



DALLAS COUNTY COUNTY AUDITOR

Memorandum

To: Honorable Judge Steven Seider
Justice of Peace, Precinct 3, Place 2 (formerly Place 3)

From: Virginia A. Porter *Virginia A. Porter*
County Auditor

Subject: Review Performed for Fiscal Years 2009 through partial 2011 (1/31/11)

Date: Issued February 10, 2012
Released July 25, 2012

Scope

A review was performed in accordance with statutory guidelines on the records and reports of Justice of the Peace, Precinct 3, Place 3 for fiscal years 2009 thru partial 2011.

Review Procedures

Standard review procedures were followed to test the internal controls for cash, revenue, and other county assets. A random sampling of the total activity was selected for certain review steps based on risk, the dollar value of transactions, the volume of transactions, and noted internal control weaknesses. Testing involved a review of the JP Accounting System (JPAS) as well as case jackets.

A partial list of the review tests include:

- Accounted for numerical sequence of manual and computer generated receipts
- Traced amounts recorded on the receipts to the bank deposits
- Performed unannounced cash counts
- Examined special fund disbursements and associated fee dockets to determine if sufficient funds were collected, proper payees paid, and if posting to the JPAS had occurred
- Reviewed assessed fees for compliance with applicable state laws and Commissioners Court orders
- Reviewed unpaid criminal cases for outstanding warrants of arrest
- Traced issuance of bad check actions to the criminal fee dockets to confirm the filing of the cases, collections of assessed fines and costs, or the issuance of arrest warrants
- Reviewed time and attendance records for proper posting and compliance with County policies and procedures
- Compared activity reports to actual new cases on the JPAS
- Reviewed 'Justice Fee Exception List' to determine reason for uncollected fees

Statistical Listing

During fiscal year 2009 the justice court processed:

- 24,540 computer receipts totaling \$3,142,064
- 22,893 class C misdemeanors (includes traffic and IBC)
- 2,444 civil/small claims
- 1,239 eviction cases

During fiscal year 2010, the justice court processed:

- 22,241 computer receipts totaling \$2,710,035
- 20,925 class C misdemeanors (includes traffic and IBC)
- 2,036 civil/small claims
- 1,359 eviction cases

During fiscal year 2011, thru January 31, 2011, the justice court processed:

- 5,351 computer receipts totaling \$647,437
- 3,497 class C misdemeanors (includes traffic)
- 547 civil/small claims
- 484 eviction cases

Findings/Observations

Cash Management

Receipts - Computer / Manual - Review of 44,842 (2/1/2009 thru 1/31/2011) computer receipts including 194 (less than 1% of population) voided computer receipts and approximately 165 manual receipts including two voided manual receipts revealed material compliance. Responses to the Internal Control Questionnaire (ICQ) indicate separate cash drawers are not maintained when other staff assist or relieve the bookkeeper.

Disbursement/Reconciliation – Review of special fund activity revealed old case balances totaling approximately \$73,800 (including approximately \$41,000 in cash bonds over four years old) remain in the special fund account without research for disbursement to the applicable party and/or escheating to the County Treasurer or State Comptroller. Forfeiture proceedings are not initiated against defendants to forfeit cash bonds when defendants fail to appear.

***Court Response:** The current case management system (CMS) does not generate a list of funds to be escheated to the County Treasurer or State Comptroller.*

Assessment/Distribution - Review of 69 cases and corresponding computer receipts (553 fee code entries) for compliance with statutorily required court costs, fees and fine revealed material compliance. Response to the Internal Control Questionnaire revealed the Court Costs and Fine fields on the Docket screen are not updated on dismissed cases including administrative dismissals.

Processing/Reporting

Birth Certificates – Review of birth certificate procedures revealed: multiple clerks issuing certificates under the same log-in ID.

Court Response: For efficiency, security, and in order to address problems with the system's robustness, a single computer is logged in once a day.

Criminal Fee Dockets - Review of time payment plans, active warrants or capias (active warrant report R05870), warrants or capias on disposed cases for the appropriateness of warrant status, and corresponding Docket screens revealed: sixteen boxes of cases that are delinquent and waiting for a capias to be issued; and all court employees are authorized to recall warrants. **Status:** As of December 29, 2010, program changes enabled the JP courts to retrieve a daily JP Warrant Error Report from the County's Intranet site. At completion of fieldwork through March 2011, capiases were not issued for delinquent cases in boxes.

Court Responses: County records show that the Justice Courts within Precinct 3 currently have in excess of 45,000 active Class C warrants. Current staffing of the Precinct 3 Constable Office includes four deputies assigned to the Warrant Section to serve the 45,000+ warrants for all three Justice Courts, as well as warrants that come to them from higher courts.

The Dallas County Sheriff will not accept offenders arrested on Class C Warrants – they are usually issued a letter to appear in the JP Court: without ever being “booked-in” to the Dallas County Jail; without ever seeing a magistrate; and without ever having to post a bond.

There is no comprehensive real-time link between law enforcement, the jail, and the JP Courts – which increases the possibility of someone being arrested or held on a warrant in error. The Court has determined that under the current situation, with respect to volume, lack of comprehensive controls and the policies that are beyond the control of the Court, there is a great risk of persons being arrested or held on warrants without being afforded basic Constitutional protections.

The Court policy will be reconsidered upon a change in circumstances that curtail, if not eliminate, some of the present risks.

Civil Fee Dockets – Limited review of fifteen civil cases on the justice fee exception report revealed: three cases filed with pauper's affidavits (20% of sample) were not documented on the JPAS docket screen (were noted on the case jackets) and unpaid filing and service fees totaling \$9,802 for cases filed by the Dallas Housing Authority (DHA) from FY2010 through partial FY2011 (thru March 31, 2011).

