



DALLAS COUNTY
COUNTY AUDITOR

Memorandum

TO: Honorable Judge Sandra Ellis
Justice of the Peace, Precinct 3, Place 2

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

SUBJECT: Review Performed on Justice of the Peace, Precinct 3, Place 2 for FY 2010

DATE: Issued: September 22, 2011
Released: November 9, 2011

Scope

A review was performed in accordance with statutory guidelines on the records and reports of Justice of the Peace, Precinct 3, Place 2 for fiscal year 2010.

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
- 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 activity for accurate and timely posting to the JPAS

Statistical

During fiscal year 2010, the justice court processed:

- 20,070 computer receipts totaling \$2,661,433
- 15,747 class C misdemeanor cases including IBC, traffic, FTA, truancy, etc.
- 1,292 civil/small claim cases
- 4,406 eviction cases

FINDINGS

Cash Management

Receipts – Computer / Manual – Review of 20,070 computer receipts and approximately 1,939 manual receipts including 70 (less than 1% o population) voided computer and 15 voided manual receipts revealed material compliance except for excessive issuance of manual receipts.

Assessments / Distribution - Review of 46 cases and corresponding computer receipts (358 fee code entries) for compliance with statutorily required court costs, fees and fine revealed material compliance except the Fine field on the Docket screen is not updated on dismissed cases including administrative dismissals.

Disbursement / Special Fund Reconciliation - Review of special fund activity revealed: delays in posting disbursements to the JPAS and old (over three years old as of August 6, 2011) case balances totaling approximately \$112,727 remain in the special fund account without research for disbursement to the applicable party and/or escheating to the County Treasurer or State Comptroller.

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 70 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 employees are authorized to issue and recall warrants.

Civil Fee Dockets – Limited review of fifteen civil cases on the justice fee exception report revealed material compliance.

Activity Report: Comparison of activity reports filed by the court with the Office of Court Administration (OCA), the Office of Budget and Evaluation (OBE), and Auditor's Office to the mainframe JPAS case records revealed civil cases were over reported to OCA by 235 cases.

Credit Card Process – Review of credit card transactions on test basis revealed many instances of credit card transactions posted to the JPAS three or more days after successful credit card acceptance.

Other/Miscellaneous

Time and Attendance – Review of employee time and attendance records on a test basis revealed no exceptions.

System Security – Limited review of system security revealed no exceptions.

RECOMMENDATIONS

Cash Management

Receipts – Computer / Manual – All monies received should be promptly receipted and deposited consistent with state law, V.T.C.A., L.C.G. § 113.22 and Vernon's Ann. C.C.P. §103.004. Manual receipts should be used only when JP accounting system (JPAS) is "down." Once the JPAS is operational, computer generated receipts should be generated and attached to the corresponding manual receipts.

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.

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.

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. Warrant exception report developed by IT Services should be reviewed on an ongoing basis. 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.

Activity Reports - Monthly activity reports should be completed in an accurate and timely manner with copies provided to OCA, OBE, and the County Auditor. All case numbers are to be accounted for, issued consecutively by case type, and properly and timely indexed to the JPAS. Case index report should be scanned periodically for skipped case numbers.

Credit Card Process – Continue review of reports for card acceptance posting and rejection to properly and timely account for payments. Valid payments not auto-posted should be receipted to the JPAS when appearing on the settlement report.

CURRENT FINDINGS/OBSERVATION AND RECOMMENDATIONS

Findings template numbered 10-JP3.2-01.01 through 07 (excluding 04) 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 continuation of improved departmental processes implemented by the judge. 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 should strengthen internal control and compliance with Dallas County policies and procedures.

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

Jan 11

County Auditor



Dallas County, Texas

Finding Number: 2010-JP3.2-01-01
Date: January 28, 2011
Audit: Justice of the Peace 3-2 Review FY2010
Auditor(s) Assigned: YA

<p>Finding:</p>	<p>Receipting: Review of 20,070 computer generated receipts and approximately 1939 manual receipts including a complete review of 70 voided computer receipts and 15 voided manual receipts, a complete review of receipt continuity, testing of voiding procedures for proper accounting and internal controls, and a sample review of Daily Receipts Log revealed material compliance with proper receipting procedures except:</p> <ul style="list-style-type: none"> • Excessive issuance of manual receipts with most issued after 3:30 PM each business day during the computer receipt balancing process. • Two computer receipts were not printed and explanations were not documented. <p>Status: Both receipts were replaced for a higher amount. Email from IT Services indicates possible system issue.</p> <ul style="list-style-type: none"> • One manual receipt was posted to the JPAS system five work days later. • Eight voided computer receipts for duplicate Internet (on-line) credit card payment postings. <p>Status: Court staff voided duplicate postings after notification by the Audit staff.</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Work paper No. 5A & 5B – 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 generating 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. Around 3:30 PM each business day prior to closeout, the computer receipts are totaled and compared to the funds on hand and system control totals by the bookkeeper. Corrections are made when the payment type is incorrectly recorded, the check amount is not correctly receipted, or other errors are identified. The balanced funds are secured in the safe until the next morning. The back-up bookkeeper issues manual receipts until the bookkeeper has completed the afternoon balancing process. Manual receipts issued after the 3:30 PM cut-off are receipted to the computer the next business day.</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 generate a new computer receipt with the total amount matching the confirmation received by</p>



	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. • Funds received by the court should be receipted with a computer generated receipt unless the JPAS is "down". • 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 ensure 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. Staff should be properly trained on balancing processes and closeout procedures should occur later in the day to avoid unnecessary issuance of manual receipts. Separate cash drawers should be maintained by all clerks receipting payments and funds should be balanced prior to combining with other receipted funds.</p>			
Cause: (Describe the cause of the condition if possible)	Occasional procedural exceptions			
Effect: (Describe or quantify any adverse effects)	<p>Prevents potential assertion that monies were paid and refunds due. Time consuming (additional staff time) and non- efficient procedures by duplicating the receipts process.</p>			
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. • Staff should be properly trained to limit reliance on issuance of manual receipts during the balancing process. • 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 ensure that the explanation for the deletions is documented and reasonable. 			
Responsible Department or Organization:	Justice of the Peace 3-2			
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Date:
Comments:				
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration	



Jan 11/11

Finding Number: 2010-JP3.2-01-02
Date: April 1, 2011
Audit: Justice of the Peace 3-2 Review FY2010
Auditor(s) Assigned: BM/YA

<p>Finding:</p>	<p>Fine/Fee Assessment: Review of 46 computer receipts (358 fee code entries) for appropriate assessment and collection of court costs, fines, and fees revealed:</p> <ul style="list-style-type: none"> • Four \$.10 civil justice fees were not assessed for moving violations (including some as the result of delayed court costs table updates in the traffic ticket handheld devices) • Four \$5 ticket issuance fees were credited to DART rather than DPS (3) or Constable (1). <p>Status: Corrected.</p> <ul style="list-style-type: none"> • Three \$2 indigent defense fees were posted as fee type 35. <p>Status: Corrected December 2010.</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Work paper 5E review of fees assessed and receipted</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 fees 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>



Criteria: (Describe the optimal condition)	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.			
Cause: (Describe the cause of the condition if possible)	Delayed court costs table updates by the vendor providing the handheld devices. Inadequate JPAS system functionality Clerical error.			
Effect: (Describe or quantify any adverse effects)	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.			
Recommendation: (Describe corrective action)	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. JPAS Docket screen posting procedures should include: <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. Pursue new Justice of the Peace system with improved features.			
Responsible Department or Organization:	Justice of the Peace 3-2			
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Date:
Comments:				
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration	

County Auditor



Dallas County, Texas

Finding Number: 2010-JP3.2-01-03
Date: March 18, 2011
Audit: Justice of the Peace 3-2 Review FY2010
Auditor(s) Assigned: YA

<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"> • One special fund check was not posted to the JPAS in FY2011 resulting in a duplicate payment of \$1,000 Status: Court staff recovered the duplicate disbursement and posted the omitted check. • Frequent delays in posting special fund disbursements. • Two marriage license fees (totaling \$82) were incorrectly posted (in May 2011) to special fund fee type 07 instead of fee type 09. As a result, funds were <u>not</u> distributed to proper account codes. <p>Status Prior Year Findings:</p> <ul style="list-style-type: none"> • Texas Parks & Wildlife fines remain in the special fund. • Failure to attend school violations were incorrectly split between the county and the associated school district which remain in the special fund. • Court costs and fines collected on two failure to attend school violations were incorrectly posted in full to the special fund. • Marriage license fees remain in the special fund. • Overpayments of \$10 or less, receipt code errors, stale dated checks more than three years old, \$5 ticket issuance fees (due to DART, DPS, TABC, TP&W, etc) remain in the special fund. Special fund reconciling items include unposted disbursements to DART and Richland College for \$5 ticket issuance fees. • Old case balances (approximately \$112,727 of \$182,569 system balance as of 8/6/2011 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. <p>Response: Bookkeeper has made substantial progress in clearing approximately \$100,000 in previously existing special fund balances as of 10/2/2010 during the last ten months.</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpaper No. 6B, 6D 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 posts cancellations and stale dated checks to the JPAS based on notices received from the County Treasurer.</p> <p>Research by the bookkeeper is ongoing to clear old case balances in the special fund account</p>



	through disbursement to the appropriate party. However, unclaimed funds over three years remain without escheatment to the State and/or Dallas County.		
Criteria: (Describe the optimal condition)	Best practices regarding cash control require that: <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. 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).		
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. 		
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 <u>posted with the current date</u> in order to ensure subsequent reports reflect the corrections. • Posting errors should be identified and corrected by dragging and transferring to the appropriate JPAS codes. • Marriage license fee posting errors may need to be corrected by check disbursement as the JPAS allocates the current marriage license fee amount. 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)		
Responsible Department or Organization:	Justice of the Peace 3-2		
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent: _____ Date: _____
Comments:			
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration



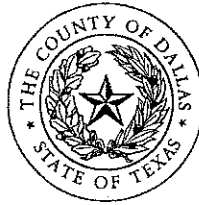
County Auditor

Dallas County, Texas

Finding Number: 2010-JP3.2-01-05
Date: March 18, 2011
Audit: Justice of the Peace 3-2 Review FY2010
Auditor(s) Assigned: YA

Finding:	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 the Auditor's Office to the mainframe JPAS case records revealed: <u>JPAS to OCA</u> <ul style="list-style-type: none"> Civil suits case counts were over-reported to OCA by 31.29% (235 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 are 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. Errors in projected staffing levels or expected revenue based on statistical reporting.		
Recommendation: (Describe corrective action)	Monthly activity reports should be completed in an accurate and timely manner with copies provided to OCA 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 3-2		
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent: Honorable Judge Sandra Ellis Date:
Comments:			
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration

Am 11-1



Finding Number: 2010-JP3.2-01-06
Date: March 18, 2011
Audit: Justice of the Peace 3-2 Review FY2010
Auditor(s) Assigned: YA

<p>Finding:</p>	<p>Credit Cards: Review of financial activity associated with 60 credit card transactions and the associated JPAS postings revealed:</p> <ul style="list-style-type: none"> • 33 instances where JPAS receipt posting was seven or more days after settlement of funds. Thirteen postings occurred 17 days later with most during June 2010 after the flood in the Records Building. • Two credit card web payment channels for paying by credit card. <ul style="list-style-type: none"> • One for automated traffic tickets only • One for all misdemeanor case types • 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. Instances of incorrect matches noted. • One automated payment rejection report for payment amounts not matching the predefined court costs tables.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Work paper 13C On-line Credit Card Payments Desk Review</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 or over the counter transactions (data is entered manually by clerks – swipe card reader is not available). There are two web portals that can be used: an ‘auto citation’ payment channel and a ‘JP Court’ precinct payment channel.</p> <p>Defendants paying with a credit card in person are required to complete a Electronic Payment Consent form and provide a government issued photo ID. 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. A copy of the ID, completed slips, and credit/debit cards or mailed in credit card payment data are submitted to the bookkeeper for processing 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. A copy of the confirmation will be provided to defendants paying in person. Credit card payments processed through the ‘auto citation’ payment channel by 10:59:59 PM are not consistently included in the next day business closeout (processing is dependent on IT parameters not JP court clerk).</p> <p>Each business morning, the chief clerk or 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 11 PM) processed through the ‘auto citation’ payment channel create a computer receipt in the overnight batch process without data entry required except for amounts that do not match the limited allocation table. 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 be receipted by the bookkeeper to the JPAS as payment type ‘check’ due to JPAS limitations. Daily balancing of receipt activity will include credit card payments that appear on the accepted/settlement (previous day’s activity prior to 11 PM) reports generated by court staff from the County’s Intranet site.</p> <p>Cash will be counted and balanced to JPAS control cash totals. Checks will be totaled and added</p>



	<p>together with both accepted/settlement report totals and balanced to JPAS control check totals. The ending receipt for the balanced funds will be input to the JPAS and will <u>not</u> include new computer receipt numbers that will be generated during the current day's overnight batch process for system generated computer receipts for credit card payments. Cash, checks, and other supporting documentation will be placed in the safe overnight. The following business day the safe is opened and the bookkeeper will confirm cash and checks (including computer receipts for credit card transactions) are still in balance with JPAS control totals. Cash, coin and check totals are entered to the JPAS deposit file. If entered amounts match system control totals, the JK98 process will allow the court to print the deposit form 98's by cash and check payment types. The funds and deposit totals are verified by a second court employee (Chief Clerk or back-up bookkeeper). Dual sign-off will be indicated on both deposit forms. 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>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>Per <i>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>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>Delayed revenue recognition</p>
<p>Recommendation: (Describe corrective action)</p>	<p>Payment posting procedures should include:</p> <ul style="list-style-type: none"> • Continue review of reports for card acceptance posting & rejection to properly & timely account for payments. Valid payments not auto-posted should be receipted to the JPAS when appearing on the settlement report. • Post payments in compliance with <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. On-line payments should be posted to corresponding case docket no later than next business day.



Responsible Department or Organization:	Justice of the Peace 3-2		
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent: _____ Date: _____
Comments:			
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration



Am 11-1

Finding Number: 10-JP3.2-01-07
Date: 9/11/2011
Audit: Justice of the Peace 3-2 FY10
Auditor(s) Assigned: YA/TM

<p>Finding:</p>	<p>Collection Programs: 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 IT Services Active Warrants on Disposed Cases Report dated 9/5/2011, review of 13 cases on time payment plans, review of 13 cases with final judgment, review of 20 disposed cases, and review of 40 cases from the active warrants list (approximately 14,000 active warrants or capias) for validity of warrant issuances, recalls, and served/returned/active/regional statuses revealed (sample sizes approximately 1% of population):</p> <ul style="list-style-type: none"> • All court clerks are authorized to recall warrants • 70 (as of 9/11/2011) active warrants or capias on WX50 for cases: without balances due; with time served; dismissed; and/or inactive (marked with Dispose flag 'X'). <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 notices sent by the court collection clerk for missed payments based on non-system logs maintained by the court collection clerk, and a pre-warrant notice sent by the court collection clerk when a defendant defaults on a payment plan including a second call made by the collection clerk prior to issuing a warrant.</p> <p>Warrants including alias 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 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 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</p>

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 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.

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.

According to Transportation Code, Sec. 706.006. PAYMENT OF ADMINISTRATIVE FEE.

(a) A person who fails to appear for a complaint or citation for an offense described by Section 706.002 (a) shall be required to pay an administrative fee of \$30 for each complaint or citation reported to the department under this chapter, **unless the person is acquitted** of the charges for which the person failed to appear. The person shall pay the fee when:

(1) the court enters judgment on the underlying offense reported to the department;

(2) **the underlying offense is dismissed**; or

(3) bond or other security is posted to reinstate the charge for which the warrant was issued.

(b) A person who fails to pay or satisfy a judgment ordering the payment of a fine and cost in the

	<p>manner the court orders shall be required to pay an administrative fee of \$30.</p> <p>(c) The department may deny renewal of the driver's license of a person who does not pay a fee due under this section until the fee is paid. The fee required by this section is in addition to any other fee required by law.</p>
Cause: (Describe the cause of the condition if possible)	Warrant /capias not returned 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.
Recommendation: (Describe corrective action)	<p>Warrant and capias procedures should include:</p> <ul style="list-style-type: none"> • Warrants or capiases issued timely when defendants do not appear, do not comply with conditions of release, or default on payment terms. Show cause hearings should be set when defendants default on payment plans. • Separation of duties limiting (through system security access) staff assigned to recall warrants. • Outstanding warrants or capias recalled same business day when cases are dismissed or otherwise disposed, payments are made in full, time is served, community service is performed, time payment plans are implemented/followed, or official notification/verification of a defendant's death is received. • A tracking list of recalled, but unreturned warrants or capias should be maintained with weekly follow-up communications to the constable or sheriff until returned. • Outstanding warrant reports periodically reviewed for accuracy. <p>Continue established payment plan procedures and monitor in accordance with Code of Criminal Procedure, Art. 103.0033.</p> <p>Pursue new system with improved features.</p>
Responsible Department or Organization:	Justice of the Peace 3-2
Management's Response:	<input type="checkbox"/> Agree <input type="checkbox"/> Disagree Respondent: _____ Date: _____
Comments:	
Disposition:	<input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration