when the fee should have been assessed.</p> <p><b><u>Effect:</u></b> Collin County has not collected money they should have collected for fees. Therefore, the state did not receive monies that they should have received for the Statewide Repository Fee.</p> <p><b><u>Cause:</u></b> The Statewide Repository Fee was not included on the Odyssey fee tables for the following types of cases: Driving while License Invalid and Expired Driver's License.</p> <p><b><u>Criteria:</u></b> The Statewide Repository Fee is only to be assessed on offenses found in Section 102.022(b) of the Texas Code of Criminal Procedure and Section 102.101(8) of the Texas Government Code and payable upon conviction of a moving violation. The list of moving violations can be found in Title 37, Part 1, Chapter 15, Subchapter D rule § 15.89 of the Texas Administrative Code. Driving while License Invalid and Expired Driver's</p>	<p><b><u>A. Transaction Required:</u></b> The Statewide Repository Fee of \$0.10 should be assessed and disbursed on Driving while License Invalid and Expired Driver's License cases.</p> <p><b><u>B. Internal Control Change:</u></b> Internal controls should be implemented to ensure the fees charged and collected from the public are in line with the approved fee schedule and statutes.</p>	<p><b><u>A. Response:</u></b> It is my understanding that there was some confusion when the 10 fee went into effect and how it related to "Expired License" violations.</p> <p><b><u>B. Response:</u></b> It is JP#2s understanding that there are controls in place to implement new fees for all Collin County Justice Courts. The fee list is checked and verified every year.</p> <p>It is also JP#2s understanding that there was some confusion on the charge of Expired Driver's license. If it got the 10 cent fee or not. We were informed that the Justice Court Training Center was questioned and based on their response and communication with the Auditor's office, a procedure change was made and all issues are resolved.</p>

License are considered moving violations offenses. Accordingly, the \$0.10 Statewide Repository Fee should have been properly assessed and disbursed for Driving while License Invalid and Expired Driver's License cases.		
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