Court Response: Invoices were sent by the court to the DHA and collected in full as of December 6, 2011. Delay resulted from DHA not advising the court of a change in DHA personnel handling the payment of invoices.

Other/Miscellaneous

Time and Attendance – Observation of office schedules and review of manual attendance records and Kronos time and attendance system posting revealed: one employee's personal holiday was split between two days and ten hours were used; one employee took 16 hours vacation while on probation; and, employees take one hour for lunch with no breaks while official records (Kronos timekeeping) shows a 30 minute lunch.

Court Response: Employee with split personal day and employee with sixteen hours vacation taken during probationary period did not receive additional compensation/benefit had the time been recorded differently.

RECOMMENDATIONS

Cash Management

Receipts – Computer / Manual – Continue existing receipt issuance practices. Separate cash drawers should be maintained by all clerks receipting payments and funds should be balanced prior to combining with other receipted funds.

Court Response: Separate cash drawers are not necessary, as the practice of balancing receipted funds prior to and following access or receipting by the back-up bookkeeper ensures a clear line of liability in the event a loss were to occur. Additionally, the bookkeeper balances receipted funds several times throughout the day and there has been no instance of shortage/overage since these practices have been implemented.

Disbursement / Reconciliation - A management plan (including reconciling the County's General Ledger and the court's special fund bank account) should be developed and implemented to periodically review the detailed special fund report in order to clear old items on disposed cases in accordance with unclaimed property statutes. Cash bonds should be forfeited in accordance with Code of Criminal Procedure, § 22.18.

Assessment/Distribution – Monitor assessment, collection, and prorating of court costs, fines, and fees in compliance with applicable state laws including Code of Criminal Procedure Chapter 102 and Local Government Code Chapter 133 or Commissioners Court orders and applicable fee schedules based on the offense date. JPAS Docket screen Court Costs and Fine fields should be updated as new court costs are assessed including administrative fees, time payment fees, warrant or capias fees, etc. and as fine amounts are reduced by the Judge.

Processing/Reporting

Birth Certificates – Each authorized employee should be assigned a separate user id and password.

Court Response: Process has been implemented whereby each clerk has been assigned their own user id and password from the Texas Department of Health and, as a security enhancement, the system automatically logs the user off after being dormant for a certain amount of time.

Criminal Fee Dockets – Continue existing recall processes for outstanding warrants or capiases as cases are dismissed or otherwise disposed, payments made in full, time is served, etc. Separation of duties should be established limiting (through system security access) staff assigned to recall warrants.

*Court Response: Cross-training among clerks due to staffing cuts allows any clerk handling a case with a warrant to recall that warrant **immediately**, thereby minimizing the risk of the warrant not being recalled by a single individual at a later time in the event of illness, vacation or a bottle-neck in volume.*

Civil Fee Dockets - Monitor timing/collection of filing fees and service fees in compliance with applicable state laws and Commissioner Court orders for all eviction, civil and small claim cases filed by non-governmental entities and individuals except for those individuals with approved affidavits of indigence on file. Reason for not collecting filing or service fees should be documented on the JPAS and case jacket. Collection of unpaid court costs and service fees should be pursued with assistance through the District Attorney.

***Management Initiative:** The Judge has worked with various attorneys representing taxing jurisdictions in unpaid property tax cases to improve the process and increase the payment of court costs and service fees. The Tax Code does not require prepayment of court costs and service fees from the plaintiff in delinquent property tax suits. When a judgment is issued against the defendant (property owner), court costs and service fees are not paid unless there is a collection from the defendant. Plaintiff attorneys are informing defendants that the court costs and service fees must be paid in order to obtain the release of tax lien.*

Other/Miscellaneous

Time and Attendance – All start times, meal periods, end times, vacation time, sick time, holiday time, jury duty, compensatory time, overtime, etc. should be properly and timely posted to the Kronos time and attendance system in accordance with the Dallas County Code and Commissioners Court orders. Train and update staff on county leave policies and annual holiday schedules.

CURRENT FINDINGS/OBSERVATION AND RECOMMENDATIONS

Findings template numbered 10-JP3.3-01-01 thru 10-JP3.3-01-06 are attached.

Summary

The report is intended for the information and use of the department. While we have reviewed internal controls and financial reports, this review will not necessarily disclose all matters of a material weakness. It is the responsibility of the department to establish and maintain effective internal control over compliance with the requirements of laws, regulations, and contracts applicable to the department.

Low financial risk due to management oversight and implementation of compensating controls for the County's justice court system which is characterized by limited controls and functionality. Processing errors are minimal considering volume and labor intensive recording processes.

Emphasis on outlined procedures should provide for improved departmental processes. Consideration of all issues and weaknesses should be incorporated by the court as a self-assessment tool in testing processing functionality of a new justice court system. Adherence to and follow-through with the recommendations should strengthen internal control and compliance with Dallas County policies and procedures.

cc: Commissioners Court
Ryan Brown, OBE
Honorable Judge Martin Lowy, LADJ



Finding Number: 10-JP3.3-01-01
Date: April 6, 2011
Audit: Justice of the Peace 3-3 Audit FY 09-Partial FY 11(thru 1/11)
Auditor(s) Assigned: NH

<p>Finding:</p>	<p>Receipts Review of 44,842 (2/1/2009 thru 1/31/2011) computer generated receipts including a complete review of 194 voided computer receipts, a sample review of approximately 165 manual receipts including 2 voided manual receipts, a complete review of receipt continuity, testing of voiding procedures for proper accounting and internal controls, and a sample review of Daily Receipts Log revealed material compliance with proper receipting procedures except:</p> <ul style="list-style-type: none"> • Three voided computer receipts did not have the original copy attached <p>Response: Payee had left the office prior to an error being identified. The court attempted to follow-up with the payee to request the return of the original receipt.</p> <p>Responses to the Internal Control Questionnaire (ICQ) revealed:</p> <ul style="list-style-type: none"> • The back-up bookkeeper does maintain a separate cash drawer
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpapers 5A, 5B, 5B.2 Review of ICQ responses</p>
<p>Condition: (Describe the current condition)</p>	<p>Cash payments received by the counter clerks are counted in the presence of the payer. Payments made over the counter and supporting documentation are provided by the counter clerks to the bookkeeper or back-up bookkeeper for receipting. Cash is recounted by the bookkeeper or back-up bookkeeper prior to the generation of the computer receipt with change noted. Check/money order payments are consistently reviewed for correctness by comparing the numeric and written/legal amounts on the check and payer name to the case number, case style, and amount due on the case prior to the generation of the computer receipt. The JPAS is accessed for generating a computer receipt to the appropriate case number and the payment information is entered by the bookkeeper or back-up bookkeeper. The computer receipt is printed and reviewed by the bookkeeper or back-up bookkeeper for accuracy prior to submitting to the customer. If errors are identified, the original computer receipt and copy is voided with an explanation consistently noted. Computer receipts and any change due from cash payments are provided to the customers. During the afternoon each business day prior to closeout, the computer receipts are totaled and compared to the funds on hand and system control totals by the bookkeeper.</p> <p>Document Direct reports are reviewed by the bookkeeper each morning for automated computer receipt postings created overnight from credit card payments processed over the Internet. Intent of the review is to validate accuracy of fee type breakdown and for complete posting of Internet payments. In the event of an identified fee code distribution error, the computer receipt is voided in the JPAS by the bookkeeper. However, no hard copy of a receipt exists for receipts generated through the automated process. The bookkeeper will enter the correct fee code breakdown and generate a new computer receipt with the total amount matching the confirmation received by the customer.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Best practices regarding receipt control procedures require that:</p> <ul style="list-style-type: none"> • All computer receipts should be accounted for and properly used in order to affix responsibility, enhance cash control and prevent potential assertion that monies were paid and refunds due. • Receipts should not be altered, but rather properly voided and affixed with a reason for the void, with retention of all voided copies. • The chief clerk should periodically review the exception reports and transaction logs (especially with respect to receipt deletions, lowered amounts, and payment type changes) to insure that the explanation for the deletions is documented and reasonable.



	<ul style="list-style-type: none"> Assigned duties for cash controls are adequately separated. Corrections are reviewed and approved by the chief clerk. <p>Accounting and system control procedures require daily reconciliation and balancing of collected funds to support documents and separation of duties to affix responsibility for processing. Separate cash drawers should be maintained by all clerks receiving payments, and funds should be balanced prior to combining with other received funds.</p>		
Cause: (Describe the cause of the condition if possible)	N/A		
Effect: (Describe or quantify any adverse effects)	Inability to affix responsibility in the event shortages occur.		
Recommendation: (Describe corrective action)	<ul style="list-style-type: none"> Separate cash drawers should be maintained for all clerks receiving payments including balancing receipted funds prior to combining with other receipted funds. A proper segregation of duties reduces the risk of misappropriated funds and establishes a clear line of liability in the event losses occur. Continue existing receipt issuance practices. 		
Responsible Department or Organization:	Justice of the Peace 3-3		
Management's Response:	<input type="checkbox"/> Agree	<input checked="" type="checkbox"/> Disagree	Respondent: Robyn Klein, Chief Clerk Date: 7/11/2012
Comments:	Separate cash drawers are not necessary, as the practice of balancing receipted funds prior to and following access or receipting by the back-up bookkeeper ensures a clear line of liability in the event a loss were to occur. Additionally, the bookkeeper balances receipted funds several times throughout the day and there has been no instance of shortage/overage since these practices have been implemented.		
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration



Finding Number: 10-JP3.3-01-02
Date: April 6, 2011
Audit: Justice of the Peace 3-3 Audit FY09-Partial FY11(thru 1/11)
Auditor(s) Assigned: NH

<p>Finding:</p>	<p>Fine/Fee Assessments & Docket Screens Review of 69 computer receipts (553 fee code entries) for appropriate assessment and collection of court costs, fines, and fees and accurate posting to the Justice of the Peace Accounting System revealed materially accurate in assessments with minor differences:</p> <ul style="list-style-type: none"> • Three IBC cases were not assessed (by DA Hot Check Section) the correct court costs. As a result, three \$4 fees were not assessed or collected. Status: Corrections processed dragging funds from Fine and transferring to the appropriate fee types. • One case fine was posted to fee type 23 (seat belt fines) instead of fee type 03 (fines). The defendant driver was above the age of 17. • One driver’s license offense incorrectly included an assessment of \$30 for the State Traffic Fee <p>Responses to the Internal Control Questionnaire (ICQ) indicate staff does not update court costs and fine fields on the Docket screen when case dismissals occur including administrative dismissals.</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpapers 5E and a review of collection reports</p>
<p>Condition: (Describe the current condition)</p>	<p>The Justice of Peace Accounting System lacks automated assessment and partial payment distribution functions. Pre-assessed court costs and fine amounts are posted to the JPAS Docket screen by justice court (or populated via automated traffic case filings) staff based on state statutes in effect at the time of the offense.</p> <p>Additional court costs may be manually assessed with the JPAS Court Costs field on the Docket screen updated by the court clerks and the bookkeeper for time payment fees when payment plans are established, transaction fees when payments are presented, and warrants and/or capiases fees as each paper is issued. Other manual adjustments by court clerks or the bookkeeper to the JPAS Court Costs and Fine fields on the Docket screen may occur when defendants present proof of registration, inspection, or a valid driver’s license in conjunction with payment of an administrative fee and dismissal of the case.</p> <p>Proof of insurance will result in dismissal of “no insurance” cases without payment of an administrative fee and the JPAS Court Costs and Fine fields on the Docket screen are inconsistently updated to reflect no fee due. Defendants appearing before the court may receive a reduced fine from the Judge with the judgment reflecting a fine less than the pre-assessed amount, requiring the court clerks or bookkeeper to update the JPAS Fine field on the Docket screen. Other defendants may request and be approved for a driving safety course (defensive driving) with court clerks or the bookkeeper updating the JPAS Court Costs field on the Docket screen by adding an additional \$10 administrative fee to the standard moving violation court costs amount (updating the Docket screen to reflect DSC for reporting to Austin does not occur until proof of course completion is presented to the court along with a copy of insurance and an official driving record from DPS) and requiring payment at the time of request. Other defendants may request and receive deferred adjudication from the court which requires full payment of the court costs for the offense and payment of a “special expense” set by the Judge. The “special expense” in lieu of the fine may not exceed the maximum amount of the fine for the offense. Adjustments are</p>



	<p>required to the JPAS Docket screen fields by court clerks or the bookkeeper to reflect deferred adjudication including noting a date in the Deferred Adjudication judgment date field. Prior to receipting payments, the bookkeeper or chief clerk reviews the JPAS payment history screen for prior payments and the case jacket and JPAS Docket screen for accuracy of amounts due including Court Costs, Fine/Special Expense, FTA Fee, and/or Delinquent Collection Fee. During the receipting process, the bookkeeper, backup bookkeeper, or chief clerk must perform a modified manual cost allocation process to record payments to each fee type.</p>			
<p>Criteria: (Describe the optimal condition)</p>	<p>Court costs, fines, and fees should be assessed/collected/prorated in compliance with applicable state laws including Code of Criminal Procedure Chapters 45 and 102 and Local Government Code Chapter 133, Commissioners Court orders, and Attorney General Opinion No. GA-0147. Court costs should be assessed based on offense date and offense type. Once collected, each fee should be posted to the proper JPAS fee type and paper type. Paper types for designated traffic programs should be used when recording payments on traffic cases. JPAS Docket screens should be updated as cases are filed and additional case activity occurs including, but not limited to, the assessment of additional court costs and/or changes in fines or special expense amounts as ordered by the judge in accordance with Vernon’s Ann., CCRP., § 45.017.</p>			
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Inadequate JPAS system functionality Clerical error</p>			
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Incorrect distribution/disbursement of funds to the State of Texas, Dallas County, and/or other governmental entities requiring additional time to correct posting.</p>			
<p>Recommendation: (Describe corrective action)</p>	<p>Continue to monitor assessment, collection, and prorating of court costs fines, and fees in compliance with applicable state laws including Code of Criminal Procedure Chapter 102 and Local Government Code Chapter 133 or Commissioners court orders and applicable fee schedules based on the offense date and offense type for criminal offenses and file date for civil type cases.</p> <p>JPAS Docket screen posting procedures should include:</p> <ul style="list-style-type: none"> • Updating Docket screens as: cases are filed; warrants or capiases are issued; pleas are entered; court dates are set; cases are dismissed, judgments or deferred adjudications are ordered; defensive driving is authorized; time payment plans are authorized; cases are disposed; etc. • Completing electronic Dockets in compliance with Vernon’s Ann., CCRP, § 45.017. <p>Pursue new Justice of the Peace system with improved features</p>			
<p>Responsible Department or Organization:</p>	<p>Justice of the Peace 3-3</p>			
<p>Management’s Response:</p>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<p>Respondent:</p>	<p>Date:</p>
<p>Comments:</p>				
<p>Disposition:</p>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration	



Finding Number: 10-JP3.3-01-03
Date: April 7, 2011
Audit: Justice of the Peace 3-3 Audit FY 09-Partial FY11 (1/11)
Auditor(s) Assigned: NH

<p>Finding:</p>	<p>Special Fund Transactions: Reconciliation and review of special fund activity (including 299 special funds checks issued during FY09 thru FY11), postings to the JPAS, general ledger and internal control procedures for separation of duties, authorization, funds available for disbursement and proper payees revealed:</p> <ul style="list-style-type: none"> • Old case balances (approximately \$73,800 of \$103,605 system balance as of March 5, 2011 over three years old) in the special fund have not been researched for disbursing to the applicable party (including DART \$5 citation issuance fees) and /or escheating to the County Treasurer or State Comptroller. • One special fund check not posted to the JPAS <p>Status: Court staff posted the check to JPAS using the check issuance date not the current date. As a result, the disbursement was not reflected on subsequent JPAS reports.</p> <p>Forfeiture proceedings not initiated against defendants to forfeit cash bonds when defendants fail to appear (approximately \$41,000 in cash bonds are over four years old).</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpapers 6A, 6B, 6C, 6D-Special fund activity</p>
<p>Condition: (Describe the current condition)</p>	<p>Data source for disbursement activity is request forms, daily special fund deposit reports, and JPAS (when date cards are updated by bookkeeper) detailed monthly special fund balance reports. Balances available to disburse consist of case overpayments, judgments paid into the registry of the court, cash bonds, and service fees for law enforcement agencies without designated fee codes for automated disbursements. Current special fund activity on the JPAS reports is reviewed by the bookkeeper for identification of eligible disbursements. Case jackets are pulled and postings to the JPAS are reviewed to determine the proper payee and amount. To generate disbursements, the bookkeeper prepares and saves a special fund disbursement file to a designated computer drive on an ongoing basis, based on a review of new daily special fund activity by case/receipt. The electronic file is submitted to the County Auditor/County Treasurer for processing, check printing, and mailing. The electronic file reflects details of disbursement. Subsequently, the bookkeeper updates the disbursement information to the JPAS, posting the check number, check amount, and date, but does not reconcile to the general ledger or to the bank. The JP office relies on the County Auditor for reconciliation to the general ledger and on the County Treasurer for bank reconciliations.</p> <p>Limited research of old case balances (approximately \$73,800 of \$103,605 system balance as of March 5, 2011 over three years old) remaining in the special fund account for disbursement or escheatment.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Best practices regarding cash control require that:</p> <ul style="list-style-type: none"> • All special fund disbursements and cancellations should be timely and accurately posted to the JPAS. Fund balances must be reconciled against control records (GL and bank statement). • Special fund reports should be reviewed on a periodic basis and disbursements should be made to the appropriate parties in a timely manner. <p>Bond forfeiture proceedings should be initiated in accordance with Code of Criminal Procedure Chapter 22 when defendants, who post a cash bond, fail to comply with promise to appear before the court.</p> <p>Inactive case balances should be reviewed in accordance with unclaimed property statutes, V.T.C.A., Property Code, § 72 and § 76, and escheated either to the County Treasurer (if \$100 or under) or the State of Texas (if over \$100).</p>



Cause: (Describe the cause of the condition if possible)	Limited staff time to research old items.			
Effect: (Describe or quantify any adverse effects)	Deferred research: <ul style="list-style-type: none"> • Delayed disbursements to entities/individuals entitled to funds. • Penalties from the State for not following escheat statutes may be assessed if not corrected. An action by the state to forfeit a bail bond under Code of Criminal Procedure, § 22.18 must be brought not later than the fourth anniversary of the date the principal fails to appear in court.			
Recommendation: (Describe corrective action)	A management plan including reconciling GL and bank account should be developed and implemented to periodically review the detailed special fund report in order to clear old items on disposed cases. Escheat analysis and stale dating should be managed in accordance with unclaimed property statutes, V.T.C.A., Property Code, § 72 and § 76. (see website: http://www.window.state.tx.us/up/forms.html) Cash bonds should be forfeited in accordance with Code of Criminal Procedure § 22.			
Responsible Department or Organization:	Justice of the Peace 3-3			
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Date:
Comments:				
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration	



Finding Number: 10-JP3.3-01-04
Date: April 7, 2011
Audit: Justice of the Peace 3-3 Audit FY 09-FY 10
Auditor(s) Assigned: NH

<p>Finding:</p>	<p>Warrants, Capias, and Capias Pro Fine Review of 10 cases from the Justice of the Peace 3-3 Collection Referral Report for adequate collection procedures on cases referred to delinquent collection law firm, review of IT Services Active Warrants on Disposed Cases Report dated 4/8/2011, review of 10 cases on time payment plans, review of 10 cases with final judgment, review of 20 disposed cases, and review of 40 cases from the active warrants list (approximately 13,000 active warrants or capias as of 12/19/2010) for validity of warrant issuances, recalls, and served / returned / active / regional statuses revealed (sample sizes less than 1% of population):</p> <ul style="list-style-type: none"> • The court established a collections process for time payment plan cases as required by the Office of Court Administration (OCA) Collections Improvement Program. The Office of Budget and Evaluation (OBE) has provided one designated collection clerk for each court. • All clerks are authorized to recall warrants. • Sixteen boxes of delinquent cases were pending capias issuance at end of fieldwork, March 2011. The court has not issued a capias since January 2011. • Two active warrants on WX50 for disposed cases (constable’s office error). <ul style="list-style-type: none"> • One capias returned to the court as age purged in 2005, remained active • One warrant was active while JPAS docket did not show warrant issuance
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpapers 7A, 7A2, 7B, 7C, 7D, and IT Services Active Cases on Disposed Cases Report and responses to ICQ</p>
<p>Condition: (Describe the current condition)</p>	<p>In response to the OCA and Senate Bill 1863 (enacted by the 79th Legislature in 2005), the court established procedures for defendants requesting time payment plans. These procedures include but are not limited to: defendant completing a personal data form when requesting time to pay, interview of defendant by the court collection clerk, defendant signing a payment agreement, defendant’s phone numbers and references verified by court collection clerk, phone calls and delinquent collection letters sent by court collection clerk within 10 to 14 days of a missed payment based on non-system logs maintained by the court collection clerk, and a notice of show cause hearing sent by court collection clerk when a defendant defaults on a payment plan.</p> <p>Warrants including alias warrants are issued (Warrant/Capias issuance spreadsheet maintained in Excel and updated by court clerks as issuance occurs) by court staff and signed by the Judge when defendants do not appear or do not comply with the terms of release. The issuance date is recorded to the JPAS Docket screen by the court staff. A notice of show cause hearing is issued by court staff when defendants do not satisfy the terms of the judgment including payment of fine and court costs. Criminal process is sent to the constable’s office for service. At the direction of the Court, the Constable does not place warrants/capias on Regional, but rather the process is returned attempted/unserved if the defendant cannot be located.</p> <p>Returned/recalled dates are recorded (Warrant recall log book also maintained in the printer room. Clerks record recall information as warrants are recalled.) to the JPAS as warrants and/or capias are returned from law enforcement agencies by court clerks, but process verification is problematic. Systems are not linked, lack warnings, and when payments are made in full, defendants appear, defendants comply with orders of the court, etc., the court’s employees transmits recall notices to the appropriate law enforcement. Return/recall dates are timely posted</p>



	<p>to the JPAS. The court assigns certain staff to issue warrants and all staff can recall warrants.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>In accordance with state statutes and at the judge’s discretion, warrants/capiases should be issued within a reasonable time frame to further enhance the court’s collections process. All warrants/capiases should be recalled when a defendant makes proper disposition of court costs and fines by payments made, jail time served, community service performed, or other disposition such as appeal of the case to the County Criminal Court of Appeals.</p> <p>Best practices for internal control require separation of assigned duties for personnel authorized to issue and/or recall warrants.</p> <p>Docket screen procedures recommended by the County Auditor in document titled ‘Standard Procedures for Recording Misdemeanor Information to the Docket Screen’ should be followed when recording entries to the court’s official electronic docket which is governed by Code of Criminal Procedure, § 45.017. JPAS Docket screens should be updated as additional case activity occurs including but not limited to warrant/capias issuance/recall/return, jail time served, dismissed dates, deferred adjudication dates, judgment dates, assessment of additional court costs and/or changes in fine/special expense amounts as ordered by the judge. The disposed flag field should be marked with an “X” when the case has reached final disposition, including dismissals, appeals to the County Court of Criminal Appeals, jail time served for satisfaction of fine and court costs, payment in full for satisfaction of fine and court costs.</p> <p>In accordance with Code of Criminal Procedure, Art. 103.0033 (c), unless granted a waiver under Subsection (h), each county and municipality shall develop and implement a program that complies with the prioritized implementation schedule under Subsection (h). A county program must include district, county, and justice courts.</p> <p>(d) The program must consist of:</p> <ol style="list-style-type: none"> (1) a component that conforms with a model developed by the office and designed to improve in-house collections through application of best practices; and (2) a component designed to improve collection of balances more than 60 days past due, which may be implemented by entering into a contract with a private attorney or public or private vendor in accordance with Article 103.0031. <p>(e) Not later than June 1 of each year, the office shall identify those counties and municipalities that:</p> <ol style="list-style-type: none"> (1) have not implemented a program; and (2) are able to implement a program before April 1 of the following year. <p>(f) The comptroller, in cooperation with the office, shall develop a methodology for determining the collection rate of counties and municipalities described by Subsection (e) before implementation of a program. The comptroller shall determine the rate for each county and municipality not later than the first anniversary of the county's or municipality's adoption of a program.</p> <p>(g) The office shall:</p> <ol style="list-style-type: none"> (1) make available on the office's Internet website requirements for a program; and (2) assist counties and municipalities in implementing a program by providing training and consultation, except that the office may not provide employees for implementation of a program. <p>(h) The office, in consultation with the comptroller, may:</p> <ol style="list-style-type: none"> (1) use case dispositions, population, revenue data, or other appropriate measures to develop a prioritized implementation schedule for programs; and (2) determine whether it is not cost-effective to implement a program in a county or municipality and grant a waiver to the county or municipality.



	<p>(i) Each county and municipality shall at least annually submit to the office and the comptroller a written report that includes updated information regarding the program, as determined by the office in cooperation with the comptroller. The report must be in a form approved by the office in cooperation with the comptroller.</p> <p>(j) The comptroller shall periodically audit counties and municipalities to verify information reported under Subsection (i) and confirm that the county or municipality is conforming with requirements relating to the program. The comptroller shall consult with the office in determining how frequently to conduct audits under this section.</p>				
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Inadequate system exception reporting.</p>				
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Liability to County for persons arrested in error. Delayed or loss of revenue for Dallas County and the State of Texas.</p>				
<p>Recommendation: (Describe corrective action)</p>	<p>Warrant and capias procedures should include:</p> <ul style="list-style-type: none"> • At judge’s discretion, warrants or capiases issued timely when defendants do not appear, do not comply with conditions of release, or default on payment terms. Show cause hearings should be set when defendants default on payment plans. • Separation of duties limiting (through system security access) staff assigned to recall warrants. • Outstanding warrants or capiases should be recalled timely when cases are dismissed or otherwise disposed, payments are made in full, time is served, community service is performed, time payment plans are implemented/followed, or official notification / verification of a defendant’s death is received. <p>Continue periodic review of outstanding warrant reports for accuracy.</p> <p>Continue established payment plan procedures and monitor in accordance with Code of Criminal Procedure, Art. 103.0033.</p> <p>Pursue new system with improved features.</p>				
<p>Responsible Department or Organization:</p>	<p>Justice of the Peace 3-3</p>				
<p>Management’s Response:</p>	<input type="checkbox"/> Agree	<input checked="" type="checkbox"/> Disagree	<p>Respondent:</p>	<p>Honorable Judge Steven Seider</p>	<p>Date: 7/20/2012</p>



<p>Comments:</p>	<p>County records show that the Justice Courts within Precinct 3 currently have in excess of 45,000 active Class C warrants. Current staffing of the Precinct 3 Constable Office includes four deputies assigned to the Warrant Section to serve the 45,000+ warrants for all three Justice Courts, as well as warrants that come to them from higher courts.</p> <p>The Dallas County Sheriff will not accept offenders arrested on Class C Warrants – they are usually issued a letter to appear in the JP Court: without ever being “booked-in” to the Dallas County Jail; without ever seeing a magistrate; and without ever having to post a bond.</p> <p>There is no comprehensive real-time link between law enforcement, the jail, and the JP Courts – which increases the possibility of someone being arrested or held on a warrant in error. The Court has determined that under the current situation, with respect to volume, lack of comprehensive controls and the policies that are beyond the control of the Court, there is a great risk of persons being arrested or held on warrants without being afforded basic Constitutional protections.</p> <p>The Court policy will be reconsidered upon a change in circumstances that curtail, if not eliminate, some of the present risks.</p>		
<p>Disposition:</p>	<p><input checked="" type="checkbox"/> Audit Report</p>	<p><input type="checkbox"/> Oral Comment</p>	<p><input type="checkbox"/> Deleted From Consideration</p>



Finding Number: 10-JP3.3-01-05
Date: April 7, 2011
Audit: Justice of the Peace 3-3 Audit FY 09-Partial FY11 (1/11)
Auditor(s) Assigned: NH

<p>Finding:</p>	<p>Accounts Receivable: Review of accounts receivable, 15 civil/small claims/eviction cases from the Justice Fee Exception report, and the Daily Fee Log revealed:</p> <ul style="list-style-type: none"> • One case filed (7% of sample) with filing fees posted to the wrong case. <p>Status: Corrected.</p> <ul style="list-style-type: none"> • Three cases filed (20% of sample) includes pauper’s affidavits which were not documented on the JPAS docket screen, but were noted on the file jackets. • Cases are accepted from the Dallas Housing Authority without advance payment of filing fees. Review of the court’s Excel receivable file revealed the balance due was misstated on 13 cases. As a result, the receivable was understated \$2,615. These amounts were subsequently billed and collected. <p>Status: As of March 31, 2011, Dallas Housing Authority owed \$9,802 for cases filed during the period October 2009 to March 2011.</p> <p>Court Response: Invoices were sent by the court to the DHA and collected in full as of December 6, 2011. Delay resulted from DHA not advising the court of a change in DHA personnel handling the payment of invoices.</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpapers 8A, 9B, and review Justice Fee Exception Report identifying cases filed without payment of filing fees.</p>
<p>Condition: (Describe the current condition)</p>	<p>Court costs and service fees are required to be paid at the time of filing. Parties to a suit that do not have adequate resources may request to file a case without payment. Indigent plaintiffs complete an affidavit of inability to pay (pauper’s affidavit) filing/service fees in accordance with Rule of Civil Procedure 145. The affidavit is reviewed by the court and filed in the case jacket. JPAS Docket screen lacks predefined fields for recording the filing of a pauper’s affidavit. Civil, eviction, or small claims court clerks do not consistently record notations of filing of pauper affidavits on the Docket free-form comments screen. JPAS receipt functionality does not include assessments for charges, so credits are not systemically recorded for pauper’s affidavits. Paper service is stamped with “pauper oath filed” in accordance with Rule of Civil Procedure 126 and 145.</p> <p>While billing notations are not reflected on the case Docket comment screen, the court does maintain an Excel file of accounts receivable activity. System reports are <u>not</u> available within JPAS to track unpaid balances.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>In accordance with statutes (Local Government Code (LGC) § 118.121, 118.122, 118.123, 118.131, and Chapter 133) and Commissioners Court orders, filing fees should be collected at the time of filing and service fees should be collected at the time of service request for all evictions, civil, and small claims cases filed by non-governmental entities and individuals except for those individuals with approved affidavits of indigence on file or those entities listed under Civil Practices and Remedies § 6.001, 6.002, and 6.003.</p> <p>Texas Rules of Civil Procedure, RULE 145. AFFIDAVIT ON INDIGENCY</p>



	<p>(a) Affidavit. In lieu of paying or giving security for costs of an original action, a party who is unable to afford costs must file an affidavit as herein described. A "party who is unable to afford costs" is defined as a person who is presently receiving a governmental entitlement based on indigency or any other person who has no ability to pay costs. Upon the filing of the affidavit, the clerk must docket the action, issue citation, and provide such other customary services as are provided any party.</p> <p>Services rendered after judgment, including issuance of writs, should include fees assessed at the time the order is placed, in accordance with LGC 118.121(2). The \$5 writ issuance fee is assessed per page.</p> <p>Filing fees should be collected on cases transferred from courts outside of Dallas county under Rule of Civil Procedure, No. 89. <http://www.supreme.courts.state.tx.us/rules/trcphome.asp>.</p>					
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Clerical error Weak system functionality</p>					
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Potential revenue loss for Dallas County and State of Texas. System extracts do not include indigent status. Inhibits cost recovery if the plaintiff's claim is upheld.</p>					
<p>Recommendation: (Describe corrective action)</p>	<p>Filing fees should be collected at the time of filing on all non-misdemeanor cases except the following whereas a reason for collecting the filing fees should be documented on the JPAS and the case jacket:</p> <ul style="list-style-type: none"> • Transferred from other Dallas County JP courts • Involving tax suits • Involving mental illness warrants • Filed by governmental entities which are exempted from security of filing and service fees under Civil Practices and Remedies § 6.001, 6.002, and 6.003, but are ultimately responsible for court costs if it cannot be recovered from the losing party. See Attorney General Opinion No. DM-459 and District Attorney's opinion dated September 4, 2003. • Ordered as indigent under Texas Rules of Civil Procedure, Rule 145. <p>Filing fees should be collected on cases transferred from courts outside of Dallas county under Rule of Civil Procedure, No. 89.</p> <p>Collection of unpaid court costs and service fees should be pursued with assistance through the District Attorney.</p>					
<p>Responsible Department or Organization:</p>	<p>Justice of the Peace 3-3</p>					
<p>Management's Response:</p>	<input type="checkbox"/> Agree	<input checked="" type="checkbox"/> Disagree	<p>Respondent:</p>	<p>Robyn Klein, Chief Clerk</p>	<p>Date:</p>	<p>7/10/2012</p>
<p>Comments:</p>	<p>Invoices were sent by the court to the DHA and collected in full as of December 6, 2011. Delay resulted from DHA not advising the court of a change in DHA personnel handling the payment of invoices.</p>					
<p>Disposition:</p>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration			



Finding Number: 10-JP3.3-01-06
Date: April 7, 2011
Audit: Justice of the Peace 3-3 Audit FY 09-Partial FY11 (1/11)
Auditor(s) Assigned: NH

<p>Finding:</p>	<p>Time and Attendance Observation of office schedules and review of manual attendance records and Kronos time and attendance system postings revealed:</p> <ul style="list-style-type: none"> • One employee’s personal holiday was split between two days and ten hours were used. Status: Historical adjustment reduced holiday pay two hours. Court Response: Employee did not receive additional compensation beyond the eight hours allowed for a personal day. • One employee was allowed to use 16 hours vacation while on probation for medical leave. Sick leave time was available. Court Response: Employee did not receive additional compensation beyond the sixteen hours vacation taken which would have been paid to the employee if terminated. • Full-time regular employees take one hour for lunch with no breaks. Lunch is recorded as 30 minutes on the Kronos time and attendance system.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpapers 11D1 thru 11D6 review of time and attendance and Internal Control Questionnaire.</p>
<p>Condition: (Describe the current condition)</p>	<p>Kronos swipe cards and time clocks were used by non-exempt staff until the court moved locations the later part of December 2011. Annual leave, sick leave, holidays, etc. taken are recorded to the Kronos system based on information available to the chief clerk. Oracle DC Employee Self-Service is available for court staff to review hours paid and accrual balances taken / earned / available. Oracle DC Employee Self-Service is available for court staff to review hours paid and accrual balances taken / earned / available. Kronos time cards are marked with ‘approval’ by the Chief clerk with limited instances of bi-weekly pay period ‘sign off’ defaulting to system-wide sign-off.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>According to Dallas County Code, Section 82.32, Work hours scheduling: (c) <i>Breaks and lunch periods.</i> An elected official/department head may also establish breaks and lunch periods for their employees. Employees may be granted one break of ten minutes for each four hours worked. Employees are paid while on break. A lunch period may be 30 minutes or an hour depending on the work schedule approved by the elected/appointed official/department head. Lunch periods are in addition to the regular eight-hour work period. Employees are not paid during their lunch period; therefore, they should be completely relieved of all duties and be free to leave their post of duty.</p> <p>According to Dallas County Code Sec. 82-172, Nonexempt employee responsibilities: (c)Each elected official or department head will designate a 30-minute, 45-minute or one-hour lunch period for his nonexempt employees. The elected official or department head may not set the lunch period within the two hours after the employee's regular shift begins or in the two hours before the employee's regular shift ends. Whatever lunch period the elected official or department head designates for his employees will not be work time. The time and attendance system will automatically deduct the designated lunch period from the hours actually worked by the</p>



	<p>employee, and the employee will not be paid for this time.</p> <p>According to Dallas County Code Sec. 82-771, Granting conditions: In addition to the holidays listed in section 82-741, during the budget process each year, the commissioners court may grant an additional personal holiday (eight hours) with the following stipulations: (1) Must be a regular, full-time employee (2) Must be employed by the county for more than six months (3) Must be taken in a full day increment; (4) Can be taken on any day of the year with supervisory approval; and (5) If the personal day is not taken during the effective calendar year, the personal day shall be forfeited</p> <p>According to Dallas County Code Sec. 82-382, Expending: (a) Vacation leave shall only be expended with prior approval by an employee's supervisor. (b) Employees must complete their employment probationary period before they are eligible to expend their accrued vacation. (c) Employees of more than six months will be eligible to expend only the amount of vacation leave they have accumulated as of the last day of the preceding pay period that they are requesting leave; however, vacation time may be advanced to the employee for the remainder of the fiscal year, or any portion thereof, by approval of the department head. Should the employee leave the employment of the county before earning credit for the advanced vacation time, appropriate deductions for the time will be made from the employee's final county paycheck.</p>					
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Inaccurate application of county time and attendance policies.</p>					
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Official time and attendance records do not accurately reflect time worked and taken</p>					
<p>Recommendation: (Describe corrective action)</p>	<p>All vacation, sick leave, comp time, holiday time, jury duty, and approved time off should be posted to the Kronos time and attendance system in accordance with the Dallas County Code and Commissioners Court orders. Each employee should affirm bi-weekly time paid / leave balances expended through review of pay slip on Employee Self-Service (ESS) application.</p> <p>Consider implementation of web-timestamp capture of non-exempt start and end times.</p>					
<p>Responsible Department or Organization:</p>	<p>Justice of the Peace 3-3</p>					
<p>Management's Response:</p>	<input type="checkbox"/> Agree	<input checked="" type="checkbox"/> Disagree	<p>Respondent:</p>	<p>Robyn Klein, Chief Clerk</p>	<p>Date:</p>	<p>7/10/2012</p>
<p>Comments:</p>	<p>Employee with split personal day and employee with sixteen hours vacation during probationary period did not receive additional compensation/benefit had the time been recorded differently.</p>					
<p>Disposition:</p>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration			