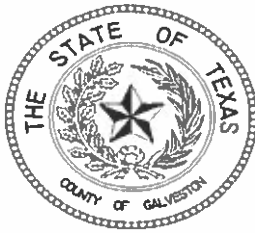


GALVESTON COUNTY



Office of County Auditor

Randall Rice CPA CISA CIO, County Auditor
Kristin Bulanek CIA, First Assistant County Auditor

P.O. Box 1418, Galveston, Texas 77553

(409) 770-5304

722 Moody Ave 4th Floor, Galveston, TX 77550

November 4, 2019

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 2 (Galveston and Santa Fe locations). The audit covered the period from July 2019 through September 2019.

Sincerely,

A handwritten signature in black ink, appearing to read "Kristin Bulanek". The signature is written over a large, stylized circular mark that resembles a stylized "R" or a similar symbol.

Randall Rice CPA
County Auditor

cc: Honorable Michael Nelson

Attachment: Quarterly Audit Report, Justice of the Peace, Precinct 2

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722 Moody Ave 4th Floor, Galveston, TX 77550

October 25, 2019

Honorable Michael Nelson
Justice of the Peace, Precinct 2
1922 Sealy
Galveston, Texas 77550

Honorable Michael Nelson:

The Galveston County Auditor's Office has examined the collections and monthly reports submitted by Justice of the Peace, Precinct 2 (Galveston and Santa Fe locations) for the months of July 2019 through September 2019. The scope of the examination was limited to reviewing the records submitted to this office by Justice of the Peace, Precinct 2. 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. The office is in compliance with the collection contract and county policy.

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. The office is in compliance with PAW §31.128 and county policy.

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. The office is in compliance with Transportation Code §706 and county policy.

Bond Bank Reconciliations

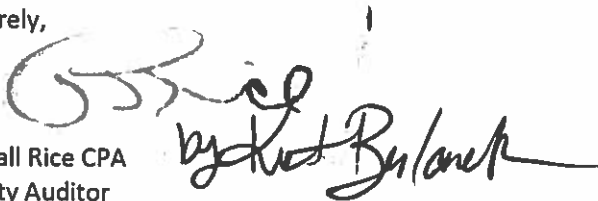
Properly prepared and adequately supported bank reconciliations are one of the best methods of cash management available to any official. The reconciliation process identifies any discrepancies in the bond account and assists in preventing the misuse of funds. LGC §114.043 Periodic Report to County Auditor 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 August and September 2019 bond bank reconciliations were not submitted in a timely manner.

Recommendation JP2-19-04: 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 November 4, 2019. Please contact Lori McWhirter, Internal Audit Manager, at (409) 770-5356 if you have any questions or comments regarding this report.

Sincerely,

A handwritten signature in black ink, appearing to read "Randall Rice", with a stylized flourish underneath.

Randall Rice CPA
County Auditor