



DALLAS COUNTY COUNTY AUDITOR

Memorandum

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

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

Subject: Review Performed for Partial Fiscal Year 2011 and Fiscal Year 2012

Date: Issued: October 25, 2013
Released: December 20, 2013

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 partial fiscal year 2011 and fiscal year 2012.

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
- Reviewed outstanding warrant/capias reports for appropriateness
- Reviewed time and attendance records for proper posting and compliance with County policies and procedures
- Reviewed credit card activity for accurate and timely posting to the JPAS
- 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:

- 21,389 computer receipts totaling \$2,088,530
- 6,791 class C misdemeanors cases (includes traffic, IBC, truancy, etc.)
- 2,174 civil/small claims cases
- 4,108 eviction cases

During fiscal year 2012, the justice court processed (decrease in activity reflects elimination of constable traffic program):

- 18,048 computer receipts totaling \$1,699,900
- 5,423 class C misdemeanors cases (includes traffic, IBC, truancy, etc.)
- 1,912 civil/small claims cases
- 4,104 eviction cases

FINDINGS

Cash Management

Cash Count – Cash count performed December 12, 2012 revealed fourteen un-receipted checks on hand totaling \$18.25, the earliest was dated November 2, 2012.

Examination, of contents in the safe, revealed un-receipted cash on hand totaling \$42.02 carried over from the previous court administrations. Notations document overpayments held to return payers and various purchases dated between July 1997 and October 2001.

Status: Deposit form 98 was prepared and funds were deposited to the cash overage account on 12/12/2012.

Receipts – Computer / Manual – A detailed review of 89 (less than 1% of population) voided computer receipts and two voided manual receipts, and a sample review of 23,145 computer receipts and 64 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 and the chief clerk does not review voided receipts for properness and compliance with office policy.

Assessment / Distribution - Review of 45 computer receipts (approximately 392 fee code entries) for compliance with statutorily required court costs and fine revealed material compliance except: two assessment errors and two partial payments not accurately prorated. Responses to the Internal Control Questionnaire revealed the Court Costs and Fine fields on the Docket page are not updated when DA dismissals are approved by the judge.

Disbursement / Special Fund Reconciliation - Review of special fund activity revealed old case balances over three years old totaling approximately \$115,172 of \$168,007 special fund balance (including approximately \$89,300 in cash bonds over four years old) remain in the special fund account as of October 6, 2012.

***Response:** Old case balances are being reviewed / disbursed and the special fund balance is down to approximately \$79,229 as of December 10, 2013.*

Processing/Reporting

Credit Card Process – A review of 60 credit card transactions and procedures and an ongoing desk review revealed material compliance. Two payment channels are incorporated. Limited auto posting features are available requiring ongoing research and manual posting.

Criminal Fee Dockets – Review of time payment plans, active warrants or capias (IT Services Active Warrant Error Report), warrants or capias on disposed cases for the appropriateness of warrant status, and corresponding Docket screens revealed:

- 116 warrants or capias reflected as active or outstanding on constable or sheriff warrant systems for cases: without calculated balances due; with time served; dismissed DA; and/or on cases marked disposed on the JPAS Docket screen.

Status: All 116 warrants or capias were recalled as of August 22, 2013.

- Instances of cases with Docket fields not populated with warrant or capias return information.
- All clerks are authorized to recall warrants.

Civil Fee Dockets – Limited review of 20 civil, small claims and eviction cases on the justice fee exception report revealed: three cases accepted without collection of filing fees (two of the three cases subsequently dismissed); four filing fees received between 4 and 22 business days after the file date; and, two posting errors.

Activity Report - Comparison of activity reports filed by the court with the Office of Court Administration (OCA), the Office of Budget and Evaluation (OBE), and Auditor's Office to the mainframe JPAS case records revealed instances of reporting errors. Current system functionality is not sufficient for state reporting requirements.

Other/Miscellaneous

Time and Attendance – Review of the Internal Control Questionnaire responses revealed that sick leave time may be authorized for personal business, vacation or funeral of a friend.

Driver's License (DL) Renewal Block – Review of 25 cases referred to DPS through OmniBase for DL renewal block revealed four (16%) instances of the DL renewal block released without payment of the \$30 FTA fee.

Delinquent Collection Fees – Two (10%) of twenty cases without partial payments applied to delinquent collection fees.

RECOMMENDATIONS

Cash Management

Receipts – 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. All copies of void receipts should be retained, clearly marked "void", and affixed with a reason for the void. Separate cash drawers should be maintained by all clerks receipting payments and funds should be balanced prior to combining with other receipted funds.

Assessment / Distribution – Continue monitoring assessment, collection, and prorating of court costs fines, and fees in compliance with applicable state laws, AG opinions, Commissioners Court orders, and applicable fee schedules based on the offense date. JPAS Docket screen Court Costs and Fine fields should be updated on DA dismissals, as new court costs are assessed including administrative fees on dismissals, time payment fees, warrant or capias fees, etc., and as fine amounts are reduced by the Judge.

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, § 22.18.

Processing/Reporting

Credit Card Process – Continue to post payments in compliance with Dallas County General Policy for Use of Credit Card Transactions including reference to the last five digits of the transaction ID number and reconciliation of accepted / settled reports with control totals.

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

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

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 – Sick leave should be authorized in compliance with Dallas County Code.

Driver's License (DL) Renewal Block – Monitor compliance with \$30 failure to appear fee in accordance with Commissioners Court Order No. 2003-2085, Dallas County Auditor Recommended Interim Policies for General Policy for Failure to Appear Program, and Transportation Code § 706.006.

Delinquent Collection Fees – Partial payments should be prorated to the 30% add-on delinquent collection fee in accordance with Code of Criminal Procedure, § 103.0031.

CURRENT FINDINGS/OBSERVATION AND RECOMMENDATIONS

Findings template numbered 12-JP4.2-01-01 thru 12-JP4.2-01-09 are attached. Court responses are incorporated as part of 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. It is the responsibility of the department to establish and maintain effective internal control over compliance with the requirements of laws, regulations, and contracts applicable to the department.

Highest areas of risk which need to be addressed include: old case balances in the special fund not timely escheated and/or remitted; and active or outstanding warrants or capias on law enforcement systems on cases without balances due, with time served, and/or case dismissed. Processing errors are minimal considering volume and labor intensive recording processes.

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: 12-JP4.2-01-01 **Computer/Manual Receipts**
Date: 12/20/12
Audit: Justice of the Peace 4-2 Review partial FY2011 thru FY2012
Auditor(s) Assigned: DW

<p>Finding:</p>	<p>Review of 23,145 computer generated receipts including a complete review of 89 voided computer receipts, a sample review of approximately 64 manual receipts including a complete review of two voided manual receipts, a complete review of receipt continuity, testing of voiding procedures for proper accounting and internal controls, and a sample review of Daily Receipts Log revealed material compliance for partial FY2011 and FY2012 with proper receipting procedures except:</p> <ul style="list-style-type: none"> • Four of 89 voided computer receipts were missing either the original or duplicate copy of the receipt including one of the four without an explanation for void <ul style="list-style-type: none"> ○ Three of the four replaced for a higher cash amount ○ One of the four replaced for same cash amount <p>Responses to the Internal Control Questionnaire (ICQ) indicate:</p> <ul style="list-style-type: none"> • A separate cash drawer is not maintained by the back-up bookkeeper • Chief Clerk does not review voided receipts for properness and compliance with office policy
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpaper No. 5A and 5B manual receipt procedures and 5D review of voided computer receipts Responses to ICQ</p>
<p>Condition: (Describe the current condition)</p>	<p>Cash payments received by the counter clerks are counted in the presence of the payer. Payments made over the counter and supporting documentation is provided to the bookkeeper, back-up bookkeeper, or chief clerk for receipting. Cash is recounted by the bookkeeper, back-up bookkeeper, or chief clerk 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, back-up bookkeeper, or chief clerk. The computer receipt is printed and reviewed by the bookkeeper, back-up bookkeeper, or chief clerk for accuracy prior to submitting to the customer. Computer receipts and any change from cash payments are provided to the customers.</p> <p>At the end of the business day prior to closeout, the computer receipts are totaled, compared to the funds on hand and system control totals. Adjustments are processed to the JPAS when the payment type is incorrectly recorded, the check amount is not correctly received, or other errors are identified.</p> <p>The ending computer receipt number to include in the overnight closeout process is entered into the JPAS. Computer receipts issued after the cut-off are included with the next business day's deposit. The following business day funds on hand are consistently confirmed as balancing to the JK98 totals with deposits submitted to the County Treasurer through the courier.</p> <p>Document Direct reports are reviewed by the bookkeeper each morning for automated computer receipt postings created overnight from credit card payments processed over the Internet. Intent of the review is to validate accuracy of fee type breakdown and for complete posting of Internet payments. In the event of an identified fee code distribution error, the computer receipt is voided in the JPAS by the bookkeeper. However, no hard copy of a receipt exists for receipts generated through the automated process. The bookkeeper will enter the correct fee code breakdown and generate a new computer receipt with the total amount matching the confirmation received by the</p>



	customer.		
Criteria: (Describe the optimal condition)	Best practices regarding receipt control procedures require that: <ul style="list-style-type: none"> • All computer receipts should be accounted for and properly used in order to affix responsibility, enhance cash control and prevent potential assertion that monies were paid and refund due. • Receipts should not be altered, but properly voided and affixed with a reason for the void with retention of all voided copies. • The chief clerk should periodically review the exception reports and transaction logs (especially with respect to receipt deletions, lowered amounts, and payment type changes) to ensure that the explanation for the deletions is documented and reasonable. • Corrections are reviewed and approved by the chief clerk. 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.		
Cause: (Describe the cause of the condition if possible)	Infrequent human error		
Effect: (Describe or quantify any adverse effects)	Inability to affix responsibility in the event shortages occur.		
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 sufficient/clear reason for voiding in. • Compensating processes such as dual sign-off on voids, receipt corrections, supervisory review, testing, and validation. • Receipts should be verified for accuracy of amount, payment type, case number, and payer before issuing to a customer. • Provide separate cash drawers for the bookkeeper, back-up bookkeeper, and others assisting in receipting duties. Balance each drawer separately prior to combining with other receipted funds. A proper segregation of duty reduces the risk of misappropriated funds and establishes a clear line of liability in the event losses occur. 		
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: 12-JP 4.2-01-02 **Fine/Fee Assessment**
Date: 11/15/12
Audit: Justice of the Peace 4-2 Review partial FY2011 and FY2012
Auditor(s) Assigned: DW

<p>Finding:</p>	<p>Fine/Fee Assessment: Review of 15 computer receipts for FY2011 and 30 computer receipts for FY2012 (392 code entries) for appropriate assessment and collection of court costs, fines, and fees and accurate posting to the Justice of the Peace Accounting System (JPAS) revealed <u>material compliance</u> except:</p> <ul style="list-style-type: none"> • One \$25 time payment fee not assessed • Two partial payments not accurately prorated • One fine on 'child under 8 safety seat' violation recorded to Fee Type #03 (should be FT#23) <p>Responses to the Internal Control Questionnaire (ICQ) indicate:</p> <ul style="list-style-type: none"> • Staff does not update Court Costs and Fine fields on the Docket screen for District Attorney (DA) dismissals • All clerks authorized to update Fine and Court Costs fields on the Docket screen
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpaper 5E review of fees assessed and receipted ICQ responses</p>
<p>Condition: (Describe the current condition)</p>	<p>The Justice of Peace Accounting System lacks automated assessment and partial payment distribution functions. Pre-assessed court costs and fine amounts are posted to the JPAS Docket screen by justice court (or populated via automated traffic case filings) staff based on state statutes in effect at the time of the offense.</p> <p>Additional court costs may be manually assessed with the JPAS Court Costs field on the Docket screen updated by the court clerks and the bookkeeper for time payment fees when payment plans are established, transaction fees when payments are presented, and warrants and/or capiases as each paper is issued. Other manual adjustments are processed by the court clerks or the bookkeeper to the JPAS Court Costs and Fine fields on the Docket screen when defendants present proof of registration, inspection, or a valid driver's license in conjunction with payment of an administrative fee and dismissal of the case.</p> <p>Proof of insurance will result in dismissal of "no insurance" cases without payment of an administrative fee. The JPAS Court Costs and Fine fields on the Docket screen are not 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. Payments for the 'special expense' are receipted to Fine (FT#03) rather than the recommended Justice Fees (FT#00). 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, back-up bookkeeper, or chief clerk review the JPAS payment history screen for prior payments and the case jacket and JPAS Docket screen for accuracy of amounts due including Court Costs, Fine/Special Expense, FTA Fee, and/or Delinquent Collection Fee. During the receipting process, the bookkeeper, back-up bookkeeper, or chief clerk must perform a modified manual cost allocation process to record payments to each fee type due to limited system functionality. Court costs grids are used by the bookkeeping staff at the point of receipting to provide a guide for the Fee Type breakdown in the JPAS.</p>					
<p>Criteria: (Describe the optimal condition)</p>	<p>Court costs, fines, and fees should be assessed/collected/prorated in compliance with applicable state laws including Code of Criminal Procedure Chapters 45 and 102 and Local Government Code Chapter 133, Commissioners Court orders, and Attorney General Opinion No. GA-0147. Court costs should be assessed based on offense date and offense type.</p> <p>Once collected, each fee should be posted to the proper JPAS fee type and paper type. Paper types for designated traffic programs should be used when recording payments on traffic cases.</p> <p>JPAS Docket screens should be updated as cases are filed and additional case activity occurs including, but not limited to, the assessment of additional court costs and/or changes in fines or special expense amounts as ordered by the judge in accordance with Vernon’s Ann., CCrP., § 45.017.</p> <p>Best practices for internal control require separation of assigned duties for personnel authorized to receipt payments and update assessments.</p>					
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Inadequate JPAS system functionality Clerical error</p>					
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Incorrect distribution/disbursement of funds to the State of Texas and/or Dallas County requiring additional time to correct posting.</p>					
<p>Recommendation: (Describe corrective action)</p>	<p>Continue to monitor assessment, collection, and prorating of court costs fines, and fees in compliance with applicable state laws including Code of Criminal Procedure Chapter 102 and Local Government Code Chapter 133 or Commissioners court orders and applicable fee schedules based on the offense date and offense type for criminal offenses and file date for civil type cases.</p> <p>Consider receipting ‘special expense’ fees on deferred adjudication cases to justice fees (fee type 00).</p> <p>Processing of financial transactions should reflect proper segregation of duties (e.g. bookkeeper should be able to add additional charges, but not decrease or delete assessments).</p> <p>Complete electronic Dockets in compliance with Vernon’s Ann., CCrP, § 45.017 including updates to Court Costs and Fine fields for DA dismissals.</p> <p>Pursue new Justice of the Peace system with improved features.</p>					
<p>Responsible Department or Organization:</p>	<p>Justice of the Peace 4-2</p>					
<p>Management’s Response:</p>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<p>Respondent:</p>	<p>Honorable Judge Katy Hubener</p>	<p>Date:</p>	<p>12/18/2013</p>
<p>Comments:</p>	<p>Proration of court costs will continue to be an issue with the current court management software. Clerks currently manually calculate the allocation of court costs among various fields.</p>					
<p>Disposition:</p>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration			



Finding Number: 12-JP4.2-01-03 **Credit Card Transactions**
Date: 12/ 20/12
Audit: Justice of the Peace 4-2 Review partial FY2011 thru FY2012
Auditor(s) Assigned: DW

<p>Finding:</p>	<p>Review of financial activity associated with sixty (60) credit card transactions and the associated JPAS postings revealed <u>material compliance</u> except:</p> <ul style="list-style-type: none"> • Two (3.33%) credit card payments posted to the JPAS three and five business days, respectively, after the credit card transaction processed. <p>Limited integration of automated JPAS payment posting functionality requiring additional staff time to review, reconcile, and research/post exceptions.</p> <ul style="list-style-type: none"> • Two daily settlement reports • One automated receipt posting report for payments submitted through the automated traffic ticket payment channel with activity limited to amounts that match predefined court costs tables. Instances of incorrect matches noted • One automated payment rejection report for payment amounts not matching the predefined court costs tables
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Observation and Workpaper 6 Desk review JPAS and Settlement reports</p>
<p>Condition: (Describe the current condition)</p>	<p>Credit card payments are submitted for processing either by defendant directly over the Internet or by court clerks over the counter transactions (data is entered manually by clerks – swipe card reader is not available). Over-the-counter acceptance of credit cards was suspended in August 2012 and re-established during the Summer of 2013. There are two web portals that can be used: an ‘auto citation’ payment channel and a ‘JP Court’ precinct payment channel.</p> <p>Defendants paying with credit card via mail are required to provide cardholders name and address, credit card number and expiration date, check the case(s) to be paid, record the amount to be paid, sign and date, and enter a plea on the citation provided at the time of offense. Mailed in credit card payment data is processed by the bookkeeper through the County’s Intranet portal. A confirmation number is generated by the system for successful transactions and the confirmation will be printed by the bookkeeper. Credit card payments processed through the ‘auto citation’ payment channel by 6:59:59 PM are not consistently included in the next day business closeout (processing is dependent on IT parameters not JP court clerk). Credit card number and other information is not stored on Dallas County servers or systems.</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 7 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 programmed court costs tables available for the automated posting of credit card payments so some items appear on a mainframe reject (amounts do not match table) report and require research and manual posting for generation of a computer receipt.</p> <p>Valid transactions from the ‘JP Court’ precinct payment channel accepted (titled Settlement Report) report and the rejected ‘auto citation’ transaction mainframe report require receipting 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 7 PM) reports generated by court staff from the County’s Intranet site.</p>



	<p>Checks will be totaled and added together with both accepted/settlement report totals and balanced to JPAS control check totals. Closed-out receipting of credit card payments will be reflected on the check deposit with a manual notation on the deposit form 98 with the amount from the accepted/settlement reports as 'ACH'.</p> <p>A copy of the two accepted/settlement ('auto citation' and 'JP Court') reports will be sent to the County Treasurer with the check deposit. The cash and check (including closed out / computer receipted credit card payments) deposits will be placed in separate clear plastic deposit envelope bags. Relevant information will be written on the clear plastic bags. Bag control numbers, payment type, and amount will be notated in the courier receipt book and signed by court staff. The deposits will be locked in the safe pending the arrival of the courier. The courier will sign for the deposits and deliver to the County Treasurer.</p>				
<p>Criteria: (Describe the optimal condition)</p>	<p>Standard accounting and system control procedures require daily reconciliation and balancing of collected funds with receipts promptly issued for the amount of funds tendered, all funds received properly secured, and deposited consistent with state law including V.T.C.A., L.G.C., § 113.022 and Vernon's Ann., C.C.P., § 103.004.</p> <p>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. The Payment Card Industry Data Security Standard (PCI DSS) is a set of requirements designed to ensure that all companies that process, store or transmit credit card information maintain a secure environment.</p> <p>According to V.T.C.A., L.G.C., § Sec. 130.003. PAYMENT CONDITIONAL. (a) The acceptance of a check or credit card invoice for the payment of a fee or tax does not constitute payment of the fee or tax. The fee or tax is not considered paid until the check is honored by the bank on which the check is drawn or the credit card invoice is honored by the issuer.</p> <p>Per <i>Dallas County General Policy for Use of Credit Card Transactions Policy</i>, any customer credit card numbers or security numbers from the back of the credit card received through the mail by the justice courts and used to process credit card transactions must be securely retained for 24 months after the transaction is processed through web access in a locked file cabinet with limited access. After 24 months, the credit card information should be destroyed or redacted. At no time should credit card information be left on desks or other work areas nor be filed in case jackets.</p>				
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Non-integrated financial systems for e-commerce requiring manual intervention. Multiple credit card reports and payment channels.</p>				
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Delayed revenue recognition</p>				
<p>Recommendation: (Describe corrective action)</p>	<p>Continue review of reports for card acceptance posting & rejection to properly & timely account for payments. Valid payments not auto-posted should be receipted to the JPAS when appearing on the settlement report.</p> <p>Document proposed modifications to the automated posting process and incorporate in technology assessments.</p>				
<p>Responsible Department or Organization:</p>	<p>Justice of the Peace 4-2</p>				
<p>Management's Response:</p>	<table border="1"> <tr> <td><input type="checkbox"/> Agree</td> <td><input type="checkbox"/> Disagree</td> <td>Respondent:</td> <td>Date:</td> </tr> </table>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Date:
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<p>Disposition:</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	
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Finding Number: 12-JP4.2-01-04 **Compliance with State Law & Court Order**
Date: 12/20/12
Audit: Justice of the Peace 4-2 Review partial FY2011 thru FY2012
Auditor(s) Assigned: DW

<p>Finding:</p>	<p>Review of 10 cases for partial FY2011 and 10 cases for FY2012 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 10 active cases on time payment plans; and review of current Justice of the Peace Monthly Collection Report to determine if adequate collection efforts are made revealed:</p> <p><u>Time Payment Plan</u></p> <ul style="list-style-type: none"> • Two of ten (20%) delinquent time payment plans without issuance of a capias. Response: If the defendant has other cases and a capias is issued on one case, a capias is not issued on another case for the same person. The issuance of a capias is at the Judge’s discretion. • One delinquent time payment plan without follow-up as required by OCA guidelines. • One Compliance and Collections Program form without the defendant’s signature on the 2nd page. <p><u>OMNI/FTA</u></p> <ul style="list-style-type: none"> • Three of twenty-five (12%) OMNI DL renewal holds removed without meeting the criteria for waiver of the \$30 FTA fee in accordance with Transportation Code 706. • One of twenty-five (4%) OMNI DL renewal holds removed without payment of the OMNI fee. • One of twenty-five (4%) OMNI holds cleared prior to full satisfaction of court cost, fine, and fees. • One OMNI hold not cleared despite full payment. Status: Cleared. <p><u>Delinquent Collection Fee</u></p> <ul style="list-style-type: none"> • Two of 20 (10%) cases with partial payments not properly prorated. • One Fine reduction by the court per Docket screen comments without updates to the Fine assessed amount resulting in over-assessment of collection fees. Status: Case not disposed despite payment in full. <p>The court established a collections process for time payment plan cases as required by the Office of Court Administration (OCA) Collections Improvement Program. The Office of Budget and Evaluation (OBE) has provided one designated collection clerk for each court.</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpaper No. 7A Delinquent Time Pay Plans and 7B Criminal Fee Dockets and 7C OMNI Fees Desk review of Omni report and observation</p>
<p>Condition: (Describe the current condition)</p>	<p>Cases that meet FTA referral criteria are systemically analyzed daily using programs developed by IT Services. Previously un-referred cases with balances due equal to or greater than \$5 are included on a daily ‘future’ report by JP court which lists all cases that are eligible for referral in the next 15 days based on the defined selection criteria. These cases are initially flagged with a future status code. During the 15 day period, the court has the opportunity to review the cases and change the status code to prevent the cases from being referred.</p> <p>On a daily basis, all cases previously flagged for future referral that have reached the end of the 15 day period, are systemically extracted by IT Services and sent to OmniBase. The status code is changed to reflect the date sent. Upon acceptance or rejection of the referral by</p>



	<p>DPS through OmniBase, an electronic file is sent back to the County to systemically update the referral status code and date. Due to JPAS limitations, only the last two status codes are viewable on the Docket screen. For cases accepted for DL renewal block by DPS, a one-time letter is sent by OmniBase to the defendant notifying of the block with case and court contact information.</p> <p>When defendants remit payment in full, the FTA referral status is systemically updated by the JPAS programs during the daily FTA extraction process and updates are submitted to OmniBase. Upon acceptance of the updates by DPS through OmniBase, an electronic file is sent back to the County to systemically update the FTA referral status code and date to reflect payment in full and DL hold block released. Court staff can also update the FTA referral status code to force clear the renewal block and waive the \$30 FTA fee, force clear the renewal block and keep the \$30 FTA fee, or reprocess the renewal block. All manual updates by the court staff follow the same process as the automated updates which are systemically captured daily and sent to OmniBase for processing.</p> <p>In response to the OCA and Senate Bill 1863 (enacted by the 79th Legislature in 2005), the court established procedures for defendants requesting time payment plans. These procedures include but are not limited to: defendant completing a personal data form when requesting time to pay, interview of defendant by the court collection clerk, defendant signing a payment agreement, defendant's phone numbers and references verified by court collection clerk, phone calls and delinquent collection notices sent by the court collection clerk for missed payments based on non-system logs maintained by the court collection clerk, and a pre-warrant notice sent by the court collection clerk when a defendant defaults on a payment plan including a second call made by the collection clerk prior to issuing a warrant.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>According to Transportation Code, Sec. 706.005. CLEARANCE NOTICE TO DEPARTMENT. (a) A political subdivision shall immediately notify the department that there is no cause to continue to deny renewal of a person's driver's license based on the person's previous failure to appear or failure to pay or satisfy a judgment ordering the payment of a fine and cost in the manner ordered by the court in a matter involving an offense described by Section 706.002(a), on payment of a fee as provided by Section 706.006 and:</p> <ol style="list-style-type: none"> (1) the perfection of an appeal of the case for which the warrant of arrest was issued or judgment arose; (2) the dismissal of the charge for which the warrant of arrest was issued or judgment arose; (3) the posting of bond or the giving of other security to reinstate the charge for which the warrant was issued; (4) the payment or discharge of the fine and cost owed on an outstanding judgment of the court; or (5) other suitable arrangement to pay the fine and cost within the court's discretion. <p>(b) The department may not continue to deny the renewal of the person's driver's license under this chapter after the department receives notice:</p> <ol style="list-style-type: none"> (1) under Subsection (a); (2) that the person was acquitted of the charge on which the person failed to appear; or (3) from the political subdivision that the failure to appear report or court order to pay a fine or cost relating to the person: <ol style="list-style-type: none"> (A) was sent to the department in error; or (B) has been destroyed in accordance with the political subdivision's records retention policy. <p>According to Transportation Code, Sec. 706.006. PAYMENT OF ADMINISTRATIVE FEE. (a) A person who fails to appear for a complaint or citation for an offense described by Section 706.002 (a) shall be required to pay an administrative fee of \$30 for each complaint</p>



or citation reported to the department under this chapter, **unless the person is acquitted** of the charges for which the person failed to appear. The person shall pay the fee when:

- (1) the court enters judgment on the underlying offense reported to the department;
- (2) **the underlying offense is dismissed**; or
- (3) bond or other security is posted to reinstate the charge for which the warrant was issued.

(b) A person who fails to pay or satisfy a judgment ordering the payment of a fine and cost in the manner the court orders shall be required to pay an administrative fee of \$30.

(c) The department may deny renewal of the driver's license of a person who does not pay a fee due under this section until the fee is paid. The fee required by this section is in addition to any other fee required by law.

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

(d) The program must consist of:

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

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

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

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

(g) The office shall:

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

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

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

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

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

According to Code of Criminal Procedure, Art. 103.0031. **COLLECTION CONTRACTS.**

(b) A commissioners court or governing body of a municipality that enters into a contract with a private attorney or private vendor under this article may authorize the addition of a collection fee in the amount of 30 percent on each item described in Subsection (a) that is more than 60 days past due and has been referred to the attorney or vendor for



	<p>collection. The collection fee does not apply to a case that has been dismissed by a court of competent jurisdiction or to any amount that has been satisfied through time-served credit or community service. The collection fee may be applied to any balance remaining after a partial credit for time served or community service if the balance is more than 60 days past due. Unless the contract provides otherwise, the court shall calculate the amount of any collection fee due to the governmental entity or to the private attorney or private vendor performing the collection services and shall receive all fees, including the collection fee. With respect to cases described by Subsection (a)(2), the amount to which the 30 percent collection fee applies is:</p> <p>(1) the amount to be paid that is communicated to the accused as acceptable to the court under its standard policy for resolution of the case, if the accused voluntarily agrees to pay that amount; or</p> <p>(2) The amount ordered paid by the court after plea or trial.</p> <p>(d) A defendant is not liable for the collection fees authorized under Subsection (b) if the court of original jurisdiction has determined the defendant is indigent, or has insufficient resources or income, or is otherwise unable to pay all or part of the underlying fine or costs.</p>				
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>DL renewal block is released when other suitable arrangements are made within the court's discretion. Instances of defendants not returning to the court after DL hold is released. Clerical error, defendant inability to pay the preferred monthly amount of \$100</p>				
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Sanctions from the State Comptroller and the Office of Court Administration including the loss of the County's quarterly administrative fee on State collections. Loss of revenue for Dallas County, the State of Texas and OmniBase.</p>				
<p>Recommendation: (Describe corrective action)</p>	<p>\$30 failure to appear fee should be assessed and collected in accordance with Commissioners Court Order No. 2003-2085, dated November 11, 2003, and Transportation Code § 706.</p> <p>Payment plans should be established and monitored in accordance with Code of Criminal Procedure, Art. 103.0033.</p> <p>30% add-on delinquent collection fee should be assessed and collected in accordance with Commissioners Court orders and Code of Criminal Procedure, § 103.0031 including proportionally prorating partial payments.</p>				
<p>Responsible Department or Organization:</p>	<p>Justice of the Peace 4-2</p>				
<p>Management's Response:</p>	<input type="checkbox"/>	<input type="checkbox"/> Disagree	<p>Respondent:</p>	<p>Date:</p>	
<p>Comments:</p>					
<p>Disposition:</p>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		



Finding Number: 12-JP4.2-01-05 **Appropriateness of Warrants**
Date: 12/21/12
Audit: Justice of the Peace 4-2 Review partial FY2011 thru FY2012
Auditor(s) Assigned: DW

<p>Finding:</p>	<p>Review of 343 cases from the Justice of the Peace 4-2 Warrant Error Report dated December 10, 2012 for appropriateness of outstanding warrant, capias, and alias issuances, recalls, and served/returned/active/regional statuses revealed (sample sizes less than 1% of population of approximately 9,957 outstanding warrants per WX50 as of October 19, 2012):</p> <ul style="list-style-type: none"> • All clerks are authorized to recall warrants. • 116 warrants or capias reflected as active or outstanding on WX50 or WRWI for cases without balances due; with time served; dismissed; and/or inactive (marked with Disposed flag 'X') for cases flagged as of November 30, 2012. <p>Status: On 4/16/13, exception list was provided to the Chief Clerk for research and appropriate resolution. 115 warrants were recalled as of 4/18/13. Associated Docket screens do not reflect an updated warrant, alisas or capias status. Remaining warrant was recalled in August 2013.</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpaper No. 8.A 1-4 review of warrant/capias issuance and recall IT Services Active Cases on Disposed Cases Report and responses to ICQ</p>
<p>Condition: (Describe the current condition)</p>	<p>Warrants including alias warrants and failure to appear warrants are issued by the court and signed by the Judge when defendants do not appear or do not comply with the terms of release. The issuance date is recorded to the JPAS Docket screen by the court staff. A notice of show cause hearing is issued by court staff when defendants do not satisfy the terms of the judgment including payment of fine and court costs. Criminal process is sent to the constable's office for service.</p> <p>Returned/recalled dates are inconsistently recorded to the JPAS as warrants and/or capias are returned from law enforcement agencies by court clerks as process verification is problematic. Systems are not linked, lack warnings, but processes are established when payments are made in full, defendants appear, defendants comply with orders of the court, etc., the court's employees transmit recall notices to the appropriate law enforcement. No separation of duty procedure is established for issue/recall of warrants.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>In accordance with state statutes and at judge's discretion, warrants/capias should be issued within a reasonable time frame to further enhance the court's collections process. All warrants should be recalled when a defendant makes proper disposition of court costs & fines by payments made, jail time served, community service or other disposition such as appeal of the case.</p> <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</p>



	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.				
Cause: (Describe the cause of the condition if possible)	Warrant /capias not returned from Constable/ Sheriff offices Inadequate system exception reporting Clerical error				
Effect: (Describe or quantify any adverse effects)	Liability to County for persons arrested in error. 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. • A tracking list of recalled, but unreturned warrants or capiases should be maintained with weekly follow-up communications to the constable or sheriff until returned. • Outstanding warrant reports periodically reviewed for accuracy. Notification to law enforcement agencies to cancel warrants on warrant systems when returned by the agency without recall. <p>JPAS Docket screen posting procedures should include:</p> <ul style="list-style-type: none"> • Updating Docket screens as <u>each</u> warrant or capias is 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:	Honorable Judge Katy Hubener	Date: 12/18/2013
Comments:	The court will work with IT to produce a monthly list to recall warrants and ensure that warrants are not outstanding on compliant defendants.				
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		



Finding Number: 12-JP 4.2-01-06 **Justice Filing Fee Exceptions**
Date: 12/20/12
Audit: Justice of the Peace 4-2 Review partial FY2011 thru FY2012
Auditor(s) Assigned: DW

<p>Finding:</p>	<p>Review of 20 civil/small claims/eviction cases from the 'Justice Fee Exception List' for partial FY2011 and FY2012 revealed:</p> <ul style="list-style-type: none"> • Three cases accepted without collection of filing fees. Reason for non-collection was not documented on associated Docket screen. <p>Court Responses:</p> <ul style="list-style-type: none"> ○ <i>One case was properly docketed and the check returned because the payment was incorrect. No subsequent fees were received and the case was dismissed.</i> ○ <i>One case was filed with a pauper's affidavit. No fees were collected with the filing of the case and the case was subsequently dismissed.</i> ○ <i>The court has requested the jacket from the warehouse and is researching the lack of fees on the case.</i> <ul style="list-style-type: none"> • Two cases docketed with the wrong case type. Filing fees/court costs collected were posted to the appropriate case/case types with the same case style and file date. • One filing fee posted to the wrong case. <p>Status: Corrected.</p> <ul style="list-style-type: none"> • Four filing fees posted between 4 and 22 business days after the file date. One case was processed despite return of an incorrect check for a replacement which subsequently occurred. • One civil case payment screen included only constable service fees which were subsequently transferred to an eviction case with the same party names reversed in the case style. The associated civil docket page is not available but case index page references a cross action attorney.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>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</p>
<p>Condition: (Describe the current condition)</p>	<p>Court costs and service fees are required to be paid at the time of filing. Parties to a suit that do not have adequate resources may request to file a case without payment. Indigent plaintiffs complete an affidavit of inability to pay (pauper's affidavit) filing/service fees in accordance with Rule of Civil Procedure 145. The affidavit is reviewed by the court and if approved, filed in the case jacket. JPAS Docket screen lacks predefined fields for recording the filing of a pauper's affidavit. Civil, eviction, or small claims court clerks consistently record notations of filing of pauper affidavits on the Docket free-form Comments screen. JPAS receipt functionality does not include assessments for charges so credits are not systemically recorded for pauper's affidavits. Paper service is stamped with "pauper oath filed" in accordance with Rule of Civil Procedure 126 and 145.</p> <p>Billing notations are not reflected on the case Docket comment screen. System reports are not available within JPAS to track unpaid balances.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>In accordance with statutes (Local Government Code § 118.121, 118.122, 118.123, 118.131, and Chapter 133) and Commissioners Court orders, filing fees should be collected at the time of filing and service fees should be collected at the time of service request for all evictions, civil and small claim cases filed by non-governmental entities and individuals except for those individuals with approved affidavits of indigence on file. 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>				
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Clerical error Weak system functionality</p>				
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Inhibits cost recovery if the plaintiff's claim is upheld. Potential revenue loss for Dallas County and State of Texas. System extracts do not include indigent status.</p>				
<p>Recommendation: (Describe corrective action)</p>	<p>Filing fees should be collected at the time of filing on all non-misdemeanor cases except the following whereas a reason for not collecting the filing fees should be documented on the JPAS and the case jacket:</p> <ul style="list-style-type: none"> • Transferred from other Dallas County JP courts • Involving tax suits • Involving mental illness warrants • Filed by governmental entities which are exempted from security of filing and service fees under Civil Practices and Remedies § 6.001, 6.002, and 6.003, but are ultimately responsible for court costs if it cannot be recovered from the losing party. See Attorney General Opinion No. DM-459 and District Attorney's opinion dated September 4, 2003. • Ordered as indigent under Texas Rules of Civil Procedure, Rule 145 				
<p>Responsible Department or Organization:</p>	<p>Justice of the Peace 4-2</p>				
<p>Management's Response:</p>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<p>Respondent:</p>	<p>Honorable Judge Katy Hubener</p>	<p>Date: 12/18/2013</p>
<p>Comments:</p>	<p>Refer to Finding section for responses.</p>				
<p>Disposition:</p>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		



Finding Number: 12-JP 4.2-01-07 **Activity Reporting**
Date: 12/20/12
Audit: Justice of the Peace 4-2 Review partial FY2011 thru FY2012
Auditor(s) Assigned: DW

<p>Finding:</p>	<p>Comparison of activity reports filed by the court for FY2011 and FY2012 with the Office of Court Administration (OCA), the Office of Budget and Evaluation (OBE), and the Auditor’s Office to the mainframe JPAS case records revealed:</p> <p>JPAS compared to OCA and OBE for FY2011:</p> <ul style="list-style-type: none"> • Non-Traffic case counts over-reported by 5.22% (129 cases) to OCA and by 5.18% (128 cases) to OBE <p>JPAS compared to OCA and OBE for FY2012:</p> <ul style="list-style-type: none"> • Traffic (JT) case counts over-reported by 7.44% (281 cases) to OBE • Small Claims (JS) case counts over-reported by 5.93% (28 cases) to OCA and 5.72% (27 cases) to OBE <p>Status: OCA has requested that Justice of the Peace courts make “Docket Adjustments” to show a zero (positive balance) at the end of month, which are not an accurate reflection of the actual pending case balance of the court. Per OCA memo dated 9/18/12, a request by the courts was granted for a one-year waiver of the requirement to report collection aging information, which is one of the OCA Collection Improvement Program reporting requirements, effective immediately through August 31, 2013. An additional one year extension was granted by OCA.</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpaper No. 11.A and 11.A.1, OCA website, Monthly JP activity reports, and JPAS. Comparison of activity reports submitted by the court to OCA website, OBE and JPAS filed cases as counted and analyzed by the auditor.</p>
<p>Condition: (Describe the current condition)</p>	<p>Court clerk assignments include processing traffic, IBC, other class C misdemeanor, evictions, civil, or small claims cases. In addition, the court clerks manually capture case activity, disposition and payment information on a daily basis. Oversight or mathematical errors result in monthly data provided by the court clerks to the chief clerk to not accurately reflect case activity as recorded to the Justice of Peace Accounting system. The chief clerk compiles a monthly summary of case activity, disposition, and payment information based on data provided and submits to OCA, OBE, and Audit without complete cross reference to the JPAS or validation of totals.</p> <p>Automated traffic case filing numbers are retrieved daily by court personnel accessing Document Direct.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Government Code Section 71.035(b) and Texas Administrative Code Sections 171.1 and 171.2 requires all activity reports to be accurately and timely completed and mailed (or updated via the Internet) to the council (Texas Judicial Council/OCA) no later than 20 days following the end of the month reported.</p> <p>Local Government Code 114.002 authorizes the County Auditor to determine the time and manner for making reports to the auditor. The County Auditor has determined that activity reports should be provided to the Internal Audit section no later than 20 days following the end of the month reported.</p> <p>Internal control for reporting requires that all case numbers are accounted for, issued consecutively by case type, and properly and timely indexed to the JPAS.</p>
<p>Cause: (Describe the cause of the condition if</p>	<p>Mathematical errors and lack of automated tracking system.</p>



possible)	
Effect: (Describe or quantify any adverse effects)	Inaccurate statewide court analysis by OCA. Errors in projected staffing levels or expected revenue based on statistical reporting.
Recommendation: (Describe corrective action)	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 and resubmitted 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: Honorable Judge Katy Hubener Date: 12/18/2013
Comments:	Findings reflect that the Court revealed instances of reporting errors with the Office of Court Administration. The Court maintains that OCA required reporting does not accurately reflect the activities of courts of larger counties. Specifically, the Court takes issue with required balancing of cases that improperly reflects an equivalent number of cases filed with an equivalent of cases disposed as this is not the practice of the court. Despite this, with the direction from OCA the Court has made these offsets to "balance" the caseload.
Disposition:	<input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration



Finding Number: 12-JP4.2-01-08 **Special Fund Reconciliation**
Date: 12/31/12
Audit: Justice of the Peace 4-2 Review partial FY2011 thru FY2012
Auditor(s) Assigned: DW

<p>Finding:</p>	<p>Special Fund Transactions: Reconciliation and review of special fund activity, postings to the JPAS, general ledger and internal control procedures for separation of duties, authorization, funds available for disbursement and proper payees revealed:</p> <ul style="list-style-type: none"> • Forfeiture proceedings were not initiated against defendants to forfeit cash bonds when defendants failed to appear (approximately \$89,300 in cash bonds are over four years old). • Instances of ½ (.50 cents) of \$1 parent fine amount on contributing to failure to attend school remain undisbursed. • Old case balances (approximately \$115,172 of \$168,007 balance as of October 6, 2012 over three years old) in the Special Fund with pending research for disbursing to the applicable party and/or escheating to the County Treasurer or State Comptroller. <p><i>Response: Per the Chief Clerk and Bookkeeper, old cases balances are being reviewed and the outstanding amount is down to approximately \$126,000 as of April 17, 2013. Procedures are being followed to ensure proper resolutions are made.</i></p> <p><i>Updated Response: The Court is taking appropriate measures to reduce the amount held in the Special Fund Balance. At the time of the audit, the fund balance was approximately \$168,000 (approximately 12/2012). As of 12/10/2013, the fund balance has been reduced drastically to \$79,228.94. The majority of money held in the Special Fund Balance is cash bonds and are appropriate for bond forfeiture.</i></p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpaper No. 12A through 12 E Review of special fund activity</p>
<p>Condition: (Describe the current condition)</p>	<p>Data source for disbursement activity is request forms, daily special fund deposit reports, and JPAS (when date cards are updated by bookkeeper) detailed monthly special fund balance reports. Balances available to disburse consist of case overpayments, judgments paid into the registry of the court, cash bonds, and service fees for law enforcement agencies without designated fee codes for automated disbursements. Current special fund activity on the JPAS reports is reviewed by the bookkeeper for identification of eligible disbursements. Case jackets are pulled and postings to the JPAS are reviewed to determine the proper payee and amount. To generate disbursements, the bookkeeper prepares and saves a special fund disbursement file to a designated computer drive on an ongoing basis, based on a review of new daily special fund activity by case/receipt. The electronic file is submitted to the County Auditor/County Treasurer for processing, check printing, and mailing. The electronic file reflects details of disbursement. Subsequently, the bookkeeper updates the disbursement information to the JPAS, posting the check number, check amount, and date, but does not reconcile to the general ledger or to the bank. The JP office relies on the County Auditor for reconciliation to the general ledger and on the County Treasurer for bank reconciliations.</p> <p>The bookkeeper posts cancellations and stale dated checks to the JPAS based on notices received from the County Treasurer.</p> <p>Progress made on clearing old case balances in the special fund account for disbursement or escheatment.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Best practices regarding cash control require that:</p> <ul style="list-style-type: none"> • All special fund disbursements and cancellations should be timely and accurately posted to the JPAS. Fund balances must be reconciled against control records (GL and bank statement).



	<ul style="list-style-type: none"> Special fund reports should be reviewed on a periodic basis and disbursements should be made to the appropriate parties in a timely manner. <p>Inactive case balances should be reviewed in accordance with unclaimed property statutes, 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. 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.</p>						
Cause: (Describe the cause of the condition if possible)	Limited staff time to research old items and weak system functionality.						
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. Costs exceed benefits to receipt/disburse school portion of 1/2 of \$1 fine amounts.						
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 and verified/reviewed by the chief clerk. A management plan including reconciling GL and bank account should be developed and implemented to periodically review the detailed special fund report in order to clear old items on disposed cases. <p>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)</p> Cash bonds should be forfeited in accordance with Code of Criminal Procedure § 22. <p>In anticipation of the pending migration from the JPAS, we recommend continuation of the court's concerted effort to clear old case balances.</p>						
Responsible Department or Organization:	Justice of the Peace 4-2						
Management's Response:	<table border="1"> <tr> <td><input type="checkbox"/> Agree</td> <td><input type="checkbox"/> Disagree</td> <td>Respondent:</td> <td>Honorable Judge Katy Hubener</td> <td>Date:</td> <td>12/18/2013</td> </tr> </table>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Honorable Judge Katy Hubener	Date:	12/18/2013
<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Honorable Judge Katy Hubener	Date:	12/18/2013		
Comments:	The Court has begun a lengthy process to decrease the fund balance and disburse funds according to state statute. The Court has reduced the fund balance amounts significantly which remained from prior administrations. There has been no process in place for bond forfeitures and the court is reviewing the process for bond forfeiture.						
Disposition:	<table border="1"> <tr> <td><input checked="" type="checkbox"/> Audit Report</td> <td><input type="checkbox"/> Oral Comment</td> <td><input type="checkbox"/> Deleted From Consideration</td> </tr> </table>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration			
<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration					



Finding Number: 12.JP4.2-01-09 Time & Attendance
Date: 12/20/2012
Audit: Justice of the Peace 4-2 Review Partial FY2011 thru FY2012
Auditor(s) Assigned: RL

<p>Finding:</p>	<p>Time & Attendance Observation of office schedules and review of manual time and attendance records and Kronos time and attendance system postings revealed material compliance.</p> <p>Response to the Internal Control Questionnaire (ICQ) indicates that sick leave time may be authorized for personal business, vacation, and funeral for a friend.</p>
<p>Work paper Reference: (or other method by which finding was identified)</p>	<p>Work papers 13A, 13B and 13C.2 review of time and attendance Responses to ICQ</p>
<p>Condition: (Describe the current condition)</p>	<p>The clerks use web-time stamp functionality in KRONOS to sign in and out. Manual attendance records are kept by the chief clerk. When the clerks need to take time off, they complete a request for leave form indicating the days being requested. The chief clerk approves or disapproves the request. The chief clerk enters the vacation or sick time used in KRONOS for the specified day and formally approves and signs off time worked. KRONOS time cards are marked with 'approval' by the Chief Clerk.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>According to Dallas County Code Sec. 82-519 (Bereavement leave), the county recognizes that a death in the family creates some very difficult times for an employee. In an effort to support the employee during this time and to specify the guidelines involved with granting leave to an employee during this time, the following policy guidelines shall apply:</p> <p>(a) An elected official/department head may grant a regular, full-time employee up to the following number of days off, depending on family ties:</p> <p>(1) Up to five working days (40 hours) of leave time off for bereavement leave if the relative who dies is a: mother, father, spouse, child, sister, brother, grandchild, grandparent, or someone who has acted as the employee's parent(s);</p> <p>(2) Up to three working days (24 hours) of leave time off for aunts, uncles, nieces, nephews, step-parents, stepchild, step-brother/sister, in-laws or for any relative living in the same household;</p> <p>(3) One day of leave for cousins; and</p> <p><u>(4) For funerals of other relatives, friends, and acquaintances not included above, the employee shall utilize county time, compensatory time or vacation time accruals.</u></p> <p>According to Dallas County Code Sec. 82-493 (Utilization of sick leave), sick leave must be accrued before it can be taken and may be authorized when:</p> <p>(1) An employee is physically unable to perform job duties because of an illness or injury.</p> <p><u>(2) An employee is the primary caregiver for a member of the immediate family who is ill or incapacitated. For purposes of this policy, immediate family members are defined as husband, wife, child, stepchild, brother, sister, nephew, niece, stepbrother, stepsister, parent, stepparent, grandparent, grandchild, uncle, aunt, or any person serving as parent/guardian; or any relative living in the same household.</u></p> <p>According to Dallas County Code Sec. 82-175, Supervisory responsibilities:</p> <p>(c) Supervisors are responsible for ensuring employee time records are accurate and that no abuses occur. Only supervisors have the authority to correct employee time record errors or omissions.</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,</p>



	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.		
Cause: (Describe the cause of the condition if possible)	Potential for inaccurate application of county time and attendance policies.		
Effect: (Describe or quantify any adverse effects)	N/A		
Recommendation: (Describe corrective action)	Actual hours worked, vacation time, sick time, holiday time, jury duty, compensatory time, overtime, ATO, etc. should be properly and timely posted to the Kronos time and attendance system in accordance with the Dallas County Code and Commissioners Court orders.		
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