

A Report to the
Chambers
County
Commissioners
Court

County Judge:

Jimmy Sylvia

Commissioners:

Jimmy Gore

Mark Tice

Tommy Hammond

Billy Combs



Justice of the Peace, Precinct 2

Lyndsey Davis, CFE

Jerie Gore

June 22, 2022

Chambers County
Auditor
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CHAMBERS COUNTY AUDITOR

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Introduction

The Chambers County Auditor's Office has completed an internal audit of the Chambers County Justice of the Peace, Precinct 2. This audit was conducted for the period of January 1, 2021 through December 31, 2021, in accordance with Local Government Code Chapter 115.

The overall objective of this audit was:

To verify compliance with law, regulations, contracts, policies, plan and procedures, the reliability and accuracy of recordkeeping, and safeguarding of assets.

The scope of this audit consisted of examining cases that were filed in the Justice of the Peace, Pct 2 office and the administrative procedures related to these cases. This included, but was not limited to: the books, accounts, reports, dockets and records of the Justice of the Peace, Precinct 2.

Findings & Recommendations

1. Compliance

Receipting and Depositing

The Code of Criminal Procedure, Chapter 103, Payment, Collection, and Recordkeeping, it states in article 103.010 Receipt Book:

“(b) An officer who collects fines or fees in a criminal case shall give the person paying the money a receipt...”

(c) Instead of a receipt book, each officer ... may maintain the information... in a computer database. The officer shall provide a receipt to each person paying a fine or fee.”

Finding 1: The office is in compliance with the Code of Criminal Procedure by receipting all payments that are being submitted to the court. This includes filing fees, service fees and fine payments.

In accordance to the Local Government Code, Chapter 113, Management of County Money, section 113.022, Time for Making Deposits:

“(a) A county officer or other person who receives money shall deposit the money with the county treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the officer or

person must deposit the money, without exception, on or before the fifth business day after the day on which the money is received.”

Daily deposits is one of the best methods to help minimize the exposure of loss and potential misuse of funds.

Finding 2: The office is not in compliance with the statute for making timely deposits. Numerous deposits were made outside the five business day grace period.

Recommendation 2: The office should immediately begin making timely deposits within the fifth business day, or sooner.

Private Collection Fees

The Code of Criminal Procedures, Section 103.0031 Collection Contracts states the commissioners court of a county may enter into a contract with a private attorney for the provision of collection services for debts and accounts receivable such as unpaid fines, fees, court costs, forfeited bonds, and restitution. Under this article, a commissioners court that enters into a contract with a private attorney or private vendor may authorize the addition of a collection fee in the amount of 30 percent of the outstanding balance that is more than 60 days past due and has been referred to the attorney or vendor for collection.

Finding 3: The office is in compliance and no discrepancies were noted.

Monthly Reports

Local Government Code, Section 114.001 (b) states that “monthly reports must be filed within five days after the last day of each month.”

Local Government Code, Section 114.044 (a) states “Each...justice of the peace who collects or handles any money for the use of the county shall make a full report at least once a month at a regular term to the commissioners court on all fines imposed and collected, all judgments rendered and collected for the use the of the county, and all jury fees collected by the respective courts in favor of or for the use of the county...”

Finding 4: The office did not submit any monthly reports to commissioner’s court during the audit period. The office is however, submitting monthly reports to the Treasurer’s Office. While reviewing the monthly reports for accuracy, it was noted that multiple months did not balance to the corresponding Odyssey payment reports and/or County Treasurer deposits.

Recommendation 4: Monthly reports should be submitted timely to commissioner’s court and should be reviewed and balanced for accuracy.

2. Safeguarding of Assets

Safeguarding of assets consists of the physical security of the funds, proper management of the collections and minimal exposure to loss.

Physical Security & Proper Management of Collections

Physical security includes any method to physically secure collections from potential loss. Monies collected should be kept in a locked drawer or safe until they are deposited with the County Treasurer or depository bank. As part of the audit, a surprise cash count was performed on May 25, 2022. All collections were accounted for at the time of the surprise cash count.

Finding 5: The court was not properly securing collections during the time frame of this audit.

Recommendation 5: A safe or locked drawer, in a secure location should be utilized to properly store collections until they are deposited.

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 assets. Due to the size of the office staff, it is difficult for the court to have proper separation of duties.

Finding 6: The office has one chief clerk and two deputy clerks. All of which have the capabilities to authorize and record a transaction, as well as having custody of the assets.

Recommendation 6: Controls should be implemented to increase adequate separation of duties amongst court staff.

3. Reliability of Accurate Information

Completeness & Accuracy

All court related documentation should be scanned into Odyssey for recordkeeping and auditing purposes. It is the courts duties to safely keep all dockets, books, and papers transmitted to the office. The office should appropriately apply all current and corresponding court costs and service fees to each case.

Finding 7: The status of court cases and the outstanding balance within Odyssey were not current and up to date.

- Cases show as disposed or dismissed but still have an outstanding balance due.
- Cases still showing as active/filed when there is proper documentation to dispose/dismiss the case.
- Cases that have a financial obligation due that are past the timeframe limitations have not been sent to collections.

Recommendation 7: All court documents relating to the case should be uploaded into Odyssey. This includes documents that pertain to adjustments, reversals, voids and credits. All payments

should be posted to the appropriate case. All cases that are past the timeframe and are not granted extensions, should be sent to collections.

Finding 8: Credits applied to case without proper documentation.

- Cases in which the defendant received jail credit, there was no proof or documentation for the time served.
- Cases that were issued community services credits, there was no proof or documentation for community service completed.

Recommendation 8: Cases in which the defendant is awarded credits for time served or community service hours completed, should have proper documentation scanned into the case file. Credits awarded should be approved by the Judge or have documentation provided by jail staff verifying jail time served.

Adjustments, Reversals and Voids

All clerks have the ability to process adjustments, reversals and voids within Odyssey. There are no policies or best practices that are enforced when a clerk performs any of the related functions. The court does not require the clerks to enter a reason in Odyssey for the changes, nor does it require management approval.

Finding 9: Cases have adjustments, reversals, and voids with no explanation as to why the changes are being made. No management approval or proper support documentation of the adjustments, reversals and voids are included in Odyssey for validity.

Recommendation 9: A policy should be implemented for the process of how adjustments, reversals, and voids are handled and properly approved by management. Documentation related to these changes should be uploaded into the case file within Odyssey.

Conclusion:

The office is in compliance with receipting and the PC 30 collection fee. Deposits should be made within the five business day timeframe, or sooner. The office should begin submitting the monthly reports to Commissioner's Court. It is recommended a safe be utilized to improve the safeguarding collections. Office policies and procedures should be implemented to improve the separation of duties, address management approval of all adjustments, reversals and voids, and ensure that all credits applied to cases are approved by the Judge. All documentation should be scanned into the case file and all efforts should be made to keep the cases up to date within Odyssey.

The Auditor's Office has completed this audit with objectivity and due professional care. As this internal audit was not a detailed examination of all transactions, there is a risk that errors or fraud were not detected. The official therefore, retains the responsibility for the accuracy and completeness of the financial information.