



**THE COUNTY OF GALVESTON**  
COUNTY AUDITOR'S OFFICE  
P.O. Box 1418  
GALVESTON, TEXAS 77553

**County Auditor**  
**Randall Rice CPA**  
CITP CISA CIO CBM DABFA CGMA

**Ron Chapa CPA**  
First Assistant, Director of Auditing

**Jeff Modzelewski CPA**  
First Assistant, Director of Accounting

**Latoya Jordan**  
First Assistant, I.T. Systems

May 13, 2014

Honorable Judge Mark A. Henry and  
Members of the Commissioners' Court

Honorable Judge and Members of the Court:

Attached for your consideration is the internal audit report of Justice of the Peace, Precinct 6. The audit covered the period January 1, 2013 through December 31, 2013. Also attached is the response letter from Honorable Patricia A. Vondra.

Sincerely,

A handwritten signature in blue ink that reads "Rice CPA".

Randall Rice CPA  
County Auditor

cc: Honorable Judge Patricia A. Vondra

Attachment: Justice of the Peace, Precinct 6 Audit Report  
Response Letter, Judge Patricia A. Vondra



# Justice of the Peace, Precinct 6 Audit

March 21, 2014

Galveston County  
Internal Audit  
Division

Randall Rice CPA  
CITP CISA CIO CBM DABFA CGMA  
County Auditor

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# Executive Summary

## Reliability and Integrity of Information (page 3)

- Nothing came to our attention during the audit to cause us to doubt the overall reliability and integrity of the information. However, controls over recordkeeping and reporting can be improved by implementing proper separation of duties relative to the Net Data System.
- The chief clerk or another person other than the clerks collecting money should print the Net Data report and reconcile the collections to the report before making the deposit.
- The Court should retain a copy of proof of remedy for administrative dismissals.

## Safeguarding of Assets (page 4)

- Physical security over assets (collections) is adequate.
- The Court deposits collections to the bank daily.
- Bank bond reconciliations submitted to the Auditor's office are properly and adequately supported and received in a timely manner.

## Compliance with Statutes, Policies, and Procedures (pages 5-6)

- The Judge should provide a signature of approval for all jail time credit awarded.
- The Court should review the statute and be aware of the 31 day time period when collecting time payment fees.
- Internal controls can be strengthened by following Court procedures for voided receipts.

## General Information (pages 7-8)

- The County's portion of the Justice of the Peace, Precinct 6's total annual cash collections decreased from FY2009 to FY2013 from \$364,296 to \$304,215.
- Total annual case filings for Justice of the Peace, Precinct 6 have increased over the last five years from 2,665 in FY2009 to 2,903 in FY2013.

# Introduction

The Internal Audit Division conducted an internal audit of the Justice of the Peace, Precinct 6, as required by Local Government Code §115.0035. The internal audit covered the period January 1, 2013 through December 31, 2013. The audit was performed from February 19, 2014 through March 21, 2014.

The primary objectives of the internal audit are to provide reasonable assurance concerning:

- Reliability and integrity of the information.
- Safeguarding of assets.
- Compliance with laws, regulations, contracts, policies, plans, and procedures.

The scope of the internal audit encompassed the financial records and administrative procedures related to the Justice of the Peace, Precinct 6. The internal audit included, but was not limited to, the books, accounts, reports, dockets, and records of the Justice of the Peace, Precinct 6.

The internal audit included examining transactions on a test basis, and required exercising judgment in the selection of such tests. As the internal audit was not a detailed examination of all transactions, there is a risk that errors or fraud were not detected during the internal audit. The official therefore retains the responsibility for the accuracy and completeness of the financial information.

Because of certain statutory duties required of the County Auditor, we are not independent with regard to the Justice of the Peace, Precinct 6 as defined by the AICPA professional standards. However, our internal audit was performed with objectivity and due professional care.

Tony Pompa, Internal Auditor I, performed the audit.

# Reliability and Integrity of Information

Reliable information is accurate, timely, complete, and useful. In order to achieve this, controls over recordkeeping and reporting must be adequate and effective.

Nothing came to our attention during this audit to cause us to doubt the overall reliability and integrity of the information. However, controls in the following area can be improved.

## Separation of Duties

One of the most important internal controls is to have proper separation of duties. No one person should authorize a transaction, record a transaction, and have custody of the asset.

**Finding:** The Court does not have proper separation of duties at close-out. The same clerks collect the money, reconcile the collections to the Net Data report, and then place the collections in the safe.

**Recommendation JP6 14-01:** The chief clerk or another person other than the clerks collecting money should print the Net Data report and reconcile the collections to the report before making the deposit.

## Administrative Dismissals

The court clerks are authorized to dismiss certain cases with proof of remedy and payment of the administrative dismissal fees.

**Finding:** The Court was inconsistent in retaining proof of remedy in the case jackets.

**Recommendation JP6-14-02:** The Court should retain a copy of proof of remedy for administrative dismissals.

# Safeguarding of Assets

Safeguarding of assets has three basic components: 1) physical security of the collections, 2) minimal exposure to loss, and 3) proper management of the collections.

## Physical Security

Physical security encompasses any method to physically secure the collections from loss. Monies collected should be kept in a locked drawer/safe until they are deposited.

As part of the audit, the auditor conducted a surprise cash count on March 6, 2014. All collections were accounted for at the time of the surprise cash count.

Controls are in place to ensure the staff uses a lockable safe to safeguard their money in the office until deposited. The safe remains locked when not in use.

## Minimizing Exposure to Loss

Daily depositing is one of the best methods of minimizing exposure of collections to loss as well as providing the County with maximum benefit of the collections. The Court has a policy to deposit collections daily.

The auditor tested deposits and found the Court deposits collections to the bank in a timely manner.

## Management of Collections

Properly prepared and adequately supported bank reconciliations are one of the best methods of cash management available to any official.

The bond account bank reconciliation is being prepared properly and submitted in a timely manner.

# Compliance with Statutes, Policies, and Procedures

Except for the following, no instances were found in which the Court was not complying with the applicable laws, policies, contracts and procedures.

## Jail Time Credit

Court policy dictates the Judge must approve all applications of jail time credit. The Judge should provide a signature of approval each time jail time credit is granted.

**Finding:** The Court was inconsistent in acquiring the Judge's signature of approval prior to applying jail time credit.

**Recommendation JP6-14-03:** The Judge should provide a signature of approval for all jail time credit awarded.

## Time Payment Fee

A person convicted of an offense shall pay, in addition to all other cost, a fee of \$25.00, if the person pays any part of a fine, court costs, or restitution on or after the 31<sup>st</sup> day after the date on which a judgment is entered(LGC §133.103).

**Finding:** The Court incorrectly collected \$25 time payment fees for payments received before the 31<sup>st</sup> day.

**Recommendation JP6-14-04:** The Court should review the statute and be aware of the 31-day time period when collecting time payment fees.

## Voided Receipts

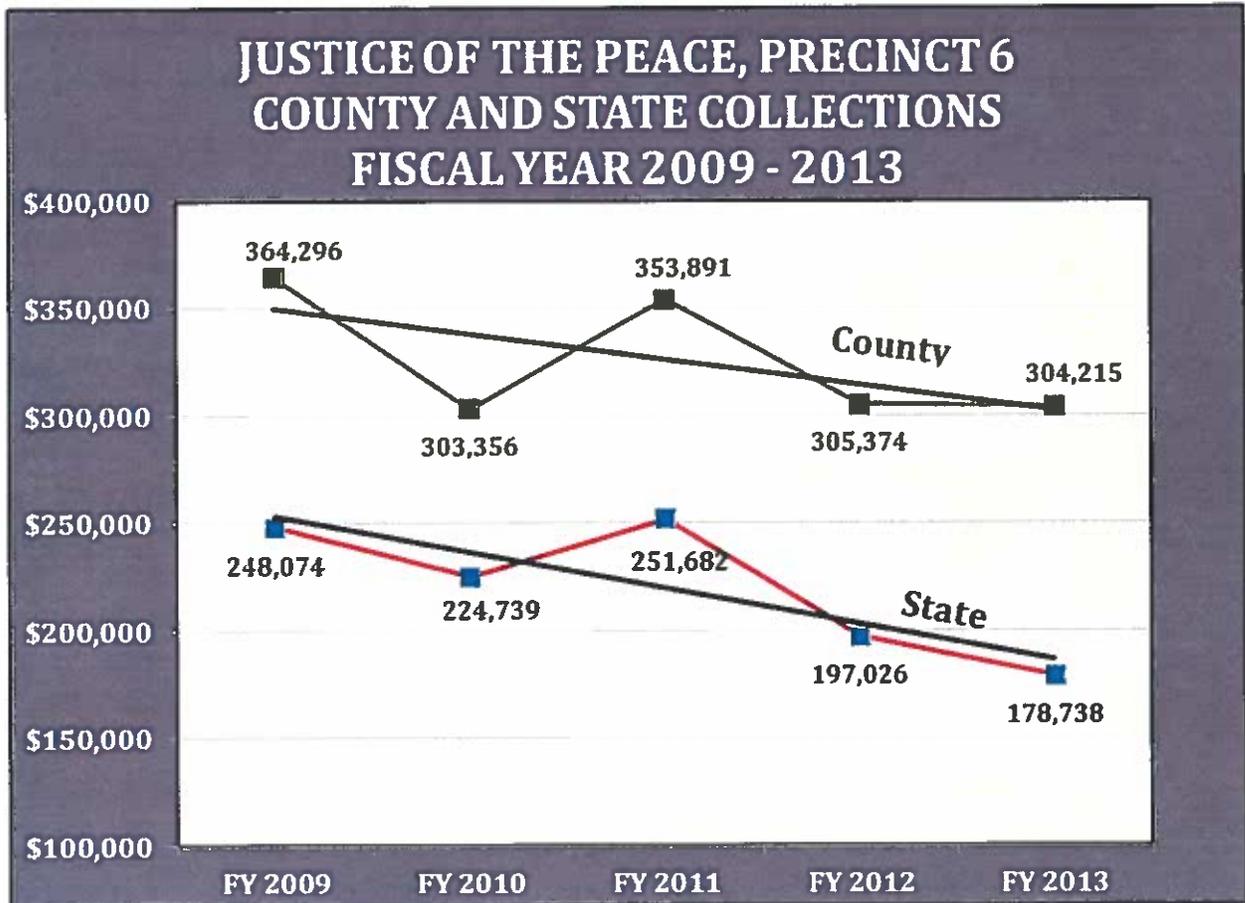
Voided receipts must be approved by the Chief Clerk or the Judge, depending on the circumstance. The person authorizing the void must provide an explanation for the void and their initials on the receipt itself.

**Finding:** The clerks are not consistent in following the Court's procedure for voided receipts.

**Recommendation JP6-14-05:** Internal controls can be strengthened by following Court procedures for voided receipts.

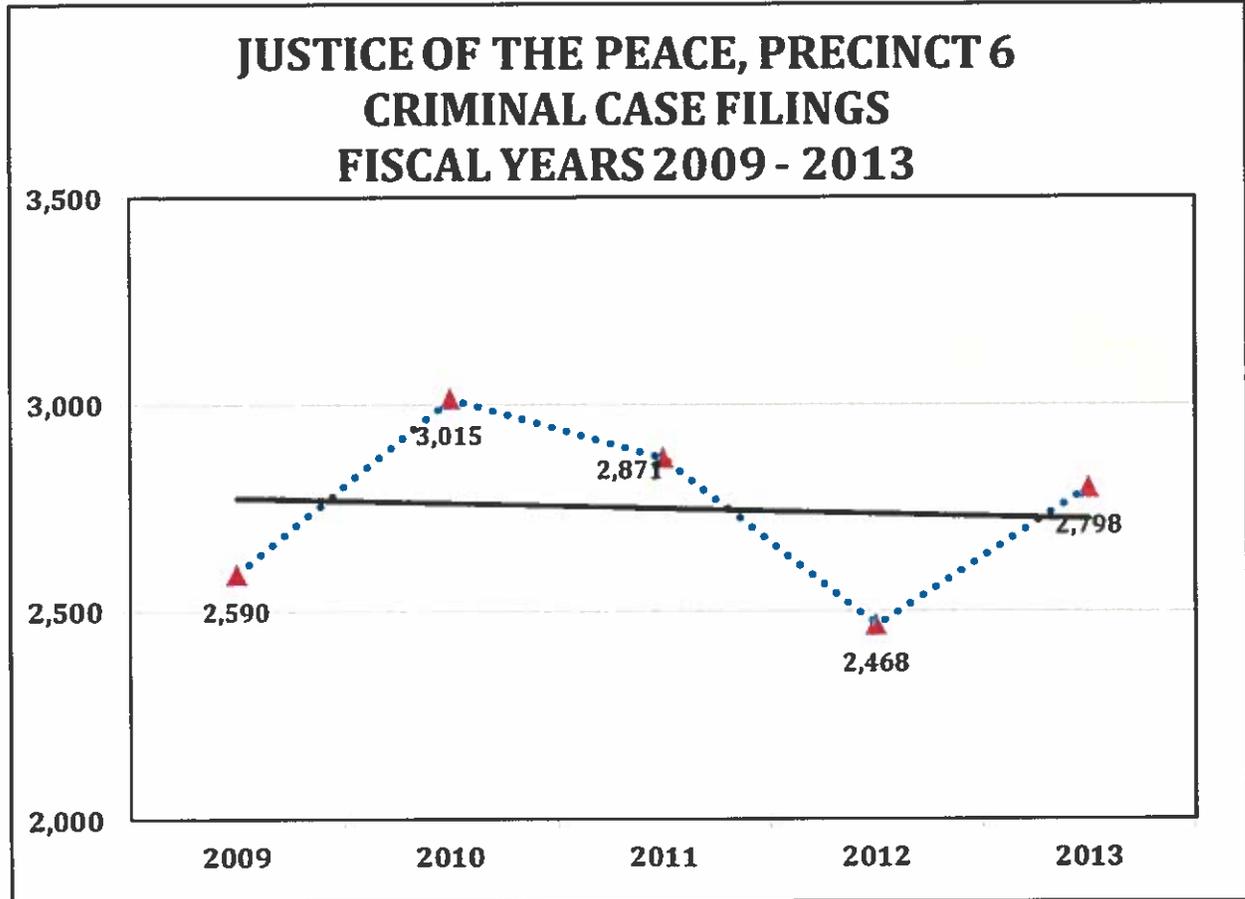
## General Information

The County's portion of the Justice of the Peace, Precinct 6's total annual cash collections decreased from FY2009 to FY2013 from \$364,296 to \$304,215. The chart below illustrates the total annual County and State cash collections of this Court over the past five years.



## General Information (continued)

The leading case type for Justice of the Peace, Precinct 6 is criminal cases. Criminal cases increased from 2,590 in FY 2009 to 2,798 in FY2013. The chart below illustrates the criminal case filings of this Court for the last five years.





COUNTY OF GALVESTON  
**PATRICIA A. VONDRA**  
JUSTICE OF THE PEACE PRECINCT 6  
PO BOX 1435  
CRYSTAL BEACH, TX. 77650

Mr. Randall Rice, County Auditor  
722 Moody - 4<sup>th</sup> Floor  
Galveston, TX 77550

Re: Precinct 6 FY 2014 Audit

Dear Mr. Rice,

Reference your recent audit of my department, recommendations which were provided in the report have been implemented.

Separation of duties

The Chief Clerk will reconcile collections to the Net Data report before deposit.

Administrative Dismissals

Consistency will be maintained in retaining proof of remedy in case jackets.

Jail Time Credit

The Judge's signature will be provided on all jail time credit awarded.

Time Payment Fee

The Clerks have been given clarification of the statute regarding the 31 day time period.

Voided Receipts

Voided receipts will be approved by either the Judge or the Chief Clerk.

Sincerely,

A handwritten signature in cursive script that reads "Patricia A. Vondra".

Patricia A. Vondra  
Justice of the Peace - Pct. 6