

**Leslie Wilks Garcia, C.P.A., C.F.E.**  
*First Assistant County Auditor*



1001 Preston, Suite 800  
Houston, Texas 77002-1817  
(832) 927-4600

**Errika Perkins, C.P.A., C.I.A.**  
*Chief Assistant County Auditor*  
*Audit Division*

Fax (713) 755-8932  
Help Line (832) 927-4558

**MICHAEL POST, C.P.A., M.B.A.**  
**HARRIS COUNTY AUDITOR**

June 26, 2020

Honorable Sharon M. Burney  
Justice of the Peace, Precinct 7, Place 2  
5300 Griggs Road, 2<sup>nd</sup> Floor  
Houston, Texas 77021

Dear Judge Burney:

The Harris County Auditor's Office - Compliance Audit Department has completed an audit of the monthly collection reports submitted by Justice of the Peace, Precinct 7, Place 2 for the three months ended February 29, 2020. The results of our audit are included in the attached report.

We appreciate the time and attention provided by you and your staff during this engagement. If you have any questions, please contact me or Errika Perkins, Chief Assistant, at 713-274-5673.

Sincerely,

A handwritten signature in blue ink that reads "Michael Post".

Michael Post  
County Auditor

Attachment

cc: District Judges  
County Judge Lina Hidalgo  
Commissioners:  
R. Jack Cagle  
Rodney Ellis  
Adrian Garcia  
Steve Radack  
Vince Ryan

AUDIT REPORT  
QUARTERLY REVIEW OF MONTHLY COLLECTION REPORTS  
**JUSTICE OF THE PEACE, PRECINCT 7, PLACE 2**  
JUNE 26, 2020

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## Executive Summary

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### OVERALL CONCLUSION

Based on the procedures performed, the amounts reported for the Justice of the Peace, Precinct 7, Place 2 (Court) were properly deposited into Harris County's (County) depository, receipts were accounted for, and fines and fees were accurate. However, the monitoring controls for the timely submission of the monthly collection reports were not operating as Management intended. This issue was discussed with the Court's Chief Clerk, and a management action plan has been developed, which will address the issue identified by July 10, 2020.

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### SCOPE AND OBJECTIVE

As required by Local Government Code (LGC) §115.002 (a) and (b), the Compliance Audit Department of the Harris County Auditor's Office examined the monthly collection reports and related records submitted by the Court for the three months ended February 29, 2020. The objectives of this engagement were to determine whether:

- The monthly collection reports were submitted timely and the amounts reported were properly deposited into the County's depository.
- The numerical sequencing of receipts was accounted for.
- Receipts were properly allocated in the Odyssey Case Management System (Odyssey).
- Fines and fees were accurately assessed and recorded.

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### SUMMARY OF AUDIT ISSUES

- Monthly collection reports were not submitted timely.

The audit issue, management's action plan to address the issue, and background information regarding this audit are discussed in more detail on the following pages.

## AUDIT ISSUE

### **ISSUE #1: MONTHLY COLLECTION REPORTS WERE UNTIMELY**

**What is the Issue:** The Elected Official was not available to sign the December 2019 monthly collections report. As a result, the monthly collections report was submitted 13 days after the last day of the month.

**What is Expected:** In accordance with LGC §114.001, *General Requirements Applicable to Reports*, monthly collection reports must be filed within five days after the last day of each month.

**Why it Matters:** Failure to submit the monthly collection reports timely, within five days after the last day of each month, could cause delays in recording financial activity in Odyssey and could result in financial misstatements.

**Why it Happened:** The Court does not have adequate controls in place to ensure that monthly collection reports are submitted timely when the Elected Official is not available.

**What Action(s) are Suggested:** The Court should strengthen its internal controls to help ensure monthly collection reports are submitted timely, within five days after the last day of each month, by designating an authorized signer for the monthly collection reports when the Elected Official is not available. The Court should indicate the personnel authorized to submit the monthly collection reports, on behalf of the Elected Official utilizing County Auditor's Form 127C, *Compliance Audit Signature Authorization Form*, and file it with the Auditor's Office.

### **MANAGEMENT'S ACTION PLAN**

**Responsible Party:** Sylvia Ybarbo, Chief Clerk

Justice of the Peace, Precinct 7, Place 2 agrees with your findings. In the future if Judge Burney is not available to sign the monthly report, Chief Clerk Sylvia Ybarbo has the authorization to sign in her absence. This will enable our department to submit the monthly report timely.

**Due Date:** July 10, 2020

## BACKGROUND

The Justice of the Peace presides over civil and criminal cases in the justice court. These cases include civil matters less than \$10,000, evictions, disorderly conduct, and traffic violations. The Justice of the Peace collects fees and fines as a result of these cases. All collections must be detailed on the monthly collections report, which is due on or before the fifth day of the subsequent month.

## ACCOUNTABILITY

The work performed required our staff to exercise professional judgment in completing the engagement's objectives. As the engagement's scope did not include a detailed inspection of all expenses or collections, there is a risk that fraud, errors, or omissions were not detected during this engagement. The official therefore, retains the responsibility for the accuracy and completeness of their financial records and for ensuring sufficient controls are in place to detect and prevent fraud, errors, or omissions.