




DALLAS COUNTY
COUNTY AUDITOR

Memorandum

To: Honorable Judge Al Cercone
Justice of Peace, Precinct 3, Place 1

From: Virginia A. Porter
County Auditor 

Subject: Review Performed for Fiscal Year 2010 and 2011

Date: Issued March 6, 2013
Released May 15, 2013

Scope

A review was performed in accordance with statutory guidelines on the records and reports of Justice of the Peace, Precinct 3, Place 1 for fiscal years 2010 and 2011.

Review Procedures

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

A partial list of the review tests include:

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

Statistical

During fiscal year 2010 the justice court processed:

- 28,925 computer receipts totaling \$3,383,524.39
- 18,399 class C misdemeanors (includes 12,483 automated traffic filings)
- 3,134 civil/small claims
- 4,327 eviction cases

During fiscal year 2011, the justice court processed (decrease in activity reflects elimination of constable traffic program):

- 22,066 computer receipts totaling \$2,526,224.36
- 9,002 class C misdemeanors (includes 4,161 automated traffic filings)
- 2,774 civil/small claims
- 4,657 eviction cases

FINDINGS

Cash Management

Receipts – A review of 377 (less than 1% of population) voided computer receipts and a sample review of 50,991 computer receipts and corresponding daily receipt transaction logs revealed material compliance with limited exceptions: four (4) voided computer receipts did not contain a reason for void, including three (3) that were not marked void and missing the customer copy of the receipt. A sample review of approximately 328 manual receipts revealed three (3) manual receipts were altered instead of being voided and re-issued.

Assessment/Distribution – Review of 30 cases and corresponding computer receipts (249 fee code entries) for compliance with statutorily required court costs and fines revealed instances of partial payments not prorated (due to inadequate JPAS functionality requiring the bookkeeper to perform a modified manual cost allocation to record payments to each fee type). Responses to the Internal Control Questionnaire revealed the Court Costs and Fine fields on the Docket screen are not updated on insurance dismissals.

Disbursement/Special Fund Reconciliation - Review of special fund activity revealed: eleven check cancellations not posted to the JPAS; and, old case balances totaling approximately \$13,539 remain in the special fund account as of September 30, 2011 without research for disbursement to the applicable party and/or escheating to the County Treasurer or State Comptroller. **Status:** Bookkeeper has been clearing old items which also consist of items transferred from another court during redistricting in December 2001.

Processing/Reporting

Criminal Fee Dockets – Review of time payment plans, active warrants or capias, IT Services Active Warrant Error Report, warrants or capias on disposed cases for the appropriateness of warrant status, and corresponding Docket screens revealed: 35 active warrants or capias on the Constable's warrant system for cases: without calculated balances due; with time served; dismissed; and/or on cases marked disposed on the JPAS Docket screen. All court clerks are authorized to recall warrants. **STATUS:** As of November 5, 2012, all 35 warrants have been recalled or noted as previously served by the constable on WX50.

Civil Fee Dockets – Limited review of 30 cases on the justice fee exception report revealed: three cases filed with a pauper's affidavit not documented on the JPAS Docket screen; and 11 cases without payment recorded to the JPAS for filing and service fees at the point of case filing. **Status:** Eight of the 11 cases with payments subsequently recorded to the JPAS.

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 minimum variances.

Credit Card Transactions – Review of 40 credit card transactions and procedures and an ongoing desk review of daily credit card transactions revealed credit card transactions are posted to the JPAS with the Sequence ID number versus the last 5 digits of the Transaction ID number.

Other/Miscellaneous

Time and Attendance - Employees take 50 minutes for lunch with no breaks. Lunch is recorded as 30 minutes on the KRONOS time and attendance system.

RECOMMENDATIONS

Cash Management

Receipts – Receipts should never be altered, but properly voided. Re-emphasize 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, Attorney General (AG) Opinion No. GA-0147, and applicable fee schedules based on the offense date.

Disbursement/Special Fund Reconciliation – In anticipation of the pending migration from the JPAS, we recommend concerted effort be made to correct outstanding issues. Bookkeeper should continue efforts to research and clear old items on disposed cases in accordance with unclaimed property statutes.

Processing/Reporting

Criminal Fee Dockets – Outstanding warrants or capiases should be recalled timely when cases are dismissed or otherwise disposed, payments made in full, time is served, etc. Separation of duties should be established limiting (through system security access) staff assigned to recall warrants.

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

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

Credit Card Transaction – 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.

Other/Miscellaneous

Time and Attendance – Actual time worked and meal periods should be properly and timely posted to the KRONOS time and attendance system in accordance with Dallas County Code.

CURRENT FINDINGS/OBSERVATION AND RECOMMENDATIONS

Finding templates numbered 11-JP3.1-01-01 through 11-JP3.1-01-08 are attached with responses incorporated.

Summary

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

Highest areas of risk which need to be addressed include: ongoing monitoring of the warrant exception report for inappropriate active warrants; and, collecting filing and service fees at the time of case filing.

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.



Finding Number: 11-JP3.1-01-01
Date: June 5, 2012
Audit: Justice of the Peace 3-1, Review FY2010 & FY2011
Auditor(s) Assigned: RL

<p>Finding:</p>	<p>Sample review of 50,991 computer generated receipts including an expanded review of 377 (less than 1% of the population) voided computer receipts, review of approximately 328 manual receipts including seven voided manual receipts, receipt continuity, testing of voiding procedures for proper accounting and internal controls, and a sample review of Daily Receipts Log revealed <u>material compliance</u> with limited exceptions:</p> <ul style="list-style-type: none"> • Four computer receipts voided did not contain a reason for void, including three (3) that are not marked void and missing the customer copy of the receipt. • One manual receipt was altered to a lower amount (\$136 cash to \$127 cash) • One manual receipt was altered (\$75 split to a second case) with the total amount remaining the same. • One manual receipt was altered to a higher amount (\$182 check to \$186 check).
<p>Work Paper Reference: (or other method by which finding was identified)</p>	<p>Work paper 5D.1-2</p>
<p>Condition: (Describe the current condition)</p>	<p>Cash payments received by the counter clerks are counted in the presence of the payer. Payments made over the counter and supporting documentation is provided 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 by the counter clerk. If errors are identified, the original computer receipt and copy is voided with an explanation consistently noted. The chief clerk reviews void receipt exceptions. Computer receipts and any change due from cash payments are provided to the customers by the counter clerks.</p> <p>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. The ending computer receipt number to include in the overnight closeout process is entered into the JPAS. Computer receipts issued after the cut-off are included with the next business day's deposit. The following business day funds on hand are consistently confirmed as balancing to the JK98 totals with deposits submitted to the County Treasurer through the courier.</p> <p>Document Direct reports are reviewed by the bookkeeper each morning for automated computer receipt postings created overnight from credit card payments processed over the Internet. Intent of 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</p>



	correct fee code breakdown and generate a new computer receipt with the total amount matching the confirmation received by the customer.				
Criteria: (Describe the optimal condition)	Best practices regarding receipt control procedures require that: <ul style="list-style-type: none"> • All computer receipts should be accounted for and properly used in order to affix responsibility, enhance cash control and prevent potential assertion that monies were paid and refund due. • 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. • Corrections are reviewed and approved by the chief clerk. 				
Cause: (Describe the cause of the condition if possible)	Limited instances of non-adherence to proper receipting and void procedures.				
Effect: (Describe or quantify any adverse effects)	Prevents potential assertion that monies were paid and refund due.				
Recommendation: (Describe corrective action)	Receipt procedures should include: <ul style="list-style-type: none"> • Receipts should never be altered, but properly voided. • 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. 				
Responsible Department or Organization:	Justice of the Peace 3-1				
Management's Response:	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Zoe Harlan, Chief Clerk	Date: 5/7/2013
Comments:	Limited instances				
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		



Finding Number: 11-JP3.1-01-02 - **Fee Assessment & Distribution**
Date: June 5, 2012
Audit: Justice of the Peace 3-1, Review of FY2010 & FY2011
Auditor(s) Assigned: RL

<p>Finding:</p>	<p>Review of 30 cases and corresponding computer receipts (approximately 249 fee code entries) for appropriate collection of court costs, fines, and fees, and accurate posting to the Justice of the Peace Accounting System revealed <u>material compliance</u> with the following exceptions:</p> <ul style="list-style-type: none"> • One \$4 indigency fee increase (type 22) was receipted as a transaction fee. Status: Corrected • One \$50 Constable’s warrant fee was receipted (through the automated credit card payment posting process) as a \$25 child safety fine and a \$25 time payment fee. • One \$25 time payment fee was not assessed after non-payment and entry of judgment date on Docket screen for deferral after written request without an appearance. • Seven partial payments were not properly prorated. <p>Responses to the Internal Control Questionnaire (ICQ) indicate staff does not update court costs and fine fields on the Docket screen for case dismissals on ‘no insurance’ cases.</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Work paper 5E.1-4 review of fines and fees assessed Work paper 5B.2 review of receipt and 98 totals Review responses to the 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 staff (or populated via automated traffic case filings) based on state statutes in effect at the time of the offense.</p> <p>Additional court costs may be manually assessed. The JPAS Court Costs field on the Docket screen will be 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 are processed by the court clerks or the bookkeeper to the JPAS Court Costs field on the Docket screen 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. The JPAS Court Costs and Fine fields on the Docket screen are not manually updated to reflect no fee due, thereby, not correcting the pre-assessed amount.</p> <p>Defendants appearing before the court may receive a reduced fine from the Judge with the judgment reflecting a fine less than the pre-assessed amount, requiring the court clerks or bookkeeper to update the JPAS Fine field on the Docket screen. Other defendants may request and be approved for a driving safety course (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</p>



