



**DALLAS COUNTY**  
**COUNTY AUDITOR**

**Memorandum**

**TO:** Honorable Judge Michael D. Windham  
Justice of the Peace, Precinct 2, Place 2

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

**SUBJECT:** Review Performed on Justice of the Peace, Precinct 2, Place 2 for Fiscal Year 2011

**DATE:** Issued: December 28, 2012  
Released: January 31, 2013

**Scope**

A review was performed in accordance with statutory guidelines on the records and reports of Justice of the Peace, Precinct 2, Place 2 for fiscal year 2011. The Honorable Ken Blackington served as judge until December 31, 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
- Reviewed daily receipt transaction log reports
- Reviewed credit card transaction 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
- Reviewed outstanding warrant/capias reports for appropriateness
- Traced issuance of bad check actions to the criminal fee dockets to confirm the filing of the cases, collections of assessed fines and costs, or the issuance of arrest warrants
- Reviewed time and attendance records for proper posting and compliance with County policies and procedures
- Compared activity reports to actual new cases on the JPAS
- Reviewed 'Justice Fee Exception List' to determine reason for uncollected fees

## **Statistical**

During fiscal year 2011 the justice court processed:

- 19,277 computer receipts totaling \$ 2,817,669
- 9,241 class C misdemeanor cases including IBC, traffic, FTA, etc. (including auto-filed traffic cases)
- 1,479 civil/small claim cases
- 2,618 eviction cases

Our consideration of the control environment over the Justice of the Peace Court incorporated a review of standard risk elements including:

- Segregation of duties
- Authority and responsibility
- Size and complexity of operations
- Management oversight
- Organizational structure
- System factors

## **FINDINGS**

### **Cash Management**

Receipts – Computer / Manual – Review of 19,277 computer receipts including 68 (less than 1% of population) voided computer receipts and approximately 94 manual receipts including two voided manual receipts revealed material compliance. Responses to the Internal Control Questionnaire (ICQ) indicate separate cash drawers are not maintained when other staff assist or relieve the bookkeeper.

Assessments/Distribution- Review of 40 computer receipts (340 fee code entries) and collections for Vital Statistics Records for compliance with statutorily required court costs and fine revealed material compliance except 69.57% (48 of 69) death certificates reviewed were not charged at the increased rate of \$21 (previously \$20) effective December 1, 2010.

Disbursement/Special Fund Reconciliation - Review of special fund activity revealed: old (over three years old as of September 30, 2011) case balances totaling approximately \$314,795 (of \$399,434) remain in the special fund account without research for disbursement to the applicable party and/or escheating to the County Treasurer or State Comptroller and forfeiture proceedings are not initiated against defendants to forfeit cash bonds (\$226,946 over four years old) when defendants fail to appear.

### **Processing/Reporting**

Criminal Fee Dockets – Review of time payment plans, active warrants or capias (active warrant report R05870), warrants or capias on disposed cases for the appropriateness of warrant status, and corresponding Docket screens revealed: 33 active warrants or capias on the Constable's warrant system for cases: without balances due; dismissed; and/or on cases marked disposed on the JPAS Docket screen. **Status:** All warrants or capias were subsequently recalled by the justice court.

Civil Fee Dockets – Limited review of civil, small claims and eviction cases on the *Justice Fee Exception List* revealed inconsistent docketing of *Affidavits of Inability to Pay Costs*.

Credit Card Process – Review of sixty credit card transactions on a test basis revealed material processing compliance by court staff.

### **Other/Miscellaneous**

Time and Attendance – Review of Kronos Time & Attendance system revealed justice staff time is recorded in advance to Kronos based on scheduled hours with exceptions recorded to Kronos by the chief clerk. Bi-weekly pay period ‘approval’ of time worked and departmental sign-off are not reflected on the Kronos time cards.

## **RECOMMENDATIONS**

### **Cash Management**

Receipts – Computer / Manual – Continue existing receipt issuance practices. Separate cash drawers should be maintained by all clerks receipting payments and funds should be balanced prior to combining with other receipted funds.

Assessments/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.

Disbursement / Special Fund Reconciliation - A management plan (including reconciling the County’s General Ledger and the court’s special fund bank account) should be developed and implemented to periodically review the detailed special fund report in order to clear old items on disposed cases in accordance with unclaimed property statutes, V.T.C.A., Property Code, § 72 and § 76. Cash bonds should be forfeited in accordance with Code of Criminal Procedure § 22.

### **Processing/Reporting**

Criminal Fee Dockets – JPAS Docket screens should be updated as warrants or capiases are issued, recalled, and/or returned. Outstanding warrants or capiases should be recalled timely when cases are dismissed or otherwise disposed, payments made in full, time is served, etc. Continue to review warrant exception report developed by IT Services. Separation of duties should be established limiting (through system security access) staff assigned to recall warrants.

Civil Fee Dockets- Proper Docket Screen procedures should be re-emphasized including documenting reason for not collecting filing or service fees on the JPAS and case jacket.

### **Other/Miscellaneous**

Time and Attendance – Implementation of web-timestamp functionality should be considered to capture non-exempt start and end times. Ensure Kronos signed off timely for bi-weekly payroll processing.

## **CURRENT FINDINGS/OBSERVATIONS AND RECOMMENDATIONS**

Findings template numbered 11-JP2.2-01-01 thru 06 are attached. Responses are incorporated with the templates.

### **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. Ongoing office responsibility with change in elected official was reviewed to affirm and maintain effective internal control over compliance with the requirements of laws, regulations, and contracts applicable to the department.

Highest areas of risk from the prior administration which need to be addressed include: clearing Special Fund balances totaling approximately \$399,434 (\$314,795 over three years old) as of September 30, 2011 and reviewing cash bonds for potential forfeiture. Additionally, court staff should perform ongoing monitoring of the warrant exception report for inappropriate active warrants.

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: Darryl Martin, Commissioners Court Administrator  
Ryan Brown, OBE



**Finding Number:** 11-JP2.2-01-01  
**Date:** May 11, 2012  
**Audit:** JP 2-2 FY 2011 Review- Computer & Manual Receipts  
**Auditor(s) Assigned:** YA

<p><b>Finding:</b></p>	<p>Sample review of 19,277 computer generated receipts including a complete review of 68 voided computer receipts, a sample review of 94 manual receipts including two voided manual receipt, a complete review of receipt continuity, testing of voiding procedures for proper accounting and internal control revealed material compliance with proper receipting procedures except:</p> <ul style="list-style-type: none"> <li>• Seven voided computer receipts did not print from the Justice of the Peace Accounting System (JPAS) due to duplicate fee types entered on the same day. The JPAS lacks the capability of providing an online warning flag during the receipting process.  <b>Status:</b> All voided transactions were traced to replacement receipts on the JPAS.</li> <li>• Eighteen web payment receipts were voided due to IT Services failure to properly submit credit card transactions through the third party processor’s production system.  <b>Status:</b> Court staff secured repayment of 83.3% (15 of 18) of the failed transactions.</li> </ul> <p>Responses to the Internal Control Questionnaire (ICQ) revealed:</p> <ul style="list-style-type: none"> <li>• Separate cash drawers are not maintained when other staff assist or relieve the bookkeeper.</li> <li>• Combination to the safe is not changed when employees with knowledge of the combination leave employment with the court.</li> </ul>
<p><b>Workpaper Reference: (or other method by which finding was identified)</b></p>	<p>Work paper No. 5A&amp;B – Review computer and manual receipts                  Review of ICQ responses</p>
<p><b>Condition: (Describe the current condition)</b></p>	<p>Cash payments received by the counter clerks are counted in the presence of the payer. Payments made over the counter and supporting documentation is provided to the bookkeeper or back-up bookkeeper for receipting. Cash and checks/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 for accuracy prior to submitting to the customer. The receipt number is noted on the case jacket and the original computer receipt and any change due presented to the counter clerk. Computer receipts and any change from cash payments are provided to the customers by the counter clerk. In event of identified error, the computer receipt is voided in the JPAS and marked void with no dual sign-off of the change. In some instances, the customer leaves with the original receipt before errors are identified.</p> <p>Document Direct reports are reviewed by the bookkeeper or chief clerk 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 event of identified error, the computer receipt is voided in the JPAS; however, no hard copy of a receipt exists for receipts generated through the automated process.</p>
<p><b>Criteria: (Describe the optimal condition)</b></p>	<p>Best practices regarding receipt control procedures require that:</p> <ul style="list-style-type: none"> <li>• All computer receipts should be accounted for and properly used in order to affix responsibility, enhance cash control, and prevent potential assertion that monies were paid and refunds due.</li> <li>• Receipts should not be altered, but properly voided and affixed with a reason for the void with retention of all voided copies.</li> </ul>



	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Assigned duties for cash controls are adequately separated.</li> <li>• Corrections are reviewed and approved by the chief clerk.</li> </ul> <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>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 receiving payments and funds should be balanced prior to combining with other receipted funds.</p>						
<p><b>Cause:</b> (Describe the cause of the condition if possible)</p>	<p>Occasional procedural exceptions                  Non-integrated financial systems for e-commerce requiring manual intervention.                  JPAS unable to process multiple instances of a fee code to the same case on the same date.                  Incomplete, improper or inaccurate application of accounting controls and cash handling procedures.</p>						
<p><b>Effect:</b> (Describe or quantify any adverse effects)</p>	<p>Prevents potential assertion that monies were paid and refunds due.                  Inability to affix responsibility in the event shortages occur.                  Loss of revenue for the State of Texas and Dallas County.</p>						
<p><b>Recommendation:</b> (Describe corrective action)</p>	<p>Payment posting procedures should include:</p> <ul style="list-style-type: none"> <li>• Continue review of reports for card acceptance posting &amp; rejection to properly &amp; timely account for payments. Payments not auto-posted should be receipted to the JPAS when appearing on the settlement report.</li> <li>• Document proposed modifications to the automated posting process and incorporate in <u>technology assessments</u>.</li> <li>• 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.</li> <li>• 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.</li> </ul> <p>Separate cash drawers should be maintained for all clerks receipting payments including balancing receipted funds prior to combining with other receipted funds. A proper segregation of duties reduces the risk of misappropriated funds and establishes a clear line of liability in the event losses occur.</p> <p>Safe combination should be considered for change when personnel with knowledge of the combination leave the court</p>						
<p><b>Responsible Department or Organization:</b></p>	<p>Justice of the Peace 2-2</p>						
<p><b>Management’s Response:</b></p>	<table border="1"> <tr> <td data-bbox="459 1717 592 1780"><input type="checkbox"/> Agree</td> <td data-bbox="592 1717 760 1780"><input type="checkbox"/> Disagree</td> <td data-bbox="760 1717 938 1780">Respondent:</td> <td data-bbox="938 1717 1224 1780">Honorable Michael D. Windham</td> <td data-bbox="1224 1717 1321 1780">Date:</td> <td data-bbox="1321 1717 1516 1780">1/22/2013</td> </tr> </table>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Honorable Michael D. Windham	Date:	1/22/2013
<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Honorable Michael D. Windham	Date:	1/22/2013		
<p><b>Comments:</b></p>	<p>Voided receipts are reviewed by the chief clerk when made to ensure that the deletions are documented and reasonable.</p> <p>Cash counts are performed during the course of each day in order to reduce the risk of misappropriated funds and establish a clear line of liability in the event losses occur. This system</p>						



	<p>has proven to be effective.</p> <p>The safe combination has been considered for change. To do so could require the purchase of a new safe which would not have certain desirable security features provided by the current safe. When that was weighed against the fact that the two former employees with knowledge of the combination retired after decades of honorable service with Dallas County, including entrustment of the handing of funds, the previous administration concluded that it was preferable to keep the current safe in order to preserve the desired security features. Years have passed since those retirements with no incident. After review of this information, I concur with that decision.</p>
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration



**Finding Number:** 11-JP2.2-01-02  
**Date:** May 11, 2012  
**Audit:** Justice of the Peace 2-2 FY 2011  
**Auditor(s) Assigned:** YA

<p><b>Finding:</b></p>	<p>Review of 40 computer receipts (340 fee code entries) for appropriate collection of court costs, fines, and fees, accurate posting to the Justice of the Peace Accounting System and associated review of procedures revealed:</p> <ul style="list-style-type: none"> <li>• One 10¢ TCLEOSE fee (fee type 36) was 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).</li> <li>• One \$4 courthouse security fee was assessed instead of the \$3 fee applicable to the January 2004 offense date.</li> </ul> <p><b>Response:</b> Issuance of Bad Check case was indexed and court costs and fine collected by the District Attorney (DA). Payment received from the DA was applied as indicated.</p> <p>Sample review of birth and death certificate logs, State birth record access billings, and a selection of JPAS receipts revealed:</p> <ul style="list-style-type: none"> <li>• 69.57% (48 of 69) death certificates reviewed were charged \$20 for the first certificate issued instead of the increased rate of \$21 which was effective December 1, 2010.</li> </ul>
<p><b>Workpaper Reference: (or other method by which finding was identified)</b></p>	<p>Workpaper No. 5B, 5E, 12A, and 12B</p>
<p><b>Condition: (Describe the current condition)</b></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 and Fine fields 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 may need to perform a modified manual cost allocation process to prorate the payment to each fee type.</p> <p>Selected justice court clerks are deputized by the County Clerk to issue birth and/or death certificates.</p> <p><u>For birth certificate:</u> Requester completes an application indicating relationship to person named, provides proof of identity and pays the required fee. Only cash or money orders are accepted. JP clerk counts the fee paid, reviews the application, verifies eligibility of requester and accesses the standalone Bureau of Vital Statistics system. Only one JP clerk logs in at time. The birth certificate is printed using security paper through a designated printer then embossed with the county seal. The certificate and required fee are taken to the bookkeeper for receipting. The bookkeeper verifies the fee corresponds to the number of certificates requested and generates a JPAS receipt (using a miscellaneous case type, fee type 09 and paper type "BR"). The original receipt, any change due and certificates are provided to the requester. The clerk records the request on the issuance log including: date, certificate number, name on certificate and clerk's initials. Any voids are marked void on certificate and updated to the issuance log by the issuing clerk. Voided certificates are <b>not</b> submitted to the Texas Department of Health Vital Statistics on a regular basis requesting removal from the lifetime count. However, the birth certificates are shredded, periodically.</p> <p>State Bureau of Vital Statistics bills the County Clerk monthly for all searches to the state system at any Dallas County location. Billing reflects activity by user id and location.</p> <p><u>For death certificates:</u> Certified copies are issued at the time the original death certificate is being filed (typically by funeral homes). JP clerk accesses the AiLIS system to enter the death certificate details including name of deceased, address on death, parents' names and cause of death. AiLIS provides a file number which the clerk records on the certificate. The copier is used to generate death certificates using security paper which is then embossed with the county seal. The fee increase effective 12/1/2010 (\$21 for the first certified copy of a death certificate and \$4 for each additional copy of the same certificate issued with the first request) was not consistently assessed until July 2011. The certificates and check are given to the bookkeeper for receipting. The bookkeeper verifies the fee corresponds to the number of certificates requested and generates a JPAS receipt (using a miscellaneous case type, fee type 09 and paper type "BD"). Once receipted, the certificates and receipt are placed in a tray awaiting pick up by the funeral home personnel. The clerk records the request on the issuance log including: date, certificate number, name on certificate and clerk's initials. However, a log is not maintained of voided death certificates which are shredded.</p> <p>The original death certificate with file number is placed in the plastic deposit bag and sent to the Treasurer. Any certificates received by the Treasurer's office are placed in an envelope which is given to County Clerk Recording staff when the recording section deposit is made. County Clerk recording staff scan death certificate image into AiLIS database.</p>
<p><b>Criteria:</b> <b>(Describe the optimal condition)</b></p>	<p>Court costs, fines, and fees should be assessed/collected/prorated in compliance with applicable state laws including Code of Criminal Procedure Chapters 45 and 102 and Local Government Code Chapter 133, Commissioners Court orders, and Attorney General Opinion No. GA-0147. Court costs should be assessed based on offense date and offense type.</p> <p>Once collected, each fee should be posted to the proper JPAS fee type and paper type. Paper types for designated traffic programs should be used when recording payments on traffic cases.</p> <p>JPAS Docket screens should be updated as cases are filed and additional case activity occurs including, but not limited to, the assessment of additional court costs and/or changes in fines or special expense amounts as ordered by the judge in accordance with Vernon's Ann., CCrP., §</p>



	<p>45.017.</p> <p>According to V.T.C.A., Health and Safety Code § 191.0045, “..... (d) A local registrar or county clerk who issues a certified copy of a birth or death certificate shall charge the same fees as charged by the bureau of vital statistics.....”</p> <p>“(h) ..... A fee under this section shall be collected by the registrar or county clerk on the issuance of a vital statistics record, including a record issued through a Remote Birth Access site.”</p> <p>According to Texas Administrative Code, <b>RULE §181.24</b>, (a) Abused birth record.</p> <p>(1) Any birth record that has had 10 certifications issued since the original date of filing shall be considered as an abused record. Such a notation shall be made on the birth record.</p> <p>(2) Local registrars shall notify the Bureau of any abused record. Requests for additional certifications shall be made to the bureau.</p> <p>(3) When the state registrar receives a request for an abused birth record, he/she shall refuse to issue any additional certifications until the registrant, minor registrant's parent who is not excluded by law, or registrant's guardian has satisfactorily explained the reason for the additional request(s).</p> <p>All voided certificates should be accounted for and marked “void” in order to affix responsibility, enhance cash control and prevent potential assertion that monies were paid and refund due. Notification of voided certificates related to records accessed through Remote Birth Access site should be reported to BVS for proper credit to the customer’s life time issuance count and adjustment to monthly billing statement.</p> <p>According to Texas Administrative Code, <b>RULE §181.28</b>, (e) Record retention. A record of the date issued, document number, name and address and form of identification to whom issued shall be made and maintained for a period of three years from the date issued. The application form, with the document number inserted, used to apply for a record will fulfill this requirement.</p> <p>Documents should be retained in a secure location.</p>						
<p><b>Cause:</b> (Describe the cause of the condition if possible)</p>	<p>Statutory changes in court costs and fines not consistently/timely updated by the vendor providing the handheld devices. Inadequate JPAS system functionality Clerical error</p>						
<p><b>Effect:</b> (Describe or quantify any adverse effects)</p>	<p>Incomplete collection of court costs for the State of Texas and/or Dallas County.</p>						
<p><b>Recommendation:</b> (Describe corrective action)</p>	<p>Continue monitoring assessment, collection, and prorating of court costs fines, and fees in compliance with applicable state laws including Code of Criminal Procedure Chapter 102 and Local Government Code Chapter 133 or Commissioners court orders and applicable fee schedules based on the offense date and offense type for criminal offenses and file/request date for civil type cases.</p> <p>Adjust fine or transaction fee amounts when automated traffic case filing Docket screen court costs field amounts are incomplete or inaccurate.</p> <p>Collect non-refundable fee for birth record certificate searches.</p> <p>Pursue new Justice of the Peace system with improved features.</p>						
<p><b>Responsible Department or Organization:</b></p>	<p>Justice of the Peace 2-2</p>						
<p><b>Management’s Response:</b></p>	<table border="1"> <tr> <td><input checked="" type="checkbox"/> Agree</td> <td><input type="checkbox"/> Disagree</td> <td><b>Respondent:</b></td> <td>Honorable Michael D. Windham</td> <td><b>Date:</b></td> <td>1/22/2013</td> </tr> </table>	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Honorable Michael D. Windham	<b>Date:</b>	1/22/2013
<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Honorable Michael D. Windham	<b>Date:</b>	1/22/2013		
<p><b>Comments:</b></p>	<p>The County Clerk’s policy regarding making the birth certificate search fees non-refundable has been implemented.</p>						
<p><b>Disposition:</b></p>	<table border="1"> <tr> <td><input checked="" type="checkbox"/> Audit Report</td> <td><input type="checkbox"/> Oral Comment</td> <td><input type="checkbox"/> Deleted From Consideration</td> </tr> </table>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration			
<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration					



**Finding Number:** 11-JP2.2-01-03  
**Date:** May 11, 2012  
**Audit:** JP 2-2 Review Special Fund Activity FY2011  
**Auditor(s) Assigned:** YA

<p><b>Finding:</b></p>	<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"> <li>• Old case balances (approximately \$314,795 of \$399,434 balance as of 9/30/2011 over three years old) in the special fund have not been researched for disbursing to the applicable party and/or escheating to the County Treasurer or State Comptroller.  <b>Status:</b> The chief clerk advises that staff is reviewing as time allows.</li> <li>• Forfeiture proceedings were not initiated against defendants to forfeit cash bonds when defendants failed to appear (approximately \$226,946 in cash bonds are over four years old).</li> </ul>
<p><b>Workpaper Reference:</b> (or other method by which finding was identified)</p>	<p>Work paper No. 6D – Review special fund activities</p>
<p><b>Condition:</b> (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>Limited research of old case balances (approximately \$314,795 of \$399,434 system balance as of 9/30/2011 over three years old) remaining in the special fund account for disbursement or escheatment.</p>
<p><b>Criteria:</b> (Describe the optimal condition)</p>	<p>Best practices regarding cash control require that:</p> <ul style="list-style-type: none"> <li>• 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).</li> <li>• Special fund reports should be reviewed on a periodic basis and disbursements should be made to the appropriate parties in a timely manner.</li> </ul> <p>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> <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>



<b>Cause:</b> (Describe the cause of the condition if possible)	Limited staff time to research old items and weak system functionality.					
<b>Effect:</b> (Describe or quantify any adverse effects)	Deferred research: <ul style="list-style-type: none"> <li>• Delayed disbursements to entities/individuals entitled to funds.</li> <li>• Penalties from the State for not following escheat statutes may be assessed if not corrected.</li> </ul> Limited reconciliation: <ul style="list-style-type: none"> <li>• Undetected posting errors resulting in potential for overpayment and unrecoverable losses.</li> <li>• Additional staff time to research and correct posting errors.</li> </ul> An action by the state to forfeit a bail bond under Code of Criminal Procedure, § 22.18 must be brought not later than the fourth anniversary of the date the principal fails to appear in court.					
<b>Recommendation:</b> (Describe corrective action)	Special fund procedures should include: <ul style="list-style-type: none"> <li>• All checks issued or canceled posted accurately and timely to the JPAS (reconciliation of JPAS to GL) and verified/reviewed by the chief clerk.</li> </ul> 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: <a href="http://www.window.state.tx.us/up/forms.html">http://www.window.state.tx.us/up/forms.html</a> ) Cash bonds should be forfeited in accordance with Code of Criminal Procedure § 22. In anticipation of the pending migration from the JPAS, we recommend concerted effort be made to correct outstanding issues. Court action will improve the accuracy of migrated data and impact staff efficiencies during and after implementation.					
<b>Responsible Department or Organization:</b>	Justice of the Peace 2-2					
<b>Management's Response:</b>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Honorable Michael D. Windham	Date:	1/22/2013
<b>Comments:</b>	Concerted effort has been made to clear items from the special fund. As of January 17, 2013 the balance was \$205,647.14, approximately half of what it was at the time of the audit.					
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report		<input type="checkbox"/> Oral Comment		<input type="checkbox"/> Deleted From Consideration	



**Finding Number:** 11-JP2.2-01-04  
**Date:** May 11, 2012  
**Audit:** JP 2-2 FY 2011  
**Auditor(s) Assigned:** YA

<p><b>Finding:</b></p>	<p>Review of 10 cases from the Justice of the Peace Collection Referral Report for adequate collection procedures on cases referred to delinquent collection law firm, review of IT Services Active Warrants on Disposed Cases Report dated 9/30/2011 (approximately 18,955 active warrants or capias as of 1/19/2012) for validity of warrant issuances, recalls, and served / returned / active / regional statuses revealed (sample sizes less than 1% of population), and review of 13 cases on time payment plans revealed:</p> <ul style="list-style-type: none"> <li>• All court clerks are authorized to recall warrants.</li> <li>• Capias not issued since January 1, 2011.</li> <li>• 33 active warrants and/or capias on WX50 for cases without balances due; with time served; dismissed; and/or inactive (marked with Dispose flag 'X') were not recalled in a timely manner.</li> </ul> <p><b>Status:</b> All warrants or capias were recalled by the justice court.</p> <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><b>Workpaper Reference: (or other method by which finding was identified)</b></p>	<p>Workpaper 7A, 7A.1, 7B and Criminal Fee Dockets  IT Services Active Cases on Disposed Cases Report</p>
<p><b>Condition: (Describe the current condition)</b></p>	<p>In response to the OCA and Senate Bill 1863 (enacted by the 79<sup>th</sup> 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 postcards sent by court collection clerk within 10 to 14 days of a missed payment based on non-system logs maintained by the court collection clerk, and a notice of show cause hearing sent by court collection clerk when a defendant defaults on a payment plan including a second call made by the collection prior to issuing a warrant.</p> <p>Warrants including alias warrants are issued by 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><b>Criteria: (Describe the optimal condition)</b></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 &amp; fines by payments made, jail time served, community service or other disposition such as appeal of the case.</p> <p>Best practices for internal control require separation of assigned duties for personnel authorized to issue and/or recall warrants.</p>

	<p>Docket screen procedures recommended by the County Auditor in document titled ‘Standard Procedures for Recording Misdemeanor Information to the Docket Screen’ should be followed when recording entries to the court’s official electronic docket which is governed by Code of Criminal Procedure, § 45.017. JPAS Docket screens should be updated as additional case activity occurs including but not limited to warrant/capias issuance/recall/return, jail time served, dismissed dates, deferred adjudication dates, judgment dates, assessment of additional court costs and/or changes in fine/special expense amounts as ordered by the judge. The disposed flag field should be marked with an “X” when the case has reached final disposition, including dismissals, appeals to the County Court of Criminal Appeals, jail time served for satisfaction of fine and court costs, payment in full for satisfaction of fine and court costs.</p> <p>In accordance with Code of Criminal Procedures §45.041, the judgment and sentence, in case of conviction in a criminal action before a justice of the peace or municipal court judge, shall be that the defendant pays the amount of the fine and costs to the state. The justice or Judge may direct the defendant to pay: (A) the entire fine and cost when sentence is pronounced; (B) the entire fine and cost at some later date; or (C) a specified portion of the fine and costs at designated intervals.</p> <p>In accordance with Code of Criminal Procedure, Art. 103.0033 (c) Unless granted a waiver under Subsection (h), each county and municipality shall develop and implement a program that complies with the prioritized implementation schedule under Subsection (h). A county program must include district, county, and justice courts.</p> <p>(d) The program must consist of:</p> <p>(1) a component that conforms with a model developed by the office and designed to improve in-house collections for eligible cases through the application of best practices; and</p> <p>(2) a component designed to improve the collection of balances for eligible cases more than 60 days past due, which may be implemented by entering into a contract with a private attorney or public or private vendor in accordance with Article 103.0031.</p> <p>(e) Not later than June 1 of each year, the office shall identify those counties and municipalities that:</p> <p>(1) have not implemented a program; and</p> <p>(2) are able to implement a program before April 1 of the following year.</p> <p>(f) 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 office 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> <p>(1) make available on the office ’s Internet website requirements for a program; and</p> <p>(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> <p>(h) The office may:</p> <p>(1) use case dispositions, population, revenue data, or other appropriate measures to develop a prioritized implementation schedule for programs; and</p> <p>(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.</p> <p>(i) Each county and municipality shall at least annually submit to the office a written report that includes updated information regarding the program, as determined by the office. The report must be in a form approved by the office.</p> <p>(j) The office 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.</p>
<p><b>Cause:</b> (Describe the cause of the condition if possible)</p>	<p>Warrant /capias not returned from Constable/ Sheriff offices Inadequate system exception reporting Clerical error</p>
<p><b>Effect:</b> (Describe or quantify any adverse effects)</p>	<p>Liability to County for persons arrested in error.</p>
<p><b>Recommendation:</b> (Describe corrective</p>	<p>Warrant and capias procedures should include:</p> <ul style="list-style-type: none"> <li>• Warrants or capiases issued timely when defendants do not appear, do not comply with</li> </ul>

<b>action)</b>	<p>conditions of release, or default on payment terms. Show cause hearings should be set when defendants default on payment plans.</p> <ul style="list-style-type: none"> <li>• Separation of duties limiting (through system security access) staff assigned to recall warrants.</li> <li>• 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.</li> <li>• 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.</li> <li>• Outstanding warrant reports periodically reviewed for accuracy.</li> </ul> <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>				
<b>Responsible Department or Organization:</b>	Justice of the Peace 2-2				
<b>Management's Response:</b>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Honorable Michael D. Windham	<b>Date:</b> 1/22/2013
<b>Comments:</b>	Significant emphasis is placed on warrant recall in staff development. Cross-training all employees in recalling warrants increases the efficiency, effectiveness, and timeliness of the process and minimizes the risk that a warrant will not be recalled by a single individual at a later time due to vacation, illness, or workload.				
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		



**Finding Number:** 11-JP2.2-01-05  
**Date:** May 11, 2012  
**Audit:** JP 2-2 FY 2011  
**Auditor(s) Assigned:** YA

<p><b>Finding:</b></p>	<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"> <li>• Web-timestamp functionality is not used. Clerk’s time is recorded in advance to Kronos based on scheduled hours. Clerks record daily times to manual records and submit to the chief clerk. Exceptions are subsequently recorded to Kronos by the chief clerk.</li> <li>• Bi-weekly pay period ‘approval’ of time worked is not reflected on the Kronos time cards with system wide sign-off noted.</li> <li>•</li> </ul>
<p><b>Workpaper Reference: (or other method by which finding was identified)</b></p>	<p>Workpapers 11.1 thru 11.6 review of time and attendance</p>
<p><b>Condition: (Describe the current condition)</b></p>	<p>Bi-weekly schedules are used to populate court staff’s time in advance to Kronos. Web time stamp functionality is not used by non-exempt staff. Annual leave, sick leave, holidays, etc. taken are recorded to the Kronos system based on information available to the chief clerk. Oracle DC Employee Self-Service is available for court staff to review hours paid and accrual balances taken / earned / available.</p>
<p><b>Criteria: (Describe the optimal condition)</b></p>	<p>According to Dallas County Code, Section 82.32, <b>Work hours scheduling:</b></p> <p>(b) <i>Office hours.</i> An elected official/department head, with the approval of the commissioners court, has the right to establish and schedule reasonable work hours, rules and working conditions in a manner most advantageous to the county in accomplishing its service and work requirements. County offices, excluding 24-hour operations, are expected to remain open between the hours of 8:00 a.m.- 4:30 p.m. and remain open during the noon hour.</p> <p>According to Dallas County Code Sec. 82-175, <b>Supervisory responsibilities:</b></p> <p>(a) Supervisory responsibilities fall to the elected official, department head or their designee.          (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.          (c) Supervisors are responsible for ensuring employee time records are accurate and that no abuses occur.          (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.          (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.</p>
<p><b>Cause: (Describe the cause of the condition if possible)</b></p>	<p>Available automated time recording methods are not used.</p>
<p><b>Effect: (Describe or quantify any adverse effects)</b></p>	<p>Actual times may vary from scheduled hours.</p>
<p><b>Recommendation: (Describe corrective action)</b></p>	<ul style="list-style-type: none"> <li>• All vacation, sick leave, comp time, holiday time, jury duty, and approved time off should be posted to the Kronos time and attendance system in accordance with the Dallas County Code and Commissioners Court orders. Each employee should affirm bi-weekly time paid / leave balances expended through review of pay slip on Employee Self-Service (ESS) application.</li> <li>• Consider implementation of web-timestamp capture of non-exempt start and end times.</li> <li>• Approval of time worked by the official or designee must be electronically recorded each pay period.</li> </ul>
<p><b>Responsible Department or Organization:</b></p>	<p>Justice of the Peace 2-2</p>



County Auditor



Dallas County, Texas

<b>Management's Response:</b>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Honorable Michael D. Windham	<b>Date:</b>	1-22-2013
<b>Comments:</b>	The chief clerk ensures that the time entered electronically is an accurate reflection of the time that has been worked and recorded on the timesheets.					
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report		<input type="checkbox"/> Oral Comment		<input type="checkbox"/> Deleted From Consideration	



**Finding Number:** 11-JP2.2-01-06  
**Date:** May 21, 2012  
**Audit:** Justice of the Peace 2-2 Audit FY 2011  
**Auditor(s) Assigned:** YA/VO

<p><b>Finding:</b></p>	<p>Review of eleven civil, small claims/eviction cases from the Justice Fee Exception report revealed:</p> <ul style="list-style-type: none"> <li>Inconsistent docketing of the filing of an <i>Affidavit of Inability to Pay Cost</i>. Four of seven (57.14%) cases reviewed with an <i>Affidavit of Inability to Pay Cost</i> filed were not docketed.</li> </ul> <p><b>Status:</b> <i>Affidavits of Inability to Pay Cost</i> were docketed on 04/20/12</p>
<p><b>Workpaper Reference: (or other method by which finding was identified)</b></p>	<p>Workpaper: 9B. Review Justice Fee Exception Report identifying cases filed without payment of filing fees.</p>
<p><b>Condition: (Describe the current condition)</b></p>	<p>Court costs and service fees are required to be paid at the time of filing. Parties to a suit that do not have adequate resources may request to file a case without payment. Indigent plaintiffs complete an affidavit of inability to pay (pauper's affidavit) filing/service fees in accordance with Rule of Civil Procedure 145. The affidavit is reviewed by the court and if approved, filed in the case jacket. JPAS Docket screen lacks predefined fields for recording the filing of a pauper's affidavit. Civil, eviction, or small claims court clerks do not consistently record notations of filing of pauper affidavits on the Docket free-form Comments screen. JPAS receipt functionality does not include assessments for charges so credits are not systemically recorded for pauper's affidavits. Paper service is stamped with "pauper oath filed" in accordance with Rule of Civil Procedure 126 and 145.</p>
<p><b>Criteria: (Describe the optimal condition)</b></p>	<p>In accordance with statutes (Local Government Code (LGC) § 118.121, 118.122, 118.123, 118.131, and Chapter 133) and Commissioners Court orders, filing fees should be collected at the time of filing and service fees should be collected at the time of service request for all evictions, civil and small claim cases filed by non-governmental entities and individuals except for those individuals with approved affidavits of indigence on file or those entities listed under Civil Practices and Remedies § 6.001, 6.002, and 6.003.</p> <p><b>Texas Rules of Civil Procedure, RULE 145. AFFIDAVIT ON INDIGENCY</b>  (a) <b>Affidavit.</b> 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. &lt;<a href="http://www.supreme.courts.state.tx.us/rules/trcphome.asp">http://www.supreme.courts.state.tx.us/rules/trcphome.asp</a>&gt;.</p> <p><b>Texas Rules of Civil Court Procedures Rule 143.</b> A party seeking affirmative relief may be ruled to give security for costs at any time before final judgment, upon motion of any party, or any officer of the court interested in the costs accruing in such suit, or by the court upon its own motion. If such rule be entered against any party and he failed to comply therewith on or before twenty (20) days after notice that such rule has been entered, the claim for affirmative relief of such party shall be dismissed.</p>
<p><b>Cause: (Describe the cause of the condition if possible)</b></p>	<p>Clerical error Weak system functionality</p>
<p><b>Effect: (Describe or quantify any adverse effects)</b></p>	<p>Potential loss of revenue for Dallas County and State of Texas. Inhibits cost recovery if the plaintiff's claim is upheld. System extracts do not include indigent status.</p>



<b>Recommendation:</b> <b>(Describe corrective action)</b>	<p>Filing fees should be collected at the time of filing on all non-misdemeanor cases except the following whereas a reason for collecting the filing fees should be documented on the JPAS and the case jacket:</p> <ul style="list-style-type: none"> <li>• Transferred from other Dallas County JP courts</li> <li>• Involving tax suits</li> <li>• Involving mental illness warrants</li> <li>• 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.</li> <li>• Ordered as indigent under Texas Rules of Civil Procedure, Rule 145.</li> </ul> <p>Filing fees should be collected on cases transferred from courts outside of Dallas county under Rule of Civil Procedure, No. 89.</p>
<b>Responsible Department or Organization:</b>	Justice of the Peace 2-2
<b>Management's Response:</b>	<input type="checkbox"/> Agree <input type="checkbox"/> Disagree <b>Respondent:</b> _____ <b>Date:</b> _____
<b>Comments:</b>	
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration