



**COMMISSIONERS COURT
COMMUNICATION**

COURT ORDER NUMBER _____

PAGE 1 OF 4

DATE: 1/28/2025

**SUBJECT: RECEIVE AND FILE THE AUDITOR'S REPORT OF THE REVIEW OF
FINANCIAL AND SYSTEM CONTROLS FOR THE JUSTICE OF THE
PEACE, PRECINCT 8**

***** CONSENT AGENDA *****

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court receive and file the Auditor's Report of the Review of Financial and System Controls for Justice of the Peace, Precinct 8.

BACKGROUND

In accordance with Local Government Code, the Auditor's Office reviewed financial transactions and system controls for Justice of the Peace, Precinct 8, during the fiscal year ending September 30, 2024.

FISCAL IMPACT

There is not fiscal impact associated with this action.

SUBMITTED BY	Auditor	PREPARED BY:	Kim Trussell
		APPROVED BY:	Kimberly Buchanan

Kimberly M. Buchanan, CPA
Tarrant County Auditor

Linda R. Castillo
First Assistant County Auditor



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January 7, 2025

The Honorable Lisa Woodard, Justice of the Peace, Precinct 8
The Honorable District Judges
The Honorable Commissioners Court
Tarrant County, Texas

Re: Auditor's Report – Review of Financial and System Controls, Justice of the Peace, Precinct 8


SUMMARY

In accordance with Local Government Code, the Auditor's Office reviewed financial transactions and system controls for Justice of the Peace, Precinct 8 (JP8) during the fiscal year ending September 30, 2024. JP8 recorded receipts totaling approximately \$3.3 million during the twelve-month review period.

As a result of our review, we observed voided financial transactions did not always have evidence of an independent approval. Although significant improvements have been made to the strengthen internal controls since our last audit, this issue was previously reported. This issue and the recommended actions are described in further detail on the following page. We also communicated less significant issues with management.

We appreciate the cooperation of the JP8 staff during the review. If you have any questions, please do not hesitate to contact me.

Sincerely,


Kimberly M. Buchanan, CPA
Tarrant County Auditor

Attachment: Management's response

Distribution: Monique White, Court Manager

INTERNAL AUDIT REPORT
REVIEW OF FINANCIAL AND SYSTEM CONTROLS

January 7, 2025

VOIDED FINANCIAL TRANSACTIONS DID NOT ALWAYS HAVE EVIDENCE OF AN INDEPENDENT APPROVAL.

Background: To reduce the risk of errors and theft, no one person should have complete control over the cycle of financial transactions. Odyssey is configured to require an authorized secondary approval for voided transactions. The secondary approval process is initiated when the user that processed the original payment marks the payment as void. An authorized user enters their unique Odyssey credentials to approve the void.

Per the *Standardized JP Financial Transactions* manual distributed by the Auditor's Office in February 2023, the justice courts were directed to utilize Odyssey system controls for independent approval of voided financial transactions.

What is the issue: We tested all 27 voids during the audit period and observed three voids, totaling \$882, were processed with no evidence of an independent review and approval. One voided transaction was over \$800. We reviewed all three voids in detail and found that all three appeared legitimate.

Why it matters: Without segregation of duties or other mitigating internal controls, such as an independent or supervisory review, errors and fraud may not be prevented or detected.

Recommended actions: As stated in the *Standardized JP Financial Transactions* manual, JP8 should ensure that staff utilizes the Odyssey system controls for an independent secondary approval of all voided financial transactions. Furthermore, we recommend that the daily reconciliation process include a review of all voided transactions to ensure an independent approval was performed.



TARRANT COUNTY

**Administration Building
3500 Miller Avenue
Fort Worth, Texas 76119
817-531-5625**

**LISA R. WOODARD
JUSTICE OF THE PEACE
PRECINCT 8**

January 13, 2025

Kimberly Buchanan, CPA
The Honorable District Judges
The Honorable Commissioners Court

Dear Ms. Buchanan,

Thank you for the opportunity to work with you during this audit of financial and system controls. As you noted, JP8 recorded receipts totaling approximately \$3.3 million during the twelve-month review period, which substantiates the claim of us being a hugely busy court. During the audit, we worked with Keeli Woods, who was very professional and a pleasure to work with.

Observation #1: 27 Voided transactions were tested; 3 did not have evidence of an independent review and approval.

Response: Our number one goal is to remain in compliance with all statutes, codes, policies and procedures, and secondly to mitigate the risk of theft in our court. I hired a new court manager during the summer of June 2022, who misunderstood that she is not to perform the full voided transaction. This error has since been corrected, and moving forward you will see an improvement in this notated observation. She does have a copy of the Standardized JP Financial Transactions manual, which she will ensure is adhered to.

Thank you.


Lisa Woodard

Justice of the Peace, Pct. 8