



**Comprehensive Audit Report  
JUSTICE OF THE PEACE - PRECINCT 3-2  
OCTOBER 1, 2017 – SEPTEMBER 30, 2018  
Status: Final**

**For action:**

Judge Missildine Justice of the Peace Precinct 3-2

**For information:**

Linda Riggs	County Auditor
Kristine Malone	First Assistant Auditor

**Audit Report**  
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**Report Summary**

As part of the 2018 Comprehensive 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, 2017 through September 30, 2018.

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, October 16, 2019 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
<p><b><u>Condition:</u></b> The September 2018 General Account bank reconciliation showed a deposit in transit of \$117, dated December 9, 2015. There was a payment made on a case (32-TR-15-2436) that was not deposited at the bank. The December 14, 2015 credit card payments of \$501 + \$775.20 = \$1,276.20 were \$117 less than the December 9, 2015 recorded payments in case manager and OFM of \$618 + \$775.20 = \$1,393.20 - \$1,276.20 = \$117 (prior management letter issues on two previous audits).</p> <p><b><u>Effect:</u></b> The deposit in transit for \$117 has not been resolved and funds have not been received so the Justice of the Peace 3-2 General Account is short \$117.</p> <p><b><u>Cause:</u></b> The credit card company did not accept the transaction and the funds were not forwarded to the bank account.</p> <p><b><u>Criteria:</u></b> 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.</p>	<p><b><u>A. Transaction Required:</u></b> Justice of the Peace 3-2 should work with the bank, credit card company and the customer to resolve the \$117 owed. A financial balance should show on case 32-TR-15-2436 until the correct payment is reflected at the bank.</p> <p><b><u>B. Internal Control Change:</u></b> Bank adjustments should be researched and verified by the end of the month following the adjustment.</p>	<p><b><u>A. Response:</u></b> This was an issue from the previous administration and has been resolved by the current administration.</p> <p><b><u>B. Response:</u></b> I have policy and procedures in place to ensure that all financial discrepancies are researched and verified in a timely basis.</p> <p><b><u>Status of Recommendation:</u></b> This was an issue under the previous Judge's administration and occurred before myself and my current staff worked in this office.</p>