

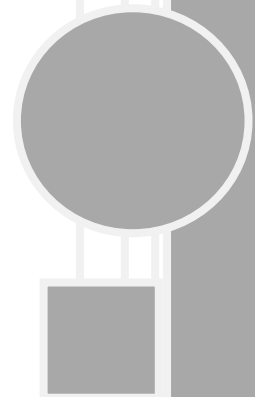


# AUDIT REPORT

DALLAS COUNTY

JUSTICE OF THE PEACE PRECINCT 1, PLACE 2 FY2018

Darryl D. Thomas  
Dallas County Auditor  
ISSUED: August 23, 2019  
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# JUSTICE OF THE PEACE PRECINCT 1, PLACE 2 FY2018

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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 Valencia Nash  
Justice of Peace Precinct 1, Place 2  
Dallas, Texas

Attached is the County Auditor's final report entitled "**Justice of the Peace Precinct 1, Place 2 FY2018**" 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 blue ink that reads "Darryl D. Thomas". The signature is fluid and cursive.

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 2 for fiscal year 2018. We have identified processes with differing risk factors for consideration by management.

### **Summary of Significant Observations**

- Manual Receipts written contain several clerical errors and voids are not reviewed by management.
- Computer Receipts written and voids do not follow proper receipts handling procedures.
- Cases are deleted without supervisory review and also cases are deleted outside the court official business hours.
- Appeal cases are dismissed without obtaining proper documentation such as, DA Motion or Judge Signature.
- Cases without a balance due or disposed have an active warrant.
- Online credit card payment delayed between 31 to 104 days posting to JPAS.
- Failure to timely update the JPAS docket screen resulted Special Fund balance variance between JPAS record and Bank balance.
- Case files could not be located in the court or in the County Archives.
- Inconsistency assessing, collecting, applying and posting proper court costs, fees and fines.

### **Repeat observations from Previous Audits:**

- Lack of written policies and procedures for receipting and voiding transactions.
- Inadequate training of staff and lack of management oversight over deletion of cases.
- Inconsistency in updating the misdemeanor docket screen to accurately reflect action imposed by the court including the court costs and fine amount due on any given case.
- Lack of management oversight over recalling and issuing warrants.
- Limited staff training on performing Special Fund reconciliation, posting disbursement and resolving outstanding issues.
- Case files could not be located in the court or in the County Archives.
- Inconsistency assessing, collecting, applying and posting proper court costs, fees and fines.

## 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, 2017 through September 30, 2018.

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

### **Manual Receipts**

We reviewed 98 manual receipts issued in FY18 and identified: eight manual receipts where the case number did not agree to the computer receipt; seven voided manual receipts were not reviewed by management; three manual receipts did not contain an explanation for voiding the receipt; one manual cash receipt was initially written for \$10.25, that amount was crossed out, and re-written as \$5.20 instead of voiding the receipt; and one manual receipt was not marked "Void". Management is responsible for designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. As a best practice, manual receipts containing an error should be marked "Void" with an explanation written on the receipt. Manual receipts, including voided receipts, should be reviewed by court management for accuracy and completeness. These instances occurred because the bookkeeper made an error when receipting the payment and there was no secondary review of the manual receipt and subsequent computer receipt. As a result, a lack of segregation of duties, oversight, and management review may result in potential revenue losses, misappropriation of assets, and risk of a delay in the detection of errors in manual receipts.

### **Recommendation**

#### **Manual Receipts**

Management should implement policies and procedures that include:

- Reviewing manual receipts for accuracy including the total amount, tender type, case number, transaction date, and payer name fields on the receipt.
- Ensuring all receipts containing errors are clearly marked "Void", with a written explanation for voiding the receipt.
- Documenting the review of void transactions by management and ensure void duties are appropriately segregated.

### **Management Action Plan**

JP 1 – 2 has a written bookkeeping policy and procedure.. Accordingly, management has completed a recent review of manual receipt book for fiscal year 2018, and found no other receipts containing errors not properly marked void without an explanation on the receipt.

JPAS system limitations are critical to the functionality needed to eliminate corrections of manual recording elements of the receipts by clerks to the JPAS. Nevertheless, voids and/or corrections will be processed as noted in audit findings.

Management will continue to review manual receipt daily to ensure accuracy and completeness, and document corrective actions as necessary. Management will

ensure that existing department policy is followed and executed. As such, to void a receipt, the Court's procedure requires the Bookkeeper or Back-up, who receipts the payment to void the receipt, write the reason for the void, and sign on the voided receipt.

