



DALLAS COUNTY
COUNTY AUDITOR

Memorandum

TO: Honorable Judge Katy Hubener
Justice of the Peace, Precinct 4, Place 2

FROM: Darryl D. Thomas *Darryl D. Thomas*
County Auditor

SUBJECT: Review Performed for Fiscal Years 2013 through 2014

DATE: Issued: February 5, 2016
Released: August 8, 2016

Scope

A review was performed in accordance with statutory guidelines on the records and reports of Justice of the Peace, Precinct 4, Place 2 for fiscal years 2013 through 2014.

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
- Reviewed daily receipt transaction log reports
- Reviewed credit card transaction reports
- 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
- Reviewed outstanding warrant/capias reports for appropriateness
- 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

During fiscal year 2013 the justice court processed:

- 16,054 computer receipts totaling \$1,534,609
- 3,610 class C misdemeanor cases
- 1,286 civil/small claims/debt claims cases
- 3,948 eviction/repair & remedy cases

During fiscal year 2014 the justice court processed:

- 15,172 computer receipts totaling \$1,529,836
- 4,400 class C misdemeanor cases
- 1,233 civil/small claims/debt claim cases
- 3,793 eviction/ repair & remedy cases

FINDINGS/OBSERVATIONS

CASH MANAGMENT

Cash Counts / Change Fund – A review of cash, checks, and money orders on hand during performed cash counts revealed ten of twelve un-receipted checks presented during the cash count not receipted to the JPAS within five (5) business days. Employees go to a bank with Dallas County funds to obtain change when a high volume of large bills are received from customers/defendants.

Receipts – Computer / Manual – A review of 31,226 computer receipts including 110 voided computer receipts and 87 manual receipts including two (2) voided manual receipts revealed: twelve voided computer receipts without retention of the original receipt copy including two voided cash receipts totaling \$60 without reissuance and two voided cash receipts for marriage licenses reissued for \$108 less than original receipts; and two deposits sent to the Treasurer with checks receipted for the numeric amount rather than the legal written amount.

Responses to the Internal Control Questionnaire (ICQ) indicate: separate cash drawers are not maintained when the chief clerk assists or relieves the bookkeeper; monies receipted by the chief clerk are not separately balanced prior to combining with the funds controlled by the bookkeeper; and the chief clerk does not review voided receipts.

Assessments / Distribution – A review of 100 computer receipts (approximately 770 fee code entries) and corresponding cases for compliance with statutorily required court costs, fines, and fees revealed: 18 (less than 3%) instances of partial payment posting errors, court cost assessment errors, collection errors, and receipting errors.

Responses to the Internal Control Questionnaire indicate all clerks can update the Court Costs and Fine fields on the JPAS Docket screen.

Disbursement / Special Fund Reconciliation – A review of special fund activity revealed: old case balances over three years old totaling approximately \$55,083 (including approximately \$27,000 in cash bonds over four years old) remain in the special fund accounts as of October 4, 2014 without research for correction of receipting errors, disbursement to the applicable party and /or escheating to the County Treasurer or State Comptroller.

PROCESSING/REPORTING

Delinquent Collection Referral – A review of 30 cases on time payment plans and 40 cases from the Justice of the Peace Monthly Delinquent Collection Report for adequate collection procedures revealed: two cases without a completed Collection Compliance form in the case jacket; one Judgment Date not posted to the JPAS Docket screen; two partial payments with incorrect allocation to delinquent collection fees; three delinquent collection fees receipted to incorrect fee types including \$93.90 subsequently refunded to one

defendant; one case without collection of delinquent collection fees prior to disposition; and one case flagged disposed without collection of court costs, fines, or delinquent collection fees.

Failure to Appear (FTA) Driver License (DL) Renewal Block Program – A review of 75 cases from the Fiscal Year to Date FTA Payment History Report revealed: one DL renewal hold released without full collection of fines.

Criminal Fee Dockets – A review of IT Services JP Warrant Error reports dated March 14, 2014 and December 1, 2014 for validity of warrants/capias active status revealed: eleven warrants or capias reflected as active or outstanding in error on WX50 without balances due and are dismissed. *Status: All eleven warrants or capias recalled or returned to the court. However, eight of the eleven without return dates reflected on the JPAS Docket screen.*

Responses to the Internal Control Questionnaire indicate all court clerks are authorized to issue and recall warrants.

Civil Fee Dockets – A review of 35 civil/small claims/eviction/debt claim cases on the justice fee exception report revealed: four cases filed without advance collection of filing and service fees (*Status: One case was subsequently dismissed and one case was paid two months later*).

Birth Certificates and Marriage License Applications – A review of birth certificate logs/applications and marriage license applications/logs for 10 randomly selected days for proper billing and recording revealed: one more birth certificate search listed on the Texas Department of State Health Services Vital Statistics Unit (VSU) Remote Certificate Monthly Transactions Report for November 2013 than the number of certificate payments receipted and/or voided; however, all security paper (security number sequence) was accounted for; one instance of transaction whited out on the marriage license application log and case number deleted in JPAS; and one instance of certificate number not included on marriage license application log.

Activity Reports – Comparison of activity reports filed by the court with the Office of Court Administration (OCA), the Office of Budget and Evaluation (OBE), and Auditor's Office to the mainframe JPAS case records revealed material compliance except the chief clerk or other designated employee is not assigned to review the JPAS Case Index report for case deletions or unauthorized changes to party information.

Credit Card Process – A review of 87 credit card transactions and the associated JPAS postings and all credit card refunds revealed: overpayments on twelve cases with court costs and fine fields not updated on JPAS Docket screens requiring intervention of Treasurer's Office staff to refund overpayments back to the customer's credit card account.

MISCELLANEOUS/OTHER

Time and Attendance – Observation of time and attendance during fieldwork and a review of manual attendance records traced to KRONOS revealed: three instances where an employee's Web timestamp out time was adjusted to a later time by 30 minutes each; seven instances where a former chief clerk recorded approved time off (ATO) to Kronos while not averaging a 40 hour work week over a 52 week period; and one instance in which KRONOS postings did not agree with the leave type reflected on the request for leave form; and, employees take 50 minutes for lunch with no breaks (lunch is recorded as 30 minutes in KRONOS).

D/P Logs, Systems and Security – A review of randomly selected D/P Logs from Document Direct and a review of Internal Control Questions and field audit observations revealed: instances of case index data entry errors, changes and deletions to case index information without supervisory review or approval; JPAS Docket screen passwords aren't safely secured or memorized by all employees; and, instances of clerks not locking their computers when away from their desks.

RECOMMENDATIONS

CASH MANAGEMENT

Cash Counts / Change Fund – All monies received should be promptly and properly receipted and deposited within five business days in accordance with Local Government Code, § 113.022 and Code of Criminal Procedure, § 103.004. The court should consider requesting an increase to their current change fund in accordance with Local Government Code, Sec. 130.902.

Receipts – Computer / Manual – All copies of a voided receipt should be retained, clearly marked “void” and affixed with reason for void in order to affix responsibility, enhance cash control and prevent potential assertion that monies were paid and refund due. Compensating processes such as dual sign-off on voids, receipt corrections, supervisory review, testing, and validation Separate cash drawers should be maintained for all clerks receipting payments including balancing receipted funds prior to combining with other receipted funds.

Assessments / Distribution – Continue monitoring assessment, collection, and prorating of court costs fines, and fees in compliance with applicable state laws, Commissioners court orders, and applicable fee schedules based on offense date and offense type for criminal offenses and file date for civil type cases. JPAS Docket screen posting procedures should include separation of duties limiting (through system security access) staff assigned to add, delete, or modify information on Docket screens.

Disbursement / Special Fund 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, Property Code, § 72 and § 76. Cash bonds should be forfeited in accordance with Code of Criminal Procedure, § 22.

PROCESSING/REPORTING

Delinquent Collection Referral – The 30% add-on delinquent collection fee should be assessed and collected in accordance with Commissioners Court orders and Code of Criminal Procedure, § 103.0031 including proportionally prorating partial payments.

Failure to Appear (FTA) Driver License (DL) Renewal Block Program – \$30 failure to appear fee should be assessed and collected in accordance with Commissioners Court Order No. 2003-2085, dated November 11, 2003, and Transportation Code § 706.

Criminal Fee Dockets – Outstanding warrants or capiases should be recalled timely when cases are dismissed or otherwise disposed, payments made in full, time is served, etc. Record Return Dates to the JPAS Docket screen as warrants or capiases are returned. Continue to review warrant exception report developed by IT Services. Separation of duties should be established limiting (through system security access) staff assigned to recall warrants.

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, repair & remedy, civil, debt claims, 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.

Birth Certificates and Marriage License Applications – Birth certificate and marriage license application procedures should be periodically reviewed and updated by the chief clerk.

Activity Reports – Monthly activity reports should be completed in an accurate and timely manner with copies (or electronically filed as directed) provided to OCA, OBE, and the County Auditor.

Credit Card Transactions – Continue review of daily credit card activity and post payments timely and accurately in compliance with *Dallas County General Policy for Use of Credit Card Transactions* and other recommended procedures.

