DALLAS COUNTY
COUNTY AUDITOR

Memorandum

To: Honorable Judge Norris "Stretch" Rideaux
Justice of Peace, Precinct 4, Place 1

From: Virginia A. Porter
County Auditor

Subject: Review Performed for Fiscal Year 2011 and 2012

Date: Issued: August 20, 2013
Released: November 6, 2013

Scope
A review was performed in accordance with statutory guidelines on the records and reports of Justice of the Peace, Precinct 4, Place 1 for fiscal years 2011 and 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
- 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:
- 17,808 computer receipts totaling $2,122,450
- 5,480 class C misdemeanors (includes 877 automated traffic filings)
- 1,915 civil/small claims
- 3,714 eviction cases

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

- 18,046 computer receipts totaling $1,741,307
- 2,992 class C misdemeanors (includes 286 automated traffic filings)
- 2,344 civil/small claims
- 3,766 eviction cases

FINDINGS

Cash Management

Receipts – Computer / Manual – A review of 303 (less than 1% of population) voided computer receipts and a sample review of 35,854 computer receipts and corresponding daily receipt transaction logs revealed twenty-one voided computer receipts missing the original customer copy and / or duplicate office copy including: seventeen of the 21 voided computer receipts reissued for the same amount or higher amount; two of the 21 voided computer receipts reissued on different case numbers; and, two of the 21 voided computer receipts reissued for $4 less check or credit card.

A sample review of approximately 145 manual receipts revealed one manual receipt was altered to a lower amount ($134 cash to $54.60 cash).

Assessment / Distribution – Review of 80 cases and corresponding computer receipts (719 fee code entries) for compliance with statutorily required court costs and fines revealed: limited instances of assessment errors and two partial payments not prorated in accordance with AG Opinion No. GA-0147.

Disbursement / Special Fund Reconciliation - Review of special fund activity revealed: two duplicate payments totaling $561; numerous instances of disbursements and cancellations not posted to the JPAS; and, old case balances over three years old totaling approximately 318,871 (including approximately $252,900 in cash bonds over four years old) remain in the special fund account as of October 6, 2012 without research for disbursement to the applicable party and / or escheating to the County Treasurer or State Comptroller.

Processing/Reporting

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

- 147 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: 19 of the 147 warrants or capias were recalled as of January 19, 2013.
- 207 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 15 cases on the justice fee exception report revealed: three cases filed with *Affidavit of Inability to Pay Costs* not docketed on the JPAS Docket screen.

Birth/Death Certificates & Marriage Licenses

Court's copy of birth, death and marriage applications are not retained in a secure location or properly destroyed. Fee increase effective 12/01/10 from $20 to $21 for the first certified copy of a death certificate is not consistently assessed. **Status:** As of April 11, 2013, the justice court will no longer retain copies of birth certificate or marriage license applications.

Activity Reports – Comparison of activity reports filed by the court with the Office of Court Administration (OCA), the Office of Budget and Evaluation (OBE), and Auditor's Office to the mainframe JPAS case records revealed significant variances for non-misdemeanor cases reported.

Credit Card Transactions – Review of 60 credit card transactions and procedures and an ongoing desk review of daily credit card transactions revealed credit card transactions are routinely being posted to the JPAS with the Sequence ID number versus the last five digits of the Transaction ID number.

Other/Miscellaneous
Time and Attendance – Observation of time and attendance during fieldwork and review of 40 manual attendance records traced to KRONOS revealed: instances of actual time not matching recorded time; and, employees take 50 minutes for lunch with no breaks (lunch is recorded as 30 minutes in KRONOS.

RECOMMENDATIONS

Cash Management
Receipts – Receipts should be verified for accuracy of amount before issuing to customer. Receipts should never be altered, but properly voided. Re-emphasize retention of all copies of a voided receipt, clearly marking "void", and affixing a reason for the void. Compensating controls such as dual sign-off on voids and receipt corrections should be implemented.

Assessment / Distribution – Continue monitoring assessment, collection, and prorating of court costs, fines, and fees in compliance with applicable state laws, Commissioners Court orders, Attorney General (AG) Opinion No. GA-0147, and applicable fee schedules based on the offense date. Processing of financial transactions should reflect proper segregation of duties.

Disbursement / Special Fund Reconciliation – A funding source should be identified for all overpayments, or funds should be recovered from the party overpaid. In anticipation of the pending migration from the JPAS, a concerted effort should be made to correct outstanding issues and a management plan (including reconciling the County's General Ledger and the court's special fund bank account) should be developed and implemented to 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
Criminal Fee Dockets – Outstanding warrants or capiases should be recalled timely when cases are dismissed or otherwise disposed, payments made in full, time is served, etc. Separation of duties should be established limiting (through system security access) staff assigned to recall warrants.

Civil Fee Dockets – Monitor timing/collection of filing fees and service fees in compliance with applicable state laws and Commissioner Court orders for all eviction, civil and small claim cases filed by non-governmental entities and individuals except for those individuals with approved affidavits of indigence on file. Reason for not collecting filing or service fees should be documented on the JPAS and case jacket.

Birth / Death / Marriage Certificates – A procedure should be developed and implemented to periodically review the security implication for issuing and voiding certificates. Documents should be retained in a secure location with restricted access.

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

Credit Card Transaction – Payments should be posted in compliance with *Dallas County General Policy for Use of Credit Card Transactions* including reference to the last five digits of the transaction ID number.

Other/Miscellaneous

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

CURRENT FINDINGS/OBSERVATION AND RECOMMENDATIONS

Finding templates numbered 12-JP4.1-01-01 through 12-JP4.1-01-10 are attached.

Summary

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

Highest areas of risk which need to be addressed include: establishing proper receipt controls including retention of all voided receipts; clearing old Special Fund balances not timely escheated and/or remitted; and, monitoring the warrant exception report for inappropriate active warrants and coordinating with the constable's office to clear.

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-JP4.1-01-01- Manual Receipts
Date:	April 15, 2013
Audit:	Justice of the Peace 4-1 Audit FYE 2011 & 2012
Auditor(s) Assigned:	RL

Finding:	**Manual Receipts** Review of approximately 145 manual receipts including three voided manual receipts and manual receipt procedures revealed material compliance except: • Five manual receipts without the corresponding computer receipt attached. **Status:** All receipts were properly and accurately posted to the JPAS. • One manual receipt altered to a lower amount: $134 cash to $54.60 cash. • Sampled voided manual receipts all lack reason for void noted.
Work Paper Reference: (or other method by which finding was identified)	Work papers 5A.3-4, 5B.1, and 5B.3-4
Condition: (Describe the current condition)	When the Justice of Peace Accounting System (JPAS) is not operational, manual receipts (three part form) are issued by the bookkeeper and/or back-up bookkeeper. The original manual receipt is issued to the customer. Manual receipts are set aside pending system availability. Once the JPAS is active or automated traffic ticket uploads create new cases on the JPAS, corresponding computer receipts are issued. The original computer receipt is set aside for attachment to the corresponding triplicate manual receipt copy retained in numerical order in the manual receipt book. The duplicate manual receipt copy is attached to the duplicate computer receipt copy retained separately in numerical order. If a manual receipt is voided the bookkeeper will write "void" on the receipt with an explanation for the void inconsistently noted. All three copies of the manual receipt will remain attached in the manual receipt book.
Criteria: (Describe the optimal condition)	Best practices regarding receipt control procedures require that: • All receipts are accounted for and properly used, kept in numerical order, have the corresponding computer receipt attached, and are posted and deposited properly, and timely in accordance with V.T.C.A., L.G.C., § 113.022 and Vernon's Ann., C.C.P., § 103.004. • Receipts should not be altered, but properly voided and affixed with a reason for the void with retention of all voided receipt copies.
Cause: (Describe the cause of the condition if possible)	Unknown
Effect: (Describe or quantify any adverse effects)	Prevents potential assertion that monies were paid and refunds due.
Recommendation: (Describe corrective action)	Re-emphasize proper receipt voiding procedures in lieu of altering receipts.
Responsible Department or Organization:	Justice of the Peace 4-1
Management's Response:	☐ Agree ☐ Disagree **Respondent:** **Date:**
Comments:	
Disposition:	☒ Audit Report ☐ Oral Comment ☐ Deleted From Consideration

Finding Number:	12-JP4.1-01-02- Computer Receipts
Date:	April 15, 2013
Audit:	Justice of the Peace 4-1 Audit FYE 2011 & 2012
Auditor(s) Assigned:	RL

Finding:	**Computer Receipts**
	
	 Sample review of 35,854 (totaling $3,863,757.59) computer generated receipts including a complete review of 303 (less than 1% of the population) voided computer receipts, receipt continuity, testing of voiding procedures for proper accounting and internal controls, and a sample review of Daily Receipts Log revealed:
	
	 • Twenty (6.6%) of 303 computer receipt voids lacking one or more components of a properly voided receipt:
	     o 17 voided receipts do not contain a reason for void
	     o 11 voided receipts not marked void
	     o 12 voided receipts missing the original (customer copy) or duplicate (office copy)
	        o Seven of the 12 receipts reissued for the same pay type, amount, and case number
	        o One of the 12 receipts reissued for the same pay type and amount, but to applied to a different case number
	        o Two of the 12 receipts reissued for the same pay type and case number, but for $4 less check/credit card
	        o One of the 12 receipts reissued for the same pay type and case number, but for $50 cash more
	        o One of the 12 receipts reissued for the same pay type, but applied to a different case number for $104 more credit card
	 • Nine (2.97%) of 303 computer receipt voids missing the original and duplicate copy. All receipts were replaced for the same or higher amount and the same payment type.
	
	 Responses to the Internal Control Questionnaire indicate:
	 • A separate cash drawer is not maintained by the back-up bookkeeper
	 • Monies receipted by the back-up bookkeeper are not separately balanced prior to combining with the funds controlled by the bookkeeper

Work Paper Reference: (or other method by which finding was identified)	Work paper 5B.2, 5D.1-2
Condition: (Describe the current condition)	Cash payments received by the counter clerks are counted in the presence of the payer. Payments made over the counter and supporting documents are provided by the counter clerks to the bookkeeper or back-up bookkeeper for receipting. Cash is recounted by the bookkeeper or back-up bookkeeper prior to the generation of the computer receipt with change noted. Check/money order payments are consistently reviewed for correctness by comparing the numeric and written/legal amounts on the check and payer name to the case number, case style, and amount due on the case prior to the generation of the computer receipt. The JPAS is accessed for generating a computer receipt to the appropriate case number and the payment information is entered by the bookkeeper or back-up bookkeeper. The computer receipt is printed and reviewed by the bookkeeper or back-up bookkeeper for accuracy prior to submitting to the customer by the counter clerk. If errors are identified, the original computer receipt and copy is voided with an explanation noted. Computer receipts and any change due from cash payments are provided to the customers by the counter clerks.

During the afternoon each business day prior to closeout, the computer receipts are totaled, compared to the funds on hand and system control totals by the bookkeeper with a second count completed by the chief clerk. Corrections are made by the bookkeeper or chief clerk when the payment type is incorrectly recorded, the check amount is not correctly receipted, or other errors are identified.

The ending computer receipt number to include in the overnight closeout process is entered into the JPAS. Computer receipts issued after the cut-off are included with the next business day's deposit. The following business day funds on hand are consistently confirmed as balancing to the JK98 totals with deposits submitted to the County Treasurer through the courier.

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 customer.

Criteria: **(Describe the optimal condition)**	Best practices regarding receipt control procedures require that: • 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. Daily cutoff should be established and monitored for deposit verification. • 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.
Cause: **(Describe the cause of the condition if possible)**	Limited instances of non-adherence to proper receipting and void procedures.
Effect: **(Describe or quantify any adverse effects)**	Receipt in customer possession does not match JPAS system records.
Recommendation: **(Describe corrective action)**	Receipt procedures should include: • All copies of a voided receipt should be retained, clearly marked "void" and affixed with reason for void in order to affix responsibility, enhance cash control and prevent potential assertion that monies were paid and refund due. • Compensating processes such as dual sign-off on voids, receipt corrections, supervisory review, testing, and validation. • Changes to check and money order payment types which occur after the customer has left with the original receipt should be evidenced by retention of a copy of the check or money order with the computer receipt and include dual sign-off (initials of the changer and reviewer)

	• The chief clerk should periodically review the exception reports and transaction logs (especially with respect to receipt deletions, lowered amounts, and payment type changes) to insure that the explanation for the deletions are documented and reasonable. • Prior to generating a receipt: Cash tendered should be counted in the customer's presence and check guaranteed amount should be agreed to the numeric amount. • Receipts should be verified for accuracy of amount, payment type, case number, and payer before issuing to a customer.
Responsible Department or Organization:	Justice of the Peace 4-1

Management's Response:	☐ Agree	☐ Disagree	**Respondent:**		**Date:**	
Comments:						
Disposition:	☒ Audit Report		☐ Oral Comment		☐ Deleted From Consideration	

Finding Number:	12-JP4.1-01-03 –Fine and Fees Compliance
Date:	April 15, 2013
Audit:	Justice of the Peace 4-1 Audit FYE 2011 & 2012
Auditor(s) Assigned:	RL

Finding:	**Fine/Fee/Court Costs Assessments & Docket Screens** Review of 80 cases and corresponding computer receipts (approximately 719 fee 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: • Six (11.3%) out of 53 $5 ticket issuance fees credited to the wrong agency **Status: Corrected.** • Two partial payments not prorated in accordance with AG Opinion No. GA-0147 • One delinquent case without assessment of a $25 Time Payment Fee • One warrant issued without assessment of a $50 Warrant Fee • One case with Docket screen court costs and fine amounts deleted erroneously Responses to the Internal Control Questionnaire (ICQ) indicate: • All staff authorized to update court costs and fine on Docket screen • Bookkeeper and Civil and Eviction clerks assigned receipting rights within JPAS
Work Paper Reference: (or other method by which finding was identified)	Work paper 5E review of fines and fees assessed ICQ responses
Condition: (Describe the current condition)	The Justice of Peace Accounting System lacks automated assessment and partial payment distribution functions. Pre-assessed court costs and fine amounts are posted to the JPAS Docket screen by justice court staff (or populated via automated traffic case filings) based on state statutes in effect at the time of the offense. Additional court costs may be manually assessed. The JPAS Court Costs field on the Docket screen is updated by the court clerks and the bookkeeper for time payment fees when payment plans are established; transaction fees when payments are presented; and warrants and/or capiases as each paper is issued. Other manual adjustments are processed by the court clerks or the bookkeeper to the JPAS Court Costs field on the Docket screen when defendants present proof of registration, inspection, or a valid driver's license in conjunction with payment of an administrative fee and dismissal of the case. Proof of insurance will result in dismissal of 'no insurance' cases without payment of an administrative fee. The JPAS Court Costs field on the Docket screen will be 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. Prior to receipting payments, the bookkeeper or back-up review the JPAS payment history screen for prior payments and the case jacket and JPAS Docket screen for accuracy of amounts due including Court Costs, Fine/Special Expense, FTA Fee, and/or Delinquent Collection Fee. During the receipting process, the bookkeeper, backup 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.
Criteria: **(Describe the optimal condition)**	Court costs, fines, and fees should be assessed/collected/prorated in compliance with applicable state laws including Code of Criminal Procedure Chapters 45 and 102, Local Government Code Chapter 133, Attorney General Opinion GA-0147 and Commissioners Court orders. Once collected, each fee should be posted to the proper JPAS fee type and paper type. 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. Best practices for internal control require separation of assigned duties for personnel authorized to receipt payments and update assessments.
Cause: **(Describe the cause of the condition if possible)**	Clerical error Inadequate JPAS system functionality
Effect:(Describe or quantify any adverse effects)	Incorrect distribution/disbursement of funds to the State of Texas and/or Dallas County requiring additional time to correct posting.
Recommendation: **(Describe corrective action)**	Continue monitoring assessment, collection, and prorating of court costs fines, and fees in compliance with applicable state laws including Code of Criminal Procedure Chapter 102 and Local Government Code Chapter 133 or Commissioners court orders and applicable fee schedules based on the offense date and offense type for criminal offenses and file date for civil type cases. 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; civil and eviction clerks should be able to add or modify assessments, but not receipt payments). Pursue new Justice of the Peace system with improved features.
Responsible Department or Organization:	Justice of the Peace 4-1
Management's Response:	☐ Agree ☐ Disagree **Respondent:** **Date:**
Comments:	
Disposition:	☒ Audit Report ☐ Oral Comment ☐ Deleted From Consideration

Finding Number:	12-JP4.1-01-04 – Credit Card Payment
Date:	April 15, 2013
Audit:	Justice of the Peace 4-1 Audit FYE 2011 & 2012
Auditor(s) Assigned:	RL

Finding:	Review of financial activity associated with sixty (60) credit card transactions and the associated JPAS postings revealed:
	
	• Credit card payments routinely posted to the Justice of the Peace Accounting system using the last 5 digits of the Sequence ID number instead of the last 5 digits of the Transaction ID number.
	• Returned date field not populated on the Docket screen for twenty-six warrants issued on cases that have been paid in full and/or disposed/dismissed.
	• Limited integration of automated JPAS payment posting functionality requiring additional staff time to review, reconcile, and research/post exceptions.
	    • 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.

Work Paper Reference: (or other method by which finding was identified)	Work paper 6 Desk Review JPAS and Settlement reports
Condition: (Describe the current condition)	Credit card payments are submitted for processing either by defendant directly over the Internet or by court clerks for mail in transactions (data is entered manually by clerks – swipe card reader is not currently available). The over the counter acceptance of credit cards discontinued in August 2012 compliance is projected to be re-established in September 2013. There are two web portals that can be used: an 'auto citation' payment channel and a 'JP Court' precinct payment channel. 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. Each business morning, the bookkeeper will print the credit card transaction reports from both credit card payment channels and the mainframe automated posting/reject reports. Accepted transactions (completed prior to 7 PM) processed through the 'auto citation' payment channel 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. 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. 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'. 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.
Criteria: **(Describe the optimal condition)**	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. 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. 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.
Cause: **(Describe the cause of the condition if possible)**	Non-integrated financial systems for e-commerce requiring manual intervention. Multiple credit card reports and payment channels.
Effect: **(Describe or quantify any adverse effects)**	Delayed revenue recognition
Recommendation: **(Describe corrective action)**	Continue review of reports for card acceptance posting & rejection to properly & timely account for payments. Valid payments not auto-posted should be receipted to the JPAS when appearing on the settlement report. Post payments in compliance with *Dallas County General Policy for Use of Credit Card Transactions Policy* including reference to the last five digits of the transaction id number. Document proposed modifications to the automated posting process and incorporate in technology assessments.
Responsible Department or Organization:	Justice of the Peace 4-1
Management's Response:	☐ Agree ☐ Disagree **Respondent:** **Date:**
Comments:	
Disposition:	☒ Audit Report ☐ Oral Comment ☐ Deleted From Consideration

Finding Number:	12-JP4.1-01-05 – Processing Time Payment Plan/Warrant
Date:	April 15, 2013
Audit:	Justice of the Peace 4-1 FYE 2011 & 2012
Auditor(s) Assigned:	RL

Finding:	**Warrants, Capias, and Capias Pro Fine** Review of 20 cases on time payment plans, 20 cases from the Justice of the Peace Collection by Law Firm Monthly Report for adequate collection procedures on cases referred to delinquent collection law firm, 25 cases from the Year to Date FTA Payment History Report for properly processed OMNI fees, and review of all inactive, time served, dismissed, and/or zero balance cases on IT Services Active Warrants on Disposed Cases Report for validity of warrant issuances, recalls, and served/returned/active/regional statuses revealed (sample sizes less than 1% of population of approximately 19,044 outstanding warrants per WX50 and WRWI as of October 19, 2012): • All court clerks are authorized to recall warrants. • Nine cases delinquent on time payment plans at the time of field audit: 　○ Two cases approximately a month delinquent without any collection efforts made by the court. 　○ Three cases without a *Collections Compliance Form* present in the case jacket. 　**Status:** Four of these nine cases no longer delinquent as of 4/15/13. • Four cases referred to Law Firm with payments received not prorated /posted to delinquent collection fees. • Four cases referred to Law Firm with delinquent collection fees waived without *Affidavit of Inability to Pay Costs* filed. • Two cases disposed with FTA DL renewal block released without full payment of court costs, fines and fees. • 147 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 26, 2012. 　**Status:** As of 01/19/13, 19 of the questioned warrants have been recalled. • 207 cases with Docket fields not populated with warrant or capias return information. 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.
Work Paper Reference: (or other method by which finding was identified)	Work papers 7A, 7B.1-2, 7C and 8A.1-4 IT Services Active Cases on Disposed Cases Report and responses to ICQ
Condition: (Describe the current condition)	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. 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.

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. |
|---|---|
| **Criteria:**
(Describe the optimal condition) | 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.

Best practices for internal control require separation of assigned duties for personnel authorized to issue and/or recall warrants.

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.

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. |
Cause: **(Describe the cause of the condition if possible)**	Warrant /capias not returned from Constable/ Sheriff offices Inadequate system exception reporting Clerical error
Effect: **(Describe or quantify any adverse effects)**	Liability to County for persons arrested in error.
Recommendation: **(Describe corrective action)**	Warrant and capias procedures should include: • Warrants or capiases issued timely when defendants do not appear, do not comply with conditions of release, or default on payment terms. Show cause hearings should be set when defendants default on payment plans. • Separation of duties limiting (through system security access) staff assigned to recall warrants. • Outstanding warrants or capias recalled same business day when cases are dismissed or otherwise disposed, payments are made in full, time is served, community service is performed, time payment plans are implemented/followed, or official

	notification/verification of a defendant's death is received.
	• A tracking list of recalled, but unreturned warrants or capias should be maintained with weekly follow-up communications to the constable or sheriff until returned.
	• Outstanding warrant reports periodically reviewed for accuracy. Notification to law enforcement agencies to cancel warrants on warrant systems when returned by the agency without recall.
	Continue established payment plan procedures and monitor in accordance with Code of Criminal Procedure, Art. 103.0033.
	Pursue new system with improved features.
Responsible Department or Organization:	Justice of the Peace 4-1

Management's Response:	☐ Agree	☐ Disagree	**Respondent:**		**Date:**	
Comments:						
Disposition:	☒ Audit Report		☐ Oral Comment		☐ Deleted From Consideration	

Finding Number:	12-JP4.1-01-06 – Justice Fee Exception
Date:	April 15, 2013
Audit:	Justice of the Peace 4-1 Audit FYE 2011 & 2012
Auditor(s) Assigned:	RL

Finding:	**Justice Fee Exception Report** Review of 15 civil/small claims/eviction cases from the Justice Fee Exception report revealed: • Three (20% of sample) cases with *Affidavits of Inability to Pay Costs* not docketed on the Justice of the Peace Accounting System (JPAS).
Work Paper Reference: (or other method by which finding was identified)	Work paper 9B review Justice Fee Exception Report identifying cases filed without payment of filing fees.
Condition: (Describe the current condition)	Court costs and service fees are required to be paid at the time of filing. Parties to a suit that do not have adequate resources may request to file a case without payment. Indigent plaintiffs complete an affidavit of inability to pay (pauper's affidavit) filing/service fees in accordance with Rule of Civil Procedure 145. The affidavit is reviewed by the court and if approved, filed in the case jacket. JPAS Docket screen lacks predefined fields for recording the filing of a pauper's affidavit. Civil, eviction, or small claims court clerks do not consistently record notations of filing of pauper affidavits on the Docket free-form Comments screen. JPAS receipt functionality does not include assessments for charges so credits are not recorded for pauper's affidavits. Paper service is stamped with "pauper oath filed" in accordance with Rule of Civil Procedure 126 and 145.
Criteria: (Describe the optimal condition)	In accordance with statutes (Local Government Code § 118.121, 118.122, 118.123, 118.131, and Chapter 133) and Commissioners Court orders, filing fees should be collected at the time of filing and service fees should be collected at the time of service request for all evictions, civil and small claim cases filed by non-governmental entities and individuals except for those individuals with approved affidavits of indigence on file or those entities listed under Civil Practices and Remedies § 6.001, 6.002, and 6.003. **Texas Rules of Civil Procedure, RULE 145. AFFIDAVIT ON INDIGENCY** (a) **Affidavit.** In lieu of paying or giving security for costs of an original action, a party who is unable to afford costs must file an affidavit as herein described. A "party who is unable to afford costs" is defined as a person who is presently receiving a governmental entitlement based on indigency or any other person who has no ability to pay costs. Upon the filing of the affidavit, the clerk must docket the action, issue citation and provide such other customary services as are provided any party.
Cause: (Describe the cause of the condition if possible)	Clerical error Weak system functionality
Effect: (Describe or quantify any adverse effects)	Inhibits cost recovery if the plaintiff's claim is upheld. System extracts do not include indigent status.
Recommendation: (Describe corrective action)	Filing fees should be collected at the time of filing on all non-misdemeanor cases except the following whereas a reason for not collecting the filing fees should be documented on the JPAS and the case jacket: • Transferred from other Dallas County JP courts • Involving tax suits • Involving mental illness warrants • Filed by governmental entities which are exempted from security of filing and service fees under Civil Practices and Remedies § 6.001, 6.002, and 6.003, but are ultimately

	responsible for court costs if it cannot be recovered from the losing party. See Attorney General Opinion No. DM-459 and District Attorney's opinion dated September 4, 2003. • Ordered as indigent under Texas Rules of Civil Procedure, Rule 145. Filing fees should be collected on cases transferred from courts outside of Dallas county under Rule of Civil Procedure, No. 89.
Responsible Department or Organization:	Justice of the Peace 4-1
Management's Response:	☐ Agree ☐ Disagree **Respondent:** **Date:**
Comments:	
Disposition:	☒ Audit Report ☐ Oral Comment ☐ Deleted From Consideration

Finding Number:	12-JP4.1-01-07 – Birth, Death & Marriage Certificate
Date:	April 15, 2013
Audit:	Justice of the Peace 4-1 Audit FYE 2011 & 2012
Auditor(s) Assigned:	RL

Finding:	**Birth, Death & Marriage Certificates** Review of forty birth, eleven death, and twenty-six marriage certificate logs/applications and a selection of JPAS receipts revealed: • Vitals Remote billings indicate one additional birth certificate accessed/issued than receipted to the JPAS. • No indication on the birth certificate log that one birth certificate was voided. **Status**: Voided birth certificates are now sent to Vital Statistics. • Death certificate fee increase effective 12/01/2010 (from $20 to $21 for the first certified copy of a death certificate and $4.00 for each additional copy of the same certificate issued with the same request) is not consistently assessed. • Sensitive information such as birth, death and marriage applications not maintained in a secure location or being properly destroyed.
Workpaper Reference: (or other method by which finding was identified)	Work papers 10A, 10B and 10C
Condition: (Describe the current condition)	Requestor completes an application with applicable information, provides proof of identity and relationship to party for which the birth certificate pertains, and pays the required fee (Payment tender type should be cash or money order). The County Clerk has cross deputized JP clerks authorizing JP issuance of <u>birth certificates</u>. JP clerk counts the fee paid, reviews the application, verifies eligibility of requestor, and accesses (only one employee logs in at time due to BVS system instability) the Bureau of Vital Statistics system. The birth certificate information is printed using security paper through a designated printer and 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. The JPAS is accessed by the bookkeeper and the payment for the certificate(s) is receipted. The original receipt, any change due, and certificates are provided to the requestor. An issuance log is maintained by the court and updated by the issuing clerk with the certificate number(s) being used and initials of clerk issuing certificate. Any voids are marked void on certificate and issuance log by the issuing clerk. Voided certificates are <u>**not**</u> submitted to the Texas Department of Health Vital Statistics on a regular basis with a request to remove for the lifetime count. However, the birth certificates are shredded, periodically. State Bureau of Vital Statistics submits one monthly bill to the County Clerk for all Dallas County locations. Billing reflects activity by user id and location. All searches to the state system reflect as a charge on the monthly billing. The County Clerk has cross deputized JP clerks authorizing JP issuance of <u>death certificates</u> (Funeral homes can request death certificates at the JP court. Individuals submit certificate requests to the County Clerk). $21 is charged for the first certified copy of a death certificate. $4 is charged for each additional copy of the same certificate issued with the first request. A funeral home brings the court an application(s) for a death certificate(s). JP clerk counts the fee paid, reviews the application. The clerk enters the deceased's information into the AiLIS system. Death certificate information is printed from the AiLIS system and copied to security paper

| | using a photo-static copier and is embossed with the County seal. The certificates and check are given to the bookkeeper for receipting. The bookkeeper verifies the fee corresponds to the number of certificates requested. The JPAS is accessed by the bookkeeper and the payment for the certificate(s) is receipted. Once receipted, the certificates and receipt are placed in a tray awaiting pick up form the funeral home personnel. An issuance log is maintained by the court and updated by the issuing clerk with the certificate numbers being used. File number, date issued, and initials of clerk issuing certificate are recorded in that log. However, a log is not maintained of voided death certificates which are shredded.

When applicants come to the court for _marriage licenses_, they are directed to apply for the license on the Kiosk computer located in the hallway of the court. Once the applicant fills out the application online and receives a reference number, the applicant will give the reference number to the deputized clerk. The clerk will search the AiLis computer system for the reference number and print a copy of the application for the applicants to verify the correctness of the information. The marriage license is printed from the AiLis computer system on special paper for marriage licenses and a gold County seal is embossed on the license. The license and required fee (Payment tender type should be cash or money order) accepted by the clerk are taken to the bookkeeper for receipting. The bookkeeper verifies the fee corresponds to the type of marriage license. The JPAS is accessed by the bookkeeper and the payment for the license is receipted to specially assigned case numbers under the MC case type. The marriage license log is filled out by the issuing clerk with the applicants name, certificate number, receipt number, case number, date, and initials of clerk issuing the license. The original receipt, any change due, and license are provided to the requestor.

Birth, death and marriage applications sent to Archives instead of being destroyed after expiration of 3 year retention period |
|---|---|
| **Criteria:**
(Describe the optimal condition) | 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..........."
"(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."
According to Texas Administrative Code, **RULE §181.24,** (a) Abused birth record.
(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.
(2) Local registrars shall notify the Bureau of any abused record. Requests for additional certifications shall be made to the bureau.
(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).
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. |

According to Texas Administrative Code, **RULE §181.28**, (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.

Documents should be retained in a secure location.

According to Texas Administrative Code, **RULE §181.25**:
a) The bureau shall furnish application forms for a marriage license to each county clerk in the format as prescribed by the State Registrar.
(b) The application form shall contain at a minimum the items and information prescribed in the Texas Family Code, §2.004.
(c) When reproduced locally by the county clerk, the form shall be identical in content, format, and size as prescribed by the bureau.

Cause: (Describe the cause of the condition if possible)	Unknown
Effect: (Describe or quantify any adverse effects)	Logs with inaccurate and incomplete information. Potential misuse of official documents County liability for improper storage and destruction of confidential information
Recommendation: (Describe corrective action)	Birth and death certificate and marriage license application procedures should be updated to include: - Written procedures, periodic review by chief clerk for compliance, and staff training - Issuance logs updated with voided certificate data - Voided certificates clearly marked "void" and affixed with a reason for void - Voided birth certificates forwarded to Texas Department of State Health Services - The receipt comment field in the JPAS should document the file number of the certificate issued - Documents retained in a secure location with restricted access and retained in accordance with records retention requirements.
Responsible Department or Organization:	Justice of the Peace 4-1
Management's Response:	☐ Agree ☐ Disagree **Respondent:** **Date:**
Comments:	
Disposition:	☒ Audit Report ☐ Oral Comment ☐ Deleted From Consideration

Finding Number:	12-JP4.1-01-08 – Activity Reports
Date:	April 15, 2013
Audit:	Justice of the Peace 4-1 Audit FYE 2011 & 2012
Auditor(s) Assigned:	RL

Finding:	**Activity Reports** Comparison of activity reports filed by the court with the Office of Court Administration (OCA), the Office of Budget and Evaluation (OBE), and the Auditor's Office to the mainframe JPAS case records revealed: **JPAS compared to OCA** **FY 2011** • Non-misdemeanor cases (JM) were over reported by 7.76% (247 cases). • Traffic misdemeanor cases (JT) were underreported by 8.06% (185 cases). • Other civil suits (JC) were over reported by 5.01% (81 cases). **FY 2012** • Non-traffic misdemeanor cases (JM) were underreported by 54.68% (1,128 cases). • Traffic misdemeanor cases (JT) were over reported by 19.81% (184 cases). **JPAS compared to OBE** **FY 2011** • Non-misdemeanor cases (JM) were over reported by 34.48% (1,098 cases). • Traffic misdemeanor cases (JT) were over reported by 5.05% (116 cases). **FY 2012** • Traffic misdemeanor cases (JT) were underreported by 9.04% (84 cases). • The case number difference for over/underreporting of other civil and eviction cases is similar. Possible eviction cases were categorized as other civil cases.
Work Paper Reference: **(or other method by which finding was identified)**	Work paper 11A.2 Comparison of activity reports submitted by the court to OCA website, OBE and JPAS filed cases as counted and analyzed by the auditor.
Condition: **(Describe the current condition)**	Court clerk assignments include processing traffic, IBC, other class C misdemeanor, evictions, civil, or small claims cases. In addition, the court clerks and bookkeeper manually capture case activity, disposition and payment information on a daily basis. Monthly data logs are manually prepared by the court clerks and bookkeeper for the chief clerk. The chief clerk compiles a monthly summary of case activity, disposition, and payment information based on data provided and submits to OCA, OBE, and Audit without complete cross reference to the JPAS or validation of totals. Automated traffic case filing numbers are retrieved daily by court personnel accessing Document Direct.
Criteria: **(Describe the optimal condition)**	Government Code Section 71.035(b) and Texas Administrative Code Sections 171.1 and 171.2 requires all activity reports to be accurately and timely completed and mailed (or updated via the Internet) to the council (Texas Judicial Council/OCA) no later than 20 days following the end of the month reported. Local Government Code 114.002 authorizes the County Auditor to determine the time and manner for making reports to the auditor. The County Auditor has determined that activity reports should be provided to the Internal Audit section no later than 20 days following the end of the month reported. 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.
Cause: **(Describe the cause of the condition if possible)**	Mathematical errors and lack of automated tracking system.
Effect: **(Describe or quantify any adverse effects)**	Inaccurate statewide court analysis by OCA. Errors in projected staffing levels or expected revenue based on statistical reporting.

Recommendation: (Describe corrective action)	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 4-1
Management's Response:	☐ Agree ☐ Disagree **Respondent:** **Date:**
Comments:	
Disposition:	☒ Audit Report ☐ Oral Comment ☐ Deleted From Consideration

Finding Number:	12-JP4.1-01-09 – Special Fund Reconciliation
Date:	April 15, 2013
Audit:	Justice of the Peace 4-1 Audit FYE 2011 and 2012
Auditor(s) Assigned:	RL

Finding:	**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: • One duplicate refund of filing fees totaling $61 resulting from original disbursement not posted to the case on the JPAS • One duplicate cash bond disbursement totaling $500 **Status**: Court attempted to recover duplicate payment but defendant did not respond. Court was advised to contact Civil DA for assistance. • Six disbursements totaling $952.30 not posted to the JPAS • Three cancellations totaling $640 not posted to the JPAS • Stale dated checks totaling $2,055.50 not posted to the JPAS • One disbursement incorrectly posted to the JPAS for $69.40 less than issued (funds no longer available in Special Fund) • One cancellation posted with the wrong check number to the JPAS (used receipt number) • Multiple instances of disbursements and offsetting cancellations not posted to the JPAS (net case balance effect is zero) • One refund of court costs and fine for a 'no insurance' case <u>six years after</u> defendant plead no contest and a judgment entered Old case balances (approximately $318,871 of $409,104 balance as of 10/6/2012 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. Forfeiture proceedings were not initiated against defendants to forfeit cash bonds when defendants failed to appear (approximately $252,900 in cash bonds are over four years old).
Work paper Reference: (or other method by which finding was identified)	Work paper No. 12A & 12C and Special Fund Reconciliation FY2011- FY2012
Condition: (Describe the current condition)	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.

	The bookkeeper inconsistently posts cancellations and stale dated checks to the JPAS based on notices received from the County Treasurer. Limited research of old case balances (approximately $318,871 of $409,104 system balance as of 10/6/2012 over three years old) remaining in the special fund account for disbursement or escheatment.
Criteria: **(Describe the optimal condition)**	Best practices regarding cash control require that: • All special fund disbursements and cancellations should be timely and accurately posted to the JPAS. Fund balances must be reconciled against control records (GL and bank statement). • Special fund reports should be reviewed on a periodic basis and disbursements should be made to the appropriate parties in a timely manner. Inactive case balances should be reviewed in accordance with unclaimed property statutes, V.T.C.A., Property Code, § 72 and § 76, and escheated either to the County Treasurer (if $100 or under) or the State of Texas (if over $100). 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. In accordance with Code of Criminal Procedure, Art. 103.008, Correction of Costs, on the filing of a motion by a defendant **not later than one year after the date of the final disposition** of a case in which costs were imposed, the court in which the case is pending or was last pending shall correct any error in the costs.
Cause: **(Describe the cause of the condition if possible)**	Limited staff time to research old items and weak system functionality. Clerical errors and unposted disbursements and cancellations.
Effect: **(Describe or quantify any adverse effects)**	Deferred research: • 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: • Undetected posting errors resulting in potential for overpayment and unrecoverable losses. • Additional staff time to research and correct posting errors.
Recommendation: **(Describe corrective action)**	Special fund procedures should include: • All checks issued or canceled posted accurately and timely to the JPAS (reconciliation of JPAS to GL) and verified/reviewed by the chief clerk. A funding source should be identified for all overpayments, or funds should be recovered from the party overpaid. A management plan including reconciling GL and bank account should be developed and implemented to periodically review the detailed special fund report in order to clear old items on disposed cases. Escheat analysis and stale dating should be managed in accordance with unclaimed property statutes, V.T.C.A., Property Code, § 72 and § 76. (see website:

	http://www.window.state.tx.us/up/forms.html) 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.					
Responsible Department or Organization:	Justice of the Peace 4-1					
Management's Response:	☐ Agree	☐ Disagree	Respondent:		Date:	
Comments:						
Disposition:	☒ Audit Report		☐ Oral Comment		☐ Deleted From Consideration	

Finding Number:	12.JP4.1-01-10- Time & Attendance
Date:	April 15, 2013
Audit:	Justice of the Peace 4-1 Audit FYE 2011 & 2012
Auditor(s) Assigned:	RL

Finding:	**Time & Attendance** Observation of office schedules and review of manual time and attendance records and Kronos time and attendance system postings revealed: • One instance where an employee left early and did not update KRONOS record. • The court is open to the public from 8:00 A.M. – 4:00 P.M. Employees continue to work until 4:30 P.M. • Full-time regular employees take 50 minutes for lunch with no breaks. Lunch is recorded as 30 minutes in the KRONOS time and attendance system. • Two instances in which KRONOS postings did not agree with manual attendance records. • Instances of non-exempt employee's original clock-in time changed to a later time without reason code.
Work paper Reference: (or other method by which finding was identified)	Work papers 13A, 13B and 13C.2 review of time and attendance
Condition: (Describe the current condition)	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 with instances of bi-weekly pay period 'sign off' defaulting to system-wide sign-off.
Criteria: (Describe the optimal condition)	According to Dallas County Code, Section 82.32, **Work hours scheduling:** (b) *Office hours.* An elected official/department head, with the approval of the commissioners court, has the right to establish and schedule reasonable work hours, rules and working conditions in a manner most advantageous to the county in accomplishing its service and work requirements. Compensatory time and overtime are also scheduled by the elected official/department head according to appropriate county policies. County offices, excluding 24-hour operations, are expected to remain open between the hours of 8:00 a.m.-4:30 p.m. and remain open during the noon hour. Employees should verify office hours and work hours with their supervisor. (c) *Breaks and lunch periods.* An elected official/department head may also establish breaks and lunch periods for their employees. Employees may be granted one break of ten minutes for each four hours worked. Employees are paid while on break. A lunch period may be 30 minutes to an hour depending on the work schedule approved by the elected/appointed official/department head. Lunch periods are in addition to the regular eight-hour work period and shall not be combined with breaks. Employees are not paid during their lunch period; therefore, they should be completely relieved of all duties and be free to leave their post of duty. According to Dallas County Code Sec. 82-175, Supervisory responsibilities: (a) Supervisory responsibilities fall to the elected official, department head or their designee. (b) Supervisors are responsible for informing their employees about which time entry method (time clocks, on-line entry or time sheets) they shall use to record their time and attendance. 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. Only supervisors have the authority to correct employee time record errors or omissions.

(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. 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)	Inaccurate application of county time and attendance policies.
Effect: (Describe or quantify any adverse effects)	Official time and attendance records do not accurately reflect time worked and taken.
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. Each employee should affirm bi-weekly time paid / leave balances expended through review of pay slip on Employee Self-Service (ESS) application. Historical edits should be submitted to the Payroll Hotline to reflect correct leave types and time taken on Kronos.
Responsible Department or Organization:	Justice of the Peace 4-1

Management's Response:	☐ Agree	☐ Disagree	**Respondent:**		**Date:**	

Comments:	

Disposition:	☒ Audit Report	☐ Oral Comment	☐ Deleted From Consideration