GALVESTON COUNTY

Office of County Auditor

Randall Rice CPA CISA CIO, County Auditor
Madeline Walker CPA CFE, First Assistant County Auditor

P.O. Box 1418, Galveston, Texas 77553 **(409) 770-5304** **722 Moody Ave 4th Floor, Galveston, TX 77550**

February 8, 2021

Honorable Mark A. Henry, County Judge, and
Members of the Commissioners Court
722 Moody Avenue
Galveston, Texas 77550

Honorable Mark A. Henry and Members of the Court:

Attached to be received and filed is the Quarterly Audit Report for Justice of the Peace, Precinct 3 (Galveston, La Marque and Crystal Beach locations). The audit covered the period from October 2020 through December 2020.

Sincerely,

Randall Rice CPA Digitally signed by Randall Rice CPA
Date: 2021.01.22 14:23:35 -06'00'

Randall Rice CPA
County Auditor

cc: Honorable Billy A. Williams Jr.

Attachment: Quarterly Audit Report, Justice of the Peace, Precinct 3

GALVESTON COUNTY

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P.O. Box 1418, Galveston, Texas 77553 **(409) 770-5304** **722 Moody Ave 4th Floor, Galveston, TX 77550**

January 22, 2021

Honorable Billy A. Williams Jr.
Justice of the Peace, Precinct 3
600 59th Street
Galveston, Texas 77551

Honorable Billy A. Williams Jr.:

The Galveston County Auditor's Office has examined the collections and monthly reports submitted by Justice of the Peace, Precinct 3 (Galveston, La Marque and Crystal Beach locations) for the months of October 2020 through December 2020. The scope of the examination was limited to reviewing the records submitted to this office by Justice of the Peace, Precinct 3. The objectives of the examination were to verify all funds collected were accounted for and deposited with the County Treasurer and the required monthly reports were submitted in a timely manner.

Collected Funds

The Justice of the Peace collects various funds each month to be deposited with the County Treasurer. LGC §113.022 Time For Making Deposits and CCP §103.004 Disposition of Collected Money state money collected shall be deposited with the county treasurer on or before the next regular business day but no later than the fifth regular business day after the money is received. County Cash Handling Policy requires all payments made, including partial payments and overpayments, be entered in the department's appropriate computerized receipting system (Odyssey). All credit card payments must be entered in Odyssey as soon as the department receives notification of the payment. All funds collected were receipted and deposited with the County Treasurer completely, accurately and in compliance with LGC §113.022, CCP §103.004 and county policy.

Private Collection Fees

The collection contract between Galveston County and Perdue, Brandon, Field, Collins & Mott states the county shall pay the firm by the 20th day of each month all compensation earned by the firm for the previous month. County policy requires the JP offices to submit a purchase request by the 5th day of the following month. Once a PO is issued, adequate forms and support documentation shall be submitted to Accounts Payable. It is the responsibility of the office to monitor the status of the purchase orders to verify payment is made.

Finding: A purchase request for the collection agency fees (PC30) has not been submitted for December 2020. The office is in the process of submitting the purchase request.

Recommendation JP3-21-01: For all future purchase requests, submit by the 5th day of the following month and monitor the status of the purchase orders to ensure payment is made.

Parks and Wildlife Fees

Parks and Wildlife Code (PAW) §31.128 Disposition of Fines states a justice of the peace receiving any fine imposed by a court for a violation of this chapter shall remit 85% of the fine, for justice court cases, to the Texas Parks and Wildlife Department. County policy requires the JP offices to submit a purchase request by the 5th day of the following month. Once a PO is issued, adequate forms and support documentation shall be submitted to Accounts Payable. It is the responsibility of the office to monitor the status of the purchase orders to verify payment is made.

Finding: A purchase request for the Parks and Wildlife (PAW) fees has not been submitted for December 2020. The office is in the process of submitting the purchase request.

Recommendation JP3-21-02: For all future purchase requests, submit by the 5th day of the following month and monitor the status of the purchase orders to ensure payment is made.

OMNI Fees

Transportation Code §706.006 Payment of Administration Fee states a person who fails to appear for a complaint or citation for an offense described in this chapter shall be required to pay an administrative fee of $30 for each complaint or citation reported to the Department of Public Safety. For each fee collected under Section 706.006, the county shall send $6 to the vendor, OmniBase Services of Texas, no later than the last day of the month following the close of the calendar quarter. County policy requires the JP offices to submit a purchase request by the 5th day of the following month. Once a PO is issued, adequate forms and support documentation shall be submitted to Accounts Payable. It is the responsibility of the office to monitor the status of the purchase orders to verify payment is made.

Finding: A purchase request for the OMNI fees has not been submitted for the quarter 1 collections. The office is in the process of submitting the purchase request.

Recommendation JP3-21-03: For all future purchase requests, submit by the 5th day of the following month and monitor the status of the purchase orders to ensure payment is made.

Bond Bank Reconciliations

Properly prepared and adequately supported bank reconciliations are one of the best methods of cash management available to any official. The reconciliation process identifies any discrepancies in the bond account and assists in preventing the misuse of funds. LGC §114.043 Periodic Report to County Auditor and LGC §115.002 Examination of Books and Reports gives the County Auditor authority to require monthly reports to be submitted to the Auditor's Office and examined for accuracy. County policy requires the JP offices to submit a bank reconciliation for the bond account to the Auditor's Office, including adequate support documentation, by the 5th day of the following month, no later than the 15th.

Finding: The November 2020 bond bank reconciliations was not submitted in a timely manner.

Recommendation JP3-21-04: For all future reports, submit them by the 5th day of the following month, no later than the 15th.

This report will be submitted to Commissioners Court on February 8, 2021. Please contact Lori McWhirter, Internal Audit Manager, at (409) 770-5356 if you have any questions or comments regarding this report.

Sincerely,

Randall Rice CPA Digitally signed by Randall Rice CPA
Date: 2021.01.22 14:24:34 -06'00'

Randall Rice CPA
County Auditor