



**DALLAS COUNTY
COUNTY AUDITOR**

Memorandum

To: Honorable Judge Juan Jasso
Justice of Peace, Precinct 5, Place 2

From: Darryl D. Thomas *Darryl D. Thomas*
County Auditor *AKA*

Subject: Review Performed for Fiscal Year 2014

Date: Issued: March 27, 2017
Released: July 7, 2017

Scope

A review was performed in accordance with statutory guidelines on the records and reports of Justice of the Peace, Precinct 5, Place 2 for fiscal year 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:

- Performed unannounced cash counts
- Accounted for numerical sequence of manual and computer generated receipts
- Traced amounts recorded on the receipts to the bank deposits
- Reviewed assessed fees for compliance with applicable state laws and Commissioners Court orders
- Reviewed credit card transactions and processes
- Reviewed case activity to determine if procedures are followed for delinquency
- Reviewed unpaid criminal cases for outstanding warrants of arrest
- Reviewed outstanding warrant reports for appropriateness of active warrants
- 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
- 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 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 2014, the justice court processed:

- 21,286 computer receipts totaling \$2,974,887
- 23,579 class C misdemeanors (includes 7,197 automated traffic filings)
- 1,743 debt / small claims
- 4,156 eviction, repair and remedy, or other tenant cases

FINDINGS**Cash Management**

Cash Counts – A review of cash handling procedures, cash counts performed, and observation of court operations revealed: one unresolved cash shortage totaling \$53; six court clerks (including the chief clerk and bookkeeper) are authorized to receipt payments without separate balancing prior to combining receipted monies with funds receipted/controlled by the bookkeeper; cash, checks and money orders are given to the bookkeeper at end of the day without documentation; funds kept in non-locking money bags at each clerk's desk; and no reconciliation is performed to account for funds received by the different clerks prior to submitting to the bookkeeper due to a lack of separate tills within the JPAS.

Receipts - Manual/Computer - A sample review of computer receipts including 130 voided computer receipts and 89 manual receipts revealed: all computer receipts from October 1, 2013 through December 2, 2013 were missing (includes twenty-six voided computer receipts); 27 voided computer receipts without retention of both the court and customer copies including one receipt replaced for \$60 less cash; eleven computer receipts not marked 'void'; two computer receipts partially voided in the JPAS; and eleven computer receipts voided without a written explanation for the void detailed on the receipt.

Assessment / Distribution – A sample review of cases and corresponding computer receipts for compliance with applicable state laws including Code of Criminal Procedure Chapters 45 and 102 and Local Government Code (LGC) Chapter 133, Commissioners Court orders, and Attorney General Opinion No. GA-0147 revealed errors and omissions pertaining to: posting partial payments, assessing court costs, collections, receipting to fee types, and JPAS docketing. Three administrative dismissals could not be verified for appropriateness after the court was unable to locate the case jackets. One defendant was granted an administrative dismissal by the court even though case documentation reflects the vehicle failed the inspection after receiving the traffic citation.

Disbursement / Special Fund Reconciliation – A review of special fund activity revealed: two stale dated checks not cancelled in the JPAS; one refund to a defendant rather than applying \$30 FTA fees to the defendant's other cases; and, refund of \$61 filing fee after judge's denial of request for writ of sequestration.

A follow-up review of prior years' findings revealed: court costs, fines, NSF collections, citation issuance fees, etc. remain in the special fund; and case balances over three years old totaling approximately \$244,334 (including approximately \$84,320 in criminal cash bonds over four years old) remain in the special fund account as of October 4, 2014 without research for disbursement to the applicable party and/or escheating to the County Treasurer or State Comptroller or correction of receipting errors.

Processing/Reporting

Time Payment Plans – A review of cases with Time Payment Plans in compliance with the Code of Criminal Procedure, Article 103.0033 revealed material compliance.

Credit Card Transactions – A sample review of credit/debit card transactions and the associated JPAS postings, related procedures, and ongoing desk review revealed: instances of judgment dates and pleas not entered; and instances of assessment, collection, and receipting errors.

Criminal Fee Dockets – A review of IT Services Active Warrants on Disposed Cases report dated July 13, 2015, for the appropriateness of outstanding warrants or capias revealed: 71 active warrants or capias on the Constable's warrant system for cases without calculated balances due on the JPAS; 67 active warrants or capias on the Constable's warrant system for cases marked with a disposed flag on the JPAS Docket screen; and all clerks are authorized to recall warrants. JPAS Docket screens are being updated warrants and/or capiases are being recalled in a timely dismissed, disposed and payments

Delinquent Collection Referral – A sample review of cases from the JP Collection Referral Report for compliance with the Code of Criminal Procedure, Article 103.0031, revealed instances of partial payments not properly prorated / allocated to court costs and fees including delinquent collection fees.

Failure to Appear (FTA) Driver License (DL) Renewal Block Program – A sample review of 30 cases from the FTA Payment History Report for compliance with Transportation Code, Sec. 706 revealed: one driver's license renewal hold released and the \$30 FTA fee inappropriately waived.

A review of 59 dismissed cases revealed: 58 of 59 cases dismissed after the court did not timely process requests for appeals under Code of Criminal Procedure, Article 27.14 (b); and, the \$30 FTA fee waived and DL renewal hold released.

Civil Fee Dockets – A sample review of civil cases from the Justice Fee Exception List for compliance with Local Government Code (LGC), §118 and Chapter 133, Commissioners Court orders, and Texas Rules of Civil Procedure, Rule 145 revealed: instances where Affidavits of Inability to Pay Costs were not posted to the JPAS; four cases without collection of filing and service fees could not be verified for appropriateness after the court was unable to locate the case jackets; one case with filing and service fees paid over two years later; and, one writ of execution incorrectly included counterclaim filing fees/court costs paid by the defendant.

As of September 30, 2014, \$28,651 in outstanding Dallas Housing Authority (DHA) receivables dating to fiscal year 2004 not paid with new cases accepted without payment of filing fees.

Activity Report – A 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 in compliance with Government Code Section 71.035(b) and Texas Administrative Code Sections 171 revealed: instances of cases over reported for traffic misdemeanor, small claims, and debt claims; and landlord/tenants cases under reported.

Unposted Traffic Citations – As of July 15, 2015, approximately 1,398 traffic citations were not docketed into the JPAS. Additionally, the court does not complete the Docket screen with offense details on the manually filed citations and does not mail an appearance letter to the defendant unless the defendant contacts the court.

Other/Miscellaneous

Time and Attendance – Observation of time and attendance, a sample review of manual attendance records, and KRONOS time and attendance postings for compliance with Dallas County policy revealed: the court closes its doors to the public at 4:00 PM despite court personnel working to 4:30 PM; employees take 50 minutes for lunch with no breaks but lunch is recorded as 30 minutes in KRONOS; instances of leave type discrepancies between employee time off request forms and time posted to KRONOS.

Marriage Licenses – A review of marriage certificate issuance logs, corresponding JPAS receipts, and reports sent to the Office of Budget and Evaluation (OBE) revealed: marriage license activity overstated by 432 (67.5%) marriage licenses on reports sent to OBE for the months February through September 2014.

RECOMMENDATIONS

Cash Management

Receipting and Depositing – Receipts should be verified for accuracy of amount before issuing to customer. All monies received should be promptly receipted and deposited consistent with state law, LGC, § 113.022 and Code of Criminal Procedure, §103.004. Receipts should never be altered, but properly voided. **All copies of a void receipt should be retained** clearly marked “void” and affixed with a reason for the void. Any changes from tender type (for example cash to check or vice versa) should be specifically reviewed and appropriately supported. Compensating controls such as dual sign-off on voids and receipt corrections should be implemented. A funding source should be identified for all missing funds.

***Management Response:** Corrective action has been implemented to make sure all receipts are kept together.*

Cash handling duties should be properly segregated. Cash, checks, and money orders should be kept in a locked file, desk drawer, safe, or cash drawer when the bookkeeper/custodian is away from their desk. Separate cash drawers should be maintained with collections balanced prior to combining with other receipted funds.

***Management Response:** Two court clerks (including the chief clerk and bookkeeper) are authorized to receipt payments. All monies received are promptly receipted and deposited. Received funds are kept in a locked cash box and drawer until the end of the day, then balanced with two separate deposits (cash and checks from drawer), and given to the bookkeeper to match with the total. All clerks handling funds have clear money bags to give to receiving clerks. Funds and receipts amounts are verified for accuracy. All void receipts are signed by two clerks with the reason and all receipts attached.*

Assessment/Distribution – Continue monitoring assessment, collection, and prorating of court costs, fines, and fees in compliance with applicable state laws including Code of Criminal Procedure Chapter 102 and Local Government Code Chapter 133, Commissioners Court orders, Attorney General (AG) Opinion No. GA-0147 and applicable fee schedules based on the offense date. 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. 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.

Special Fund Reconciliation/Disbursements – 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, § 22.18. All checks issued, canceled, or stale dated posted accurately and timely to JPAS (reconciliation of JPAS to GL) and verified/reviewed by the chief clerk.

***Management Response:** Plans have been implemented to disburse special funds and cash bonds. The Chief Clerk and Bookkeeper receive information and ensure that checks issued, canceled or stale dated are posted timely to the JPAS.*

Processing/Reporting

Time Payment Plans – Continue to establish and monitor payment plans in accordance with Code of Criminal Procedure, § 103.0033 and guidelines established by OCA.

***Management Response:** Each clerk has been trained to monitor time payment plans. Training was provided to the courts by the Office of Court Administration (OCA).*

Credit Card Transactions – Payments should be posted in compliance with *Dallas County General Policy for Use of Credit Card Transactions* including reference to the last five digits of the transaction ID number. The misdemeanor Docket screen should accurately reflect all elements of the case including but not limited to pleas, judgments, and court costs and fine amount due.

***Management Response:** Payments are posted in compliance with Dallas County policy. The case number is entered to the credit card machine, the five digit Transaction # is printed on the computer receipt, and fees posted accurately reflect the payment amount collected. The Docket screen and jacket are then updated.*

Criminal Fee Dockets – JPAS Docket screens should be updated as warrants or capiases are issued, recalled, and/or returned. Outstanding warrants or capiases should be recalled timely when cases are dismissed or otherwise disposed, payments made in full, time is served, etc. Coordinate with constable’s office to clear inappropriate active warrants or capias. Separation of duties should be established limiting (through system security access) staff assigned to recall warrants. Electronic Dockets should be completed in compliance with Code of Criminal Procedure, § 45.017.

***Management Response:** JPAS Docket screens are being updated. Warrants and/or capiases are recalled in a timely manner when the case is dismissed, disposed, and payment is made in full.*

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.

***Management Response:** Collection fees are assessed and collected at 30%.*

Failure to Appear (FTA) Driver License (DL) Renewal Block Program – The \$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. The driver's license status on the OmniBase website should be verified prior to disposing cases with 'R' status in JPAS. Report FTA status code errors to IT Services as identified and manually clear DL holds as necessary.

Timely process all requests for appeals under Code of Criminal Procedure, Article 27.14(b).

Management Response: *The \$30.00 FTA fees are collected. The DL status is verified on the Omni Base website for disposed cases with an "R" (rejected) code in JPAS. FTA status code errors are sent to IT services, when identified, to manually clear the DL holds.*

Civil Fee Dockets – Monitor timing/collection of filing fees and service fees in compliance with applicable state laws and Commissioner Court orders for all eviction, civil, 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.

Collection of unpaid court costs and service fees should be pursued with assistance through the District Attorney.

Management Response: *Filing and service fees are collected at the time of filing. We will seek assistance from the District Attorney for collection of unpaid DHA eviction fees.*

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. Activity reports should be corrected if errors are later identified, as the accuracy of activity reports may affect staffing levels or statewide analysis.

Management Response: *Monthly activity reports are completed timely and copies are kept.*

Unposted Traffic Citations – Each case filed in the court, including traffic citations received, should be posted timely, accurately, and completely to the JPAS.

Other/Miscellaneous

Time and Attendance – Actual time worked, meal periods, vacation time, sick time, jury duty, compensatory time, holiday time, overtime, etc. should be properly and timely posted to the KRONOS time and attendance system in accordance with Dallas County Code. Requests should be submitted to the Payroll Hotline for required historical edits.

Management Response: *All time worked is posted to the KRONOS time and attendance system. Clerks sign-in and additional updates are processed by chief clerk.*

Marriage License – Marriage license activity should be periodically reviewed by the chief clerk with monthly activity reports completed in an accurate and timely manner.

Management Response: *The Court has a marriage license log and the count is reported monthly.*

Summary: *JP Court 5-2 has accepted the recommendations of the Auditors and will continue to process and operate by the Dallas County Policy.*

CURRENT FINDINGS/OBSERVATION AND RECOMMENDATIONS

Finding templates numbered 14-JP5.2-01-01 thru 12 are on file.

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.

Priority areas of risk which need to be addressed include: clearing of old Special Fund balances not timely escheated and/or remitted; continuous monitoring of manual and computer receipt issuance; and, prorating of partial payments; coordinating with the constable's office to clear inappropriate active warrants (additionally, court staff should perform ongoing monitoring of the warrant exception report for inappropriate active warrants); and properly documenting and reporting case activity.

Training provided by the Texas Justice Court Training Center should be used by the court for staff as budgetary resources and time constraints allow. 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 improve internal control and compliance with Dallas County policies and procedures.