### **Auditors Response**

None

### **Computer Receipts**

We reviewed 27 voided computer receipts and identified: 13 voided computer receipts were not reviewed by someone other than the preparer; six computer receipts were not marked "Void"; four computer receipt voids where the court did not retain the customer's receipt; three computer receipts did not contain an explanation for voiding; two computer receipts where the court voided a portion of the total amount, instead of voiding the full receipt; and one case jacket requested for audit review was not located in the court's records or County Archives. Management is responsible for designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Computer receipts that cannot be issued to customers, due to error, should be marked "Void" with an explanation written on the receipt. Receipts should be voided for the full amount and never voided in portions. All receipt copies should be retained by the court. Computer receipts voids should be reviewed by court management to ensure the duties of preparing and approving computer receipt voids are appropriately segregated and not conducted by the same individual. Per Dallas County Code Sec. 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 issues occurred because there are inadequate controls over the receipting process and lack of management oversight. Transactions are voided without notifying the supervisor and performed after the customer has left the court. The court stores paper records in files and utilize a manual system for categorizing and tracking case jackets stored remotely. The court does not utilize document imaging or other electronic means to maintain case records. As a result, a lack of segregation of duties, management and quality control review over voiding transactions may result in the misappropriation of assets and an incomplete audit trail. Additionally, when a receipt is voided after the customer leaves the court that customer is unknowingly in possession of a receipt that has been voided. Missing case jackets increase the risk that assets may be misappropriated and not detected through examination of the case jacket and its contents.

### **Recommendation**

#### **Computer Receipts**

Management should implement policies and procedures that include:

- Ensuring all copies of void receipts are retained and clearly marked "Void".

- Providing a written explanation for voiding written on the receipt.
- Documenting the review of void transactions by management and ensuring void duties are appropriately segregated.
- Periodically reviewing Exception Reports from JPAS to monitor computer voids and ensure the timely detection of errors and omissions.
- Training staff to void the full amount of receipts and not a portion of the full amount.
- Transitioning the court to an Electronic Document Imaging System.
- Maintaining, safeguarding, tracking and transferring records of the court. Files and records should be classified and inventoried before moving files off-site for ease in latter identification.
- Communicating Records Management issues to the Records Management Officer.

**Management Action Plan**

Management does not agree with the recommendation. Bookkeeping procedures are in place in writing, and have been in place and updated annually.

Additional training via staff meetings and one-on-one will continue to ensure compliance with the court procedures.

Management will continue to review reports from JPAS to make sure actions are timely, and make sure staffs are adhering to procedures.

It is the policy of the court to retain records in compliance with all statutory requirements. However where legal requirements are not established, the court will continue to employ sound business practices that best serve the interests of the court.

The court shall apply efficient and economical management methods regarding the retention, preservation, safeguarding, and disposal of court records as mandated by the County Records Management Officer.

Management believes that, based on current procedures, the internal control problem identified in findings and recommendations have been addressed, and recommendations should be closed and removed from audit findings.



### **Auditors Response**

The Court indicates that bookkeeping procedures are in place and in writing, but are not being followed by staff in all cases. We appreciate the Court's comments regarding additional training to ensure compliance.

### **Case Deletions**

We reviewed the monthly Defendant/Plaintiff (D/P) logs and identified 16 cases were deleted (two were done outside of business hours) without supervisory review. There are no means to determine if financial activity was recorded to the deleted cases. Management is responsible for designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. 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. These issues occurred due to there is limited system functionality for assigning security roles and rights in JPAS, which allow court staff to delete cases. D/P Reports are not monitored to detect case deletions. Lack of oversight and segregation of duties over the case docketing and receipting process. 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. Without oversight and segregation of duties an improper or unauthorized voiding, deleting, and adjustment of receipt records may occur.

### **Recommendation**

#### **Case Deletions**

Management should implement policies and procedures that include:

- Not permitting staff to delete cases.
- Routinely monitoring D/P Reports for case deletions and communicating with staff when they occur.
- Reviewing circumstances surrounding each case deletion to understand the effect and impact.
- Working with Dallas County IT to limit system rights and roles based on the user's core job duties.
- Establishing segregation of duties and oversight over docketing and deletion activities.

### **Management Action Plan**

Management does not agree with the recommendation. Deletions were done by Chief Clerk with approval by Judge to avoid duplication of cases.

The Auditor office is always contacted in an effort to avoid findings during this time, and was contacted prior to deletion.

Management will take into consideration to modify user permissions IN JPAS, except Chief Clerk and Clerk III's.

Management will also consider incorporating a directive to its procedures that restrict voids from being performed in the JPAS by any employee including supervision, after the end of day close out.

Management believes based on procedures in place, and actions taken to avoid findings, recommendations should be closed and removed from audit finding.

### **Auditors Response**

The Court did not provide documentation to Internal Audit that evidences approval by the Judge to delete cases. We cannot find any evidence where we were contacted by the Court regarding case deletions. While we continue to recommend that the Court not permits staff to delete cases, it is the Court's responsibility to monitor and control this activity.

