



DALLAS COUNTY COUNTY AUDITOR

Memorandum

To: Honorable Judge Katy Hubener
Justice of Peace, Precinct 4, Place 2

From: Virginia A. Porter
County Auditor

A handwritten signature in cursive script, appearing to read "Virginia A. Porter", is written over the printed name.

Subject: Review Performed for Fiscal Year 2010

Date: Issued December 31, 2010
Released January 13, 2011

Scope

A review was performed in accordance with statutory guidelines on the records and reports of Justice of the Peace, Precinct 4, Place 2 for fiscal year 2010 during which the Honorable Robert Whitney served.

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
- Reviewed daily receipt transaction log reports
- 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

Statistical

During fiscal year 2010, the justice court processed:

- 28,043 computer receipts totaling \$2,681,965
- 21,801 class C misdemeanors cases (includes traffic, IBC, truancy, etc.)
- 2,603 civil/small claims cases
- 4,055 eviction cases

FINDINGS

Cash Management

Cash Count – A cash count performed on June 9, 2010 revealed fifty-four unreceipted checks totaling \$45,135.45, including twenty-one Sheriff jail checks totaling \$32,238 dated February 2010 through April 2010, with the oldest dated February 2, 2010.

Receipts- Computer/Manual – A review of 335 manual receipts revealed one manual receipt was altered to a lower amount (\$100 cash to \$33 cash). **Status:** Resolved. The original amount was split between two of the defendant's cases and full payment was applied to those cases. A review of 111 voided computer receipts and a sample review of 28,043 computer receipts and corresponding daily receipt transaction logs revealed nine (8.1%) voided computer receipts without retention of the original copy including one of the nine reissued for \$10 cash less than the original amount (\$50 to \$40).

Assessments/Distribution- Review of 55 computer receipts (448 fee code entries) for compliance with statutorily required court costs and fine revealed: limited instances of collection, assessment, or posting errors; court costs on automated traffic case filings did not consistently include the new .10 cent TCLEOSE fee, which became effective January 1, 2010, due to the vendor providing the handheld devices and related software not updating the court costs tables, timely.

Disbursement / Special Fund Reconciliation - A review of special fund activity revealed old case balances totaling approximately \$210,000 as of September 30, 2010 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

Credit Card Process – \$55 credit card payment was improperly applied to an unrelated defendant's case.

Criminal Fee Dockets – Review of time payment plans, active warrants or capias, warrants or capias on disposed cases for the appropriateness of warrant status, and corresponding Docket screens revealed: 144 active warrants or capias on the Constable or Sheriff's warrant system for cases without calculated balances due and/or on cases marked disposed on the JPAS Docket screen. **Status:** Fourteen of the 144 warrants or capias returned to the court thirty or more days after the case was disposed with one not returned for five years after case disposition. All court clerks are authorized to recall warrants. Office of Court Administration (OCA) requirements under SB 1863 related to time payment plans were implemented by the justice court.

Civil Fee Dockets – Limited review of civil, small claims and eviction cases on the justice fee exception report revealed: filing fees are not collected when cases are transferred from other counties; one unpaid/unbilled filing/service fee on a case filed by a governmental entity with judgment rendered; one case deleted from the JPAS by a court clerk.

Birth and Death Certificates and Marriage License - The State's Remote Birth Access site, signed into by the chief clerk under her user name and password, is used by all employees throughout the day.

Activity Report - Comparison of activity reports filed by the court with OCA to mainframe JPAS case records revealed: non-traffic misdemeanor (JM) cases were over-reported by 211.58% (3,635 cases); failure to attend school and parent contributing to non-attendance (JR) cases were under-reported by 13.61% (112 cases).

Other/Miscellaneous

Time and Attendance – Web-timestamp functionality is not used. Clerks maintain individual time sheets to capture daily start and out times. Times are subsequently recorded to Kronos by the chief clerk.

RECOMMENDATIONS

Cash Management

Receipts – Receipts should be verified for accuracy of amount before issuing to customers. All monies received should be promptly receipted and deposited consistent with state law, V.T.C.A., L.C.G. § 113.022 and Vernon's Ann. C.C.P. §103.004. The supervisor should periodically scan exception reports, transaction logs, manual receipts books, and computer receipts issued, for proper usage. Receipts should never be altered, but rather properly voided. All copies of void receipts should be retained, clearly marked "void", and affixed with a reason for the void. Any changes from tender type (for example cash to check or vice versa) should be specifically reviewed by the chief clerk for appropriate support.

Assessments/Distribution – 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. Document and communicate automated traffic case filing court costs errors to IT Services.

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

Credit Card Process – Monetary credit in the amount of \$55 should be recorded to the appropriate case on the JPAS.

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.

Civil Fee Dockets – Reason for not collecting filing or service fees should be documented on the JPAS and case jacket. Collection of unpaid court costs and service fees should be pursued.

Birth and Death Certificates and Marriage License – Employees accessing the State's Remote Birth Access site should use their assigned user id and password.

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

Other/Miscellaneous

Time and Attendance – Consider implementation of web-timestamp functionality to capture non-exempt start and end times.

CURRENT FINDINGS/OBSERVATION AND RECOMMENDATIONS

Findings template numbered 10-JP4.2-01-01 thru 10 are attached.

Summary

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

Emphasis on outlined procedures should provide for improved departmental processes. Consideration of all issues and weaknesses should be incorporated by the court as a self-assessment tool in testing processing functionality of a new justice court system. Adherence to and follow-through with the recommendations should strengthen internal control and compliance with Dallas County policies and procedures.

cc: Commissioners Court
Ryan Brown, OBE
Honorable Judge Robert Burns, LADJ

County Auditor



Dallas County, Texas

Finding Number: 10-JP 4.2-01-01
Date: 7/19/10
Audit: Justice of the Peace 4-2 FY 10
Auditor(s) Assigned: NH

Finding:	Cash count on June 9, 2010 revealed: <ul style="list-style-type: none"> Fifty-four unreceipted checks totaling \$45,135.45 on hand. Twenty-one of the checks remitted by the Dallas County Sheriff totaling \$32,238 were dated between February 2010 and April 2010.
Workpaper Reference: (or other method by which finding was identified)	Workpaper No. 2 cash count
Condition: (Describe the current condition)	Checks, money orders, and cashier checks are received over the counter, through the U.S. Postal Service, and from other County departments via the in-house mail system. Frequent delays occur in receipting Sheriff jail checks and District Attorney checks remitted for the payment of court costs and fines.
Criteria: (Describe the optimal condition)	<p>V.T.C.A., Local Government Code, Sec. 113.022. TIME FOR MAKING DEPOSITS. (a) A county officer who receives funds shall deposit the funds with the county treasurer on or before the next regular business day after the date on which the funds are received. If this deadline is not met, the officer must deposit the funds, without exception, on or before the seventh business day after the day on which the funds are received. However, in a county with fewer than 50,000 inhabitants, the commissioners' court may extend the period during which funds must be deposited with the county treasurer, but the period may not exceed 30 days after the date the funds are received.</p> <p>Vernon's Ann., Code of Criminal Procedure, Art. 103.004. DISPOSITION OF COLLECTED MONEY.</p> <p>(a) Except as provided by Subsections (b) and (c), an officer who collects recognizances, bail bonds, fines, forfeitures, judgments, jury fees, and other obligations recovered in the name of the state under any provision of this title shall deposit the money in the county treasury not later than the next regular business day after the date that the money is collected. If it is not possible for the officer to deposit the money in the county treasury by that date, the officer shall deposit the money in the county treasury as soon as possible, but not later than the third regular business day after the date that the money is collected.</p> <p>(b) The commissioners court of a county may authorize an officer who is required to deposit money under Subsection (a) to deposit the money in the county treasury not later than the seventh regular business day after the date that the money is collected.</p> <p>Per Dallas County Code, Sec. 74-691. Receipts. Official receipts shall be written or generated immediately for all collections made in the official capacity of the various offices of the county. Receipts may be in the form or prenumbered autographic receipts or prenumbered book bound receipts, cash register receipts or machine validated receipts issued, cash register totals, validating machine totals or other approved procedures for establishing accountability.</p> <p>Per Dallas County Code, Sec. 74-693. Deposits. Deposits are to be made intact with the county treasurer using prescribed forms and in accordance with the schedule as provided by state statutes or other schedules that may be promulgated for the various offices (e.g., daily for downtown offices, twice or thrice weekly for certain outlying offices).</p>
Cause: (Describe the cause of the condition if possible)	Unknown

County Auditor



Dallas County, Texas

Effect: (Describe or quantify any adverse effects)	Delayed revenue recognition and lost interest earnings to the County and State. Inherent risks for delayed receipting include non-recovery of funds, checks could be lost or stolen before being receipted. Liability to County for persons arrested after payment made in full.				
Recommendation: (Describe corrective action)	Cash handling procedures should include: <ul style="list-style-type: none">• All monies received should be promptly receipted and deposited consistent with state law, V.T.C.A., L.G.C. § 113.022 and Vernon's Ann., C.C.P., § 103.004 and procedures recommended by the County Auditor.				
Responsible Department or Organization:	Justice of the Peace 4-2				
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		



Finding Number: 10-JP4.2-01-02
Date: 12/2/10
Audit: Justice of the Peace 4-2 FY10
Auditor(s) Assigned: NH

Finding:	Review of approximately 335 manual receipts issued during FY 2010 and manual receipt procedures revealed material compliance with proper receipting procedures except: <ul style="list-style-type: none"> Two voided manual receipts did not have a reason for voiding noted One manual receipt was not used. All copies were attached together. Status: Receipt was marked "void" when brought to the bookkeeper's attention One manual receipt was altered to a lower amount (\$100 cash to \$33 cash). Status: The original amount was split between two of the defendant's cases and full payment was applied to those cases.
Workpaper Reference: (or other method by which finding was identified)	Workpaper No. 5A, 5C, and 5D manual receipt procedures
Condition: (Describe the current condition)	When the Justice of Peace Accounting System (JPAS) is not operational, manual receipts (three part form) are issued by the bookkeeper and/or back-up bookkeeper. The original manual receipt is issued to the customer. Manual receipts are set aside pending system availability. Once the JPAS is active or automated traffic ticket uploads create new cases on the JPAS, corresponding computer receipts are issued. The original computer receipt is set aside for attachment to the corresponding triplicate manual receipt copy retained in numerical order in the manual receipt book. The duplicate manual receipt copy is attached to the duplicate computer receipt copy retained separately in numerical order. If a manual receipt is voided the bookkeeper will write "void" on the receipt with an explanation for the void inconsistently noted. All three copies of the manual receipt will remain attached in the manual receipt book.
Criteria: (Describe the optimal condition)	Best practices regarding receipt control procedures require that: <ul style="list-style-type: none"> All receipts are accounted for and properly used, kept in numerical order, have the corresponding computer receipt attached, and are posted and deposited properly, and timely in accordance with V.T.C.A., L.G.C., § 113.022 and Vernon's Ann., C.C.P., § 103.004. Receipts should not be altered, but properly voided and affixed with a reason for the void with retention of all voided receipt copies.
Cause: (Describe the cause of the condition if possible)	Recommended accounting procedures for manual receipts were not followed in limited instances.
Effect: (Describe or quantify any adverse effects)	Prevents potential assertion that monies were paid and refunds due.
Recommendation: (Describe corrective action)	Continue existing manual receipt control monitoring and reporting anomalies. Re-emphasize proper receipt voiding procedures in lieu of altering receipts.
Responsible Department or Organization:	Justice of the Peace 4-2
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: 10-JP4.2-01-03
Date: 12/2/10
Audit: Justice of the Peace 4-2 FY 10
Auditor(s) Assigned: NH

Finding:	<p>Review of 28,043 computer-generated receipts including 111 voided computer receipts, receipt continuity, voiding procedures, and Daily Receipts Logs revealed:</p> <ul style="list-style-type: none"> • Nine voids (8.1%) without retention of the original copy. <ul style="list-style-type: none"> ◦ One of the nine reissued for \$10 less cash (\$50 to \$40) than the original receipt • Two computer receipts were not marked "void" and did not contain an explanation for voiding noted on the receipt. • A \$204 check was made payable to the order of "JP Court 4-2", but was not receipted by the court nor deposited by the County. A copy of the endorsement provided by the defendant reflects the check was <u>improperly</u> endorsed by a business. <p>Status: Court was advised to inform defendant that a fraudulent endorsement claim would need to be filed by him with his bank. In addition, payment was still due on his case(s).</p>
Workpaper Reference: (or other method by which finding was identified)	Workpaper No. 5B2 review of voided computer receipts, receipt logs, and a conversation with chief clerk and bookkeeper
Condition: (Describe the current condition)	<p>Cash payments received by the counter clerks are counted in the presence of the payer. Payments made over the counter and supporting documentation are provided by the counter clerks to the bookkeeper or back-up bookkeeper for receipting. Cash is recounted by the bookkeeper or back-up bookkeeper prior to the generation of the computer receipt with change noted. Check/money order payments are consistently reviewed for correctness by comparing the numeric and written/legal amounts on the check and payer name to the case number, case style, and amount due on the case prior to the generation of the computer receipt. The JPAS is accessed for generating a computer receipt to the appropriate case number and the payment information is entered by the bookkeeper or back-up bookkeeper. The computer receipt is printed and reviewed by the bookkeeper or back-up bookkeeper for accuracy prior to submitting to the customer by the counter clerk. 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 counter clerks. During the afternoon each business day prior to closeout, the computer receipts are totaled, compared to the funds on hand and system control totals by the bookkeeper with a second count completed by the chief clerk. Corrections are made when the payment type is incorrectly recorded, the check amount is not correctly receipted, or other errors are identified. Computer receipts issued after the cut-off are included with the next business day's deposit.</p> <p>Document Direct reports are reviewed by the bookkeeper each morning for automated computer receipt postings created overnight from credit card payments processed over the Internet. 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 the customer.</p>
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 <ul style="list-style-type: none"> • The chief clerk should periodically review the exception reports and transaction logs (especially with respect to receipt deletions, lowered amounts, and payment type changes) to insure that the explanation for the deletions is documented and reasonable. • Assigned duties for cash controls are adequately separated. • Corrections are reviewed and approved by the chief clerk. <p>Accounting and system control procedures require daily reconciliation and balancing of collected funds to support documents and separation of duties to affix responsibility for processing. Separate cash drawers should be maintained by all clerks receipting payments and funds should be balanced prior to combining with other receipted funds</p>		
Cause: (Describe the cause of the condition if possible)	Occasional procedural exception.		
Effect: (Describe or quantify any adverse effects)	Prevents potential assertion that monies were paid and refunds due.		
Recommendation: (Describe corrective action)	Receipt procedures should include: <ul style="list-style-type: none"> • All copies of a voided receipt should be retained, clearly marked "void" and affixed with reason for void in order to affix responsibility, enhance cash control and prevent potential assertion that monies were paid and refund due. • Compensating processes such as dual sign-off on voids, receipt corrections, supervisory review, testing, and validation. • Prior to generating a receipt: <u>Cash tendered</u> should be counted in the customer's presence and <u>check guaranteed amount</u> should be agreed to the numeric amount. • Receipts should be verified for accuracy of amount, payment type, case number, and payer before issuing to a customer. • The chief clerk should periodically review the exception reports and transaction logs (especially with respect to receipt deletions, lowered amounts, and payment type changes) to insure that the explanation for the deletions is documented and reasonable. 		
Responsible Department or Organization:	Justice of the Peace 4-2		
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



Finding Number: 10-JP4.2-01-04
Date: 12/2/10
Audit: Justice of the Peace 4-2 FY 10
Auditor(s) Assigned: NH

Finding:	<p>Review of 55 computer receipts (448 fee code entries) for appropriate collection of court costs, fines, and fees, and accurate posting to the Justice of the Peace Accounting System revealed materially accurate in assessment with minor code differences:</p> <ul style="list-style-type: none"> • One \$25 time payment fee (fee type 21) not assessed/collected • Four .10¢ TCLEOSE fees (fee type 36) not assessed/collected (automated case filings are not consistently updated with the .10¢ increase in court costs through the handheld unit operated by the constables and/or sheriff). • One parent contributing to non-attendance fine receipted 100% to fee type 03 (County fine). • One fine amount receipted less than assessed on the JPAS; nevertheless, the case was marked "disposed".
Workpaper Reference: (or other method by which finding was identified)	<p>Workpaper No. 5E</p>
Condition: (Describe the current condition)	<p>The Justice of Peace Accounting System lacks automated assessment and partial payment distribution functions. Pre-assessed court costs and fine amounts are posted to the JPAS Docket screen by justice court (or populated via automated traffic case filings) staff based on state statutes in effect at the time of the offense.</p> <p>Additional court costs may be manually assessed with the JPAS Court Costs field on the Docket screen updated by the court clerks and the bookkeeper for time payment fees when payment plans are established, transaction fees when payments are presented, and warrants and/or capiases as each paper is issued. Other manual adjustments by court clerks or the bookkeeper to the JPAS Court Costs field on the Docket screen may occur when defendants present proof of registration, inspection, or a valid driver's license in conjunction with payment of an administrative fee and dismissal of the case.</p> <p>Proof of insurance will result in dismissal of "no insurance" cases without payment of an administrative fee and the JPAS Court Costs field on the Docket screen updated to reflect no fee due. Defendants appearing before the court may receive a reduced fine from the Judge with the judgment reflecting a fine less than the pre-assessed amount, requiring the court clerks or bookkeeper to update 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</p>



	allocation process to record payments to each fee type. The Judge has provided Excel worksheets to the bookkeeper and chief clerk to assist his staff in determining the allocation for receipting partial payments.
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)	Statutory changes in court costs and fines not consistently/timely updated 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)	Payment posting procedures should include: <ul style="list-style-type: none"> • Court costs, fees and fines properly assessed/collected and timely deposited on all cases based on state laws, Commissioner Court orders, offense dates, offense types, etc with complete and accurate updates of docket screen Court Costs and Fine fields. • Care should be taken in recording all elements of the receipt correctly to the JPAS including paper type in order for accurate traffic program revenue reporting.. • 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, 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. Ticket upload errors should be documented and communicated to IT Services. Pursue new Justice of the Peace system with improved features.
Responsible Department or Organization:	Justice of the Peace 4-2
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: 10-JP4.2-01-05
Date: 12/2/10
Audit: Justice of the Peace 4-2 FY 10
Auditor(s) Assigned: NH

Finding:	<p>Review of 15 cases from the Justice of the Peace 4-2 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, review of 10 cases on time payment plans, review of 15 cases with final judgment, review of 30 cases disposed cases, review of 40 cases from the active warrants list (approximately 18,000 active warrants or capias), and for validity of warrant issuances, recalls, and served/returned/active/regional statuses revealed (sample sizes less than 1% of population):</p> <ul style="list-style-type: none"> Seventeen warrant and/or capias returned/recalled dates were not posted to the JPAS on disposed cases. Of those, two defendants served time in jail and one completed community service. All court clerks are authorized to recall warrants One case did not have the capias issuance information updated on the docket screen (capias information was on the case jacket) Status: Capias information was updated on the Docket screen when brought to clerk's attention Twenty-two active warrants and/or capias on WX50 for cases without balances due and an additional 18 inactive (marked with Dispose flag 'X') cases with active warrants and/or capias (as of 8/26/2010). Status: Seventeen warrants or capias have not been recalled. Two paid-in-full cases were not marked disposed. 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.
Workpaper Reference: (or other method by which finding was identified)	<p>Workpaper No. 7A, 7B, 7C, and 7D review of warrant/capias issuance and recall. IT Services Active Cases on Disposed Cases Report and responses to ICQ</p>
Condition: (Describe the current condition)	<p>In response to the OCA and Senate Bill 1863 (enacted by the 79th Legislature in 2005), the court established procedures for defendants requesting time payment plans. These procedures include but are not limited to: defendant completing a personal data form when requesting time to pay, interview of defendant by the court collection clerk, defendant signing a payment agreement, defendant's phone numbers and references verified by court collection clerk, phone calls and delinquent collection post cards sent by court collection clerk the next day after a missed payment, and a notice of show cause hearing sent by court collection clerk when a defendant defaults on a payment plan.</p> <p>Warrants including alias warrants are issued by court staff and signed by the Judge when defendants do not appear or do not comply with the terms of release. Capias or notice of show cause hearings are issued by court staff and signed by the Judge when defendants do not satisfy the terms of the judgment including payment of fine and court costs. The issuance date is recorded to the JPAS Docket screen by the court staff, but no control step is consistently used to affirm all postings are made to the JPAS. Returned/recalled dates are recorded to the JPAS as warrants and/or capias are returned from law enforcement agencies. When payments are made in full, defendants appear, defendants comply with orders of the court, etc., the court's staff will transmit recall notices to the appropriate law enforcement agency. Return/recall dates are not timely posted to the JPAS.</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, dismissal 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> <ol style="list-style-type: none"> (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. <p>(e) Not later than June 1 of each year, the office shall identify those counties and municipalities that:</p> <ol style="list-style-type: none"> (1) have not implemented a program; and (2) are able to implement a program before April 1 of the following year. <p>(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.</p> <p>(g) The office shall:</p> <ol style="list-style-type: none"> (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. <p>(h) The office, in consultation with the comptroller, may:</p> <ol style="list-style-type: none"> (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
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	<p>and grant a waiver to the county or municipality.</p> <p>(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.</p> <p>(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.</p>
Cause: (Describe the cause of the condition if possible)	Warrant /capias not returned from Constable/ Sheriff offices. Clerical error
Effect: (Describe or quantify any adverse effects)	Liability to County for persons arrested in error. Official Justice of the Peace Docket records may be inaccurate or incomplete.
Recommendation: (Describe corrective action)	<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 capiases recalled same business day when cases are dismissed or otherwise disposed, payments are made in full, time is served, community service is performed, time payment plans are implemented/followed, or official notification/verification of a defendant's death is received. • 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. <p>Pursue new system with improved features.</p>
Responsible Department or Organization:	Justice of the Peace 4-2
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: 10-JP4.2-01-06
Date: 12/6/10
Audit: Justice of the Peace 4-2 FY 10
Auditor(s) Assigned: NH

Finding:	<p>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 \$210,000 of \$308,000 balance as of September 30, 2010 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. • One stale dated check not posted to the JPAS. • A response to the Internal Control Questionnaire indicates the receipt number is not entered on the special fund disbursement file saved on the Samba drive.
Workpaper Reference: (or other method by which finding was identified)	Workpaper No. 6D review of special fund activity
Condition: (Describe the current condition)	<p>Data source for disbursement activity is request forms, daily special fund deposit reports, and JPAS (when date cards are updated by bookkeeper) detailed monthly special fund balance reports. Balances available to disburse consist of case overpayments, judgments paid into the registry of the court, cash bonds, and service fees for law enforcement agencies without designated fee codes for automated disbursements. Current special fund activity on the JPAS reports is reviewed by the bookkeeper for identification of eligible disbursements. Case jackets are pulled and postings to the JPAS are reviewed to determine the proper payee and amount. To generate disbursements, the bookkeeper prepares and saves a special fund disbursement file to a designated computer drive on an ongoing basis, based on a review of new daily special fund activity by case/receipt. The electronic file is submitted to the County Auditor/County Treasurer for processing, check printing, and mailing. The electronic file reflects details of disbursement. Subsequently, the bookkeeper updates the disbursement information to the JPAS, posting the check number, check amount, and date, but does not reconcile to the general ledger or to the bank. The JP office relies on the County Auditor for reconciliation to the general ledger and on the County Treasurer for bank reconciliations.</p> <p>The bookkeeper posts cancellations and stale dated checks to the JPAS based on notices received from the County Treasurer.</p> <p>Old case balances remain in the special fund account without research for disbursement or escheatment.</p>
Criteria: (Describe the optimal condition)	<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. • Inactive case balances should be reviewed in accordance with unclaimed property statutes, V.T.C.A., Property Code, § 72 and § 76, and escheated either to the County Treasurer (if \$100 or under) or the State of Texas (if over \$100). <p>Bond forfeiture proceedings should be initiated in accordance with Code of Criminal Procedure Chapter 22 when defendants, who post a cash bond, fail to comply with promise to appear before the court.</p>
Cause:	Limited staff time to research old items.



(Describe the cause of the condition if possible)					
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. • Any stale dated checks posted with the current date in order to ensure subsequent reports reflect the corrections. 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) A funding source should be identified for all overpayments, or funds should be recovered from the party overpaid Cash bonds should be forfeited in accordance with Code of Criminal Procedure § 22.				
Responsible Department or Organization:	Justice of the Peace 4-2				
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: 10-JP4.2-01-07
Date: 12/3/10
Audit: Justice of the Peace 4-2 FY 10
Auditor(s) Assigned: NH

Finding:	<p>Review of 20 civil/small claims/eviction cases from the 'Justice Fee Exception List' revealed:</p> <ul style="list-style-type: none"> • One non-tax case filed by a governmental entity with judgment rendered shows no payment of filing and service fees • Three cases transferred from courts outside of Dallas County without payment of filing and service fees • One case with filing fees receipted to the wrong fee type <p>Status: Corrected</p> <ul style="list-style-type: none"> • One case deleted from the Justice of the Peace System (JPAS) by a court clerk • One case file includes a pauper's affidavit of inability to pay not documented on the JPAS
Workpaper Reference: (or other method by which finding was identified)	Workpaper No. 9B review Justice fee exception report identifying cases filed without payment of filing fees. Review of civil/small claim cases with interpreter fees
Condition: (Describe the current condition)	<p>Court costs and service fees are required to be paid at the time of filing. Parties to a suit that do not have adequate resources may request to file a case without payment. Indigent plaintiffs complete an affidavit of inability to pay (pauper's affidavit) filing/service fees in accordance with Rule of Civil Procedure 145. The affidavit is reviewed by the court and if approved, filed in the case jacket. JPAS Docket screen lacks predefined fields for recording the filing of a pauper's affidavit. Civil, eviction, or small claims court clerks do not consistently record notations of filing of pauper affidavits on the Docket free-form Comments screen. JPAS receipt functionality does not include assessments for charges so credits are not systemically recorded for pauper's affidavits. Paper service is stamped with "pauper oath filed" in accordance with Rule of Civil Procedure 126 and 145.</p> <p>JS0900648L was deleted from the Justice of the Peace System by a court clerk.</p>
Criteria: (Describe the optimal condition)	<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. Exceptions also include entities listed under Civil Practices and Remedies § 6.001, 6.002, and 6.003.</p> <p>Texas Rules of Civil Procedure, RULE 145. AFFIDAVIT ON INDIGENCY</p> <p>(a) Affidavit. In lieu of paying or giving security for costs of an original action, a party who is unable to afford costs must file an affidavit as herein described. A "party who is unable to afford costs" is defined as a person who is presently receiving a governmental entitlement based on indigency or any other person who has no ability to pay costs. Upon the filing of the affidavit, the clerk must docket the action, issue citation and provide such other customary services as are provided any party.</p> <p>Filing fees should be collected on cases transferred from courts outside of Dallas County under Rule of Civil Procedure, No. 89. < http://www.supreme.courts.state.tx.us/rules/trcphome.asp >.</p>
Cause: (Describe the cause of the condition if possible)	<p>Clerical error</p> <p>Lack of billing procedure on non-tax civil or small claims cases filed by governmental entities.</p> <p>Weak system functionality</p>
Effect: (Describe or quantify any)	<p>Inhibits cost recovery if the plaintiff's claim is upheld.</p> <p>Uncollected court costs and filing fees.</p>



adverse effects)	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 Filing fees should be collected on cases transferred from courts outside of Dallas county under Rule of Civil Procedure, No. 89. Cases recorded in error to the JPAS should not be deleted. Chief clerk should mark the case disposed adding valid reason codes on the Docket comment screen.			
Responsible Department or Organization:	Justice of the Peace 4-2			
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: 10-JP4.2-01-08
Date: 12/6/10
Audit: Justice of the Peace 4-2 FY 10
Auditor(s) Assigned: NH

Finding:	Comparison of activity reports filed by the court with the Office of Court Administration (OCA), the Office of Budget and Evaluation (OBE), and the Auditor's Office to the mainframe JPAS case records revealed: JPAS compared to OCA: <ul style="list-style-type: none"> • Other Misdemeanor (JM) case counts were over-reported by 211.58% (3,635 cases) in FY2010. Court added FTA traffic to non traffic (JM) total starting in January 2010 • FTA traffic cases are added twice on the OCA report for Oct – Dec 2009 (158 cases over-reported) • Failure to Attend School and Parent Contributing to Non-Attendance (JR) case counts were under-reported by 13.61% (112 cases) in FY2010 		
Workpaper Reference: (or other method by which finding was identified)	Workpaper No. 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, 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.		
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 incomplete recordkeeping.		
Effect: (Describe or quantify any adverse effects)	Inconsistencies in statewide court analysis. Errors in projected staffing levels or expected revenue based on statistical reporting.		
Recommendation: (Describe corrective action)	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. 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 4-2		
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: 10-JP 4.2-01-09
Date: 12/3/10
Audit: Justice of the Peace 4-2 FY 10
Auditor(s) Assigned: NH

Finding:	<p>Observation of office schedules and review of manual attendance records and Kronos time and attendance system postings revealed:</p> <ul style="list-style-type: none"> One employee's time recorded to Kronos as regular time while employee was out on vacation. Status: Corrected. Request for a historical edit was submitted to payroll hotline by chief clerk. Employees maintain individual time sheets. Web-timestamp functionality is not used. Times are subsequently recorded to Kronos by the chief clerk. Bi-weekly pay period 'approval' of time worked not reflected on Kronos time card including limited instances of bi-weekly pay period 'sign off' not completed by the department, but defaulting to system wide sign-off.
Workpaper Reference: (or other method by which finding was identified)	Workpaper No. 11D - review of time and attendance
Condition: (Describe the current condition)	<p>Web time stamp functionality is not used. Employees maintain individual time sheets. Kronos time cards are not marked with 'approval' by the Chief clerk who records all time to Kronos for court staff. Annual leave, sick leave, holidays, etc. taken are recorded to the Kronos system based on information available to the chief clerk.</p> <p>Oracle DC Employee Self-Service is available for court staff to review hours paid and accrual balances taken / earned / available.</p>
Criteria: (Describe the optimal condition)	<p>According to Dallas County Code Sec. 82-175, Supervisory responsibilities:</p> <p>(a) Supervisory responsibilities fall to the elected official, department head or their designee.</p> <p>(b) Supervisors shall educate their employees about how to use the time entry method they are assigned and about the time and attendance policies for their department.</p> <p>(c) Supervisors are responsible for ensuring employee time records are accurate and that no abuses occur.</p> <p>(d) Supervisors are responsible for recording employee vacation and sick time and for entering time for employees who are working outside their department work area.</p> <p>(e) Supervisors are responsible for checking daily start times, meal periods, end times, vacation time, sick time, compensatory time and overtime to ensure employees are in compliance with their shift work schedule and the county's overtime policies. Supervisors are responsible for promptly documenting actions warranting discipline and for promptly reporting possible fraud to the county auditor.</p>
Cause: (Describe the cause of the condition if possible)	Available automated time recording methods are not used.
Effect: (Describe or quantify any adverse effects)	Potential for data entry errors when time is manually keyed.
Recommendation: (Describe corrective action)	<p>Approve Kronos time cards by department management at the end of each bi-weekly pay period.</p> <p>Consider implementation of web-timestamp capture of non-exempt start and end times.</p>
Responsible Department or Organization:	Justice of the Peace 4-2
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



Finding Number: 10-JP4.2-01-10
Date: 12/2/10
Audit: Justice of the Peace 4-2 FY 10
Auditor(s) Assigned: NH

Finding:	<p>Review of 61 credit card transactions and the associated JPAS postings revealed:</p> <ul style="list-style-type: none"> • \$55 credit card payment processed through the Intranet by the IBC clerk to an unrelated case/defendant. Payment was subsequently receipted as \$55 cash by the bookkeeper, but changed to check payment type (for credit card transaction) prior to the end of day closeout. Status: Actual defendant provided proof of \$55 payment, but has not received monetary credit on the JPAS. • 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.
Workpaper Reference: (or other method by which finding was identified)	<p>Workpaper No. 13 review of credit card settlement report and conversation with chief clerk and bookkeeper</p>
Condition: (Describe the current condition)	<p>Credit card payments are submitted for processing either by defendant directly over the Internet or court clerks for mail in or over the counter transactions (data is entered manually by clerks – swipe card reader is not available). With the discontinuation of Central Collections, there are now 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 or back-up 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 or back-up 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 included in the next day business closeout.</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)</p>



	<p>report and require research and manual posting for generation of a computer receipt. 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. Cash will be counted and balanced to JPAS control cash totals. Checks will be totaled and added 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>
Criteria: (Describe the optimal condition)	<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>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>
Cause: (Describe the cause of the condition if possible)	<p>Non-integrated financial systems for e-commerce requiring manual intervention.</p> <p>Multiple credit card reports and payment channels.</p>
Effect: (Describe or quantify any adverse effects)	<p>Incorrect case balances.</p> <p>Warrants/capiases may be issued on defendants who have made payments.</p> <p>Additional fees may be added to cases.</p>
Recommendation: (Describe corrective action)	<p>Monetary credit in the amount of \$55 should be recorded to the appropriate case on the JPAS.</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. Payments not auto-posted should be receipted to the JPAS when



	appearing on the settlement report. <ul style="list-style-type: none"> • Review of credit card activity by supervisory staff on a periodic basis. • Document proposed modifications to the automated posting process and incorporate in <u>technology assessments</u>. <p><i>Dallas County General Policy for Use of Credit Card Transactions</i> should be followed including but not limited to:</p> <ul style="list-style-type: none"> • Credit card information should not be placed in case jackets • Credit card information received by mail should remain under lock and key for 2 years after payment has been processed in accordance with the bank contract • Credit card information should be properly and securely shredded after 2 years 		
Responsible Department or Organization:	Justice of the Peace 4-2		
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:
Comments:	Date:		
Disposition:	<input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration		