

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 4

2021

Jerie Gore

September 19, 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, Pct. 4. 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. 4 office and the administrative procedures related to these cases. This included, but not limited to: the books, accounts, reports, dockets, and records of the Justice of the Peace, Pct. 4.

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.”

Making 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 in compliance with the statute for making timely deposits.

Private Collection Fees

The Code of Criminal Procedures, Section 103.0031 Collection Contracts states the commissioner’s 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 commissioner’s 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 monthly reports to commissioner’s court during the audit period. Monthly reports were submitted to the Auditor and Treasurer’s office. The office started submitting the monthly reports to commissioner’s court as of June 2022.

Recommendation 4: Monthly reports should continue to be submitted timely to commissioner’s court.

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 August 03, 2022. All collections were accounted for at the time of the surprise cash count. The office currently does not accept cash for payments.

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 one deputy clerk. 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 between 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 that were granted a payment plan in which the defendant quit making timely payments were not sent to collections or had a show-cause hearing initiated.

Recommendation 7: Cases that are past the timeframe and not granted extensions should be reviewed and sent to collections.

Adjustments, Reversals and Voids

Only the chief clerk has the ability to process adjustments, reversals and voids. The office does provide an explanation as to why adjustments, reversals or voids were made within the case.

Finding 8: Deputy clerks do not have the permission to perform adjustments, reversals and voids. No discrepancies were noted.

Conclusion

The office is in compliance with receipting, making timely deposits, and the PC 30 collection fee. The office should continue to submit the monthly reports to Commissioner's Court. Office policies and procedures should be implemented to improve the separation of duties. The office should begin to properly secure collections and monitor cases that were granted a payment plan on a regular basis.

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.



From the Desk of Vicky Page-Chief Clerk for J.P. 4

Re: Response to Justice of the Peace Audit Conducted in 2022(for 2021)

MONTHLY REPORTS

Finding 4:

The office did not submit monthly reports to Commissioner's Court until June of 2022. The reasoning is that no justice of the peace chief clerk was made aware of this requirement until June of 2022. This has been turned in every month since this was brought to my attention.

PHYSICAL SECURITY & PROPER MANAGEMENT OF COLLECTIONS

Finding 5:

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

Recommendations:

This office has never had a secured wall or floor safe. The money is kept mainly in the back office in the filing cabinet. We didn't have a key at the time of the audit. I did find a key to the filing cabinets shortly after the audit. The payments are now under lock and key.

I recommend that some of the money taken in from ticket revenue(Court House Security)be used to purchase the office a secured safe.

SEPARATION OF DUTIES:

Finding 6: This office only has one chief and one deputy clerk. There cannot be separation of duties because of this reason. The chief is the only one that corrects any financials because she is responsible for reporting to the treasurer. The chief prepares all deposits unless she is out for the week. The clerks take turns going to the bank to make the deposits.

Recommendations:

The office needs to be approved for 3 full time employees in order to have separation of duties. We are the Only JP office with only 2 full time employees.

COMPLETENESS & ACCURACY:

Finding 7: The cases that are granted Payment Plans, Deferred, DSC will get a letter from our collections agency when they are delinquent. We try very hard to go through these cases every month. We do send out Show-Cause hearing notices. We get good results with these letters, the defendant usually will pay or submit the document needed to clear their case. If the defendant is a no show then they will be added to dps omni system and or compact.

Vicky Page 9/30/22