### **Appealed Cases**

We reviewed 55 appealed cases and identified: six DA dismissed cases did not have the DA's signature, stamp, and explanation to justify the DA's motion (request) for dismissal and one case jacket could not be located at the court or in Dallas County archives for review. The court should docket dismissals with the authorized approver's signature and date, consistent with C.C.P. Chapter 45. Per Dallas County Code Sec. 98-6 (a) Naming: Under the Texas Local Government Records Law, the county has named a county records management officer responsible for the records of all county departments and all elected offices as designated. 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 that are common to all county offices. These instances occurred because the court does not have comprehensive internal controls to ensure a case has sufficient authorization when a case is disposed. The court stores paper records in files and utilize a manual system for categorizing and tracking case jackets stored remotely. The court does not utilize document imaging or other electronic means to maintain case records. As a result, the case docketing fields in JPAS may not reflect accurate and complete information. Missing case jackets increase the risk that assets may be misappropriated and not detected through examination of the case jacket and its contents.

### **Recommendation**

#### **Appealed Cases**

Management should implement policies and procedures that include:

- Obtaining and documenting authorizations and signatures to support dismissing

cases.

- Transitioning the court to an Electronic Document Imaging System.
- Maintaining, safeguarding, tracking and transferring records of the court. Files and records should be classified and inventoried before moving files off-site for ease in latter identification.
- Communicating Records Management issues to the Records Management Officer.

### **Management Action Plan**

Management does not agree with recommendation. We will continue to work with the DA's office to ensure they properly dismissed cases with their signature, stamp, and explanation to justify their motion to dismiss. This is JP 1 – 2 common practice.

The court is not empowered to transition to an electronic document imaging system. However, through recent communication with Records Management Officer, we have learned of a countywide initiative to transition to an "Electronic Document Imaging System" – which is handled externally.

Management believes that, based on transition plans already underway, and the cooperation of the DA's office and Records Management Officer, should be closed and removed from audit finding.

### **Auditors Response**

The Court has not provided documentation to Internal Audit that contradicts the findings identified.

### **Warrants**

We reviewed the JP Warrant Error Report, dated 05/15/19, and identified five cases without a balance due or marked inactive (disposed) have an active warrant (**Status: 2 warrants were recalled on 05/22/19**). 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 (C.C.P.) Art. 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 implement policies and procedures that include:

- Coordinating with the Constable's office to ensure warrants and capiases are timely recalled consistent with C.C.P. Art. 45.

## **Management Action Plan**

Management disagrees with the findings and recommendations. Management will continue to take necessary steps to ensure warrants are timely recalled at the court, which is JP 1 -2 common practice.

Management is concerned that this issue has resulted in an audit finding. Once the Court has submitted a recall, sometimes there is a delay in clearing the warrant(s) from the report due to system inadequacy. Agency's systems are not manned by JP 1-2. The Court will continue working with and coordinating its efforts with the Constable and Sheriff offices to resolve the outstanding matters with respect to recalls.

As such, Management believes that the control problem identified in the finding, has been identified and the recommendation should be closed and removed from finding.

## **Auditors Response**

The Court is correct in being concerned with the finding. Per the Code of Criminal Procedure, 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 should ensure that issues with JPAS inadequacy are addressed with the appropriate department for resolution. This can also be mitigated by reviewing reports. The system is updated every night and an effective way to ensure that warrants are recalled timely is to monitor these reports.

## **Credit Cards**

We reviewed credit card transactions and refunds posted to JPAS during FY2018 and identified: 19 online credit card transactions in which the Record ID from the Credit Card Autocite, or the Transaction ID from the Credit Card Settlement Report were not applied to the payment posted in JPAS; nine online credit card transactions were receipted to JPAS after five business days; of these, five were receipted between 31 and 104 business days; five cases in which the court did not timely update the court costs and fine in JPAS resulting in a credit card refund; and one credit card transaction was made for \$258.10, but was receipted for \$245.10 in JPAS. The court has yet to receipt the remaining \$13. The misdemeanor docket screen should accurately reflect actions imposed by the court, including the court costs and fine amount due on any given case, consistent with the Code of Criminal Procedure, § 45.017. The last five digits of the credit card Transaction ID should be posted in the JPAS check number field, consistent with the courts procedure for recording credit card transactions. Online credit card payments should be receipted to JPAS by the following business day, but no later than the fifth day after the day money was received consistent, per Local Government Code 113.022. As a best practice,

management should provide oversight over the receipting process including posting credit card transactions. These instances occurred because the court made errors when posting the Record ID and Transaction ID to the payment record, did not timely post nine credit card payments, did not update the JPAS docket screen to reflect the actual amounts owed, and lacks managerial oversight in the receipting process. As a result, defendants may pay more than the amount owed, it may be difficult to determine the source for payments when the incorrect credit card ID is posted in JPAS, and a Defendant may not receive monetary credit for their payment.

### **Recommendation**

#### **Credit Cards**

Management should implement policies and procedures that include:

- Updating JPAS when court costs and fine amounts change (i.e. issuance of warrants, time payment fee assessed, fines reductions by the judge, driver safety course granted), to ensure an accurate balance owed is displayed on the County website.
- Posting credit card payments to JPAS using the last five digits of the Record ID (from the Credit Card Autocite) or the Transaction ID (from the Credit Card Settlement Report).
- Receipting all online credit card payments to JPAS during the following business day.
- