



# DALLAS COUNTY COUNTY AUDITOR

## Memorandum

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

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

Subject: Review Performed for Fiscal Year 2015

Date: Issued: October 25, 2017  
Released: December 5, 2017

### **Scope:**

A review was performed in accordance with statutory guidelines on the records and reports of Justice of the Peace, Precinct 3, Place 2 for Fiscal Year 2015.

### **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
- Examined and documented the court's process and procedures
- Examined the court's cash handling internal controls
- Accounted for numerical sequence of manual and computer generated receipts
- Traced amounts recorded on receipts to the bank deposits
- Reviewed assessed fees for compliance with applicable state laws and Commissioners Court orders
- Reviewed credit card activity for accurate and timely posting to JPAS
- Reviewed case activity to determine if procedures are followed for delinquency
- Reviewed unpaid criminal cases for outstanding warrants of arrest
- Reviewed outstanding warrants/capias reports for appropriateness
- 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 compliance with county policies and procedures
- Compared activity reports to actual new cases on the JPAS
- Compared birth certificate and marriage license payments to court logs and JPAS
- Reviewed 'Justice Fee Exception List' to determine reason for uncollected fees

### **Statistical**

During Fiscal Year 2015 the Justice Court processed:

- 16,910 computer receipts totaling \$2,162,652
- 7,330 Class C misdemeanors (includes 7,216 traffic filings)
- 1,402 civil/small claims/debt claims
- 4,727 eviction cases

## **FINDINGS/OBSERVATIONS:**

Receipts - Computer/Manual – A complete review of 36 voided computer receipts and sample review of 20 manual receipts including one void manual receipt, a review of receipt continuity, review of the daily deposit and accompanying Form 98 report, in compliance with V.T.C.A., L.G.C. § 113.022 and Vernon's Ann., C.C.P., § 103.004 and procedures recommended by the County Auditor revealed: one daily receipt total did not agree to the Form 98 deposit posted to Oracle DMS (*Status: The deposit was resolved on 01/23/15*); one deposit was delayed eight business days from the computer receipt date; six computer receipt voids where the court did not retain the customer's receipt; and one manual receipt was crossed out, but not clearly marked "void" with a reason.

Assessment / Distribution – A review of 80 sampled cases and corresponding computer receipts for 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 revealed errors and omissions pertaining to: posting partial payments, assessing court costs, collections, receipting to fee types, and JPAS docketing.

Disbursement / Special Fund Reconciliation – A review of Special Fund activity revealed: case balances over three years old totaling approximately \$231,910 remain in the account as of October 10, 2015 and require research for disbursement to the applicable party and/or escheating to the County Treasurer or State Comptroller; two stale dated checks were not posted to JPAS; and instances of collection, assessment, posting, and refund errors.

### **Processing**

Credit Card Transactions – A review of 54 sampled credit/debit card transactions, and the associated JPAS postings, related procedures, and ongoing desk review in accordance with Local Government Code, § 113.022 and Code of Criminal Procedure, § 103.004 revealed: one payment was not posted to JPAS with the transaction or record ID; instances of assessment and collection errors, and allocation errors when receipting payments to fee types.

There were no credit card refunds processed during the audit period.

Time Payment Plans – A review of 10 cases with Time Payment Plans in compliance with the Code of Criminal Procedure, Art. 103 revealed docketing and receipting errors.

Delinquent Collection Referral – A review of 20 sampled cases from the Justice of the Peace Monthly Collection Referral Report in compliance with the Code of Criminal Procedure, Art. 103 revealed: errors allocating and receipting payment to fee types; and assessment and collections errors.

Failure to Appear (FTA) Driver's License (DL) Renewal Block Program – A sample review of 50 cases from the FTA Payment History Report in compliance with Transportation Code, Sec. 706 revealed one case where the court removed the Omni Hold, but did not collect the Omni fee.

Criminal Fee Dockets – A review of traffic ticket postings as of June 15, 2017 revealed five complaints submitted to the court had not been posted in over 100 days (oldest was 868 days).

Civil Fee Dockets – A review of 15 sampled 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: no instances of material non-compliance.

## **Reporting**

Activity Report – 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 for compliance with Government Code Section 71.035(b) and Texas Administrative Code Sections 171 revealed: instances of count variances for non-traffic misdemeanors, traffic misdemeanors, and small claims cases.

## **Other/Miscellaneous**

Birth Certificates and Marriage Licenses – A review of birth certificate and marriage license activity and corresponding JPAS receipts for compliance with Texas Administrative Code, Rule §181.24-28 revealed the court did not consistently retain birth certificate logs showing the issuing and voiding of security paper.

Systems and Security – A sample review of 15 deletions from Document Direct Defendant/ Plaintiff docketing (D/P) logs revealed 12 cases were deleted without management approval.

Observation, inquiries of court staff, and responses to the Internal Control Questionnaire revealed: all employees are authorized to recall warrants/capias; and confidential data is readily available versus safely secured in locked filing cabinets or locked desk drawers.

## **RECOMMENDATIONS:**

### **Cash Management**

Receipts - Computer/Manual – 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 supervisor should approve all voids. All copies of a voided receipt retained, clearly marked “void” and affixed with reason for void. The Chief Clerk should periodically observe the receipt issuance process and affirm proper procedures are followed. Clerks should verify the numeric and legal (written) amount of all checks before entry into JPAS and before providing the receipt to the payee.

***Management Response: The deposit delay was due to a variance in the legal and numeric amounts on a single check received from a customer--that discrepancy was resolved and all monies were accounted for and deposited. The court has implemented “dual sign-off” procedures on ALL voided receipts (computer and manual) – the Bookkeeper, Chief Clerk or Judge must endorse every voided receipt; the new procedure ensures retention of the original receipt and verifies a detailed explanation for the void.***

Assessment / Distribution – Monitor assessments, 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 court costs and fine fields should be updated as new court costs are assessed including administrative fees, time payment fees, warrant or capias fees, etc., and as fine amounts are reduced by the Judge or cases are dismissed. 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. Credits should be recorded as non-receipt items (NR code) on the JPAS financial screen when defendants serve time or perform community service

***Management Response: System Limitations in the Justice of the Peace Accounting System (JPAS) do not allow for automatic breakdown or proration of payments received—each transaction must be manually divided into several different accounts. The Court has recommended software upgrades including requests for an automatic “breakdown” and automatic “proration” of partial payments. The Court has been informed that upgrades will not be made to the current system, as a new Court Management System (CMS) is being developed. The Court has been informed that the next generation CMS will provide automatic proration and accounting of court costs and fines.***

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. The court should continue efforts to clear old items on disposed cases in accordance with unclaimed property statutes, Property Code, § 72 and 76, and cash bonds in accordance with Code of Criminal Procedure, § 22.18. All checks issued, canceled, or stale dated should be posted accurately and timely to JPAS (reconciliation of JPAS to GL) and reviewed by the Chief Clerk. The Chief Clerk should review the accuracy and completeness of fees collected and applied to fee types prior to processing refunds.

***Management Response: The Court has requested that the Dallas County District Attorney’s Office assist in a review and update of all bond activities—including forms and procedures for: the taking of bonds, forfeiture of bonds and disposition of bonds in a legally correct manner. The Court has developed a process for the timely disbursement of funds.***

#### **Processing**

Credit Card Transactions – Payments should be timely 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 the court costs and fine amount due on any given case. 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.

***Management Response: System Limitations in the internet-based system for online payments by credit card or debit card do not provide for the automatic posting with complete accuracy to the Justice of the Peace Accounting System (JPAS). The Court has implemented a daily checklist for the review and correction of postings through the online payment system.***

***System Limitations in the Justice of the Peace Accounting System (JPAS) do not allow for automatic breakdown or proration of payments received—each transaction must be manually divided into several different accounts. The Court has recommended software upgrades including requests for an automatic “breakdown” and automatic “proration” of partial payments. The Court has been informed that upgrades will not be made to the current system, as a new Court Management System (CMS) is being developed. The Court has been informed that the next generation CMS will provide automatic proration and accounting of court costs and fines.***

Time Payment Plans – The court should monitor payment plans in accordance with Code of Criminal Procedure, § 103.0033 and guidelines established by OCA, and update the JPAS Docket screen as new court costs are assessed and judgement rendered.

***Management Response: Court’s most recent field audit by the Office of Court Administration (OCA) revealed compliance with the overall Collection Improvement Program (CIP), which includes the processing of payments, payment plans and the assessment of time payment fees.***

***System Limitations in the Justice of the Peace Accounting System (JPAS) do not allow for the “aging” of accounts and the automatic assessment of time-triggered additional fees. The Court, on behalf of the entire Dallas County Justice Court Judiciary, has requested and been granted exemption from state-mandated aging reports by the Office of Court Administration (OCA).***

***System Limitations in the Justice of the Peace Accounting System (JPAS) do not allow for automatic breakdown or proration of payments received—each transaction must be manually divided into several different accounts. The Court has recommended software upgrade including requests for an automatic “breakdown” and automatic “proration” of partial payments and the assessment of time-triggered additional fees. The Court has been informed that upgrades will not be made to the current system, as a new Court Management System (CMS) is being developed. The Court has been informed that the next generation CMS will provide automatic proration and accounting of court costs and fines, as well as the automatic assessment of time-triggered additional fees.***

Delinquent Collection Referral – The 30% add-on delinquent collection fee should be assessed and collected in accordance with Commissioner’s Court orders and Code of Criminal Procedure, § 103.0031 and partial payments should be posted to the correct fee types. Collection efforts should be initiated on all cases with a balance due. Cases should be flagged (including adding due dates) in JPAS with unpaid balances and generate bills on a predetermined basis taking into consideration court orders reducing fine amounts.

***Management Response: System Limitations in the Justice of the Peace Accounting System (JPAS) do not allow for automatic breakdown or proration of payments received—each transaction must be manually divided into several different accounts. The Court has recommended software upgrades including requests for an automatic “breakdown” and automatic “proration” of partial payments. The Court has been informed that upgrades will not be made to the current system, as a new Court Management System (CMS) is being developed. Court has been informed that the next generation CMS will provide automatic proration and accounting of court costs and fines.***

Failure to Appear (FTA) Driver’s License Renewal Block Program – The \$30 failure to appear fee should be assessed and collected and DL renewal blocks released in accordance with Commissioner 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.

***Management Response: System Limitations exist in the interface process between FORVUS Court Management System (CMS) and the OMNI Hold website. Records reflect that a “rejected” (“R”) status on the initial command, as corroborated by an email dated November 3, 2014 from the then-Bookkeeper to her point of contact within the Dallas County Budget Office. The OMNI Hold was cleared without further inquiry by the Dallas County Budget Office on November 3, 2014. The entry at issue appears to be a command generated on or about January 29, 2015—more than two months after the case had been disposed and more than two months after the last date court staff would have made entry into the case record.***

Criminal Fee Docket – A corrective action plan should be developed prioritizing posting of all cases filed in the court, including traffic citations received, to the JP accounting system in a timely manner.

***Management Response: Legal defects on the face of each Complaint were identified by court staff. Judicial Canons do not allow the Court to contact a party (including law enforcement) to urge them to make corrections to defective pleadings.***

Civil Fee Dockets – Continue monitoring the timing/collection of filing fees and service fees in compliance with applicable state laws and Commissioner Court orders for all eviction, civil and small claim cases filed except for those individuals with approved affidavits of indigence on file.

### **Reporting**

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. Ensure the correct file date is entered on the docket screen and utilize case numbers in sequential order. The Chief Clerk should review the accuracy and completeness of information provided by court staff.

***Management Response: System Limitations in the FORVUS Court Management System (CMS) do not allow for the reporting of case activity reports to the Office of Court Administration (OCA). Court staff is required to track daily case activity manually with “tick marks” on a piece of paper. The Court immediately submitted an Amended Report to the OCA and the Dallas County Auditor’s Office correcting a single instance which appears to have been caused by an error in counting “tick marks”.***

### **Other/Miscellaneous**

Birth Certificates and Marriage licenses – Birth certificate and marriage license application procedures should be periodically reviewed and updated by the chief clerk. Verify the number of birth certificates issued and birth record searches performed corresponds to the amount of money collected and birth certificate security paper issued and remaining. The Chief Clerk should review certificate logs for accuracy and completeness of transactions.

***Management Response: The Court is unaware of any instance of missing or unaccounted for security paper. Court has complied with all statutory requirements and all Dallas County Clerk directives, with respect to security paper. At the recommendation of the Dallas County Auditor, Court has implemented a new procedure for birth certificate logs to track each individual piece of security paper. A daily log is kept and security paper is secured under lock and key at the end of each business day.***

Systems & Security – All assignable system rights and roles should be reviewed to ensure users have only the rights necessary to perform their core job functions, including separating duties limiting (through system security access) staff assigned to recall warrants. The Chief Clerk should approve occurrences where a case deletion is necessary before they are posted by staff, which should be documented. The Chief Clerk should periodically review exception reports, transaction logs, and daily D/P logs and test for unauthorized changes and deletions. Security measures should be clearly identified and utilized. These measures should include accurately positioning security cameras, securing cash handling areas with locked doors, prohibiting public access to cash handling areas, and properly securing confidential records in locked drawers. Access to records containing social security numbers or other confidential information should be limited to specific personnel.

***Management Response: System Limitations in the FORVUS Court Management System (CMS) allow for the deletion of cases without supervisor approval or even notification. The Court has recommended software upgrade including security features for the deletion of cases. The Court has been informed that upgrades will not be made to the current system, as a new Court Management System (CMS) is being developed. Court has been informed that the next generation CMS will provide security features that prevent case deletion without supervisor approval. Presently, to accommodate system limitations, Court has implemented a “Case Deletion Log” with dual sign-off (Clerk and a Supervisor) along with an explanation to document the justifiable reason for a case being deleted.***

***System Limitations in the FORVUS Court Management System (CMS) do not allow for restriction of a specific command once a security code is assigned. A security code must be issued to all court clerks in order to fulfil their job. The Court has recommended software upgrade including security features for the restriction of access dependent upon specific job duties. Court has been informed that upgrades will not be made to the current system, as a new Court Management System (CMS) is being developed. Court has been informed that the next generation CMS will provide security features that will allow supervisors to define security levels and adjust access approval. Presently, to accommodate system limitations, Court has implemented periodic review of warrant recalls and warrant reports.***

### **Summary**

This 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. Cash handling and compliance weaknesses can be addressed by supervisor review and segregation of duties.

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 payment.

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, Commissioner's Court Administrator  
Ryan Brown, Office of Budget and Evaluation