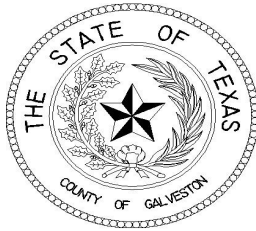


# **GALVESTON COUNTY**



## **Office of County Auditor**

**Randall Rice CPA CISA CIO, County Auditor**  
**Madeline Walker CPA CFE, First Assistant County Auditor**

**P.O. Box 1418, Galveston, Texas 77553**

**(409) 770-5304**

**722 Moody Ave 4<sup>th</sup> Floor, Galveston, TX 77550**

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March 3, 2025

Honorable Mark A. Henry, County Judge, and  
Members of the Commissioners Court

Honorable Mark A. Henry and Members of the Court:

Attached to be received and filed is the internal audit report of Justice of the Peace, Precinct 2. The audit covered the period November 1, 2023 through October 31, 2024. Also attached is the response letter from Honorable Blake Apffel, dated February 11, 2025.

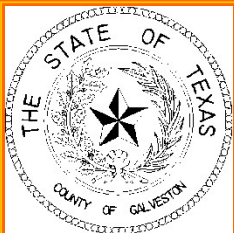
Sincerely,

*Randall Rice CPA*

Randall Rice CPA  
County Auditor

cc: Honorable Judge Blake Apffel

Attachment: Justice of the Peace, Precinct 2 Audit Report  
Response Letter, Judge Blake Apffel



# Justice of the Peace, Precinct 2 Audit

**December 6, 2024**

Galveston County  
Internal Audit  
Division

Randall Rice CPA  
CITP CISA CIO CBM DABFA CGMA  
County Auditor

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# Executive Summary

## Reliability and Integrity of Information (page 3)

- Compensating controls have been implemented in different areas of the court's operations to ensure a proper separation of duties.
- No material discrepancies were noted in the testing of adjustments, reversals and voids.
- No material exceptions were noted in the recording of citations issued by the Galveston County Sheriff's Office in Odyssey.

## Safeguarding of Assets (page 4)

- All collections were accounted for during the surprise cash counts.
- Physical security over assets (collections) is adequate.
- The court deposits collections daily.
- Bond account bank reconciliations are reviewed quarterly by the Auditor's Office.

## Compliance with Statutes, Policies and Procedures (pages 5-7)

- No material discrepancies were noted in the testing of Administrative Dismissals.
- No discrepancies were noted in the testing of No-Charge Dismissals.
- No material discrepancies were noted in the testing of assessing court costs, fines and fees.
- No material discrepancies were noted in the court's compliance with the "Allocation Rule".
- No material discrepancies were noted in the testing of Time Payment fees.
- PC30 collection fee calculation must include the entire outstanding balance of any fines, fees and court costs, in compliance with CCP §103.0031.
- No discrepancies were noted in the testing of credits awarded for compliance with CCP §45.048, CCP §45.049(a), CCP §45.0491 and court policy.
- No material discrepancies were noted in the testing of compliance with CCP § 45.051 and court policy.

## Statistical Analysis (pages 8-9)

- The largest number of case types filed have continually been criminal cases (Traffic and Non-Traffic Misdemeanors), increasing from 3,466 in FY2020 to 3,694 in FY2024. The second-highest number of case types filed was civil, which decreased from 822 in FY2020 to 1,911 in FY2024.
- Revenue collected during October 1, 2020 through July 31, 2024 increased 14.57% from \$631,945 in FY2020 to \$739,726 in FY2024.

## Introduction

The Internal Audit Division conducted an internal audit of the Justice of the Peace, Precinct 2, in accordance with Local Government Code (LGC) §115. The internal audit covered the period November 1, 2023 through December 6, 2024. The audit was performed from November 20, 2024 through December 6, 2024.

The primary objectives of the internal audit are to provide reasonable assurance concerning:

- Reliability and integrity of the information
- Safeguarding of assets
- Compliance with laws, regulations, contracts, policies, plans and procedures

The scope of the internal audit encompassed the financial records and administrative procedures related to the Justice of the Peace, Precinct 2. The internal audit included, but was not limited to, the books, accounts, reports, dockets and records of the Justice of the Peace, Precinct 2.

The internal audit included examining transactions on a test basis and required exercising judgment in the selection of such tests. As the internal audit was not a detailed examination of all transactions, there is a risk that errors or fraud were not detected during the internal audit. The official therefore retains the responsibility for the accuracy and completeness of the financial information.

Because of certain statutory duties required of the County Auditor, we are not independent with regard to the Galveston County Justice of the Peace, Precinct 2 as defined by the AICPA professional standards. However, our internal audit was performed with objectivity and due professional care.

Cynthia Hicks, Internal Auditor, performed the audit.

## **Reliability and Integrity of Information**

Reliable information is accurate, timely, complete and useful. In order to achieve this, controls over record keeping and reporting must be adequate and effective.

### **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. A proper separation of duties is not possible for Justice of the Peace, Precinct 2 at this time due to the size of staff and budgetary constraints; however, compensating controls have been implemented in different areas of the court's operations.

### **Adjustments, Reversals and Voids**

All clerks have the ability to process adjustments, reversals and voids in Odyssey. Court policy requires a copy of the transaction receipt to be printed with an explanation documented and signed by the clerk who initiated the transaction and a clerk approving the transaction. Proper support of the adjustments, reversals and voids must be scanned into Odyssey. A sample of adjustments, reversals and voids was tested for compliance with the court policy. No material discrepancies were noted.

### **Completeness and Accuracy**

Information from citations issued by the Galveston County Sheriff's Office is recorded in their Record Management System (RMS). The citations are turned into the related Justice Court and subsequently entered into Odyssey by the clerks. Internal Audit tested a sample of citations recorded in RMS to verify the information was completely and accurately recorded in Odyssey. No material discrepancies were noted.

## **Safeguarding of Assets**

Safeguarding of assets has three basic components: 1) physical security of the collections, 2) minimal exposure to loss, and 3) proper management of the collections.

### **Physical Security**

Physical security encompasses any method to physically secure the collections from loss. Monies collected should be kept in a locked drawer or safe until they are deposited in the bank.

As part of the audit, the auditor conducted a surprise cash count at the Santa Fe office on November 20, 2024 and at the Galveston office on November 25, 2024. All collections were accounted for at the time of the surprise cash counts. Controls are in place to ensure the staff uses a lockable safe to secure collections until they are ready to be deposited. The safe remains locked when not in use.

### **Minimizing Exposure to Loss**

Daily depositing is one of the best methods of minimizing exposure of collections to loss as well as providing the county with the maximum benefit of the collections. Justice of the Peace, Precinct 2 has a policy to deposit collections daily. Deposits are reviewed quarterly by the Auditor's Office.

### **Management of Collections**

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. Justice of the Peace, Precinct 2 performs a bond account bank reconciliation each month and submits a copy to the Auditor's Office. Bond account bank reconciliations are reviewed quarterly by the Auditor's Office.

# **Compliance with Statutes, Policies and Procedures**

The following areas were tested to provide reasonable assurance the court is in compliance with statutes, policies and procedures.

## **Administrative Dismissals**

Certain charges may be dismissed with an administrative fee when the defendant provides proof the underlying violation is resolved within the statutory time limit. When the proof is presented and the administrative fee has been paid, the clerk may dismiss the case without the consent of the Judge or the Assistant District Attorney. A sample of administrative dismissals was tested for compliance with applicable statutes. No material discrepancies were noted.

## **Code of Criminal Procedures (CCP) §32.02 Dismissal by State's Attorney**

CCP §32.02 Dismissal By State's Attorney states "The attorney representing the State may, by permission of the court, dismiss a criminal action at any time upon filing a written statement with the papers in the case setting out his reasons for such dismissal, which shall be incorporated in the judgment of dismissal. No case shall be dismissed without the consent of the presiding judge." Court policy requires support documentation for no-charge dismissals, signed by the Judge or the Assistant District Attorney, to be scanned into Odyssey as proof of its validity. A sample of no-charge dismissals was tested for compliance with CCP §32.02 and court policy. No discrepancies were noted.

## **Court Costs, Fines and Fees**

The Texas Judicial Branch publishes a 'Justice Court Convictions Court Cost Chart' each year there is a legislative update. The chart shows the fees to be assessed for misdemeanor offenses, including specific costs not assessed upon conviction, but assessed under appropriate circumstances. The chart also provides the statute that supports the amount of court costs, fines and fees reflected on the chart. A sample of cases was tested for compliance with the applicable statutes regarding court costs, fines and fees collected by the office. No material discrepancies were noted.

## **Allocation Rule**

Attorney General Opinion GA-147 and the 'Justice Courts - Court Costs and Fees Handbook' define the "Allocation Rule" as the practice of allocating monies received from a defendant first to pay costs and then to pay a fine. If the monies received do not cover all of the costs, then the monies must be allocated to costs on a pro rata basis. Accordingly, any credit awarded (Jail Time Credit, Community Service, Waivers) must be applied to the fine amount first, then to court costs and fees. A sample of cases was tested for compliance with the "Allocation Rule".

## **Compliance with Statutes, Policies and Procedures (cont.)**

### **Time Payment Fee**

If a person is convicted of a felony or misdemeanor and pays any part of the court costs, fine, or restitution on or after the 31st day after the judgment day, the court must assess an additional cost of a time payment fee. CCP §102.030 (effective as of 1/1/2020) states “(a) A person convicted of an offense shall pay a reimbursement fee of \$15 if the person: (1) has been convicted of a felony or misdemeanor; and (2) pays any part of a fine, court costs, or restitution, or another reimbursement fee, on or after the 31st day after the date on which a judgment is entered assessing the fine, court costs, restitution, or other reimbursement fee.” A sample of cases was tested for compliance with CCP §102.030. No material discrepancies were noted.

### **CCP §103.0031 Collection Contracts**

CCP §103.0031 states the commissioners court of a county may enter into a contract with a private attorney or a public or private vendor for the provision of collection services for debts and accounts receivable such as unpaid fines, fees, court costs, forfeited bonds, and restitution. A commissioner’s court that enters into a contract with a private attorney or private vendor under this article may authorize the addition of a collection fee (PC30 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. A sample of cases was tested for compliance with CCP §103.0031.

**Finding:** PC30 fees are not consistently being assessed accurately in Odyssey.

**Recommendation JP2-25-01:** To ensure compliance with CCP §103.0031, PC30 collection fee calculation must include the entire outstanding balance of any fines, fees and court costs.

### **Credits**

#### **Jail Time Credit**

CCP §45.048 Discharged From Jail states a defendant placed in jail shall be discharged by showing the defendant is too poor to pay the fine and costs, or has remained in jail a sufficient length of time to satisfy the charges. Per court policy, the defendant must provide proof of time served.

#### **Community Service**

CCP §45.049 (a) Community Service in Satisfaction of Fine or Costs states a justice or judge may require a defendant who fails to pay a previously assessed fine or costs, or who is determined by the court to have insufficient resources or income to pay a fine or costs, to discharge all or part of the fine or costs by performing community service.



## **Compliance with Statutes, Policies and Procedures (cont.)**

### **Indigent Credit/Waivers**

CCP §45.0491 Waiver of Payment of Fines and Costs for Indigent Defendants and Children states a justice court may waive payment of all or part of a fine or costs imposed on a defendant if the court determines that:

- (1) the defendant is indigent or does not have sufficient resources or income to pay all or part of the fine or costs or was, at the time the offense was committed, a child as defined by Article 45.058(h); and
- (2) discharging the fine or costs under Article 45.049 or as otherwise authorized by this chapter would impose an undue hardship on the defendant.

Court policy dictates all credit awarded must be approved by the Judge and adequate support documentation for credits must be scanned into Odyssey as proof of its validity.

A sample of cases was tested for compliance with CCP §45.048, CCP §45.049(a), CCP §45.0491 and court policy. No material discrepancies were noted.

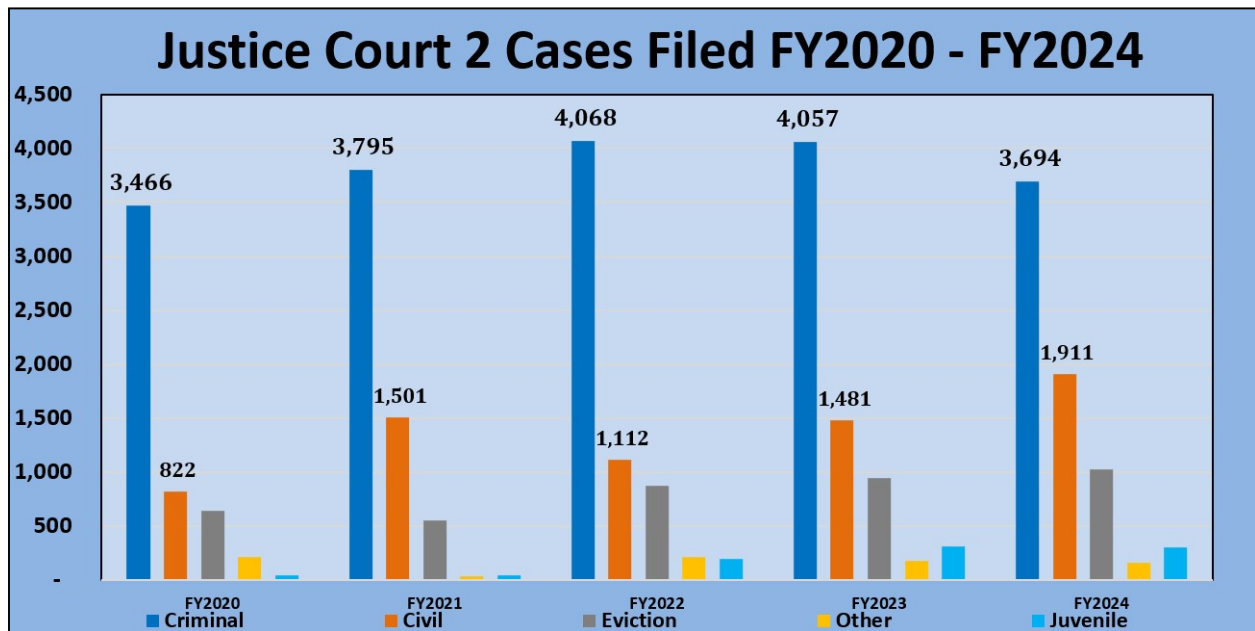
### **Deferred Disposition (Adjudication)**

CCP §45.051 Suspension of Sentence and Deferral of Final disposition states on a plea of guilty or nolo contendere on a misdemeanor case, the judge may defer further proceedings without entering an adjudication of guilt and place the defendant on probation not to exceed 180 days. In issuing the order of deferral, the judge may impose a fine on the defendant in an amount not to exceed the amount of the fine that could be imposed on the defendant as punishment for the offense. The fine may be collected at any time before the probation ends. The judge may elect not to impose the fine for good cause shown by a defendant. If the judge orders the collection of a fine under this subsection, the judge shall require the amount of the fine be credited toward the payment of the amount of any fine imposed by the judge as punishment for the offense. Court policy dictates all support documentation to deferred cases, including the Order for Deferred Disposition (Adjudication) signed by the judge, are scanned into Odyssey and the physical copy is retained in the case jacket. A sample of cases was tested for compliance with CCP §45.051 and court policy. No material discrepancies were noted.

## Statistical Analysis

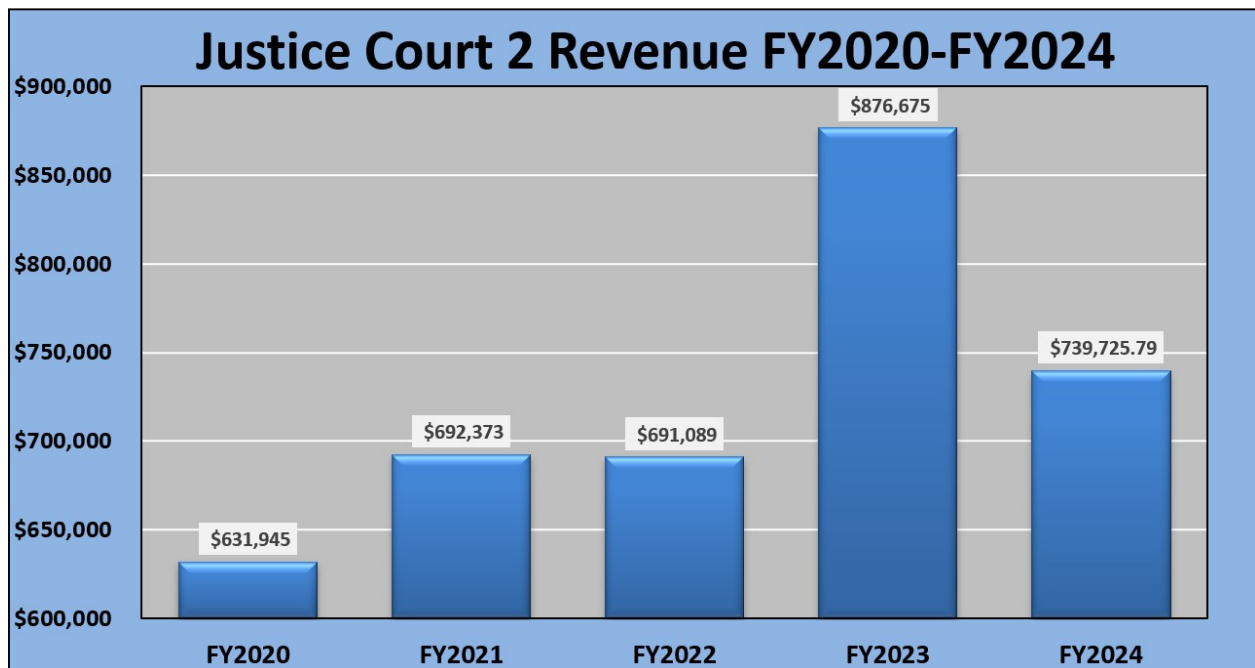
A five-year statistical analysis was performed on the cases filed through Justice of the Peace, Precinct 2 from FY2020 through FY2024. The data for the analysis was obtained from the Odyssey Case Filing Statistics Report. The date range used for the report was October 1, 2020 through September 30, 2024. The largest number of case types filed has continually been criminal cases (Traffic and Non-Traffic Misdemeanors), increasing from 3,466 in FY2020 to 3,694 in FY2024. The second-highest number of case types filed was civil, which increased in cases from 822 in FY2020 to 1,911 in FY2024. The following reflects the number of cases filed during the five-fiscal year analysis:

	<b>Criminal</b>	<b>Civil</b>	<b>Eviction</b>	<b>Other</b>	<b>Juvenile</b>	<b>FY Totals</b>
<b>FY2020</b>	3,466	822	636	215	37	<b>5,176</b>
<b>FY2021</b>	3,795	1,501	548	35	37	<b>5,916</b>
<b>FY2022</b>	4,068	1,112	875	209	189	<b>6,453</b>
<b>FY2023</b>	4,057	1,481	945	178	305	<b>6,966</b>
<b>FY2024</b>	3,694	1,911	1,022	161	299	<b>7,087</b>
<b>Total</b>	<b>19,080</b>	<b>6,827</b>	<b>4,026</b>	<b>798</b>	<b>867</b>	<b>-</b>



## Statistical Analysis (cont.)

A five-year statistical analysis was performed on the revenue collected by Justice of the Peace, Precinct 2 from FY2020 through FY2024. The data used in the analysis was obtained from ONESolution, the county's financial reporting system. The date range used for the report was October 1, 2020 through September 30, 2024. The annual bank deposit total increased 19% from \$631,945 in FY2020 to \$739,726 in FY2024. The following chart reflects revenue collected by Justice of the Peace, Precinct 2 during the five-year fiscal year analysis:





**JUDGE D. BLAKE APFFEL  
JUSTICE COURT TWO  
GALVESTON COUNTY TEXAS**

**11730 Hwy 6  
Santa Fe, Texas 77510**

**Office Number: 409-770-5484  
Fax Number: 409-925-8290**

February 11, 2025

Dear Mr. Rice,

After review of the Audit Report, I Judge D. Blake Apffel, submit this letter expressing my staff's and my continued dedication to work toward compliance with the recommendations of the Auditor's office.

Thank you and your staff for the audit and the diligent work of the audit team.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Blake Apffel", is written over the printed name.

D. Blake Apffel  
Justice of the Peace  
Precinct 2  
Galveston County, Texas  
409-770-5490