



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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08-10

August 13, 2024

The Honorable Lucilla Najera  
Justice of the Peace, Precinct Number 5  
9521 Socorro Rd. Suite B-2  
El Paso, Texas 79927

Dear Judge Najera:

The County Auditor's Internal Audit division performed an audit of the Justice of the Peace, Precinct Number 5 (JP5) financial records to determine if internal controls are adequate to ensure proper preparation of JP5 financial reports. Policies, procedures and regulations were also reviewed to ensure processes are documented, operating and efficient.

The audit report is attached. We tested nine financial controls and two operating controls with a total of 208 samples. There were four findings noted as a result of the audit procedures; one was a prior audit finding. We wish to thank the management and staff of JP5 for their assistance and courtesies extended during this audit.

Because of certain statutory duties required of the County Auditor, this office is not independent in regard to your office, as defined by AICPA professional standards. However, our audit was performed with objectivity and due professional care.

Respectfully,

A handwritten signature in blue ink that reads "Barbara Parker".

Barbara Parker  
County Auditor

BP:ya

cc: Ms. Betsy Keller, Chief Administrator



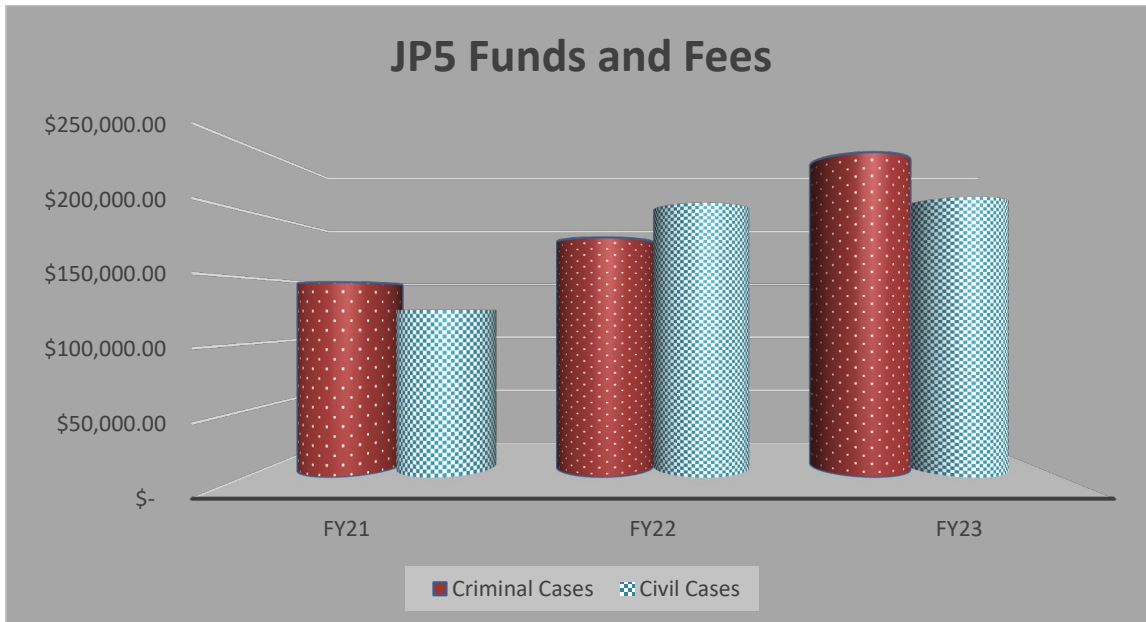
**Justice of the Peace, Precinct Number 5  
For the period of January 2023 to March 2024**



**EXECUTIVE SUMMARY**

**BACKGROUND**

Justices of the Peace are elected officials and serve four-year terms. Justice of the Peace Precinct 5 (JP5) has judicial power over criminal cases involving minor offenses under their jurisdiction and civil matters where the amount in controversy does not exceed \$20,000. The current judge was elected November 2022 and took office in January 2023. Other duties include issuing search and arrest warrants and the performance of marriage services. Funds and Fees collected for 2021, 2022 and 2023 are illustrated below.



Source: Annual Funds and Fees reports

The audit was performed by Hadi Medina, internal auditor. The scope of the last audit performed was May 2022 to November 2022 and the related audit report was issued January 27, 2023, with one finding.

**AUDIT OBJECTIVES**

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to JP5 financial reports. Following are the business objectives and related control assessment.

<b>Business Objective</b>	<b>Control Assessment</b>
1. Adherence to documented policies and procedures	Satisfactory
2. Court order compliance in dismissed cases	Satisfactory
3. Adequate void transaction controls	Needs Improvement
4. Proper posting of jail time credits	Satisfactory
5. Functioning appropriate cash controls	Satisfactory
6. Timely processing and resolution of cash bonds	Needs Improvement
7. Timely deposits of collections in accordance with <i>Local Government Code (LGC) §113.022</i>	Satisfactory
8. Adequate controls of interpreter services payments	Needs Improvement
9. Appropriate and timely posting of manual receipts to Enterprise Justice	Satisfactory
10. Accuracy of mail log information and timely posting to Enterprise Justice	Needs Improvement
11. Judge's education compliance with <i>LGC §27.005</i>	Satisfactory

**SCOPE**

The scope of the audit is from January 2023 through March 2024.



**Justice of the Peace, Precinct Number 5  
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**EXECUTIVE SUMMARY**

**METHODOLOGY**

To achieve the audit objectives, we:

- Reviewed policies, procedures, and applicable statutes for proper documentation and updates.
- Tested a sample of dismissed cases for court order compliance and supporting documentation.
- Tested all void transactions in Enterprise Justice for legitimacy of transactions and management verification.
- Tested a sample of cases with jail time credit to verify jail time served and supporting documentation.
- Performed as surprise cash count in accordance with LGC §115.0035.
- Tested a sample of cash bonds posted to verify bonds were processed in a timely manner.
- Traced and tested sample of deposit slips to the financial accounting system for compliance with LGC §113.022.
- Tested all interpreter services invoices for proper authorization, documentation and entry in UKG, the County's timekeeping system.
- Tested all manual receipts for appropriate and timely posting.
- Tested all mail log entries to determine deposit completeness, accuracy and timeliness.
- Reviewed Judge's training certificates for compliance with LGC §27.005.

**RESULTS**

Listed below are controls and findings summaries, with findings listed from highest to lowest risk. Please see the *Findings and Action Plans* section of this report for the status of the prior audit finding and related details and management action plans for the current findings.

<b>Control Summary</b>	
<b>Good Controls</b>	<b>Weak Controls</b>
<ul style="list-style-type: none"> <li>• Maintain and follow department policies and procedures (Obj. 1)</li> <li>• Proper documentation on dismissed cases (Obj. 2)</li> <li>• Posting and documentation of jail time credit by Sheriff's Office (Obj. 4)</li> <li>• Cash handling procedures (Obj. 5)</li> <li>• Timely deposit controls (Obj. 7)</li> <li>• Manual receipt controls (Obj. 9)</li> <li>• Compliance with educational requirement (Obj. 11)</li> </ul>	<ul style="list-style-type: none"> <li>• Void transaction controls and procedures adherence (Obj. 3)</li> <li>• Continuous review of outstanding bonds (Obj. 6)</li> <li>• Interpreter services invoice controls (Obj. 8)</li> <li>• Mail log controls (Obj. 10)</li> </ul>
<b>Findings Summary</b>	
<ol style="list-style-type: none"> <li>1. Void transactions were not logged accurately.</li> <li>2. Case hearings are not being scheduled and resolved timely after bonds are posted (prior audit finding).</li> <li>3. Interpreted services were not accurately entered in UKG and therefore paid incorrectly.</li> <li>4. Mail log had multiple entry discrepancies.</li> </ol>	

**INHERENT LIMITATIONS**

This financial review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the County's assets from loss, theft, or misuse. The County's internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of implementing the controls should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires the use of estimates and judgment by management. Because of the inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected.

**CONCLUSION**

JP5 has met seven of the eleven objectives of this audit. Implementation of the recommendations provided in this report should assist JP5 in producing complete and accurate financial reports by strengthening their internal control structure.



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**FINDINGS AND ACTION PLANS**

**Prior Audit Findings Summarized with Current Status**

**M** Open

(See current finding #2)

- Finding:** A sample of 23 cash bonds previously reviewed for timely processing and resolution was reviewed for recommended resolution; seventeen (74%) were not addressed as recommended. It is in the best interest of the court and the defendant to address cash bonds in a timelier manner to resolve outstanding cases and effectively process County collections. Failure to resolve cash bonds in a timely manner can lead to loss of County revenue by Prosecution dismissal for no recollection from the officer or the case being too old to prosecute.

**Recommendation:** New administration should develop a plan to schedule timely court dates for outstanding bonds. The Revenue Estimation-Analysis-Reporting division of the County Auditor's office sends JP5 quarterly reports with all outstanding bonds for the precinct. This should be used as a guide to resolve older outstanding bonds and address all current outstanding bonds.

**Action Plan:** Under the new administration, the Court Coordinator and Senior Administrator will implement a plan to address pending bonds that will include assigning staff to review and prepare bond paperwork for court and scheduling court dates in a timely manner. Bonds older than 90 days may not be resolved by the estimated completion date but will be worked as quickly as possible.



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**FINDINGS AND ACTION PLANS**

**Current Audit Findings & Action Plans**

<b>Finding #1</b>		<b>Risk Level</b> <span style="background-color: yellow; border: 1px solid black; border-radius: 50%; padding: 2px;">M</span>	
<p><b><u>Void Transactions:</u></b> Nine void transactions were processed during the audit period and all nine were reviewed for accuracy and supervisor verification. Five (56%) of the transactions reviewed failed to follow the current void policies and procedures as they were not recorded or reviewed on the void transaction log.</p> <p>Policies and procedures require staff to log all voids with an explanation, the case number, their initials and a supervisor's initials. Failure to follow current void controls can lead to loss of revenue by creating an opportunity for fraud.</p>			
<b>Recommendation</b>			
<p>It is recommended JP5 clarify the duties of new and existing employees. Management should adequately train new employees and identify pending responsibilities and documentation belonging to departing employees to ensure the continuance of any pending work or process. This will facilitate training new staff and enhance the compliance with current policies and procedures.</p>			
<b>Action Plan</b>			
<b>Person Responsible</b>	<b>Justice of the Peace, Precinct 5</b>	<b>Estimated Completion Date</b>	<b>August 2024</b>
<p>A documented training on the process and procedure for voids will be conducted twice a year for all employees. The Court Coordinator or Senior Administrator will run a monthly report to ensure voids have been logged accordingly. The Court Coordinator or Senior Administrator will sign off on the void log under a new column added to confirm report was ran and reviewed. The procedure on the policy will be changed to reflect changes noted above.</p>			



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**FINDINGS AND ACTION PLANS**

Finding #2		Risk Level <span style="background-color: yellow; border: 1px solid black; border-radius: 50%; padding: 2px;">M</span>	
<p><b>Cash Bonds:</b> A sample of 30 cash bonds was reviewed for timely processing and resolution; three (10%) were not handled properly as noted below:</p> <ul style="list-style-type: none"> <li>• Two (7%) of sampled cases were scheduled for a hearing but the defendant's notices were sent to incorrect addresses. The defendants failed to appear and both bonds were forfeited.</li> <li>• One (3%) of sampled cases has not been scheduled for a court hearing since the bond was paid on 3/15/2023.</li> </ul> <p>During a previous audit, 17 bonds were identified as findings for various reasons. The 17 bonds were reassessed to verify the identified errors were corrected however, three of those cases are still pending resolution. This has been a repeat finding for the last three audits.</p> <p>It is in the best interest of the court and the defendant to address cash bonds in a timely manner to resolve outstanding cases and effectively process County collections. Failure to resolve cash bonds in a timely manner can lead to loss of County revenue by prosecution dismissal for no recollection from the officer or the case being too old to prosecute.</p>			
<b>Recommendation</b>			
<p>Management should work on a plan to schedule court dates for outstanding bonds. The County Auditor's Revenues division sends JP5 quarterly reports with all outstanding bonds. This should be used as a guide to resolve older outstanding bonds and address all current outstanding bonds.</p>			
<b>Action Plan</b>			
<b>Person Responsible</b>	<b>Justice of the Peace, Precinct 5</b>	<b>Estimated Completion Date</b>	<b>August 2024</b>
<p>Court coordinator and senior administrator will request to be added to daily report "Receipt Journal by Fund &amp; Fee Code" which reflects any cash bonds deposited for JP5. Court coordinator and senior administrator will run the report at the end of every month to capture any outstanding bonds and prioritize anything older than 30 days. JP5 will continue to receive the report from the County Auditor and review their report quarterly. The procedure on the policy will be changed to reflect changes noted above.</p>			



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**FINDINGS AND ACTION PLANS**

Finding #3		Risk Level <span style="background-color: yellow; border: 1px solid black; border-radius: 50%; padding: 2px;">M</span>	
<p><b>Mail Log:</b> A sample of 30 mail log payments was reviewed for accuracy and timely posting; three (10%) contained discrepancies as noted below:</p> <ul style="list-style-type: none"> <li>• Two mail log entries were never posted and no information was provided on whether the payment was returned.</li> <li>• A payment was posted in Enterprise Justice, formerly Odyssey, eight days after being received; this violated the five days allowed under the statute.</li> </ul> <p>Under <i>LGC §113.022</i>, collections are to be deposited with the county treasurer on or before the next regular business day after receipt. If this is not possible, without exception, they are to be deposited on or before the fifth business day after the day the money was received. Failure to comply with the collection statute can lead to the loss or misappropriation of County funds.</p>			
Recommendation			
<p>Mail payments should be logged and entered in Enterprise Justice as soon as possible. Under no circumstance should funds be kept in violation of <i>LGC §113.022</i>. We recommend management assign someone to verify mail log entries for accuracy and posting of all mail payments in a timely manner. Furthermore, due care should be exercised by staff when receiving and posting mail payments.</p>			
Action Plan			
Person Responsible	Justice of the Peace, Precinct 5	Estimated Completion Date	August 2024
<p>Mail shall be processed solely by court coordinator or senior administrator. Mailed in checks will be logged upon receipt and assigned to the clerk who will have four days to process the check. The mail log spreadsheet has been modified with a new column that the court coordinator or senior administrator will review and sign off every fourth day of the week to ensure they do not have any checks over four days old. The court coordinator and senior administrator will conduct a documented training every four months, July 2024, November 2024, March 2024, July 2025 for all JP5 personnel on the procedure and process for the mail log. The procedure on the policy will be changed to reflect changes noted above.</p>			



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**FINDINGS AND ACTION PLANS**

Finding #4		Risk Level <span style="background-color: yellow; border: 1px solid black; border-radius: 50%; padding: 2px;">M</span>	
<p><b>Interpreter Services:</b> A total of 24 (100% of population) interpreter pay periods were reviewed during the audit period for proper authorization, accuracy and UKG entry; five (21%) contained discrepancies as noted below:</p> <ul style="list-style-type: none"> <li>• Four (17%) pay periods were entered incorrectly into UKG and overpaid 7.5 hours totaling \$714.23.</li> <li>• One (4%) pay period payment was not logged in the log sheet.</li> </ul> <p>Current procedures require interpreters to log in the time and dates they are in court, and these are verified by the court coordinator. They are also required to submit invoices for hours worked. The court is responsible for verifying the timesheets and entering the data in UKG to pay the interpreters for hours worked per pay period. Failure to follow current controls can lead to fraud or loss of County funds by creating an opportunity for misrepresentation of invoices or incorrect entries.</p>			
<b>Recommendation</b>			
<p>We recommend management re-evaluate and if necessary, strengthen current interpreter policies and procedures. Further, due care should be exercised by staff when calculating and posting hours worked in UKG. Management should provide regular trainings on interpreter pay procedures to help avoid payroll errors in the future.</p>			
<b>Action Plan</b>			
<b>Person Responsible</b>	<b>Justice of the Peace, Precinct 5</b>	<b>Estimated Completion Date</b>	<b>August 2024</b>
<p>Court coordinator will check the interpreter log weekly and ensure invoices submitted reconcile to the log sheet. An excel spreadsheet has been created which will be used by the court coordinator as a second verification before approving in Kronos. The procedure on the policy will be changed to reflect change noted above.</p>			