	<p>for the offense and payment of a 'special expense' set by the Judge. Statutorily, the 'special expense' in lieu of the fine may not exceed the maximum amount of the fine for the offense. Manual 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 back-up review 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 perform a modified manual cost allocation process to record payments to each fee type due to limited system functionality. Court costs grids are used by the bookkeeping staff at the point of receipting to provide a guide for the Fee Type breakdown in the JPAS.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>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.</p> <p>Once collected, each fee should be posted to the proper JPAS fee type and paper type to assure subsequent distribution to proper governmental entity. Paper types for designated traffic programs should be used when recording payments on traffic cases.</p> <p>JPAS Docket screens should be updated as cases are filed and additional case activity occurs including, but not limited to, the assessment of additional court costs and/or changes in fines or special expense amounts as ordered by the judge in accordance with Vernon's Ann., CCrP., § 45.017.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Inadequate JPAS system functionality Clerical error</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Incorrect distribution/disbursement of funds to the State of Texas, Dallas County, and/or other governmental entities requiring additional time to correct posting.</p>
<p>Recommendation: (Describe corrective action)</p>	<p>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 or Commissioners court orders and applicable fee schedules based on the offense date and offense type for criminal offenses and file date for civil type cases.</p> <p>Code partial payments to the correct fee types prorating to each state and local court cost/fee before recording amounts to fine or only one court cost.</p> <p>JPAS Docket screen posting procedures should include:</p> <ul style="list-style-type: none"> • Updating Docket screens as: cases are filed; warrants or capiases are issued; pleas are entered; court dates are set; cases are dismissed, judgments or deferred adjudications are ordered; defensive driving is authorized; time payment plans are authorized; cases are disposed; etc. • Completing electronic Dockets in compliance with Vernon's Ann., CCrP, § 45.017.



Responsible Department or Organization:	Justice of the Peace 3-1			
Management's Response:	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent: Zoe Harlan, Chief Clerk	Date: 5/7/2013
Comments:	Due to system limitations receipting is a manual process.			
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration	



Finding Number: 11-JP 3.1-01-03
Date: June 5, 2012
Audit: Justice of the Peace 3-1 Review FY2010 & FY2011
Auditor(s) Assigned: RL

<p>Finding:</p>	<p>Review of financial activity associated with forty (40) credit card transactions and the associated JPAS postings and other testing revealed:</p> <ul style="list-style-type: none"> • Credit card transactions posted to the JPAS using the sequence ID number instead of the last five digits of the transaction ID number. (per procedures) • Two (2) credit card transactions posted with an erroneous number that is neither the last five digits of the Sequence ID nor Transaction ID. • Limited integration of automated JPAS payment posting functionality requiring additional staff time to review, reconcile, and research/post exceptions. <ul style="list-style-type: none"> • Two daily settlement reports • One automated receipt posting report for payments submitted through the automated traffic ticket payment channel with activity limited to amounts that match predefined court costs tables. • One automated payment rejection report for payment amounts not matching the predefined court costs tables.
<p>Work Paper Reference: (or other method by which finding was identified)</p>	<p>Work paper 6 Desk Review JPAS and Settlement reports</p>
<p>Condition: (Describe the current condition)</p>	<p>Credit card payments are submitted for processing either by defendant directly over the Internet or by court clerks for mail in payments (over the counter transactions stopped at the end of August 2012 pending contract changes – swipe card reader is not available). Two web portals are configured for use, an ‘auto citation’ payment channel and a ‘JP Court’ precinct payment channel.</p> <p>Defendants paying with credit card via mail are required to provide cardholders name and address, credit card number and expiration date, check the case(s) to be paid, record the amount to be paid, sign and date, and enter a plea on the citation provided at the time of offense. Mailed in credit card payment data is processed by the bookkeeper through the County’s Intranet portal. A confirmation number is generated by the system for successful transactions and the confirmation will be printed by the bookkeeper. Credit card payments processed through the ‘auto citation’ payment channel by 6:59:59 PM are consistently included in the next day business closeout (processing is dependent on IT parameters not JP court clerk). Credit card numbers and other information are not stored on Dallas County servers or systems.</p> <p>Each business morning, the bookkeeper will print the credit card transaction reports from both credit card payment channels and the mainframe automated posting/reject reports. Accepted transactions (completed prior to 7 PM) processed through the ‘auto citation’ payment channel systemically create a computer receipt in the overnight batch process except for amounts that do not match the limited allocation table. The bookkeeper reviews the ‘auto citation’ payment channel accepted (titled Settlement Report) report and compares to the JPAS for accuracy in fee code distribution. There are limited tables available for the automated posting of credit card payments so some items appear on a mainframe reject (amounts do not match table) report and require research and manual posting for generation of a computer receipt.</p> <p>Valid transactions from the ‘JP Court’ precinct payment channel accepted (titled Settlement Report) report and the rejected ‘auto citation’ transaction mainframe report will require receipting by the bookkeeper or chief clerk to the JPAS as payment type ‘check’ due to JPAS limitations. Daily</p>



	<p>balancing of receipt activity will include credit card payments that appear on the accepted/settlement (previous day's activity prior to 7 PM) reports generated by court staff from the County's Intranet site.</p> <p>Checks will be totaled and added together with both accepted/settlement report totals and balanced to JPAS control check totals. Closed-out receipting of credit card payments will be reflected on the check deposit with a manual notation on the deposit form 98 with the amount from the accepted/settlement reports as 'ACH'.</p> <p>A copy of the two accepted/settlement ('auto citation' and 'JP Court') reports will be sent to the County Treasurer with the check deposit. The cash and check (including closed out / computer receipted credit card payments) deposits will be placed in separate clear plastic deposit envelope bags. Relevant information will be written on the clear plastic bags. Bag control numbers, payment type, and amount will be notated in the courier receipt book and signed by court staff. The deposits will be locked in the safe pending the arrival of the courier. The courier will sign for the deposits and deliver to the County Treasurer.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Standard accounting and system control procedures require daily reconciliation and balancing of collected funds with receipts promptly issued for the amount of funds tendered, all funds received properly secured, and deposited consistent with state law including V.T.C.A., L.G.C., § 113.022 and Vernon's Ann., C.C.P., § 103.004.</p> <p><i>Per Dallas County General Policy for Use of Credit Card Transactions Policy</i>, any customer credit card numbers or security numbers from the back of the credit card received through the mail by the justice courts and used to process credit card transactions must be securely retained for 24 months after the transaction is processed through web access in a locked file cabinet with limited access. After 24 months, the credit card information should be destroyed or redacted. At no time should credit card information be left on desks or other work areas nor be filed in case jackets.</p> <p>E-Commerce requires information processing controls to test that transactions completed through computerized applications are valid, properly authorized, and completely and accurately processed and reported.</p> <p>According to V.T.C.A., L.G.C., § Sec. 130.003. PAYMENT CONDITIONAL. (a) The acceptance of a check or credit card invoice for the payment of a fee or tax does not constitute payment of the fee or tax. The fee or tax is not considered paid until the check is honored by the bank on which the check is drawn or the credit card invoice is honored by the issuer.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Non-integrated financial systems for e-commerce requiring manual intervention. Multiple credit card reports and payment channels.</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>N/A</p>



Recommendation: (Describe corrective action)	Payment posting procedures should include: <ul style="list-style-type: none"> • Continue review of reports for card acceptance posting & rejection to properly & timely account for payments. Valid payments not auto-posted should be receipted to the JPAS when appearing on the settlement report. • Post payments in compliance with <i>Dallas County General Policy for Use of Credit Card Transactions Policy</i> including reference to the last five digits of the transaction id number. Document proposed modifications to the automated posting process and incorporate in <u>technology assessments</u> .					
Responsible Department or Organization:	Justice of the Peace 3-1					
Management's Response:	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Zoe Harlan, Chief Clerk	Date:	5/7/2013
Comments:	Receipting is manual process.					
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration			



Finding Number: 11-JP3.1-01-04
Date: June 5, 2012
Audit: Justice of the Peace 3-1, Review FY2010 & FY2011
Auditor(s) Assigned: RL

<p>Finding:</p>	<p>Review of 10 cases from the Justice of the Peace Collection Referral Report for adequate collection procedures on cases referred to delinquent collection law firm, review of 20 cases on time payment plans, and review IT Services Active Warrants on Disposed Cases Report dated 1/19/2012 for validity of warrant issuances, recalls, and served / returned / active / regional statuses revealed (sample sizes less than 1% of population from approximating 25,621 active warrants or capias as of 1/19/2012):</p> <ul style="list-style-type: none"> • All court clerks are authorized to recall warrants • 35 active warrants or capias on WX50 for cases: without balances due; with time served; dismissed; and/or inactive (marked with Dispose flag 'X') as of June 4, 2012. On 13 of the cases, the court did not populate the <i>Returned How</i> field. STATUS: As of 11/5/2012, all 35 warrants have been recalled or returned as 'served' by the constable. • One served warrant incorrectly reflected on the Docket screen as outstanding (not outstanding on WX50) on a case that was paid in full. STATUS: JPAS updated to reflect warrant execution in 2009. • One case more than 2 months delinquent without a capias issued. Case information indicates capias cannot be issued because court does not have complaint. Collection calls have been made. <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>Work Paper Reference: (or other method by which finding was identified)</p>	<p>Work papers 7A.1-4, 7B.1-2, 8A.1-4, and 8A.5 IT Services Active Warrants 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 notices sent by the court collection clerk for missed payments based on non-system logs maintained by the court collection clerk, and a pre-warrant notice sent by the court collection clerk when a defendant defaults on a payment plan.</p> <p>Warrants including alias warrants and failure to appear warrants are issued by the court and signed by the Judge when defendants do not appear or do not comply with the terms of release. The issuance date is recorded to the JPAS Docket screen by the court staff. A notice of show cause hearing is issued by court staff when defendants do not satisfy the terms of the judgment including payment of fine and court costs. Criminal process is sent to the constable's office for service.</p> <p>Returned/recalled dates are recorded to the JPAS by court clerks as warrants and/or capias are returned from law enforcement agencies, but process verification is problematic. Systems are not linked, lack warnings, and when payments are made in full, defendants appear, defendants comply with orders of the court, etc., the court's employees transmits recall notices to the appropriate law enforcement. 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> <p>Best practices for internal control require separation of assigned duties for personnel authorized to issue and/or recall warrants.</p> <p>Docket screen procedures recommended by the County Auditor in document titled ‘Standard Procedures for Recording Misdemeanor Information to the Docket Screen’ should be followed when recording entries to the court’s official electronic docket which is governed by Code of Criminal Procedure, § 45.017. JPAS Docket screens should be updated as additional case activity occurs including but not limited to warrant/capias issuance/recall/return, jail time served, dismissed dates, deferred adjudication dates, judgment dates, assessment of additional court costs and/or changes in fine/special expense amounts as ordered by the judge. The disposed flag field should be marked with an “X” when the case has reached final disposition, including dismissals, appeals to the County Court of Criminal Appeals, jail time served for satisfaction of fine and court costs, payment in full for satisfaction of fine and court costs.</p> <p>In accordance with Code of Criminal Procedures §45.041, the judgment and sentence, in case of conviction in a criminal action before a justice of the peace or municipal court judge, shall be that the defendant pays the amount of the fine and costs to the state. The justice or Judge may direct the defendant to pay: (A) the entire fine and cost when sentence is pronounced; (B) the entire fine and cost at some later date; or (C) a specified portion of the fine and costs at designated intervals.</p> <p>In accordance with Code of Criminal Procedure, Art. 103.0033 (c) Unless granted a waiver under Subsection (h), each county and municipality shall develop and implement a program that complies with the prioritized implementation schedule under Subsection (h). A county program must include district, county, and justice courts.</p> <p>(d) The program must consist of:</p> <p>(1) a component that conforms with a model developed by the office and designed to improve in-house collections through application of best practices; and</p> <p>(2) a component designed to improve collection of balances more than 60 days past due, which may be implemented by entering into a contract with a private attorney or public or private vendor in accordance with Article 103.0031.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Warrant /capias are not returned from Constable/ Sheriff offices. Inadequate system exception reporting for recall of warrants and follow-up. Clerical error</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Liability to County for persons arrested in error.</p>
<p>Recommendation: (Describe corrective action)</p>	<p>Warrant and capias procedures should include:</p> <ul style="list-style-type: none"> • Warrants or capiases issued timely when defendants do not appear, do not comply with conditions of release, or default on payment terms. Show cause hearings should be set when defendants default on payment plans. • Separation of duties limiting (through system security access) staff assigned to recall warrants. • Outstanding warrants or capias recalled same business day when cases are dismissed or otherwise disposed, payments are made in full, time is served, community service is performed, time payment plans are implemented/followed, or official notification/verification of a defendant’s death is received. • A tracking list of recalled, but unreturned warrants or capias should be maintained with weekly follow-up communications to the constable or sheriff until returned.

	<ul style="list-style-type: none"> Outstanding warrant reports periodically reviewed for accuracy. <p>Continue established payment plan procedures and monitor in accordance with Code of Criminal Procedure, Art. 103.0033.</p> <p>JPAS Docket screen posting procedures should include:</p> <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.
Responsible Department or Organization:	Justice of the Peace 3-1
Management's Response:	<input type="checkbox"/> Agree <input checked="" type="checkbox"/> Disagree Respondent: Zoe Harlan, Chief Clerk Date: 5/7/2013
Comments:	<p>Not in the control of the court when Warrants and Capias returns come from both the Constables' office and the Sheriff's offices.</p> <ul style="list-style-type: none"> a) Warrants/capias are returned with the reason of recall and the court has not recalled. b) Warrants are returned and not removed from Active status on WX50 c) Warrants are returned and not removed from REGIONAL TCIC d) Warrants show active and the returns are in our case file
Disposition:	<input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration



Finding Number: 11-JP 3.1-01-05
Date: June 5, 2012
Audit: Justice of the Peace (JP) 3-1 , Review of FY2010 & FY2011
Auditor(s) Assigned: RL

<p>Finding:</p>	<p>Review of accounts receivable, 30 civil/small claims/eviction cases from the Justice Fee Exception report and the Daily Fee Log revealed:</p> <ul style="list-style-type: none"> • Three of six cases filed were not docketed to reflect <i>Affidavits of Inability to Pay Costs</i>. • One case filed by a government entity with associated filing fees not billed or collected. Status: Filing fees were billed after the audit fieldwork and collected on 10/3/2012. • Three cases lacked an explanation for failure to assess and collect filing fees. • One case without payment of filing fees to JP 3-1 and subsequently transferred to JP 2-1 where filing fees were paid. • Eight cases where filing fees were subsequently collected/posted to satisfy costs due for filing and service fees. In some instances, the collection/check postings may have been delayed. <p>Prior Year Finding Status: Unpaid balance due from the Dallas Housing Authority (DHA) totaling \$1,270 was recovered in FY2011.</p>
<p>Work Paper Reference: (or other method by which finding was identified)</p>	<p>Work paper 9B review Justice Fee Exception Report identifying cases filed without payment of filing fees.</p>
<p>Condition: (Describe the current condition)</p>	<p>Court costs and service fees are required to be paid at the time of filing. Parties to a suit that do not have adequate resources may request to file a case without payment. Indigent plaintiffs complete an affidavit of inability to pay (pauper’s affidavit) filing/service fees in accordance with Rule of Civil Procedure 145. The affidavit is reviewed by the court and 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 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>Criteria: (Describe the optimal condition)</p>	<p>In accordance with statutes (Local Government Code § 118.121, 118.122, 118.123, 118.131, and Chapter 133) and Commissioners Court orders, filing fees should be collected at the time of filing and service fees should be collected at the time of service request for all evictions, civil and small claim cases filed by non-governmental entities and individuals except for those individuals with approved affidavits of indigence on file or those entities listed 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.</p> <p>Texas Rules of Civil Procedure, RULE 145. AFFIDAVIT ON INDIGENCY (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>



Cause: (Describe the cause of the condition if possible)	Clerical error Weak system functionality				
Effect: (Describe or quantify any adverse effects)	Inhibits cost recovery if the plaintiff's claim is upheld. System extracts do not include indigent status.				
Recommendation: (Describe corrective action)	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: <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. 				
Responsible Department or Organization:	Justice of the Peace 3-1				
Management's Response:	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Zoe Harlan, Chief Clerk	Date: 5/7/2013
Comments:	System issues and Clerical Error				
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		



Finding Number: 11-JP 3.1-01-06
Date: June 5, 2012
Audit: Justice of the Peace 3-1, Review of FY2010 & FY2011
Auditor(s) Assigned: RL

Finding:	<p>Comparison of activity reports filed by the court with the Office of Court Administration (OCA), the Office of Budget and Evaluation (OBE), and the Auditor's Office to the mainframe JPAS case records revealed:</p> <p>JPAS to OCA</p> <ul style="list-style-type: none"> • Civil cases (JC) were over reported by 12.51% (253 cases) in FY2011 • Forcible Entry & Detainer cases (JE) were underreported by 5.52% (257 cases) in FY2011. <p>Comment: Eviction cases may have been categorized as Civil cases substantially accounting for both variances.</p>
Work Paper Reference: (or other method by which finding was identified)	<p>Work paper 11A.2 Comparison of activity reports submitted by the court to OCA website, OBE and JPAS filed cases as counted and analyzed by the auditor.</p>
Condition: (Describe the current condition)	<p>Court clerk assignments include processing traffic, 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.</p> <p>Automated traffic case filing numbers are retrieved daily by court personnel accessing Document Direct.</p>
Criteria: (Describe the optimal condition)	<p>Government Code Section 71.035(b) and Texas Administrative Code Sections 171.1 and 171.2 requires all activity reports to be accurately and timely completed and mailed (or updated via the Internet) to the council (Texas Judicial Council/OCA) no later than 20 days following the end of the month reported.</p> <p>Local Government Code 114.002 authorizes the County Auditor to determine the time and manner for making reports to the auditor. The County Auditor has determined that activity reports should be provided to the Internal Audit section no later than 20 days following the end of the month reported.</p> <p>Internal control for reporting requires that all case numbers are accounted for, issued consecutively by case type, and properly and timely indexed to the JPAS.</p>
Cause: (Describe the cause of the condition if possible)	<p>Mathematical errors and lack of automated tracking system.</p>
Effect: (Describe or quantify any adverse effects)	<p>Inaccurate statewide court analysis by OCA.</p>
Recommendation: (Describe corrective action)	<p>In accordance with statutory guidelines, monthly activity reports should be completed in an accurate and timely manner with copies provided to OCA, OBE, and the County Auditor.</p> <p>Activity reports should be corrected if errors are later identified, as the accuracy of activity reports may affect staffing levels or statewide analysis.</p>
Responsible Department or Organization:	<p>Justice of the Peace 3-1</p>
Management's Response:	<p><input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree Respondent: Zoe Harlan, Chief Clerk Date: 5/7/2013</p>
Comments:	<p>Due to the limitations of the Dallas County Justice of the Peace System the count for activity is manually done by each clerk and then totaled for the report. As most requested data cannot be retrieved manually accuracy is not certain.</p>
Disposition:	<p><input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration</p>



Finding Number: 11.JP3.1-01-07
Date: June 5, 2012
Audit: Justice of the Peace 3-1, Review of FY2010 & FY2011
Auditor(s) Assigned: RL

<p>Finding:</p>	<p>Time & Attendance Observation of office schedules, review of responses to the Internal Control Questionnaire (ICQ), and review of manual time and attendance records and Kronos time and attendance system postings revealed:</p> <ul style="list-style-type: none"> • Full-time regular employees take 50 minutes for lunch with no breaks. Lunch is recorded as 30 minutes on the KRONOS time and attendance system.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Work papers 13C.1 and 13C.2 review of time and attendance records Observation and review of ICQ</p>
<p>Condition: (Describe the current condition)</p>	<p>Court policy to meet public demands does not allow employees to take a ten minute morning or afternoon break. Break times are combined to the authorized 30 minute lunch period.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>According to Dallas County Code, Section 82.32, Work hours scheduling:</p> <p>(b) <i>Office hours.</i> An elected official/department head, with the approval of the commissioners court, has the right to establish and schedule reasonable work hours, rules and working conditions in a manner most advantageous to the county in accomplishing its service and work requirements. Compensatory time and overtime are also scheduled by the elected official/department head according to appropriate county policies. County offices, excluding 24-hour operations, are expected to remain open between the hours of 8:00 a.m.-4:30 p.m. and remain open during the noon hour. Employees should verify office hours and work hours with their supervisor.</p> <p>(c) <i>Breaks and lunch periods.</i> An elected official/department head may also establish breaks and lunch periods for their employees. Employees may be granted one break of ten minutes for each four hours worked. Employees are paid while on break. A lunch period may be 30 minutes to an hour depending on the work schedule approved by the elected/appointed official/department head. <u>Lunch periods are in addition to the regular eight-hour work period and shall not be combined with breaks.</u> Employees are not paid during their lunch period; therefore, they should be completely relieved of all duties and be free to leave their post of duty.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Inaccurate application of county time and attendance policies.</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Official time and attendance records do not accurately reflect time worked and taken.</p>
<p>Recommendation: (Describe corrective action)</p>	<p>Actual hours worked, meal periods, vacation time, sick time, holiday time, jury duty, compensatory time, overtime, ATO, etc. should be properly and timely posted to the Kronos time attendance system in accordance with Dallas County Code and Commissioners Court orders.</p>



Responsible Department or Organization:	Justice of the Peace 3-1		
Management's Response:	<input type="checkbox"/> Agree	<input checked="" type="checkbox"/> Disagree	Respondent: Zoe Harlan, Chief Clerk
Comments:	<p>Due to business necessity, Judge Cercone's office policy is to combine breaks and lunch as allowed in the Dallas County Policies and Procedures, Sec. 82-32 (c).</p> <p>Sec. 82-32. - Work hours scheduling. (c) Breaks and lunch periods. An elected official/department head may also establish breaks and lunch periods for their employees.</p>		
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration



Finding Number: 11-JP3-1-01-08
Date: June 5, 2012
Audit: Justice of the Peace 3-1, Review of FY2010 & FY2011
Auditor(s) Assigned: RL

<p>Finding:</p>	<p>Special Fund Transactions: Reconciliation and review of special fund activity, postings to the JPAS, general ledger and internal control procedures for separation of duties, authorization, funds available for disbursement and proper payees revealed:</p> <ul style="list-style-type: none"> • Old case balances (approximately \$13,538.84 of \$51,093.25 system balance as of 9/30/2011 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. • Eleven check cancellations not posted to the JPAS.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpaper No. 12A, 12B and 12C Review of special fund activity</p>
<p>Condition: (Describe the current condition)</p>	<p>Data source for disbursement activity is request forms, daily special fund deposit reports, and JPAS (when date cards are updated by bookkeeper) detailed monthly special fund balance reports. Balances available to disburse consist of case overpayments, judgments paid into the registry of the court, cash bonds, and service fees for law enforcement agencies without designated fee codes for automated disbursements. Current special fund activity on the JPAS reports is reviewed by the bookkeeper for identification of eligible disbursements. Case jackets are pulled and postings to the JPAS are reviewed to determine the proper payee and amount. To generate disbursements, the bookkeeper prepares and saves a special fund disbursement file to a designated computer drive on an ongoing basis, based on a review of new daily special fund activity by case/receipt. The electronic file is submitted to the County Auditor/County Treasurer for processing, check printing, and mailing. The electronic file reflects details of disbursement. Subsequently, the bookkeeper updates the disbursement information to the JPAS, posting the check number, check amount, and date, but does not reconcile to the general ledger or to the bank. The JP office relies on the County Auditor for reconciliation to the general ledger and on the County Treasurer for bank reconciliations.</p> <p>The bookkeeper does not consistently post cancellations to the JPAS since notices are not received from the County Treasurer.</p> <p>Old case balances (approximately \$13,538.84 of \$51,093.25 system balance as of 9/30/2011 over three years old) remain in the special fund account pending analysis for disbursement or escheatment.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Best practices regarding cash control require that:</p> <ul style="list-style-type: none"> • All special fund disbursements and cancellations should be timely and accurately posted to the JPAS. Fund balances must be reconciled against control records (GL and bank statement). • Special fund reports should be reviewed on a periodic basis and disbursements should be made to the appropriate parties in a timely manner. <p>Inactive case balances should be reviewed in accordance with unclaimed property statutes,</p>



	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).		
Cause: (Describe the cause of the condition if possible)	Limited staff time to research old items.		
Effect: (Describe or quantify any adverse effects)	Deferred research: <ul style="list-style-type: none"> • Delayed disbursements to entities/individuals entitled to funds. • Penalties from the State for not following escheat statutes may be assessed if not corrected. Limited reconciliation: <ul style="list-style-type: none"> • Undetected posting errors resulting in potential for overpayment and unrecoverable losses. • Additional staff time to research and correct posting errors. 		
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. A management plan including reconciling GL and bank account should be developed and implemented to periodically review the detailed special fund report in order to clear old items on disposed cases. Escheat analysis and stale dating should be managed in accordance with unclaimed property statutes, V.T.C.A., Property Code, § 72 and § 76. (see website: http://www.window.state.tx.us/up/forms.html) In anticipation of the pending migration from the JPAS, we recommend concerted effort be made to correct outstanding issues. Court action will improve the accuracy of migrated data and impact staff efficiencies during and after implementation.		
Responsible Department or Organization:	Justice of the Peace 3-1		
Management's Response:	<input type="checkbox"/> Agree	<input checked="" type="checkbox"/> Disagree	Respondent: Zoe Harlan, Chief Clerk Date: 5/7/2013
Comments:	We are continually researching our Special Fund and issuing disbursements or transferring funds as case disposition and time allows. Older cases for "B" court have not been resolved due to lost case files by JP 1-2 after 2001 Redistricting. Without case files we have been unable to confirm case status since JPAS docket was updated by previous court.		
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration