

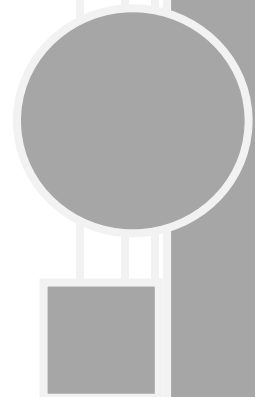


# AUDIT REPORT

DALLAS COUNTY

2019 JUSTICE OF THE PEACE PRECINCT 1, PLACE 1 AUDIT

Darryl D. Thomas  
Dallas County Auditor  
ISSUED: February 25, 2021  
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# 2019 JUSTICE OF THE PEACE PRECINCT 1, PLACE 1 AUDIT

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This report is intended for the information and use of the agency/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



**DALLAS COUNTY**  
COUNTY AUDITOR

**MANAGEMENT LETTER**

Honorable Judge Thomas G. Jones  
Justice of Peace, Precinct 1, Place 1  
Dallas, Texas

Attached is the County Auditor's final report entitled "**2019 Justice of the Peace Precinct 1, Place 1 Audit**" Report. In order to reduce paper usage, a hard copy will not be sent through in-house mail except to the auditee.

If you prefer that released reports be emailed to a different (or additional) recipient, please inform me of the name and the change will be made.

Respectfully,

A handwritten signature in black ink that reads "Darryl D. Thomas".

Darryl D. Thomas  
County Auditor

## EXECUTIVE SUMMARY

A review was performed in accordance with statutory guidelines on the records and reports of Justice of the Peace, Precinct 1, Place 1 for fiscal year ended 2019. We have identified priority areas of risk which need consideration by management.

### **Summary of Significant Observations:**

- **Special Fund Activities and Reconciliation:** Management did not ensure Special Fund activities were timely reviewed, reconciled and escheated to the appropriate parties for cases older than three years. As a result, the Special Fund balance is \$525,893.06 of which \$504,588.52 still remain in the Special Fund Account.
- **Internal Control Questionnaire:** Court management fail to implement internal control processes over case recording and administration.
- **Case Deletions:** 80 cases were deleted without supervisory review, including one deleted outside of business hours. There are no means to determine if financial activity was recorded to the deleted cases.
- **Fee and Fine Assessment and Collection:** 26 out of 40 (65%) cases were noted with error and omission pertaining to applying incorrect partial payment, not assessing proper court cost & fee and not updating cases with correct court information to JPAS.
- **No Judgment/Plea Cases:** 71 disposed cases in which a plea was not posted in JPAS and 31 cases were disposed but a dismissal, DA dismissal, or judgment date was not posted in JPAS.

### **Repeat observations from previous Audit:**

- Checks were disbursed/canceled without properly posting into Justice of the Peace court system. Balance over three years old remain in the special fund account.
- Inconsistency noted pertaining to posting partial payment, assessing court cost and collections fee, receipting to fee type and JPAS docketing.
- Case jackets requested for audit review were not located in the court's records or in the County's archives
- All clerks are authorized to update, modifying court cost and fine, approve community service and all clerks possess the Judge's signature stamp.

## INTRODUCTION

**Dallas County Auditor's Office mission is to provide responsible, progressive leadership by accomplishing the following:**

- Comply with applicable laws and regulations
- Safeguard and monitor the assets of the County utilizing sound fiscal policies
- Assess risk and establish and administer adequate internal controls
- Accurately record and report financial transactions of the County
- Ensure accurate and timely processing of amounts due to County employees and vendors
- Set an example of honesty, fairness and professionalism for Dallas County government
- Provide services with integrity
- Work in partnership with all departments to resolve all issues of the County
- Strive to utilize the latest efficient and effective technology in the performance of tasks
- Provide technical support and training in the development, implementation, and maintenance of information systems
- Hold ourselves accountable to the citizens of the County at all times
- Be responsive to the elected officials and department heads of Dallas County

The objectives of this audit are to:

1. Ensure compliance with statutory requirements
2. Evaluate internal controls
3. Verification of accuracy and completeness of reporting
4. Review controls over safeguarding of assets

This audit covered the period of October 1, 2018 through September 30, 2019.

The audit procedures will include interviews with key process owners, observation of transactions processing, data analysis and sample testing of transactions. The main system used will also be reviewed and incorporated as part of the testing of transactions.

## DETAILS

### **Special Fund**

We reviewed the Special Fund activities (period ending September 30, 2019) and identified:

- The Special Fund balance is \$525,893.06 of which \$504,588.52 is for cases older than 3 years.
  - The \$525,893.06 balance per JPAS is \$5,241.89 more than the \$520,651.17 bank balance, as a result of incomplete JPAS records.
- The court did not complete the FY2019 Special Fund reconciliation by the start of the audit (7/15/2019). **Status: The court completed the FY2019 Special Fund reconciliation on 09/02/2020.**
- 53 disbursement checks totaling \$9,968.79 were not posted to JPAS.
- 24 check cancelations totaling \$5,500.76 were not posted to JPAS.
- Nine cases in which Special Fund checks totaling \$45 were issued to the incorrect payee.
- Three cases in which the court posted the wrong check number on the JPAS payment screen.
- Three cases in which the court did not posted Special Fund checks until after 125 days.
- Two cases in which the Special Fund check was issued, but has not been posted to JPAS.

In accordance with Local Government Code Section 113.008, an official with Special Funds shall reconcile all balances and transactions in the statement of activity against the balances of the official's records (JPAS, case jackets, and general ledger) each month. Management should escheat funds per Property Code, § 72 and § 76 and cash bonds should be forfeited per Code of Criminal Procedure § 22. The Special Fund is intended to be a temporary escrow account, and the court has not escheated the \$504,588.52 balance which contains overpayments and cash bonds paid by parties. Management did not ensure Special Fund activities were timely reviewed and reconciled to detect check disbursements and cancelations errors and omissions. The Special Fund is intended to be a temporary escrow account. Parties entitled to funds did not receive them and may not realize they are held in escrow by the court. Without effective review and oversight disbursement checks may be sent to the incorrect payee, financial records in JPAS may be incomplete or be posted with errors.

### **Recommendation**

#### **Special Fund**

Management should make the following corrective actions:

- Contact parties to claim the \$504,588.52 in Special Funds held in escrow.
- Post the 53 Special Fund checks totaling \$9,968.79 and 24 cancelations totaling \$5,500.76 to JPAS.
- Seek the return of the \$45 issued to the wrong payee and issue the fund to the correct payee.
- Post the correct check number to the three cases in JPAS.
- Reconcile Special Fund balances and transactions from the General Ledger against JPAS each month.

- Ensure Special Fund check disbursements and cancelations are accurately and completely posted to cases in JPAS after the completion of monthly reconciliations.
- Review Special Fund reports and routinely escheat Special Funds in accordance with unclaimed property statutes, Property Code, § 72 and § 76.
- Forfeit cash bonds in accordance with Code of Criminal Procedure § 22.

### **Management Action Plan**

- We have attempted to correct check numbers to the three cases in JPAS but were told we are unable to make changes to JPAS because then that will require a change into the deposit from 2019 and per Treasury department we are unable to make that kind of change. We are currently working on Special Funds report.

### **Auditors Response**

None

### **Internal Control Questionnaire and Observations**

We reviewed the responses from the Internal Control Questionnaire (ICQ), dated 7/17/2020 and identified:

- Chief Clerks authorize Time Served for defendants at the court, other than the Judge.
- Management stated there are no controls to restrict users from inappropriately modifying electronic court records.
- The court does not ensure case files are reviewed for accuracy and completeness before disposing the case.
- Document Direct reports are not reviewed by management, including:
  - JPAS exception reports for voided cases.
  - Defendant/ Plaintiff Log reports for instances of deleted cases.
- Non-receipt credits are not recorded to JPAS when defendants serve time or perform community service.

Per the Code of Criminal Procedure (CCP) 42.03 and 45.041, the judge shall credit the defendant for time served in jail. The credit shall be applied to the amount of the fine and costs. Per Texas Attorney General (AG) Opinion JH-386, "A justice of the peace may not delegate to any other person the exercise of judicial powers and duties devolved upon him by the Constitution or statutes of the state." Management is responsible for designing, implementing and conducting internal control, and in assessing its effectiveness as emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Management should periodically review Transaction Logs, JPAS Case Index Reports, Defendant/ Plaintiff Log reports and Exception Reports (especially with respect to receipt deletions, lowered amounts, payment type changes, and agreeing the daily closeout) and other reports of case activities to ensure that errors and omissions are detected. Management did not enforce (CCP) 42.03 and 45.041. Court management has access to Document Direct, but does not utilize reports to monitor JPAS postings and court activities. Without management oversight, transactions can be voided and cases can be deleted without segregation of duties. Waivers, credits

and dismissals may be inappropriately granted when parties with access to a judge's stamp use it without an audit trail. The accuracy and completeness of the court's financial record is diminished when credits for community service, time served, and indigence are not recorded.

**Recommendation**

**Internal Control Questionnaire and Observations**

Management should make the following corrective actions:

- Comply with CCP 42.03 and 45.041 by not permitting anyone other than the Judge from granting time served credits to defendants.
- Review case files for accuracy and completeness before disposing the case.
- Ensure credits for community service, time served, and indigence is recorded to JPAS after being granted by the Judge.
- Routinely monitor Defendant/Plaintiff Log Reports for case deletions and communicating with staff when they occur.
- Periodically review Case index Reports to monitor docketing and court activities.
- Routinely review Exception Reports from JPAS to monitor computer voids and ensure the timely detection of errors and omissions by court staff.
- Review Transaction Logs and the JKDS Report to ensure the accuracy and completeness of cash receipts.

**Management Action Plan**

- Time served is now currently being approved by the Judge unless the Judge authorizes management to grant. We have created a written inventory record to maintain and track judge signature stamps. We have now implemented all time served and community service to be receipted as non-receipts in JPAS.

**Auditors Response**

None

**Case Deletions**

We reviewed all FY2019 Defendant/Plaintiff Log Reports and identified 80 cases were deleted without supervisory review, including one deleted outside of business hours. There are no means to determine if financial activity was recorded to the deleted cases. As a best practice, management should periodically review D/P Logs and Exception Reports (especially with respect to receipt deletions, lowered amounts, payment type changes, and agreeing the daily closeout) to ensure that errors and omissions are detected and reviewed. There is limited system functionality for assigning security roles and rights in JPAS, which allow court



staff to delete cases without segregation of duties. Management does not monitor Defendant/Plaintiff Reports to detect case deletions. As a result, assets can be misappropriated and not be detected when whole cases are deleted from JPAS. Deleting cases can result in the loss of receipt records, case notes, docketing information, and other actions posted by the court without an audit trail.

**Recommendation**

**Case Deletions**

Management should make the following corrective actions:

- Not permit staff to delete cases.
- Routinely monitor Defendant/Plaintiff Log Reports for case deletions and communicating with staff when they occur.
- Review circumstances surrounding each case deletion to understand the effect and impact.
- Work with Dallas County IT to limit system rights and roles based on the user's core job duties.

**Management Action Plan**

- No response received

**Auditors Response**

N/A

**Fee and Fine Assessment and Collection**

We reviewed 40 cases for appropriate assessment and collection of court costs, fines, and fees and accurate posting to the Justice of the Peace Accounting System (JPAS) and identified:

- 18 disposed cases in which the return date field for an issued warrant or capias were not entered on the JPAS docket screen. Issued warrants should have both an issue and return date posted.
- Nine cases in which the fees and fines were not posted according to the fee schedule.
- Four cases in which the time payment fee was not assessed and collected.
- Three cases in which the court did not collect the correct collection fees.
- Three cases in which the partial payments were not properly posted to JPAS.
- Two cases in which the court did not assess and collect the correct amount for warrants issued.
- Two cases in which the collection fees were waived by the court without a valid and qualifying justification.
- Two cases were paid in full, but the judgment date was not entered in the JPAS docket screen.
- One case in which the FTA fee was assessed and collected, but the amount was not posted on the JPAS docket screen.

- One deferred disposition case in which the deferred disposition date was not posted on JPAS docket screen.
- One disposed Parks and Wildlife cases in which 85% of the fine was not paid to the Texas Parks and Wildlife Department.
- One disposed Truancy case in which half the fine was not paid to the filing ISD.

Court costs, fines, and fees should be assessed, collected, and prorated in compliance with applicable state laws including Code of Criminal Procedure (CCP) Chapters 45 and 102 and Local Government Code Chapter 133, Commissioners Court orders, and Attorney General Opinion GA-0147. Court costs should be assessed based on offense date and offense type. Consistent with CCP Chapter 45.017, the JPAS Docket screens should be updated as cases are filed, as additional court costs are added, as the date judgment is rendered, as the date warrants are returned, and as changes in fines or special expense amounts are ordered by the Judge. Per Dallas County Commissioners Court Order 2004-1147, the remaining balance will not be waived in any way but continue to be outstanding until the Collection Amount is paid in full (unless the case dismissed by a court; or a time-served, community service, or Indigence order is granted). Consistent with Parks and Wildlife Code Chapter 12.107, a justice of the peace shall send 85% of the fine to the department within 10 days after the date of collection. According to the Education Code 25.093, one-half of the fine collected shall be sent to the school district in which the child attends school. These instances occurred due to non-compliance with state statutes, clerical errors and omissions from manual case entries, and inadequate JPAS system functionality that requires the manual entry of assessments and payments. Management did not ensure portions of fines were distributed to the proper recipients, and manually removed collection fees. These errors and omissions may result in the inadequate collection of court costs and fine amounts and an incorrect distribution and disbursement of funds contractually and statutorily owed to other parties.

### **Recommendation**

#### **Fee and Fine Assessment and Collection**

Management should make the following corrective actions:

- Docket cases as events occur, such as: the assessment of additional court costs (including administrative fees, time payment fees, warrant or capias fees, etc.); fine amounts reduced by the Judge; judgments rendered by the court; deferred disposition is granted; and warrants returned by the court.
- Review case records, dockets, and payments for accuracy and completeness before disposing the case.
- Ensure all court personnel consistently follow court guidelines, Commissioners Court Orders, and Texas Statutes (CCP Ch.45, 102 and L.G.C. Ch.133).
- Waive collection fees only for cases dismissed by the court and for amounts satisfied through time-served or community service, or if the court has determined that a Defendant is indigent per Dallas County Commissioners Court Order 2004-1147.
- Remit 85% of the fine to the Parks and Wildlife for qualifying cases per Parks and

Wildlife Code Chapter 12.107.

- Remit one-half of the fine collected to the school district or qualifying cases per Education Code 25.093.

**Management Action Plan**

- No response received.

**Auditors Response**

N/A

**No Judgment/Plea Cases**

We reviewed a report of 71 disposed cases without a judgment date or plea and identified:

- 71 disposed cases in which a plea was not posted in JPAS
- 31 cases were disposed, but a dismissal, DA dismissal, or judgment date was not posted in JPAS.

The JPAS docket screen should be updated with a plea of nolo contendere (when the defendant has not entered a prior plea) and judgment when web or mail payments are accepted by the court as full payment in accordance with CCP Article 27.14(c). Per CCP Article 45.017 (a) the judge of each court shall keep a docket containing the judgment and sentence of the court, and the date each was given. This occurred because JPAS date fields, case records, and system reports were not reviewed for accuracy and completeness before disposing cases. As a result, the court's docket records may be incomplete and inaccurate.

**Recommendation**

**No Judgment/Plea Cases**

Management should make the following corrective actions:

- Correct plea and judgment omissions in JPAS.
- Docket cases as events occur, such as pleas offered by the defendant, judgment and sentence of the court, dismissals and appeals, and the date each was taken.
- Review case records and dockets for accuracy and completeness before disposing a case.
- Review Document Direct Reports to detect errors and omissions on disposed cases in JPAS.

**Management Action Plan**

- Staff development and training informs all clerks that no case information is to be deleted from the system. Management agrees that we are responsible for reviewing our case files to ensure accuracy and completeness when a case is disposed

## **Auditors Response**

None

### **Dismissed Cases**

We reviewed 20 dismissed cases and identified:

- Six cases in which the judge's stamp was used to grant the DA's motion to dismiss; however, we could not verify who used the stamp because the clerk's initials were not documented (JT0216721H, JT0468527H, JT0699167H, JT1103664H, JT17M0623H, JT1845532H).
- One case was dismissed without the DA's motion, indigence order, time served order, or community service order signed by the judge in the case file (JM9505269H).
- One case file requested for audit review was not located in the court's records or County Archives; therefore, we could not verify the dismissal (JT0806458H).

Per Code of Criminal Procedure (C.C.P) Article 32.02, the attorney representing the State may dismiss a criminal action at any time upon filing a written statement with the papers in the case setting out his reasons for such dismissal, which shall be incorporated in the judgment of dismissal. No case shall be dismissed without the consent of the presiding judge. According to the Texas Court of Criminal Appeals, "A trial court has no "general authority" to dismiss a criminal case without the prosecution's consent except as provided by statute, common law, or constitutional provision (See State v. Johnson, 821 S.W.2d 609, 613; Tex.Crim.App.1991)." Per Texas AG Opinion JH-386, "A justice of the peace may not delegate to any other person the exercise of judicial powers and duties devolved upon him by the Constitution or statutes of the state." Per C.C.P. Art 45.017 (a) the judge of each court shall keep a docket containing the judgment of the court and the date each was given. Local Government Code (LGC) 115.901 states the county auditor shall examine the accounts, dockets, and records of each justice of the peace to determine if any money belonging to the county and in the possession of the officer has not been accounted for and paid over according to law. Per Dallas County Code Section 98-6 (a) Elected officials who designate themselves as the records management officer for their office will cooperate with the Commissioners Court and the county records management officer on records management issues. Court management did not adhere to CCP 32, CCP 45, LGC 115.901, and AG Opinion JH-386; did not prevent staff from dismissing cases, including DA (prosecution) motions for dismissal without judicial approval; and did not ensure all requested supporting documentation was reviewed for completeness and included in the case file. The court stores paper records in files and utilize a manual system for categorizing and tracking case jackets stored remotely. As a result, assets may be misappropriated when dismissals are granted without supporting authorization (signatures) and when cases are not reviewed by the court for completeness of supporting documentation. Missing case jackets increase the risk that assets may be misappropriated and not detected through examination of the case jacket and its contents.

## **Recommendation**

### **Dismissed Cases**

Management should make the following corrective actions:

- Locate the missing case file and present them for audit review.
- Require that judicial decisions, including DA (prosecution) motions for dismissal, are

authorized by the Judge with the Judge's signature.

- Comply with CCP Article 32, CCP Article 45, and AG Opinion JH-386.
- Ensure case records are accurate and reflect a complete account of case activities.
- Ensure case files are made available to the County Auditor for examination per LGC 115.

### **Management Action Plan**

- No response received

### **Auditors Response**

N/A

### **Disposed Cases**

We reviewed 20 disposed cases and identified:

- Five disposed cases did not have the judge's signature approving community service.
- One case was disposed with case notes "Per Judge case dismissed", but there is no DA signed motion, indigence paperwork, time served, or community service order signed by the judge in the case file.
- One case file requested for audit review was not located in the court's records or County Archives to corroborate the judgment of the court.

Per Code of Criminal Procedure (CCP) Article 32.02, the attorney representing the State may dismiss a criminal action at any time upon filing a written statement which shall be incorporated in the judgment of dismissal. No case shall be dismissed without the consent of the presiding judge. According to the Texas Court of Criminal Appeals, "A trial court has no "general authority" to dismiss a criminal case without the prosecution's consent except as provided by statute, common law, or constitutional provision (See State v. Johnson, 821 S.W.2d 609, 613; Tex.Crim.App.1991)." Per Texas AG Opinion JH-386, "A justice of the peace may not delegate to any other person the exercise of judicial powers and duties devolved upon him by the Constitution or statutes of the state." Per CCP Art 45.041 the judge shall determine whether the fine and costs should be discharged by community service. Local Government Code (LGC) 115.901 states the county auditor shall examine the accounts, dockets, and records of each justice of the peace to determine if any money belonging to the county and in the possession of the officer has not been accounted for and paid over according to law. Per Dallas County Code Section 98-6 (a) Elected officials who designate themselves as the records management officer for their office will cooperate with the Commissioners Court and the county records management officer on records management issues. These instances occurred because Court management did not adhere to CCP 32, CCP 45, and LGC 115.901; did not prevent staff from dismissing cases without judicial approval; and did not ensure all requested documentation was received and included in the file prior to case disposition. The court stores paper records in files and utilize a manual system for categorizing and tracking case jackets stored remotely. As a result, assets may be misappropriated when dismissals are granted without supporting

authorization (signatures) and when disposed cases are not reviewed by the court for completeness of supporting documentation. Missing case jackets increase the risk that assets may be misappropriated and not detected through examination of the case jacket and its contents.

**Recommendation**

**Disposed Cases**

Management should make the following corrective actions:

- Locate the missing case file and present it for audit review.
- Require that judicial decisions, including DA (prosecution) motions for dismissal, are authorized by the Judge with the Judge's signature.
- Comply with CCP Article 32 and 45.
- Ensure case records are accurate and reflect a complete account of case activities.
- Ensure case files are made available to the County Auditor for examination per LGC 115.

**Management Action Plan**

- Judicial decisions are signed off with Judge's signature or stamp when a DA motions for dismissal. We have also implemented all cases to be turned in to be checked for accuracy after case activities on a daily basis.

**Auditors Response**

None

**Warrants**

We reviewed the JP Warrant Error Report, dated 07/23/20, and identified five cases without a balance due or marked inactive (disposed) have an active warrant. These cases require additional follow up by the court to process the warrant recall. Management should review the warrant error report and recall warrants when appropriate. Per the Code of Criminal Procedure (CCP) Article 45, "A justice or judge shall recall an arrest warrant for the defendant's failure to appear if the defendant voluntarily appears to resolve the amount owed and the amount owed is resolved." The court shall recall a capias pro fine under the same conditions. These instances occurred because while the court monitors the Warrant Error Report, there is not a process coordinated with the Constable's office to timely recall warrants. As a result, this poses a potential liability to the County for persons arrested in error.

**Recommendation**

**Warrants**

Management should make the following corrective actions:

- Recall warrants and capias on disposed cases consistent with CCP Article 45.
- Consistently review the Warrant Error Report to recall active warrants on disposed cases and those paid in full.
- Communicate active warrant discrepancies with the Constable's office.

**Management Action Plan**

- Warrants have then been recalled. The Warrant Error Report is also being checked every Monday by management.

**Auditors Response**

None

**Computer Receipts**

We reviewed all 36 computer receipts voided in FY2019 and identified:

- Eight computer receipts either were not marked void, did not have an explanation for voiding, the court did not retain both receipt copies, and the voids were not reviewed by the supervisor.
- Six voided computer receipts were subsequently re-posted, but backdated one day before the original transaction.
- Two computer receipts cannot be located by the court. One receipt was voided without an explanation or approval.
- One computer receipt was partially voided for a portion of the original amount, rather than voiding the receipt in full.

The court's voiding procedure is to mark receipts "Void", document a reason for voiding, ensure all receipt copies are retained by the court, and obtain dual sign off approval on all voided receipts. Computer receipts should be voided for the complete original amount of the transaction. Receipts should be posted to JPAS with the same date the transaction was made. Payments should not be backdated in JPAS. JPAS reporting through Document Direct provides the JP courts with the capability to review exception reports, voided transactions and transaction logs (especially with respect to receipt deletions, lowered amounts, payment type changes, and agreeing the daily closeout), and to ensure that errors and omissions are detected. Consistent with Texas's Retention Schedule for Records Section 2-2 (Record #GR1025-27a) deposit warrants, cash receipts, credit card receipts, receipt books, cash reports, and daily cash drawer reconciliations should be maintained for a minimum of three years from the date of receipt. These instances occurred because the court's receipting and voiding procedures were not followed. The Court did not adhere to Texas's Retention Schedule for Records or review Exception Reports from JPAS. Not adhering to the court's procedures and Texas's Retention Schedule for Records may result in inaccuracies, delays, and present opportunities for misappropriation.

**Recommendation**

**Computer Receipts**

Management should make the following corrective actions:

- Follow the court's receipting procedures for voiding transactions.
- Mark computer receipts "Void" with a written explanation when receipts are voided at the court.
- Retain all computer receipts and all voided receipts in compliance with Texas's Retention Schedule for Records Section 2-2 (Record #GR1025-27a).
- Document the review of void transactions by management in writing and ensure void duties are appropriately segregated.
- Ensure receipts are completely voided for the entire amount, rather than voiding for partial amounts of the original.
- Require all receipts are posted on the same day the money is collected and not backdated to earlier dates in JPAS.
- Periodically review Exception Reports from JPAS to monitor voided computer receipts and ensure the timely detection of errors and omissions.

### **Management Action Plan**

- All receipts are being monitored to make sure they are being documented when voided. We have implemented a policy to all bookkeepers not to backdate to earlier dates when receipting.

### **Auditors Response**

None

### **Credit Cards**

We reviewed all online credit card payments and postings to JPAS during FY2019 and identified:

- Six online credit card transactions were receipted to JPAS after nine business days (JT1848907H, JT1307333H, JT1849412H, JT1846142H, JT0859856H, and JT1842485H).
- One online credit card transaction was made for \$350.30, but was receipted for \$327.23 in JPAS (JT1417111H). The court has not receipted the remaining \$23.07.
- One credit card payment was posted to JPAS, but backdated one day earlier than when the payment was made (JT1213920H).

The entire amount of each online credit card payment should be receipted to the defendant's case in JPAS by the following business day, but no later than the fifth day after the day money was received per Local Government Code 113.022. Payments should not be backdated in JPAS. The court did not ensure six online credit card payments were timely posted to JPAS and that one payment was posted for the correct amount. As



a result, defendants may not receive timely credit for payments made to their cases and backdating affects the accuracy of the financial records.

**Recommendation**

**Credit Cards**

Management should make the following corrective actions:

- Post the remaining \$23.07 to the case.
- Receipt all credit card payments to JPAS the following business day.
- Provide oversight by reviewing JP Credit Card and Settlement Reports against payments posted to JPAS to ensure all payments are accurately and completely posted.
- Not permit staff to backdate receipts to JPAS.

**Management Action Plan**

- All bookkeepers are required to process all credit card payments the next following business day onto JPAS. The court is also in the process of getting direction on how to process the \$23.07 that wasn't posted onto JPAS as the bookkeeper failed to request a credit back for an overpayment on the case. We have also implemented the policy for all clerks not to backdate any receipts on JPAS.

**Auditors Response**

None

**Manual Receipt**

We reviewed the two manual receipts voided during FY2019 and identified one was prepared and approved by the same person. Manual receipts not issued to customers should be marked "Void" with an explanation written on the receipt. Manual receipts should be reviewed by court management for accuracy and completeness and to ensure receipts are timely posted to the correct cases. The duties of preparing and reviewing voided transactions should be appropriately segregated, so that no one person is performing both functions. Management allowed a receipt to be voided without regard to segregation of duties. A lack of segregation of duties when voiding transactions may increase the risk in the misappropriation of assets and loss of revenue.

**Recommendation**

**Manual Receipt**

Management should make the following corrective actions:

- Review and approve voided receipts and document the reviewer's initials on each

receipt.

- Ensure the preparation and review of voided receipts is appropriately segregated.

### **Management Action Plan**

- Skipped manual receipts should be reported to the supervisor/management before being marked "VOID". Additionally an explanation must be dated and noted on the receipt. Also, we have a VOID Log Book that we document all voided receipts and must be approved by supervisor/management. We have adopted and implemented the auditor's recommendations regarding manual receipts.

### **Auditors Response**

None

### **Civil Fees**

We reviewed 15 civil cases brought by a non-government entity from the Justice Fee Exception List and identified two eviction cases were initially set up in JPAS with an incorrect case number, but a reason was not provided in the JPAS comments to reference the correct case number. Each clerk shall keep a file docket which shall show in convenient form the number of the suit, the names of the attorneys, the names of the parties to the suit, and the nature thereof, and, in brief form, the officer's return on the process, and all subsequent proceedings had in the case with the dates thereof, consistent with Rules 25 and 524 of the Texas Rules of Civil Procedure. This occurred due to clerical errors made in the manual process of setting up new cases, and were not detected through reviewing the Justice Fee Exception List. As a result, JPAS docketing errors may occur when civil case filings are not reviewed by the court for completeness and accuracy.

### **Recommendation**

#### **Civil Fees**

Management should make the following correct actions:

- Add comments to the two cases indicating they were set up in error and reference the correct case number
- Review the Justice Fee Exception List from Document Direct for civil cases filed without a payment and for posting errors.
- Ensure case records are accurate and reflect a complete account of case activities.

### **Management Action Plan**

- We have adopted your recommendations.

### **Auditors Response**

None

cc: Darryl Martin, Commissioners Court Administrator