



DALLAS COUNTY
COUNTY AUDITOR

Memorandum

TO: Honorable Judge Thomas G. Jones
Justice of the Peace, Precinct 1, Place 1

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

SUBJECT: Review Performed on Justice of the Peace, Precinct 1, Place 1 for Fiscal Year 2009

DATE: Issued March 11, 2011
Released June 10, 2011

Scope

A review was performed in accordance with statutory guidelines on the records and reports of Justice of the Peace, Precinct 1, Place 1 for fiscal year 2009.

Review Procedures

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

A partial list of the review tests include:

- Accounted for numerical sequence of manual and computer generated receipts
- Traced amounts recorded on the receipts to the bank deposits
- Performed unannounced cash counts
- Examined special fund disbursements and associated fee dockets to determine if sufficient funds were collected, proper payees paid, and if posting to the JPAS had occurred
- Reviewed assessed fees for compliance with applicable state laws and Commissioners Court orders
- Reviewed unpaid criminal cases for outstanding warrants of arrest
- 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
- 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
- Reviewed credit card transactions and processes

Statistical

During fiscal year 2009, the justice court processed:

- 54,215 computer receipts totaling \$8,155,747
- 82,145 class C misdemeanor cases (including 79,231 traffic case filings)
- 1,307 civil/small claim cases
- 7,018 eviction cases

FINDINGS

Cash Management

Cash Count/Change Fund/Depositing – A review of cash handling procedures, cash counts performed, and comparison of total receipts to associated deposits revealed three out of balance deposits/closeouts. Cash drawer and change fund are not counted as part of deposit balancing procedures.

Computer Receipts – A review of 54,215 computer receipts including 429 (less than 1% of population) voided receipts revealed material compliance except for ten voided computer receipts without retention of the original copy.

Assessment/Distribution – A review of 49 cases and corresponding computer receipts (427 fee code entries) for compliance with statutorily required court costs and fine revealed instances of collection, assessment, posting errors including Docket screen court costs and fine fields not updated to include all court costs assessments, special expenses, administrative fees, and/or reduced fine amounts including on administrative dismissals. Ongoing desk review noted limited instances of defendants paying \$50 warrant fees prior to conviction/deferred disposition pending subsequent court appearances including instances of receipt comments referencing ‘bond’.

Disbursement/Special Fund Reconciliation - Review of special fund activity revealed: six duplicate payments totaling \$1,586, three erroneous payments totaling \$191, delays in posting disbursements, cancelled checks, and stale dated checks to the JPAS, and old (over three years old as of September 30, 2009) case balances totaling approximately \$281,000 remain in the special fund account without research for disbursement to the applicable party and/or escheating to the County Treasurer or State Comptroller. Forfeiture proceedings are not initiated against defendants to forfeit cash bonds when defendants fail to appear.

Processing/Reporting

Criminal Fee Dockets - Review of time payment plans, active warrants or capias (active warrant report R05870), warrants or capias on disposed cases for the appropriateness of warrant status, and corresponding Docket screens revealed: 340 active warrants or capias on the Constable’s or Sheriff’s warrant system for cases; without calculated balances due; with time served; dismissed; and/or on cases marked disposed on the JPAS Docket screen. **Status:** All warrants or capias were recalled after the court was advised. All court clerks are authorized to recall warrants.

Civil Fee Dockets – Limited review of twenty-one civil cases on the justice fee exception report revealed: one case was indexed with a citation issued and served without collection of filing and service fees (**Status:** Docket screen comments indicate case was processed in error after payment for filing and service fees was returned), two approved paupers affidavits not noted on the Docket comment screen, and unpaid filing and service fees totaling \$4,829 on cases filed prior to FY2005 by the Dallas Housing Authority.

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 other misdemeanor (case type JM) cases were over-reported to OCA by 58.44% (1132 cases).

Other/Miscellaneous

Marriage License – A review of marriage license procedures revealed: applications were accessible by unauthorized staff, procedures are not documented, and a log is not maintained for issued and voided marriage licenses.

Additional responses to the Internal Control Questionnaire indicate: defendant’s personal information is stored on shelving within the court personnel work area and JPAS case index reports are not reviewed for deleted or skipped case numbers.

RECOMMENDATIONS

Cash Management

Receipting/Depositing – Change funds should be counted daily by supervisory personnel as part of the balancing process. Re-emphasize verification of receipt amount before issuing to a customer and retention of all copies of a voided receipt, clearly marking “void”, and affixing a reason for the void.

Assessment/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 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., as fine amounts are reduced by the Judge, and as cases are dismissed including administrative dismissals. Warrant fees should be assessed in accordance with Vernon’s Ann., CCrP., § 102.011(a)(2) and bonds set by the judge in accordance with Vernon’s Ann., CCrP., § 45.016.

Disbursement/Special Fund Reconciliation - All checks issued, canceled, and/or stale dated should be posted accurately and timely to the JPAS. 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. Funds should be recovered from the party overpaid or a funding source should be identified for all overpayments and erroneous payments. Cash bonds should be forfeited in accordance with Code of Criminal Procedure, § 22.

Processing/Reporting

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. Separation of duties should be established limiting (through system security access) staff assigned to recall warrants. Continue established payment plan procedures and monitor in accordance with Code of Criminal Procedure, Art. 103.0033. Docket screens should be completed/updated in compliance with Vernon’s Ann., CCrP., § 45.017 and § 45.041.

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

Activity Reports – Monthly activity reports should be completed in an accurate and timely manner with copies provided to OCA, OBE, and the County Auditor.

Other/Miscellaneous

Marriage License – Written procedures should be established for processing marriage applications with documents retained in a secure location with restricted access.

Documents containing social security numbers should be retained in locked shelving within a secure location with restricted access. Management should periodically review system reports for accuracy and staff compliance to established policies and procedures.

CURRENT FINDINGS/OBSERVATION AND RECOMMENDATIONS

Findings template numbered 09-JP1.1-01-01 thru 06 are attached.

Summary

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

Emphasis on outlined procedures should provide for improved departmental processes. 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 report recommendations and ongoing dialogue between the court and audit staff should strengthen internal control and compliance with Dallas County policies and procedures. This report will stay open pending resolution of duplicate and overpayments.

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



Finding Number: 09-JP1-1-01-01
Date: 7/9/2010
Audit: Justice of the Peace 1-1 FY2009
Auditor(s) Assigned: YA

<p>Finding:</p>	<p>Sample review of 54,215 computer generated receipts including a complete review of 429 voided computer receipts, a complete review of receipt continuity, testing of voiding procedures for proper accounting and internal controls, and a sample review of Daily Receipts Log revealed material compliance with proper receipting procedures except:</p> <ul style="list-style-type: none"> • 2.3% or ten voided computer receipts without retention of the original copy. <ul style="list-style-type: none"> ○ Six reissued for the same, approximate, or higher amount and same payment type ○ One reissued for \$20 less and same payment type (check) ○ One reissued for \$118 less and same payment type (check) ○ One \$112 check receipt not replaced (case reflects a \$112 payment on a previous business day) ○ One \$5 check receipt not replaced (case reflects a \$255 payment made earlier on the same business day) • One receipt did not print and was deleted • 2.1% or nine computer receipts did not include reason for void. • 1.8% or eight computer receipts were not marked void.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Work paper No. 5A&B – Review computer and manual receipts.</p>
<p>Condition: (Describe the current condition)</p>	<p>Cash payments received by the counter clerks are counted in the presence of the payer. Payments made over the counter and supporting documentation are provided by the counter clerks to the bookkeeper or back-up bookkeeper for receipting. Cash is recounted by the bookkeeper or back-up bookkeeper prior to the generation of the computer receipt with change noted. Check/money order payments are consistently reviewed for correctness by comparing the numeric and written/legal amounts on the check and payer name to the case number, case style, and amount due on the case prior to the generation of the computer receipt. The JPAS is accessed for generating a computer receipt to the appropriate case number and the payment information is entered by the bookkeeper or back-up bookkeeper. The computer receipt is printed and reviewed by the bookkeeper or back-up bookkeeper for accuracy prior to submitting to the customer. If errors are identified, the original computer receipt and copy is voided with an explanation noted. Computer receipts and any change due from cash payments are provided to the customers by the bookkeeper or back-up bookkeeper. During the afternoon each business day prior to closeout, the computer receipts are totaled, compared to the funds on hand and system control totals by the bookkeeper with a second count completed by the chief clerk. Corrections are made when the payment type is incorrectly recorded, the check amount is not correctly receipted, or other errors are identified. Computer receipts issued after the cut-off are included with the next business day's deposit.</p> <p>Document Direct reports are reviewed by the bookkeeper each morning for automated computer receipt postings created overnight from credit card payments processed over the Internet. Intent of the review is to validate accuracy of fee type breakdown and for complete posting of Internet payments. In the event of an identified fee code distribution error, the computer receipt is voided in the JPAS by the bookkeeper. However, no hard copy of a receipt exists for receipts generated through the automated process. The bookkeeper will enter the correct fee code breakdown and</p>



	generate a new computer receipt with the total amount matching the confirmation received by the customer.
Criteria: (Describe the optimal condition)	<p>Best practices regarding receipt control procedures require that:</p> <ul style="list-style-type: none"> • All computer receipts 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. • 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 exception reports and transaction logs (especially with respect to receipt deletions, lowered amounts, and payment type changes) to insure that the explanation for the deletions is documented and reasonable. • Assigned duties for cash controls are adequately separated. • Corrections are reviewed and approved by the chief clerk. <p>Accounting and system control procedures require daily reconciliation and balancing of collected funds to support documents and separation of duties to affix responsibility for processing. Separate cash drawers should be maintained by all clerks receipting payments and funds should be balanced prior to combining with other receipted</p>
Cause: (Describe the cause of the condition if possible)	Occasional procedural exceptions
Effect: (Describe or quantify any adverse effects)	Prevents potential assertion that monies were paid and refund due. Potential loss of revenue for the State of Texas and Dallas County.
Recommendation: (Describe corrective action)	<p>Receipt procedures should include:</p> <ul style="list-style-type: none"> • 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. • Prior to generating a receipt: <u>Cash tendered</u> should be counted in the customer's presence and <u>check guaranteed amount</u> should be agreed to the numeric amount. • Receipts should be verified for accuracy of amount, payment type, case number, and payer before issuing to a customer. • The chief clerk should periodically review the exception reports and transaction logs (especially with respect to receipt deletions, lowered amounts, and payment type changes) to insure that the explanation for the deletions is documented and reasonable. <p>Continue best practices and update procedural manuals.</p>
Responsible Department or Organization:	Justice of the Peace 1-1
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: 09-JP1.1-01-02
Date: 7/9/2010
Audit: Justice of the Peace 1-1 FY09
Auditor(s) Assigned: YA

<p>Finding:</p>	<p>Review of 49 computer receipts (427 fee code entries) for appropriate collection of court costs, fines, and fees, and accurate posting to the Justice of the Peace Accounting System revealed materially accurate in assessment with minor code differences:</p> <ul style="list-style-type: none"> • 8.2% or four cases paid on or after the 31st date after judgment without assessment of time payment fees. • Two instances of Fee Type 33 assessed for the wrong amount • One time payment fee coded as constable fees • One sheriff fee coded as DPS fees • One constable fee coded as sheriff fees • One child safety seat violation fine recorded as Fee Type #03 versus Fee Type #23 • One case paid in full not marked disposed • One auto-posted web payment posting error • One case short assessed due to automated ticketing court costs upload errors <p>Responses to the ICQ indicate the Fine field is not updated on the Docket screen on dismissals including administrative dismissals.</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Work paper 5E Responses to Internal Control Questionnaire (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.</p> <p>Additional court costs may be manually assessed with the JPAS Court Costs field on the Docket screen updated by the court clerks and the bookkeeper for time payment fees when payment plans are established, transaction fees when payments are presented, and warrants and/or capiases as each paper is issued. Other manual adjustments by court clerks or the bookkeeper to the JPAS Court Costs field on the Docket screen may occur when defendants present proof of registration, inspection, or a valid driver’s license in conjunction with payment of an administrative fee and dismissal of the case.</p> <p>Proof of insurance will result in dismissal of “no insurance” cases without payment of an administrative fee and the JPAS Court Costs field on the Docket screen updated to reflect no fee due. Defendants appearing before the court may receive a reduced fine from the Judge with the judgment reflecting a fine less than the pre-assessed amount, requiring the court clerks or bookkeeper to update (inconsistently completed) the JPAS Fine field on the Docket screen. Other defendants may request and be approved for a driving safety course (defensive driving) with court clerks or the bookkeeper updating the JPAS Court Costs field on the Docket screen by adding an additional \$10 administrative fee to the standard moving violation court costs amount (updating the Docket screen to reflect DSC for reporting to Austin does not occur until proof of course completion is presented to the court along with a copy of insurance and an official driving record from DPS) and requiring payment at the time of request. Other defendants may request and receive deferred adjudication from the court which requires full payment of the court costs for the offense and payment of a “special expense” set by the Judge. The “special expense” in lieu of the fine may not exceed the maximum amount of the fine for the offense. Adjustments are required to the JPAS Docket screen fields by court clerks or the bookkeeper to reflect deferred adjudication including noting a date in the Deferred Adjudication judgment date field.</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.</p>		
<p>Criteria: (Describe the optimal condition)</p>	<p>Court costs, fines, and fees should be assessed/collected/prorated in compliance with applicable state laws including Code of Criminal Procedure Chapters 45 and 102 and Local Government Code Chapter 133, Commissioners Court orders, and Attorney General Opinion No. GA-0147. Court costs should be assessed based on offense date and offense type. Once collected, each fee should be posted to the proper JPAS fee type and paper type. Paper types for designated traffic programs should be used when recording payments on traffic cases. JPAS Docket screens should be updated as cases are filed and additional case activity occurs including, but not limited to, the assessment of additional court costs and/or changes in fines or special expense amounts as ordered by the judge in accordance with Vernon's Ann., CCrP., § 45.017.</p>		
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Incomplete court costs table updates by the vendor providing the handheld devices (albeit low percentage of traffic violations/offenses included in the table). Inadequate JPAS system functionality Clerical error.</p>		
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Incomplete collection of court costs for the State of Texas and/or Dallas County. Incorrect distribution/disbursement of funds to the State of Texas, Dallas County, and/or other governmental entities requiring additional time to correct posting.</p>		
<p>Recommendation: (Describe corrective action)</p>	<p>Continue to monitor assessment, collection, and prorating of court costs fines, and fees in compliance with applicable state laws including Code of Criminal Procedure Chapter 102 and Local Government Code Chapter 133 or Commissioners court orders and applicable fee schedules based on the offense date and offense type for criminal offenses and file date for civil type cases. Adjust fine amounts when automated traffic case filing court costs are incomplete or inaccurate.</p> <p>JPAS Docket screen posting procedures should include:</p> <ul style="list-style-type: none"> Updating Docket screens as: cases are filed; warrants or capiases are issued; pleas are entered; court dates are set; cases are dismissed, fines are reduced, judgments or deferred adjudications are ordered; defensive driving is authorized; time payment plans are authorized; cases are disposed; etc. Completing electronic Dockets in compliance with Vernon's Ann., CCrP, § 45.017. <p>Ticket upload errors should be documented and communicated to IT Services.</p> <p>Pursue new Justice of the Peace system with improved features.</p>		
<p>Responsible Department or Organization:</p>	Justice of the Peace 1-1		
<p>Management's Response:</p>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<p>Respondent:</p>
<p>Comments:</p>	<p>Date:</p>		
<p>Disposition:</p>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration



Finding Number: 09-JP1.1-01-03
Date: 7/9/2010
Audit: Justice of the Peace 1-1 FY2009
Auditor(s) Assigned: YA

<p>Finding:</p>	<p>Reconciliation and review of special fund activity, including 455 disbursement, postings to the JPAS, general ledger and internal control procedures for separation of duties, authorization, funds available for disbursement and proper payees revealed:</p> <ul style="list-style-type: none"> • Old case balances (approximately \$281,000 of \$511,000 system balance as of 9/30/2009 over three years old) in the special fund have not been researched for disbursing to the applicable party and/or escheating to the County Treasurer or State Comptroller. • Two partial refunds of writ service fees totaling \$135 • One full refund of filing and service fees without reason noted • Eight voided/canceled disbursements not posted to the JPAS • One disbursement overposted by \$5 to unrelated case • Six duplicate payments totaling \$1,586 • Three erroneous payments totaling \$191 without available case balances • One partial and two full cancellation posting errors • Forfeiture proceedings not initiated against defendants to forfeit cash bonds when defendants fail to appear.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Work paper No. 6D – Review special fund activities</p>
<p>Condition: (Describe the current condition)</p>	<p>Data source for disbursement activity is request forms, daily special fund deposit reports, and JPAS (when date cards are updated by bookkeeper) detailed monthly special fund balance reports. Balances available to disburse consist of case overpayments, judgments paid into the registry of the court, cash bonds, and service fees for law enforcement agencies without designated fee codes for automated disbursements. Current special fund activity on the JPAS reports is reviewed by the bookkeeper for identification of eligible disbursements. Case jackets are pulled and postings to the JPAS are reviewed to determine the proper payee and amount. To generate disbursements, the bookkeeper prepares and saves a special fund disbursement file to a designated computer drive on an ongoing basis, based on a review of new daily special fund activity by case/receipt. The electronic file is submitted to the County Auditor/County Treasurer for processing, check printing, and mailing. The electronic file reflects details of disbursement. Subsequently, the bookkeeper updates the disbursement information to the JPAS, posting the check number, check amount, and date, but does not reconcile to the general ledger or to the bank. The JP office relies on the County Auditor for reconciliation to the general ledger and on the County Treasurer for bank reconciliations.</p> <p>The bookkeeper posts cancellations and stale dated checks to the JPAS based on notices received from the County Treasurer.</p> <p>Old case balances remain in the special fund account without research for disbursement or escheatment.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Best practices regarding cash control require that:</p> <ul style="list-style-type: none"> • All special fund disbursements and cancellations should be timely and accurately posted to the JPAS. Fund balances must be reconciled against control records (GL and bank statement). • Special fund reports should be reviewed on a periodic basis and disbursements should be made to the appropriate parties in a timely manner.



	<ul style="list-style-type: none"> 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>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 their promise to appear before the court.</p>						
Cause: (Describe the cause of the condition if possible)	Limited staff time to research old items. Occasional processing exception.						
Effect: (Describe or quantify any adverse effects)	Deferred research: <ul style="list-style-type: none"> Delayed disbursements to entities/individuals entitled to funds. Penalties from the State for not following escheat statutes may be assessed if not corrected. Limited reconciliation: <ul style="list-style-type: none"> Undetected posting errors resulting in potential for overpayment and unrecoverable losses. 						
Recommendation: (Describe corrective action)	Special fund procedures should include: <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. Any delayed posting of disbursements, cancellation, stale dated checks, or corrections posted with the current date in order to ensure subsequent reports reflect the corrections. <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 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>A funding source should be identified for all overpayments, or funds should be recovered from the party overpaid.</p> <p>Cash bonds should be forfeited in accordance with Code of Criminal Procedure § 22.</p>						
Responsible Department or Organization:	Justice of the Peace 1-1						
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:	
<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:		Date:			
Comments:							
Disposition:	<table border="1"> <tr> <td><input checked="" type="checkbox"/> Audit Report</td> <td><input type="checkbox"/> Oral Comment</td> <td><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: 09-JP1-1-01-04
Date: 12/31/2010
Audit: Justice of the Peace 1-1 FY 09
Auditor(s) Assigned: YA

<p>Finding:</p>	<p>Review of 10 cases from the Justice of the Peace 1-1 Collection Referral Report for adequate collection procedures on cases referred to delinquent collection law firm, review of IT Services Active Warrants on Disposed Cases Report dated 8/4/2009, review of 13 cases on time payment plans, review of 12 cases with final judgment, review of 20 cases disposed cases, review of 40 cases from the active warrants list (approximately 45,000 active warrants or capias) for validity of warrant issuances, recalls, and served/returned/active/regional statuses revealed (sample sizes less than 1% of population):</p> <ul style="list-style-type: none"> • 340 active warrants or capias on WX50 or WRWI for cases: without balances due; with time served; dismissed; and/or inactive (marked with Dispose flag 'X') as of 8/4/2009. Status: All warrants or capias outstanding in error were recalled. • All court clerks are authorized to recall warrants • Two capias return dates not noted/updated on the Docket screen (capias information was on the case jacket) <p>The court established a collections process for time payment plan cases as required by the Office of Court Administration (OCA) Collections Improvement Program. The Office of Budget and Evaluation (OBE) has provided one designated collection clerk for each court.</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpaper 7A, 7A.1, 7B-7E, and IT Services Active Cases on Disposed Cases Report and responses to ICQ</p>
<p>Condition: (Describe the current condition)</p>	<p>In response to the OCA and Senate Bill 1863 (enacted by the 79th Legislature in 2005), the court established procedures for defendants requesting time payment plans. These procedures include but are not limited to: defendant completing a personal data form when requesting time to pay, interview of defendant by the court collection clerk, defendant signing a payment agreement, defendant's phone numbers and references verified by court collection clerk, phone calls and delinquent collection post cards sent by court collection clerk the next day after a missed payment, and a notice of show cause hearing sent by court collection clerk when a defendant defaults on a payment plan.</p> <p>Warrants including alias warrants are issued by court staff and signed by the Judge when defendants do not appear or do not comply with the terms of release. Capias or notice of show cause hearings are issued by court staff and signed by the Judge when defendants do not satisfy the terms of the judgment including payment of fine and court costs. The issuance date is recorded to the JPAS Docket screen by the court staff, but no control step is consistently used to affirm all postings are made to the JPAS. Criminal process is sent to the constable's office for service.</p> <p>A recall log is maintained by the court. Returned/recalled dates are noted for recording to the JPAS as warrants and/or capias are returned from law enforcement agencies by court clerks, but process verification is problematic. Systems are not linked, lack warnings, and when payments are made in full, defendants appear, defendants comply with orders of the court, etc., the court's employees will transmit recall notices to the appropriate law enforcement. No separation of duty procedure is established for issue/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>



Best practices for internal control require separation of assigned duties for personnel authorized to issue and/or recall warrants.

Docket screen procedures recommended by the County Auditor in document titled 'Standard Procedures for Recording Misdemeanor Information to the Docket Screen' should be followed when recording entries to the court's official electronic docket which is governed by Code of Criminal Procedure, § 45.017. JPAS Docket screens should be updated as additional case activity occurs including but not limited to warrant/capias issuance/recall/return, jail time served, dismissed dates, deferred adjudication dates, judgment dates, assessment of additional court costs and/or changes in fine/special expense amounts as ordered by the judge. The disposed flag field should be marked with an "X" when the case has reached final disposition, including dismissals, appeals to the County Court of Criminal Appeals, jail time served for satisfaction of fine and court costs, payment in full for satisfaction of fine and court costs.

In accordance with Code of Criminal Procedure, Art. 103.0033 (c) Unless granted a waiver under Subsection (h), each county and municipality shall develop and implement a program that complies with the prioritized implementation schedule under Subsection (h). A county program must include district, county, and justice courts.

(d) The program must consist of:

- (1) a component that conforms with a model developed by the office and designed to improve in-house collections through application of best practices; and
- (2) a component designed to improve collection of balances more than 60 days past due, which may be implemented by entering into a contract with a private attorney or public or private vendor in accordance with Article 103.0031.

(e) Not later than June 1 of each year, the office shall identify those counties and municipalities that:

- (1) have not implemented a program; and
- (2) are able to implement a program before April 1 of the following year.

(f) The comptroller, in cooperation with the office, shall develop a methodology for determining the collection rate of counties and municipalities described by Subsection (e) before implementation of a program. The comptroller shall determine the rate for each county and municipality not later than the first anniversary of the county's or municipality's adoption of a program.

(g) The office shall:

- (1) make available on the office's Internet website requirements for a program; and
- (2) assist counties and municipalities in implementing a program by providing training and consultation, except that the office may not provide employees for implementation of a program.

(h) The office, in consultation with the comptroller, may:

- (1) use case dispositions, population, revenue data, or other appropriate measures to develop a prioritized implementation schedule for programs; and
- (2) determine whether it is not cost-effective to implement a program in a county or municipality and grant a waiver to the county or municipality.

(i) Each county and municipality shall at least annually submit to the office and the comptroller a written report that includes updated information regarding the program, as determined by the office in cooperation with the comptroller. The report must be in a form approved by the office in cooperation with the comptroller.

(j) The comptroller shall periodically audit counties and municipalities to verify information reported under Subsection (i) and confirm that the county or municipality is conforming with requirements relating to the program. The comptroller shall consult with the office in determining how frequently to conduct audits under this section.



Cause: (Describe the cause of the condition if possible)	Warrant /capias not returned and/or recalled from Constable/ Sheriff 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)	Warrant and capias procedures should include: <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 capiases 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 capiases should be maintained with weekly follow-up communications to the constable or sheriff until returned. • Outstanding warrant reports periodically reviewed for accuracy. Continue established payment plan procedures and monitor in accordance with Code of Criminal Procedure, Art. 103.0033. JPAS Docket screen posting procedures should include: <ul style="list-style-type: none"> • Updating Docket screens as warrants or capiases are issued/recalled/returned. • Completion of electronic dockets in compliance with Vernon's Ann., CCRP, § 45.017 and § 45.041. • Periodic verification of workflow and entry accuracy. Pursue new system with improved features.
Responsible Department or Organization:	Justice of the Peace 1-1
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: 09-JP1.1-01-05
Date: 7/9/2010
Audit: Justice of the Peace 1-1 FY09
Auditor(s) Assigned: YA

<p>Finding:</p>	<p>Review of accounts receivable, 21 civil/small claims/eviction cases from the Justice Fee Exception report, and the Daily Fee Log revealed:</p> <ul style="list-style-type: none"> • Four cases filed (19% of sample) without collection of filing and service fees. Reason for non-collection noted includes: three cases indexed without citation service or court date set and one case indexed and processed in error • Two case files (9.5% of sample) include a pauper's affidavit of inability to pay not documented on the JPAS • Two case numbers (9.5% of sample) used in error • Prior years (FY2004 and prior) balance owed by Dallas Housing Authority (DHA) totaling \$4,829 remains outstanding
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Work paper No. 8 and 9B – Justice Fees Exception list</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 do not consistently record notations of filing of pauper affidavits on the Docket free-form Comments screen. JPAS receipt functionality does not include assessments for charges so credits are not systemically recorded for pauper's affidavits. Paper service is stamped with "pauper oath filed" in accordance with Rule of Civil Procedure 126 and 145.</p> <p>Billing notations are not reflected on the case Docket comment screen.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>In accordance with statutes (Local Government Code (LGC) § 118.121, 118.122, 118.123, 118.131, and Chapter 133) and Commissioners Court orders, filing fees should be collected at the time of filing and service fees should be collected at the time of service request for all evictions, civil and small claim cases filed by non-governmental entities and individuals except for those individuals with approved affidavits of indigence on file or those entities listed under Civil Practices and Remedies § 6.001, 6.002, and 6.003.</p> <p>Texas Rules of Civil Procedure, RULE 145. AFFIDAVIT ON INDIGENCY</p> <p>(a) Affidavit. In lieu of paying or giving security for costs of an original action, a party who is unable to afford costs must file an affidavit as herein described. A "party who is unable to afford costs" is defined as a person who is presently receiving a governmental entitlement based on indigency or any other person who has no ability to pay costs. Upon the filing of the affidavit, the clerk must docket the action, issue citation and provide such other customary services as are provided any party.</p> <p>Filing fees should be collected on cases transferred from courts outside of Dallas county under Rule of Civil Procedure, No. 89. <http://www.supreme.courts.state.tx.us/rules/trcphome.asp>.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Clerical error Weak system functionality</p>
<p>Effect: (Describe or quantify any)</p>	<p>Potential loss of revenue for Dallas County and the State of Texas. Inhibits cost recovery if the plaintiff's claim is upheld.</p>



adverse effects)	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 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>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 1-1		
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: 09-JP1.1-01-06
Date: 7/9/2010
Audit: Justice of the Peace 1-1 Review FY2009
Auditor(s) Assigned: YA

Finding:	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: JPAS compared to OCA <ul style="list-style-type: none"> Other misdemeanor (JM) case counts were over-reported by 58.44% (1132 cases) 		
Workpaper Reference: (or other method by which finding was identified)	Work paper 10. OCA website, Monthly JP activity reports, and JPAS. Comparison of activity reports to filed cases by the auditor's count		
Condition: (Describe the current condition)	Court clerk assignments include processing traffic, truancy, IBC, other class C misdemeanor, evictions, civil, or small claims cases. In addition, the court clerks and bookkeeper manually capture case activity, disposition and payment information on a daily basis. Monthly data logs are manually prepared by the court clerks and bookkeeper for the chief clerk. 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. Automated traffic case filing numbers are retrieved daily by court personnel accessing Document Direct. However, APS ticket uploads are not monitored for skips in citation numbers.		
Criteria: (Describe the optimal condition)	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. 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. All case numbers should be accounted for, issued consecutively by case type, and properly and timely indexed to the JPAS.		
Cause: (Describe the cause of the condition if possible)	Mathematical errors and lack of automated tracking system.		
Effect: (Describe or quantify any adverse effects)	Inaccurate statewide court analysis by OCA.		
Recommendation: (Describe corrective action)	Monthly activity reports should be completed in an accurate and timely manner with copies 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.		
Responsible Department or Organization:	Justice of the Peace 1-1		
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