MISCELLANEOUS/OTHER

Time and Attendance – Actual time worked and meal periods should be properly and timely posted to the KRONOS time and attendance system in accordance with Dallas County Code. Historical edits should be submitted to the Payroll Hotline to reflect correct leave types and time taken on KRONOS. Employees web timestamp entries should not be revised unless an appropriateness reason is verified and documented. The use of ATO by exempt employees should be in compliance with Dallas County Code.

D/P Logs, Systems and Security – Review all assignable system rights and roles to ensure users have only the rights necessary to perform their core job functions. Chief clerk should periodically review daily D/P logs and test for authorized changes and deletions. Computers should be locked or signed off when employees leave their workstation. Passwords should be memorized and periodically changed.

CURRENT FINDINGS/OBSERVATIONS AND RECOMMENDATIONS

Findings template numbered 14-JP4.2-01-01 thru 13 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.

Highest areas of risk which need to be addressed include: continuing to clear old Special fund balances not timely escheated and/or remitted; prorating of partial payments; and proper handling of voided receipts. 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: Darryl Martin, Commissioners Court Administrator
Ryan Brown, OBE



Finding Number: 14-JP4.2-01-01 Cash Management
Date: January 22, 2015
Audit: Justice of the Peace 4-2 FY2013-FY2014
Auditor(s) Assigned: WH

<p>Finding:</p>	<p>A review of cash, checks, and money orders on hand during performed cash counts revealed:</p> <ul style="list-style-type: none"> • Ten out of twelve un-receipted checks presented during cash count <u>not</u> posted to the Justice of Peace Accounting System (JPAS) within five (5) business days of the check date. • Employees go to a bank with Dallas County funds to obtain change when a high volume of large bills are received from customers/defendants.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>2.1-16 and Daily Observations</p>
<p>Condition: (Describe the current condition)</p>	<p>Payments collected over the counter are counted in front of the customer before handing funds to the bookkeeper or chief clerk. The only funds that are not immediately given to bookkeeper or chief clerk are the funds for a marriage license, birth certificate, and a civil case that has not been entered into JPAS.</p> <p>Clerks will perform procedures for issuing a marriage license and birth certificate. Once all documents have been printed, the documents and funds will be given to the bookkeeper or chief clerk for review and receipting.</p> <p>When receipting payments, the funds must be assigned to a case number. When a customer files a new civil case, clerks will hold the payment at their desk until the case is entered into JPAS. Customer will remain at the court to review documents court staff prepares on what will be entered into JPAS. Customer will wait for receipt if the clerks have enough time to enter case information before “close out” begins. If bookkeeper or chief clerk begins “close out” procedures, payments will be stored in the safe until it can be receipted the following business day.</p> <p>Checks, money orders, and cashier checks are received over the counter, through the U.S. Postal Service, and from other County departments via the in-house mail system. Infrequent delays occur in receipting District Attorney checks remitted for the payment of court costs and fines.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls related to receipt control procedures require that:</p> <ul style="list-style-type: none"> • All monies received should be promptly receipted and deposited consistent with state law, Local Government Code, § 113.022 and Code of Criminal Procedure, § 103.004 and procedures recommended by the County Auditor. <p>Local Government Code, Sec. 130.902. CHANGE FUND IN COUNTIES. (a) The commissioners court of a county may set aside from the general fund of the county an amount approved by the county auditor for use as a change fund by any county or district official who collects public funds. The fund may be used only to make change in connection with</p>



	<p>collections that are due and payable to the county, the state, or another political subdivision of the state that are often made by the official.</p> <p>(b) The bond of that official who receives such a change fund must cover the official's responsibility for the correct accounting and disposition of the change fund.</p> <p>(c) A change fund may not be used to make loans or advances or to cash checks or orders for payment of any kind.</p> <p>(d) On the recommendation of the county auditor, the commissioners court may increase or decrease the change fund at any time.</p>						
Cause: (Describe the cause of the condition if possible)	<p>Occasional procedural exception. Inadequate change fund</p>						
Effect: (Describe or quantify any adverse effects)	<p>Delayed revenue recognition and lost interest earnings to the County and State. Inherent risks for delayed receipting include non-recovery of funds, checks could be lost or stolen before being receipted. Liability to County for persons arrested after payment made in full. Inability to affix responsibility in the event shortages occur.</p> <p>Potential for employee obtaining change outside of the office to be robbed and/or injured.</p>						
Recommendation: (Describe corrective action)	<p>All monies received should be promptly and properly receipted and deposited within five business days in accordance with Local Government Code, § 113.022 and Code of Criminal Procedure, § 103.004.</p> <p>The Court should consider requesting an increase to their current change fund in accordance with Local Government Code, Sec. 130.902.</p>						
Responsible Department or Organization:	Justice of the Peace 4-2						
Management's Response:	<table border="1"> <tr> <td><input type="checkbox"/> Agree</td> <td><input type="checkbox"/> Disagree</td> <td>Respondent:</td> <td></td> <td>Date:</td> <td></td> </tr> </table>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:		Date:	
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Finding Number: 14-JP4.2-01-02 Manual & Computer Receipts
Date: January 22, 2015
Audit: Justice of the Peace 4-2 FY2013-FY2014
Auditor(s) Assigned: WH

<p>Finding:</p>	<p>Review of 31,226 computer generated receipts including a complete review of 110 voided computer receipts, a sample review of approximately 88 manual receipts including a complete review of three 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:</p> <ul style="list-style-type: none"> • Twelve voided computer without retention of the original receipt copy including: <ul style="list-style-type: none"> ○ Two cash receipts totaling \$60 cash each voided without reissuance (JPAS reflects payments receipted nine months earlier). ○ Two cash receipts re-issued for \$108 less than original receipts without retention of the original customer receipt copy. • One deposit delay of eight business days due to the difference between the check legal and numeric amounts. • One additional instance of variance between receipt totals and corresponding deposit Form 98's due to the difference between the check legal and numeric amounts. <p>Responses to the Internal Control Questionnaire (ICQ) indicate:</p> <ul style="list-style-type: none"> • A separate cash drawer is not maintained by the chief clerk when backing up the bookkeeper. • Monies receipted by the chief clerk are not separately balanced prior to combining with the funds controlled by the bookkeeper. • The chief clerk does not review voided receipts.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>5A, 5B, 5C, and 5D 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 is provided to the bookkeeper or chief clerk for receipting. Cash is recounted by the bookkeeper, back-up bookkeeper, or chief clerk 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 chief clerk. The computer receipt is printed and reviewed by the bookkeeper or chief clerk for accuracy prior to submitting to the customer. Computer receipts and any change from cash payments are provided to the customers.</p> <p>At the end of the business day prior to closeout, the computer receipts are totaled, compared to the funds on hand and system control totals. Adjustments are processed to the JPAS when the payment type is incorrectly recorded, the check amount is not correctly receipted, or other errors are identified.</p> <p>The ending computer receipt number to include in the overnight closeout process is entered into the JPAS. Computer receipts issued after the cut-off are included with the next business day's deposit. The following business day funds on hand are consistently confirmed as balancing to the JK98 totals with deposits submitted to the County Treasurer through the courier.</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</p>



	<p>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>Separate cash drawers are not maintained by staff receipting payments.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls related to 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 refund due. • All monies received should be promptly receipted and deposited consistent with state law, Local Government Code, § 113.022 and Code of Criminal Procedure, § 103.004 and procedures recommended by the County Auditor. • Receipts should not be altered, but properly voided and affixed with a reason for the void with retention of all voided copies. • The chief clerk should periodically review the voided receipts, exception reports and transaction logs (especially with respect to receipt deletions, lowered amounts, and payment type changes) to ensure that the explanation for the voided receipts or deletions is documented and reasonable. • Corrections are reviewed and approved by the chief clerk. • The number of individuals authorized to receipt payments and handle cash is properly segregated and limited. <p>Standard 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 receipting payments, and funds should be balanced prior to combining with other receipted funds.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Occasional procedural exceptions Lack of separate tills within the mainframe Justice of the Peace Accounting System (JPAS). Incomplete supervisory oversight.</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Inability to affix responsibility in the event shortages occur.</p>
<p>Recommendation: (Describe corrective action)</p>	<ul style="list-style-type: none"> • Receipts verified for accuracy of amount, payment type, case number, and payer before issuing a receipt to a customer. • All copies of a voided receipt retained, clearly marked “void” and affixed with reason for void in order to affix responsibility, enhance cash control and prevent potential assertion that monies were paid and refund due. • At the end of the business day: the receipts totaled and compared to the funds on hand and system control totals. Corrections made such that both good internal control and audit trails are maintained. Receipt and deposit totals verified by the chief clerk. • Separate cash drawers should be maintained for all clerks receipting 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. • Compensating processes such as dual sign-off on voids, receipt corrections, supervisory review, testing, and validation. • All monies received should be promptly and properly receipted and deposited within five business days in accordance with Local Government Code, § 113.022 and Code of Criminal



	Procedure, § 103.004. <ul style="list-style-type: none"> Chief Clerk should periodically observe receipt issuance process and affirm proper procedures are followed. All clerks should be advised to immediately inform the Chief Clerk or Judge when improper handling of funds or court documents are observed. Court should post a sign with an example of official Dallas County receipt and which advises customers to speak with the Judge if not received. 				
Responsible Department or Organization:	Justice of the Peace 4-2				
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: 14-JP4.2-01-03 - Fine Fee Assessments
Date: January 22, 2015
Audit: Justice of the Peace 4-2 FY2013-FY2014
Auditor(s) Assigned: WH

<p>Finding:</p>	<p>Review of 100 computer receipts (770 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 (JPAS) revealed:</p> <ul style="list-style-type: none"> • One instance of \$1.95 partial payment posted to Constable Fees FT#02-4 instead of State Officer Fees FT#04. • One instance of warrant and citation issuance fees credited to State Office FT#04 rather than Constable FT#02-4. • Two cases <u>without</u> assessment/collection of the \$25 Time Payment Fee. • One case <u>without</u> assessment/collection the \$2 Truancy Prevention and Diversion Fee. • Court uses a non-assigned case number to receipt unmatched payments and end of day cash overages. Court was contacted on 03/11/14 on proper handling of overages. • Ten partial payments not properly allocated including one partial payment recorded to fine prior to full allocation to court costs. Status: Six of ten partial payment posting errors corrected. • One \$0.10 Civil Justice Fee collected on non-applicable offense. <p>Observation: Chief clerk instructed the bookkeeper to exclude the \$25 Time Payment Fee in the proration of a payment due to the defendant being notified of an incorrect amount for the Court Costs, Fines, and Fees.</p> <p>Responses to the Internal Control Questionnaire (ICQ) indicate:</p> <ul style="list-style-type: none"> • All clerks can update the Court Costs and Fine fields.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>5E, 3.I, and Daily Observations JPAS receipt postings and Docket screen ICQ</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. Payments are allocated to court costs, fees, and fine amounts; however, payments are subject to proration errors.</p> <p>Time payment fees (for cases not paid in full by the 31st day after the judgment), transaction fees, and warrant fees (for each warrant and/or capiases issued) are additional court costs that must be manually updated and assessed by the compliance clerk, court clerks, or the bookkeeper in JPAS Court Costs field on the Docket screen. The Courts Costs field is updated with the appropriate administrative fee for dismissal when defendants present proof of registration, inspection, or a valid driver's license. Proof of insurance will result in dismissal of "no insurance" cases without payment of an administrative fee.</p> <p>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 with the compliance clerk, 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 and requiring payment at the time of request. Some defendants may request and receive deferred disposition from the court which requires full payment of the court costs for the offense and payment of a</p>



	<p>“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 required to the JPAS Docket screen fields by the compliance clerk, court clerks, or the bookkeeper to reflect deferred disposition including noting a date in the JPAS DEFER ADJU date field.</p> <p>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 or chief clerk must perform a modified manual cost allocation process to record payments to each fee type due to limited system functionality. Court costs grids are used by the bookkeeping staff at the point of receipting to provide a guide for the Fee Type breakdown in the JPAS.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific cash controls related to internal control and segregation of duties require that:</p> <ul style="list-style-type: none"> • 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. • Court costs and court cost tables should be updated each time a legislative change or a Commissioners Court change is made affecting court costs. • The fee assessment process should be automated as much as possible with manual overrides restricted in use. • Assigned duties for payment processing and assessment reductions are adequately separate. <p>Once collected, each fee should be posted to the proper JPAS fee type and paper type to assure subsequent distribution to proper governmental entity. Paper types for designated traffic programs should be used when recording payments on traffic cases.</p> <p>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 and/or Dallas County 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 attorney general opinions, 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> <ul style="list-style-type: none"> • Warrant fees assessed/collected in accordance with Code of Criminal Procedure, § 102.011(a)(2). • Fines on Texas Parks & Wildlife (TPW) cases distributed 85% to TPW and 15% to the County in accordance with Parks and Wildlife Code, § 12.107. • \$25 Time Payment Fee assessed/collected in accordance with Local Government Code, §



	<p>133.103.</p> <p>Code partial payments to the correct fee types prorating to each state and local court cost/fee (including delinquent collection fees) before recording amounts to fine or only one court cost.</p> <p>Adjustments to assessments should be made reflecting internal control and audit trails including compensating processes such as dual sign-off on adjustments, supervisory review and pre-approval, testing, and validation.</p> <p>JPAS Docket screen posting procedures should include separation of duties limiting (through system security access) staff assigned to add, delete, or modify information on Docket screens. JPAS Docket screens should be updated 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.</p> <p>Adjustments to assessments should be made reflecting internal control and audit trails including compensating processes such as dual sign-off on adjustments, supervisory review and pre-approval, testing, and validation.</p>		
Responsible Department or Organization:	Justice of the Peace 4-2		
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: 14-JP4.2-01-04 - Special Fund
Date: January 22, 2015
Audit: Justice of the Peace 4-2 FY2013-FY2014
Auditor(s) Assigned: WH

<p>Finding:</p>	<p>Reconciliation and review of special fund activity, 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"> • A \$5 DART citation fee payment posted to case number JT-9800387L using check number 560000236. Case number JT-9800387L was not listed on the original disbursement file; however, JT-9800387L was used as a substitute posting for case number JT-0102493L due to check number 560000363 subsequently including a \$5 disbursement JT-0102493L. • Old case balances (approximately \$55,083 of \$58,343 balance as of October 4, 2014 is over three years old) in the special fund have not been researched for disbursing to the applicable party and/or escheating to the State Comptroller or Dallas County Treasurer. • Forfeiture proceedings were not initiated against defendants to forfeit cash bonds when defendants failed to appear (approximately \$27,000 in cash bonds are over four years old).
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>12A, 12B Special Fund Reconciliation FY2013 and FY2014</p>
<p>Condition: (Describe the current condition)</p>	<p>Data source for disbursement activity include case jackets given to the bookkeeper by the other clerks, defendant requests, 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, fines for other jurisdictions, and service fees for law enforcement agencies without designated fee codes for automated disbursements.</p> <p>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>The bookkeeper posts cancellations and stale dated checks to the JPAS based on notices received from the County Treasurer.</p> <p>Progress made on clearing old case balances in the special fund account for disbursement or escheatment.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls related to disbursement procedures 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 and entities in a timely manner. <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> <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. An action by the state to forfeit a bail bond under Code of Criminal Procedure, § 22.18 must be brought no later than the fourth anniversary of the date the principal fails to appear in court.</p> <p>Parks and Wildlife Code, Sec. 31.128. DISPOSITION OF FINES. (a) A justice of the peace, or a clerk of any court, or any other officer of this state receiving any fine imposed by a court for a violation of this chapter shall send the fine to the department within 10 days after receipt and shall note the docket number of the case, the name of the person fined, and the section or article of the law under which the conviction was secured.</p> <p>(b) In justice court cases filed as the result of an arrest by a game warden, the amount to be remitted to the game, fish, and water safety account shall be 85 percent of the fine. In county court cases filed as the result of an arrest by a game warden, the amount to be remitted to the game, fish, and water safety account shall be 80 percent of the fine. All costs of the court shall be retained by the court having jurisdiction of the offense and deposited as other fees in the proper county fund.</p> <p>Parks and Wildlife Code, Sec. 12.107. REMISSION OF FINES. (a) A justice of the peace, clerk of any court, or any other officer of the state who receives a fine imposed by a court for a violation of this code or a regulation of the commission adopted under this code shall send the fine to the department within 10 days after the date of collection. A statement containing the docket number of the case, the name of the person fined, and the section of this code or the regulation violated must accompany the remission of the fine.</p> <p>(b) The amount of the fine to be remitted to the department is 80 percent in county court or higher court cases and 85 percent in justice court cases.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Limited staff time to research old items and weak system functionality.</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Deferred research:</p> <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. <p>Limited reconciliation:</p> <ul style="list-style-type: none"> • Undetected posting errors resulting in potential for overpayment and unrecoverable losses. • Additional staff time to research and correct posting errors. <p>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.</p>
<p>Recommendation: (Describe corrective action)</p>	<p>Special fund procedures should include:</p> <ul style="list-style-type: none"> • All checks issued, canceled, or stale dated posted accurately and timely to the JPAS (reconciliation of JPAS to GL) and verified/reviewed by the chief clerk.



	<p>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.</p> <p>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)</p> <p>Cash bonds should be forfeited in accordance with Code of Criminal Procedure § 22.</p> <p>In anticipation of the pending migration from the JPAS, we recommend continuation of the court's concerted effort to clear old case balances.</p>
Responsible Department or Organization:	Justice of the Peace 4-2
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: 14-JP4.2-01-05 - Time Payment Plan & Collection
Date: January 22, 2015
Audit: Justice of the Peace 4-2 FY2013-FY2014
Auditor(s) Assigned: WH

<p>Finding:</p>	<p>Review of 30 active cases on time payment plans and 40 cases from the Justice of the Peace Monthly Delinquent Collection Report revealed:</p> <p><u>Time Payment Plans</u></p> <ul style="list-style-type: none"> • One Judgment Date not posted to the JPAS Docket screen. • Two (2) cases without completion of Collection Compliance forms on file. <p><u>Delinquent Collection Fees</u></p> <ul style="list-style-type: none"> • Two delinquent collection fees receipted to incorrect fee types (data entry errors to FT#25 and FT#02-6 rather than to FT#26). • Two partial payments with an incorrect allocation (under-allocated) to delinquent collection fees. • \$93.90 in delinquent collection fees recorded to the court's special fund and refunded in error. • One case without collection of \$29.10 in delinquent collection fees prior to disposition. • One case flagged as disposed without collection Court Costs, Fines, or Delinquent Collection Fees. JPAS Docket screen does not indicate DA dismissal.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>7A and 7B Monthly Collection Referral Reports Review of collection compliance forms, case jackets, and Justice of Peace Accounting System (JPAS)</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 notices sent by the court collection clerk for missed payments based on non-system logs maintained by the court collection clerk, and a pre-warrant notice sent by the court collection clerk when a defendant defaults on a payment plan including a second call made by the collection clerk prior to issuing a warrant.</p> <p>Collection effort information is documented on case jacket but the information is available on JPAS case docket is limited.</p> <p>Dallas County Commissioners Court entered into a contract with the Law Firm of Linebarger, Goggan, Blair & Sampson for the purpose of providing collection services for delinquent justice court traffic cases (JT case type) that are more than 60 days past due. The contract indicates the 30% is due when the case "has been referred to Contractor for collection". Once the case is referred to Linebarger for collection, the defendant should be charged the collection fee for any unpaid court costs and fine amounts. Linebarger only gets paid when payments are recorded by the Dallas County justice courts on referred cases. Payments are inconsistently prorated to court costs and fine only or allocated to the collection fee (fee type 26).</p> <p>Cases that meet delinquent collection referral criteria (including at least 61 days delinquent) are systemically analyzed daily using programs developed by IT Services. Previously un-referred cases with balances due equal to or greater than \$5 are included on a daily 'future' report by JP court which lists all cases that are eligible for referral in the next 15 days based on the defined selection criteria. These cases are initially flagged with a future status code.</p>



	<p>During the 15 day period, the court has the opportunity to review the cases and change the status code to prevent the cases from being referred.</p> <p>On a weekly basis, all cases previously flagged for future referral that have reached the end of the 15 day period, are updated with a 30% delinquent collection fee systemically extracted by IT Services and sent to the delinquent collection law firm. The status code is changed to reflect the date sent. Due to JPAS limitations, only the last two status codes are viewable on the Docket screen. The delinquent collection law firm sends letters and makes phone calls to the defendant notifying of the delinquent collection referral and balances due on the cases. All payments are directed to be sent to the Dallas County JP courts.</p> <p>Daily updates are provided to the delinquent collection law firm for previously referred cases with changes to assessment, payment, and disposition information. Changes to the assessments (Court Costs field) result in the 30% delinquent fees to be systemically updated. When defendants remit payment in full, the COLL referral status is not systemically updated by the JPAS programs. Court staff can also update the COLL referral status code to remove 'R' the delinquent collection referral which results in the 30% delinquent fee to be systemically removed. The delinquent collection firm is systemically notified resulting in collection efforts to be discontinued.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls related to billing procedures, collection efforts, and accounting controls include:</p> <ul style="list-style-type: none"> • Monitoring the age of receivables (run an aged receivable report on a weekly or monthly basis), and systemically follow-up on any accounts that are past due more than a predetermined number of days <ul style="list-style-type: none"> ○ Accounts receivable sub-ledger is reconciled monthly. Reconciliation is reviewed by management and evidence of review is maintained. ○ Referral of uncollected receivables for delinquent collection assistance in a timely manner • Invoices include an accurate breakdown of fees assessed. <ul style="list-style-type: none"> ○ Invoices are mailed timely (emailed if email address is available) • Collection efforts initiated on all cases with balances pending <ul style="list-style-type: none"> ○ Automated phone calls (or live call scripts) and delinquent notice mailings (standard collection letters) ○ Use skip tracing or available address search engines <p>In accordance with state statutes and at judge's discretion, warrants/capias should be issued within a reasonable time frame to further enhance the court's collections process. All warrants should be recalled when a defendant makes proper disposition of court costs & fines by payments made, jail time served, community service or other disposition such as appeal of the case.</p> <p>In accordance with Code of Criminal Procedures §45.041, the judgment and sentence, in case of conviction in a criminal action before a justice of the peace or municipal court judge, shall be that the defendant pays the amount of the fine and costs to the state. The justice or Judge may direct the defendant to pay: (A) the entire fine and cost when sentence is pronounced; (B) the entire fine and cost at some later date; or (C) a specified portion of the fine and costs at designated intervals.</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</p>



	<p>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> <p>(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</p> <p>(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> <p>According to Code of Criminal Procedure, Art. 103.0031. COLLECTION CONTRACTS.</p> <p>(b) A commissioners court or governing body of a municipality that enters into a contract with a private attorney or private vendor under this article may authorize the addition of a collection fee in the amount of 30 percent on each item described in Subsection (a) that is more than 60 days past due and has been referred to the attorney or vendor for collection. The collection fee does not apply to a case that has been dismissed by a court of competent jurisdiction or to any amount that has been satisfied through time-served credit or community service. The collection fee may be applied to any balance remaining after a partial credit for time served or community service if the balance is more than 60 days past due. Unless the contract provides otherwise, the court shall calculate the amount of any collection fee due to the governmental entity or to the private attorney or private vendor performing the collection services and shall receive all fees, including the collection fee. With respect to cases described by Subsection (a)(2), the amount to which the 30 percent collection fee applies is:</p> <p>(1) the amount to be paid that is communicated to the accused as acceptable to the court under its standard policy for resolution of the case, if the accused voluntarily agrees to pay that amount; or</p> <p>(2) The amount ordered paid by the court after plea or trial.</p> <p>(d) A defendant is not liable for the collection fees authorized under Subsection (b) if the court of original jurisdiction has determined the defendant is indigent, or has insufficient resources or income, or is otherwise unable to pay all or part of the underlying fine or costs.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Inconsistent controls over the billing and collection process Inadequate system exception reporting Defendants not held accountable for delinquent payment plans. Incomplete application of Code of Criminal Procedure, Art. 103.0031 regarding allocation of payments to delinquent collection fees.</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Sanctions from the State Comptroller and the Office of Court Administration including the loss of the County's quarterly administrative fee on State collections. Non-compliance with delinquent collection contract and state statute.</p>
<p>Recommendation: (Describe corrective action)</p>	<p>Written policy and procedures manual should be developed (consistent with OCA guidelines) for billing responsibilities with training reinforced. Continue established payment plan procedures and monitor in accordance with Code of Criminal Procedure, Art. 103.0033.</p> <p>Collection efforts should be initiated on all cases with a balance due. Flag cases (including adding due dates) in JPAS with unpaid balances and generate bills on a predetermined basis taking into consideration court orders reducing fine amounts.</p> <p>30% add-on delinquent collection fee should be assessed and collected in accordance with Commissioners Court Order No. 2013-1709 and Code of Criminal Procedure, § 103.0031 including proportionally prorating partial payments.</p>
<p>Responsible Department or Organization:</p>	<p>Justice of the Peace 4-2</p>
<p>Management's Response:</p>	<p><input type="checkbox"/> Agree <input type="checkbox"/> Disagree Respondent: _____ Date: _____</p>
<p>Comments:</p>	<p> </p>
<p>Disposition:</p>	<p><input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration</p>



Finding Number: 14-JP4.2-01-06 - Driver's License Renewal Block
Date: January 22, 2015
Audit: Justice of the Peace 4-2 FY2013-FY2014
Auditor(s) Assigned: WH

<p>Finding:</p>	<p>Review of 75 cases from the FY2013 and FY2014 FYTD FTA Payment History revealed:</p> <ul style="list-style-type: none"> • One case with the Driver License Renewal Block released without full collection of Fines due.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>7C FTA Fee FY13 Omni monthly payment reports</p>
<p>Condition: (Describe the current condition)</p>	<p>Cases that meet FTA referral criteria are systemically analyzed daily using programs developed by IT Services. Previously un-referred cases with balances due equal to or greater than \$5 are included on a daily 'future' report by JP court which lists all cases that are eligible for referral in the next 15 days based on the defined selection criteria. These cases are initially flagged with a future status code. During the 15 day period, the court has the opportunity to review the cases and change the status code to prevent the cases from being referred.</p> <p>On a daily basis, all cases previously flagged for future referral that have reached the end of the 15 day period, are systemically extracted by IT Services and sent to OmniBase. The status code is changed to reflect the date sent. Upon acceptance or rejection of the referral by DPS through OmniBase, an electronic file is sent back to the County to systemically update the referral status code and date. Due to JPAS limitations, only the last two status codes are viewable on the Docket screen. For cases accepted for DL renewal block by DPS, a one-time letter is sent by OmniBase to the defendant notifying of the block with case and court contact information.</p> <p>When defendants remit payment in full, the FTA referral status is systemically updated by the JPAS programs during the daily FTA extraction process and updates are submitted to OmniBase. Upon acceptance of the updates by DPS through OmniBase, an electronic file is sent back to the County to systemically update the FTA referral status code and date to reflect payment in full and DL hold block released. Court staff can also update the FTA referral status code to force clear the renewal block and waive the \$30 FTA fee, force clear the renewal block and keep the \$30 FTA fee, or reprocess the renewal block. All manual updates by the court staff follow the same process as the automated updates which are systemically captured daily and sent to OmniBase for processing. Defendants infrequently report instances where the DL block fails to clear through the systemic process. Chief clerk completes a 'clearance' form and sends to the designated County representative within the Office of Budget and Evaluation for faxing to OmniBase in order to manually clear the hold.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>According to Transportation Code, Sec. 706.005. CLEARANCE NOTICE TO DEPARTMENT. (a) A political subdivision shall immediately notify the department that there is no cause to continue to deny renewal of a person's driver's license based on the person's previous failure to appear or failure to pay or satisfy a judgment ordering the payment of a fine and cost in the manner ordered by the court in a matter involving an offense described by Section 706.002(a), on payment of a fee as provided by Section 706.006 and:</p> <ol style="list-style-type: none"> (1) the perfection of an appeal of the case for which the warrant of arrest was issued or judgment arose; (2) the dismissal of the charge for which the warrant of arrest was issued or judgment arose; (3) the posting of bond or the giving of other security to reinstate the charge for which the warrant was issued; (4) the payment or discharge of the fine and cost owed on an outstanding judgment of the court; or



	<p>(5) other suitable arrangement to pay the fine and cost within the court's discretion.</p> <p>(b) The department may not continue to deny the renewal of the person's driver's license under this chapter after the department receives notice:</p> <p>(1) under Subsection (a);</p> <p>(2) that the person was acquitted of the charge on which the person failed to appear; or</p> <p>(3) from the political subdivision that the failure to appear report or court order to pay a fine or cost relating to the person:</p> <p>(A) was sent to the department in error; or</p> <p>(B) has been destroyed in accordance with the political subdivision's records retention policy.</p> <p>According to Transportation Code, Sec. 706.006. PAYMENT OF ADMINISTRATIVE FEE. (a) A person who fails to appear for a complaint or citation for an offense described by Section 706.002 (a) shall be required to pay an administrative fee of \$30 for each complaint or citation reported to the department under this chapter, unless the person is acquitted of the charges for which the person failed to appear. The person shall pay the fee when:</p> <p>(1) the court enters judgment on the underlying offense reported to the department;</p> <p>(2) the underlying offense is dismissed; or</p> <p>(3) bond or other security is posted to reinstate the charge for which the warrant was issued.</p> <p>(b) A person who fails to pay or satisfy a judgment ordering the payment of a fine and cost in the manner the court orders shall be required to pay an administrative fee of \$30.</p> <p>(c) The department may deny renewal of the driver's license of a person who does not pay a fee due under this section until the fee is paid. The fee required by this section is in addition to any other fee required by law.</p>						
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Clerical error</p>						
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Loss of revenue for Dallas County, the State of Texas and OmniBase.</p>						
<p>Recommendation: (Describe corrective action)</p>	<p>\$30 failure to appear fee should be assessed and collected in accordance with Commissioners Court Order No. 2003-2085, dated November 11, 2003, and Transportation Code § 706.</p>						
<p>Responsible Department or Organization:</p>	<p>Justice of the Peace 4-2</p>						
<p>Management's Response:</p>	<table border="1"> <tr> <td data-bbox="457 1381 592 1444"><input type="checkbox"/> Agree</td> <td data-bbox="592 1381 760 1444"><input type="checkbox"/> Disagree</td> <td data-bbox="760 1381 938 1444">Respondent:</td> <td data-bbox="938 1381 1226 1444"></td> <td data-bbox="1226 1381 1323 1444">Date:</td> <td data-bbox="1323 1381 1476 1444"></td> </tr> </table>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:		Date:	
<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:		Date:			
<p>Comments:</p>							
<p>Disposition:</p>	<table border="1"> <tr> <td data-bbox="457 1476 792 1509"><input checked="" type="checkbox"/> Audit Report</td> <td data-bbox="792 1476 1079 1509"><input type="checkbox"/> Oral Comment</td> <td data-bbox="1079 1476 1476 1509"><input type="checkbox"/> Deleted From Consideration</td> </tr> </table>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration			
<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration					



Finding Number: 14-JP4.2-01-07- Criminal Fee Dockets
Date: January 22, 2015
Audit: Justice of the Peace 4-2 FY2013-FY2014
Auditor(s) Assigned: WH

<p>Finding:</p>	<p>Review IT Services JP warrant error report ‘Active Warrants on Disposed Cases’ dated March 14, 2014 and December 1, 2014 for validity of warrant/capias issuances, recalls, and served/returned/active/regional statuses (approximately 2839 active warrants or capias as of 10/19/2014) and warrant procedures revealed:</p> <ul style="list-style-type: none"> • Eleven warrants or capias reflected as active or outstanding in error on WX50 without balances due and are dismissed. <p>Status: All eleven warrants or capias recalled or returned to the court. However, eight of the eleven without return dates reflected on the JPAS Docket screen.</p> <ul style="list-style-type: none"> • All clerks authorized to issue and recall warrants.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>8A.1-4, 8A.5 IT Services Active Warrants on Disposed Cases Report and responses to ICQ</p>
<p>Condition: (Describe the current condition)</p>	<p>Warrants including alias warrants and failure to appear warrants are issued by the court 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.</p> <p>Court clerks transmit (prompting recall notices to print at the law enforcement agency) recall notices to the appropriate law enforcement agency but without notice of confirmation recall received. Recalled dates are inconsistently noted in the Docket notes and returned dates are inconsistently entered in the designated fields by court clerks as warrants and/or capias are returned from law enforcement agencies. Process verification is problematic since systems are not linked and lack warnings when payments are made in full, defendants appear, or defendants comply with orders of the court, etc. The chief clerk inconsistently reviews the warrant error report to ensure any active warrants that need to be recalled are processed by court staff.</p> <p>No separation of duty procedure is established for recall of warrants.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>In accordance with state statutes and at judge’s discretion, warrants/capias should be issued within a reasonable time frame to further enhance the court’s collections process. All warrants should be recalled when a defendant makes proper disposition of court costs & fines by payments made, jail time served, community service or other disposition such as appeal of the case.</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, dismissal 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 Procedures §45.041, the judgment and sentence, in case of</p>



	conviction in a criminal action before a justice of the peace or municipal court judge, shall be that the defendant pays the amount of the fine and costs to the state. The justice or Judge may direct the defendant to pay: (A) the entire fine and cost when sentence is pronounced; (B) the entire fine and cost at some later date; or (C) a specified portion of the fine and costs at designated intervals.		
Cause: (Describe the cause of the condition if possible)	Warrant /capias not returned from Constable offices Inadequate system exception reporting Clerical error		
Effect: (Describe or quantify any adverse effects)	Liability to County for persons arrested in error. Official Justice of the Peace Docket records may be inaccurate or incomplete.		
Recommendation: (Describe corrective action)	<p>Warrant and capias procedures should include:</p> <ul style="list-style-type: none"> • 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 capias recalled same business day 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. • A tracking list of recalled, but unreturned warrants or capias should be maintained with weekly follow-up communications to the constable or sheriff until returned. • Outstanding warrant reports periodically reviewed for accuracy. Notification to law enforcement agencies to cancel warrants on warrant systems when returned by the agency without recall. <p>JPAS Docket screen posting procedures should include:</p> <ul style="list-style-type: none"> • Updating Docket screens as <u>each</u> warrant or capias is issued/recalled/returned. • Completion of electronic dockets in compliance with Code of Criminal Procedure, § 45.017 and § 45.041. • Periodic verification of workflow and entry accuracy. 		
Responsible Department or Organization:	Justice of the Peace 4-2		
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: 14-JP4.2-01-08 - Civil Fee Dockets
Date: January 22, 2015
Audit: Justice of the Peace 4-2 FY2013-FY2014
Auditor(s) Assigned: WH

<p>Finding:</p>	<p>Review of 35 cases from the Justice Fee Exception List revealed:</p> <p>Filing Fees</p> <ul style="list-style-type: none"> • Three cases without payment of filing fees do not meet the criteria for upfront exemptions of filing fees or waiver due to the submission of an Affidavit of Inability to Pay. <i>Status: One case reflects case dismissed for want of prosecution after being arbitrated in another court.</i> • One case without upfront payment of filing and service fees. <i>Status: Filing and service fees paid approximately two months later.</i>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>9B and 9C</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 if approved, 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 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>Billing notations are not reflected on the case Docket comment screen. System reports are not available within JPAS to track unpaid balances.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>In accordance with statutes (Local Government Code § 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 claim cases filed by non-governmental entities and individuals except for those individuals with approved affidavits of indigence on file. Exceptions also include 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>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>Texas Rules of Civil Court Procedures Rule 143. A party seeking affirmative relief may be ruled to give security for costs at any time before final judgment, upon motion of any party, or any officer of the court interested in the costs accruing in such suit, or by the court upon its own motion. If such rule be entered against any party and he failed to comply therewith on or before twenty (20) days after notice that such rule has been entered, the claim for affirmative relief of</p>



	such party shall be dismissed.				
Cause: (Describe the cause of the condition if possible)	Clerical error Weak system functionality				
Effect: (Describe or quantify any adverse effects)	Potential revenue loss for Dallas County and State of Texas. System extracts do not include indigent status.				
Recommendation: (Describe corrective action)	<p>Filing fees should be collected at the time of filing on all non-misdemeanor cases except the following whereas a reason for not 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>				
Responsible Department or Organization:	Justice of the Peace 4-2				
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: 14-JP4.2-01-09 Marriage, Birth & Death Certificates
Date: January 22, 2015
Audit: Justice of the Peace 4-2 FY2013-FY2014
Auditor(s) Assigned: WH

<p>Finding:</p>	<p>Review of birth certificate logs/applications and marriage license application/logs for 10 randomly selected days for proper billing, recording, and receipting to the JPAS revealed:</p> <p><u>Birth Certificates</u></p> <ul style="list-style-type: none"> • Multiple clerks issued birth certificates under the same log-in. • Two instances of birth certificates reflected as voided on the JP court’s Birth Certificate log without reason for voiding noted and a copy of the voided certificates not retained. • One more birth certificate search listed on the Texas Department of State Health Services Vital Statistics Unit (VSU) Remote Certificate Monthly Transactions Report for November 2013 than the number of certificate payments received; however, all security paper (security number sequence) was accounted for. <p><u>Marriage Licenses</u></p> <ul style="list-style-type: none"> • One instance of transaction whited out on log and case number deleted in JPAS. • One instance of certificate number not included on JP court’s Marriage License log; however, the application id was traced to the JPAS as receipted.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>10A, 10C, 3.I, and Daily Observations</p>
<p>Condition: (Describe the current condition)</p>	<p>Requestor completes an application with applicable information, provides proof of identity and relationship to party for which the birth certificate pertains, and pays the required fee (Payment tender type should be cash or money order). The County Clerk has cross deputized JP clerks authorizing JP issuance of <u>birth certificates</u>. JP clerk counts the fee paid, reviews the application, verifies eligibility of requestor, and accesses (only one employee logs in at time due to VSU system instability) the Vital Statistics Unit system. The birth certificate information is printed using security paper through a designated printer and embossed with the County seal. The certificate and required fee are taken to the bookkeeper for receipting. The bookkeeper verifies the fee corresponds to the number of certificates requested. The JPAS is accessed by the bookkeeper and the payment for the certificate(s) is receipted. The original receipt, any change due, and certificates are provided to the requestor. An issuance log is maintained by the court and updated by the issuing clerk with the certificate number(s) being used and initials of clerk issuing certificate. Any voids are marked void on certificate and issuance log by the issuing clerk. Voided certificates are not submitted to the Texas Department of Health Vital Statistics Unit on a regular basis with a request to remove for the lifetime count. However, the birth certificates are shredded, periodically.</p> <p>Texas Department of Health Services Vital Statistics Unit submits one monthly bill to the County Clerk for all Dallas County locations. Billing reflects activity by user id and location. All searches to the state system reflect as a charge on the monthly billing.</p> <p>When applicants come to the court for marriage licenses, they are directed to apply for the license at the Kiosk located in the court’s hallway. Using the County Clerk’s AiLIS system, applicants complete an online application and receive a reference number which is given to the deputized clerk. The clerk searches the marriage license application system for the</p>



	<p>reference number, verifies the applicants have valid forms of identification, and prints the application for the applicants to verify and sign affirming the correctness of the information. The marriage license is printed (from AiLIS) on special paper and a gold embossed County seal is affixed. The clerk makes a copy of the signed application and both applicants' identifications. The license and required fee (payment tender type should be cash or money order) accepted by the clerk are taken to the bookkeeper for receipting. The bookkeeper verifies the fee corresponds to the type of marriage license. The JPAS is accessed by the bookkeeper and the payment for the license is receipted to specially assigned case numbers under the MC case type. The marriage license log is filled out by the issuing clerk with the applicants name, certificate number, receipt number, case number, date, and initials of the clerk issuing the license. The original receipt, any change due, and license are provided to the requestor.</p> <p>When a Twogether in Texas pre-marriage certificate is presented, the certificate is verified in the Twogether in Texas system as valid and the required box checked to apply the \$60 discount. Twogether license fees are \$21 rather than the standard \$81 fee..</p> <p>Birth certificate applications are sent to Archives instead of being destroyed after expiration of 3 year retention period.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>According to V.T.C.A., Health and Safety Code § 191.0045, "..... (d) A local registrar or county clerk who issues a certified copy of a birth or death certificate shall charge the same fees as charged by the bureau of vital statistics....." "(h) A fee under this section shall be collected by the registrar or county clerk on the issuance of a vital statistics record, including a record issued through a Remote Birth Access site."</p> <p>According to Texas Administrative Code, RULE §181.24, (a) Abused birth record. (1) Any birth record that has had 10 certifications issued since the original date of filing shall be considered as an abused record. Such a notation shall be made on the birth record. (2) Local registrars shall notify the Bureau of any abused record. Requests for additional certifications shall be made to the bureau. (3) When the state registrar receives a request for an abused birth record, he/she shall refuse to issue any additional certifications until the registrant, minor registrant's parent who is not excluded by law, or registrant's guardian has satisfactorily explained the reason for the additional request(s).</p> <p>According to Texas Administrative Code, RULE §181.25: (a) The bureau shall furnish application forms for a marriage license to each county clerk in the format as prescribed by the State Registrar. (b) The application form shall contain at a minimum the items and information prescribed in the Texas Family Code, §2.004. (c) When reproduced locally by the county clerk, the form shall be identical in content, format, and size as prescribed by the bureau.</p> <p>All voided certificates should be accounted for and marked "void" in order to affix responsibility, enhance cash control and prevent potential assertion that monies were paid and refund due. Notification of voided certificates related to records accessed through Remote Birth Access site should be reported to BVS for proper credit to the customer's life time issuance count and adjustment to monthly billing statement.</p> <p>According to Texas Administrative Code, RULE §181.28, (e) Record retention. A record of the date issued, document number, name and address and form of identification to whom</p>



	<p>issued shall be made and maintained for a period of three years from the date issued. The application form, with the document number inserted, used to apply for a record will fulfill this requirement.</p> <p>Documents including confidential information should be retained in a secure location to prevent improper usage including identify theft.</p> <p>According to the Texas State Library and Archives Commission, Local Schedule CC, (Third Editions), Retention Schedule for Records of County Clerks, the retention period for CC1325-23 Marriage License Applications is as long as administratively valuable. County clerks are not required to retain copies of marriage licenses applications after forwarding the original applications to the Texas Vital Statistics Office of the Texas Department of State Health Services.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Unknown</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Logs with inaccurate and incomplete information. Potential misuse of official documents County liability for improper storage and destruction of confidential information</p>
<p>Recommendation: (Describe corrective action)</p>	<p>Birth certificate application procedures should be updated to include:</p> <ul style="list-style-type: none"> • Written procedures, periodic review by chief clerk for compliance, and staff training • Issuance logs updated with voided certificate data • Voided certificates clearly marked "void" and affixed with a reason for void • Voided birth certificates forwarded to Texas Department of State Health Services • The receipt comment field in the JPAS should document the file number of the certificate issued • Documents retained in a secure location with restricted access and retained in accordance with records retention requirements <p>Marriage license log should be updated to include a column for the Twogether certificate number.</p> <p>Records Management should be contacted to coordinate the secure destruction/shredding of marriage license application copies which are no longer administratively valuable.</p>
<p>Responsible Department or Organization:</p>	<p>Justice of the Peace 4-2</p>
<p>Management's Response:</p>	<p><input type="checkbox"/> Agree <input type="checkbox"/> Disagree Respondent: _____ Date: _____</p>
<p>Comments:</p>	<p> </p>
<p>Disposition:</p>	<p><input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration</p>

County Auditor



Dallas County, Texas

Finding Number: 14-JP4.2-01-10 - Comparison Activity Reports
Date: January 22, 2015
Audit: Justice of the Peace 4-2 FY2013-FY2014
Auditor(s) Assigned: WH

<p>Finding:</p>	<p>Comparison of activity reports filed by the court with the Office of Court Administration (OCA), the Office of Budget and Evaluation (OBE), and the Auditor’s Office to the mainframe JPAS case records revealed:</p> <p>JPAS compared to OCA FY2013:</p> <ul style="list-style-type: none"> Landlord/Tenant under reported by 7.22% (285 cases). <p>JPAS compared to OCA FY2014:</p> <ul style="list-style-type: none"> Small Claims over reported by 9.93% (68 cases).
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Work paper 11A.2 OCA website, comparison of cases filed per JPAS and activity reported by the court</p>
<p>Condition: (Describe the current condition)</p>	<p>Court clerk assignments include processing traffic, IBC, other class C misdemeanor, evictions, civil, debt claims, or small claims cases. In addition, the court clerks manually capture case activity, disposition and payment information on a daily basis. Oversight or mathematical errors result in monthly data provided by the court clerks to the chief clerk to not accurately reflect case activity as recorded to the Justice of Peace Accounting system. The chief clerk compiles a monthly summary of case activity, disposition, and payment information based on data provided and submits to OCA, OBE, and Audit without complete cross reference to the JPAS or validation of totals.</p> <p>Automated traffic case filing numbers are retrieved daily by court personnel accessing Document Direct.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Government Code Section 71.035(b) and Texas Administrative Code Sections 171.1 and 171.2 requires all activity reports to be accurately and timely completed and mailed (or updated via the Internet) to the council (Texas Judicial Council/OCA) no later than 20 days following the end of the month reported.</p> <p>Local Government Code 114.002 authorizes the County Auditor to determine the time and manner for making reports to the auditor. The County Auditor has determined that activity reports should be provided to the Internal Audit section no later than 20 days following the end of the month reported.</p> <p>Information processing controls must be continually updated and monitored to help ensure that transactions completed through computerized applications are valid, authorized, complete, and accurate.</p> <p>Internal control for reporting requires that all case numbers are accounted for, issued consecutively by case type, and properly and timely indexed to the JPAS.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Lack of automated tracking system.</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Inaccurate statewide court analysis by OCA.</p>
<p>Recommendation: (Describe corrective action)</p>	<p>In accordance with statutory guidelines, monthly activity reports should be completed in an accurate and timely manner with copies provided to OCA, OBE, and the County Auditor.</p>



	Activity reports should be corrected and resubmitted if errors are later identified, as the accuracy of activity reports may affect staffing levels or statewide analysis. Management should periodically review system reports including the JPAS Case Index report for appropriateness and accuracy of changes and deletions.				
Responsible Department or Organization:	Justice of the Peace 4-2				
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: 14-JP4.2-01-11 - Credit Card Postings & Activity
Date: January 22, 2015
Audit: Justice of the Peace 4-2 FY2013-FY2014
Auditor(s) Assigned: WH

<p>Finding:</p>	<p>Review of financial activity associated with eighty-seven (87) credit card transactions and the associated JPAS postings and all FY2013 and FY2014 credit card refunds revealed:</p> <ul style="list-style-type: none"> • One defendant charged \$20 fee for dismissal of No License Plate. Per Transportation Code 504.943 (d), dismissal fee for No License Plate is <u>not</u> to exceed \$10. • One case paid in full not marked disposed on the JPAS Docket screen. • Docket screen Court Costs and Fine fields not updated for twelve transactions requiring intervention of Treasurer’s Office staff to refund overpayments.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>6A and 6B Credit card settlement reports Special Fund Refunds JPAS</p>
<p>Condition: (Describe the current condition)</p>	<p>Credit card payments are submitted for processing either by defendant directly over the Internet or by Point-of-Sale (POS) over the counter transactions using a swipe card reader and numeric pad for entry of debit cards PIN by customer. There are two web portals that can be used: an ‘auto citation’ payment channel and a ‘JP Court’ precinct payment channel.</p> <p>Defendants paying with a credit or debit card in person are required to provide a government issued photo ID. The counter clerks inform the payer the convenience fee to be assessed for the payment. The counter clerk will swipe the credit/debit card on the Point of Sale (POS) device. The clerk generates two POS sales slips (customer and office copy) and obtains the customer’s signature on the court’s copy for non-PIN transactions only. For debit card transactions, the customer is required to enter a PIN on the numeric pad. The counter clerk will have the customer enter their PIN for debit card transactions on the numeric pad facing the customer. The counter clerk will take the signed POS slip or office copy of PIN POS sales slip and any supporting documentation to the bookkeeper or back-up bookkeeper for receipting. The bookkeeper staples the office copy of the POS slip to the office computer receipt copy. At the end of the business day (not prior to 4 PM), the clerks will generate a Device Detail Report for each POS device and give it to the bookkeeper for reconciling and balancing the daily JPAS transactions. The next business day, the bookkeeper and chief clerk receive, by email from the court’s proxy email account, a Batch Settlement Report, listing all the POS credit/debit card transactions completed by the court staff for that period. The bookkeeper will compare the Batch Settlement Report to the prior day Device Detail Report to verify the reports match. The Batch Settlement amount is noted on the check deposit Form 98 and a copy of the Batch Settlement Report will be attached to the deposit form.</p> <p>Defendants paying with credit card over the Internet for tickets issued via automated traffic citations must have their citation number and JP court ID from the citation in order to remit payment online. If the defendant does not have the citation, the defendant can contact the Justice of the Peace court for the information. Defendants are required to click box and agree to “By paying this violation, I hereby voluntarily, intelligently, and knowingly waive my right to a trial by jury”. The defendant will be redirected to the JPMorgan Chase PayConnexion site. A valid credit or debit card must be entered at this point. A convenience fee (charged and collected by JPMorgan Chase) will display on the payment verification screen where the defendant will have the opportunity to terminate the transaction or pay the full payment. Once the defendant accepts the final amount, a confirmation number s generated by the system for successful transactions and the confirmation can be printed by the defendant. Credit/debit card payments processed through the ‘automated traffic citation’ payment channel by 6:59:59 PM are not consistently included in the next day business closeout (processing is dependent on IT parameters not JP court clerk). Credit card number and other information are not stored on Dallas County servers or systems.</p>



	<p>Defendants paying with credit card over the Internet for traffic, IBC, truancy, parks and wildlife, etc. cases must have their case number and JP court id in order to remit payment online. If the defendant does not have the case number or JP court id, the defendant can contact the Justice of the Peace court for the information. The defendant has the option to pay the full amount or a partial amount. After going through two additional screens, the defendant will be redirected to the JPMorgan Chase PayConnexion site after clicking on the 'continue' button. A valid credit or debit card must be entered at this point. A convenience fee (charged and collected by JPMorgan Chase) will display on the payment verification screen where the defendant will have the opportunity to terminate the transaction or make payment. Once the defendant accepts the final amount, a confirmation number is generated by the system for successful transactions and the confirmation can be printed by the defendant. Credit/debit card payments processed through the 'JP courts online payment center' channel by 6:59:59 PM are not consistently included in the next day business closeout (processing is dependent on IT parameters not JP court clerk). Credit card number and other information are not stored on Dallas County servers or systems.</p> <p>Each business morning, the bookkeeper prints the credit card transaction reports from both credit/debit card payment channels and the mainframe automated posting/reject reports. Accepted transactions (completed prior to 7 PM) processed through the 'auto citation' payment channel create a computer receipt in the overnight batch process without data entry required except for amounts that do not match the limited allocation table. A receipt does not print for these transactions. The bookkeeper reviews the 'automated traffic citation' payment channel accepted (titled Settlement Report) report and compares to the JPAS for accuracy in fee code distribution. There are limited court costs tables available for the automated posting of credit/debit card payments so some items appear on a mainframe reject (amounts do not match table) report and require research and manual posting for generation of a computer receipt.</p> <p>Valid transactions from the 'JP Court' precinct payment channel accepted (titled Settlement Report) report and the rejected 'auto citation' transaction mainframe report will be receipted by the cashier, bookkeeper or chief clerk to the JPAS as payment type 'check' due to JPAS limitations. Daily balancing of receipt activity will include credit/debit card payments that appear on the accepted/settlement (previous day's activity prior to 7 PM) reports generated by court staff from the County's Intranet site.</p> <p>A copy of the POS settlement report and the two accepted/settlement ('auto citation' and 'JP Court') reports will be sent to the County Treasurer with the check deposit. The cash and check (including closed out / computer receipted credit card payments) deposits will be placed in separate clear plastic deposit envelope bags. Relevant information will be written on the clear plastic bags. Bag control numbers, payment type, and amount will be notated in the courier receipt book and signed by court staff. The deposits will be locked in the safe pending the arrival of the courier. The courier will sign for the deposits and deliver to the County Treasurer.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific cash controls related to internal controls, system security, and statutes regarding e-file control procedures require that:</p> <ul style="list-style-type: none"> • All monies received should be promptly receipted and deposited properly, and timely in accordance with Local Government Code, § 113.022 and Code of Criminal Procedure, § 103.004. • Accounting and system control procedures require daily reconciliation and balancing of collected funds, including supervisory review. • E-Commerce requires information processing controls to test that transactions completed through computerized applications are valid and properly authorized, completely, accurately, and timely processed, and reported.



	<p>Per Dallas County General Policy for Use of Credit Card Transactions Policy, any customer credit card numbers or security numbers from the back of the credit card received through the mail by the justice courts and used to process credit card transactions must be securely retained for 24 months after the transaction is processed through web access in a locked file cabinet with limited access. After 24 months, the credit card information should be destroyed or redacted. At no time should credit card information be left on desks or other work areas nor be filed in case jackets.</p> <p>According to Local Government Code, § Sec. 130.003. PAYMENT CONDITIONAL. (a) The acceptance of a check or credit card invoice for the payment of a fee or tax does not constitute payment of the fee or tax. The fee or tax is not considered paid until the check is honored by the bank on which the check is drawn or the credit card invoice is honored by the issuer.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Non-integrated financial systems for e-commerce requiring manual intervention. Multiple credit card reports and payment channels. Inadequate JPAS system functionality Clerical error</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Additional staff time required to correct posting errors. Over-assessment of fees due.</p>
<p>Recommendation: (Describe corrective action)</p>	<p>Payment posting procedures should include:</p> <ul style="list-style-type: none"> • Continue review of reports for card acceptance posting & rejection to properly & timely account for payments. Valid payments not auto-posted should be receipted to the JPAS when appearing on the settlement report. • Post payments in compliance with Dallas County General Policy for Use of Credit Card Transactions Policy including reference to the last five digits of the transaction id number. <p>The misdemeanor Docket screen should accurately reflect the court costs and fine amount due. If the court costs and/or fine change (issuance of warrants, time payment fee assessed, fines is reduced by the judge), the fields should be updated so that accurate receivable information is maintained</p>
<p>Responsible Department or Organization:</p>	<p>Justice of the Peace 4-2</p>
<p>Management's Response:</p>	<p><input type="checkbox"/> Agree <input type="checkbox"/> Disagree Respondent: _____ Date: _____</p>
<p>Comments:</p>	<p> </p>
<p>Disposition:</p>	<p><input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration</p>



Finding Number: 14-JP4.2-01-12 Time & Attendance
Date: January 22, 2015
Audit: Justice of the Peace 4-2 FY2013-FY2014
Auditor(s) Assigned: WH

<p>Finding:</p>	<p>Observation of office schedules and review of manual time and attendance records and Kronos time and attendance system postings revealed:</p> <ul style="list-style-type: none"> • Office hours: <ul style="list-style-type: none"> ○ The court remains open to the public from 8:00 a.m. – 4:00 p.m. Employees continue to work until 4:30 pm but do not accept customer payments after the close time of 4:00 pm. • Breaks and lunch periods: <ul style="list-style-type: none"> ○ Full-time regular employees take 50 (observations while in the field revealed instances of lunch exceeding 50 minutes) minutes for lunch with no breaks. Lunch is recorded as 30 minutes on KRONOS time and attendance system. • Three instances where a former Chief Clerk edited an employees’ web-timestamp end times in Kronos to reflect a departure time of 30 minutes later. • Two instances where bad weather late opening holiday time Kronos postings exceed time authorized by the County by .3 and .2 hours respectively. Former was advised to submit request for Historical Edits to correct time; however, historical edits were not requested. • Seven instances where a former chief clerk recorded approved time off (ATO) to Kronos while not averaging a 40 hour work week over a 52 week period. • One instance where employee leave request reflects compensatory time; however, postings to Kronos indicate one hour comp 1.5 taken and three hours sick leave taken.
<p>Work paper Reference: (or other method by which finding was identified)</p>	<p>13A, 13B, and 13C Observation and inquires Kronos and manual attendance records ICQ</p>
<p>Condition: (Describe the current condition)</p>	<p>Employees combine two authorized 10-minute breaks with 30 minute lunch. In addition, some lunches extend to 60 minutes.</p> <p>Web-timestamp functionality is used by non-exempt staff to record start and end times. When the clerks need to take time off, they complete a request for leave form indicating the days being requested and type of leave and give to the chief clerk for approval or disapproval on the form. Annual leave, sick leave, holidays, etc. taken are recorded to the Kronos system based on information available to the chief clerk. The chief clerk maintains the request forms in a locked file cabinet.</p> <p>Oracle DC Employee Self-Service is available for court staff to review hours paid and accrual balances taken / earned / available. Kronos time is ‘approved’ bi-weekly with a ‘sign off’ by the chief clerk.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>According to Dallas County Code, Section 82.32, Work hours scheduling:</p> <p>(a) <i>Work Schedule.</i> Each supervisor must approve and establish an authorized work schedule for each employee within the time-keeping system. All employees’ work hours, exempt and non-exempt, will reflect their established work schedule.</p> <p>(b) <i>Office hours.</i> An elected official/department head, with the approval of the commissioners court, has the right to establish and schedule reasonable work hours, rules and working conditions in a manner most advantageous to the county in accomplishing its service and work requirements. Compensatory time and overtime are also scheduled by the elected official/department head according to appropriate county policies. County offices, excluding 24-hour operations, are expected to remain open between the hours of 8:00 a.m.-4:30 p.m. and remain open during the noon hour. Employees should verify office hours and work hours with their supervisor.</p>



(c) *Breaks and lunch periods.* 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 and shall not be combined with breaks. 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.

(f) *Hours worked less than* Any nonexempt employee who does not work a full 40 hour workweek will have his compensation reduced by the value of the hours not worked or will charge such time not worked to accrued leave or compensatory time, holiday pay, vacation or sick leave, or any combination of such leave. Employees not eligible for approved leave and unable to consistently work 40 hours per week are subject to loss of full-time status and benefits.

(g) *Other.* Each elected official/department head is responsible for ensuring that all reporting of time worked, accrual and use of leave, complies with county policies. Employees are not permitted to remain on the county's payroll if they are not on an approved leave of absence (with or without pay). Supervisors are responsible for accurate time reporting. The law requires that what is reported must be paid. Not reporting time accurately is considered falsifying an official document. Disciplinary action, up to and including termination, may be taken against employees and supervisors who falsify county documents related to work hours.

According to Dallas County Code Sec. 82-175, Supervisory responsibilities:

- (a) Supervisory responsibilities fall to the elected official, department head or their designee.
- (b) Supervisors are responsible for informing their employees about which time entry method (time clocks, on-line entry or time sheets) they shall use to record their time and attendance. Supervisors shall educate their employees about how to use the time entry method they are assigned and about the time and attendance policies for their department.
- (c) Supervisors are responsible for ensuring employee time records are accurate and that no abuses occur. Only supervisors have the authority to correct employee time record errors or omissions.
- (d) Supervisors are responsible for recording employee vacation and sick time and for entering time for employees who are working outside their department work area.
- (e) Supervisors are responsible for checking daily start times, meal periods, end times, vacation time, sick time, compensatory time and overtime to ensure employees are in compliance with their shift work schedule and the county's overtime policies. Supervisors are responsible for promptly documenting actions warranting discipline and for promptly reporting possible fraud to the county auditor.

According to Dallas County Code, Section 82-132, Work schedules: Exempt employees shall report all hours worked and adhere to an established work schedule approved by the elected official/department head. Exempt employees' work schedules shall average a minimum of 40 hours per week, including use of accrued leave time. All time worked shall be recorded in the official time and attendance system.

According to Dallas County Code, Section 82-134, Scheduled time off:

Periodically, elected officials/department heads may grant administrative time off for exempt employees. Such time off must be approved by the elected official/department head. In order to approve such leave, the elected official/department head must ensure the exempt employee's most current 12-month average weekly work schedule exceeds 40 hours. For exempt employees whose tenure is less than 12 months, their average weekly hours worked shall be determined by the average hours worked over the number of weeks worked for the county. If this criterion is met, the elected official/department head may, at his/her discretion,



	approve the time off. <u>Under no circumstances will this time be granted on an hour-for-hour basis</u> and the total amount of time granted shall not exceed 15 work days in a 12-month period except by formal approval by the commissioners court.		
Cause: (Describe the cause of the condition if possible)	Inaccurate application of county time and attendance policies.		
Effect: (Describe or quantify any adverse effects)	Employee time charged to an incorrect leave category or not charged. Official time and attendance records do not accurately reflect time worked and taken.		
Recommendation: (Describe corrective action)	<p>Actual hours worked, vacation time, sick time, holiday time, jury duty, compensatory time, overtime, ATO, 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.</p> <p>Lunch periods should be taken in accordance with County policy or additional time taken recorded to Kronos.</p> <p>Historical edits should be submitted to the Payroll Hotline to reflect correct leave types and time taken on Kronos.</p> <p>Response to request for leave should clearly indicate type of leave approved on the request for leave form in order to assert that time is accurately recorded in accordance with the Dallas County Code and Commissioners Court orders.</p>		
Responsible Department or Organization:	Justice of the Peace 4-2		
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: 14-JP4.2-01-13 – Systems & Security
Date: January 22, 2015
Audit: Justice of the Peace 4-2 FY2013-FY2014
Auditor(s) Assigned: WH

<p>Finding:</p>	<p>Review of randomly selected D/P Logs from Document Direct and review of Internal Control Questions and field audit observations revealed:</p> <p>D/P Logs</p> <ul style="list-style-type: none"> • Three instances of address misspelled. • One instance of defendant’s information listed as both defendant and defense attorney. • Three instances of defendant’s address changed to the Texas Secretary of State (used for citation service). • One instance of a defendant’s address not changed on all of the defendant’s active cases. • One instance of an eviction case dismissed with the eviction clerk reusing the case number on the JPAS by completely changing the information for a new case filing. <p>Internal Controls/Observations</p> <ul style="list-style-type: none"> • Instances of passwords not safely secured or memorized by all employees. • Instances of clerks not locking their computers when away from their desks.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>14, 3.I, 3.II, and Daily Observations</p>
<p>Condition: (Describe the current condition)</p>	<p>Case index information is entered to the JPAS by clerks without secondary review of new case data or changes/deletions.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific cash controls related to internal controls and system security require that:</p> <ul style="list-style-type: none"> • The chief clerk should periodically review D/P logs to insure that the explanation for deletions or changes to case information are documented and reasonable. • Separation of duties for staff assigned to enter, update, and/or delete case index information. • Information processing controls to test that transactions completed through computerized applications are valid, properly authorized, and completely and accurately processed and reported with ongoing management review.
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Incomplete monitoring of case deletions and changes. Limited JPAS system functionality for assigning security roles and rights.</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Potential for improper or unauthorized changes. Cases may be improperly deleted.</p>
<p>Recommendation: (Describe corrective action)</p>	<p>Review all assignable system rights and roles to ensure users have only the rights necessary to perform their core job functions. A proper segregation of duties reduces the risk of misappropriated funds.</p>



	Chief clerk should periodically review daily D/P logs and test for authorized changes and deletions. Passwords should be memorized and periodically changed. Computers should be locked or signed off when employees leave their workstation.		
Responsible Department or Organization:	Justice of the Peace 4-2		
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent: _____
Comments:	Date: _____		
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration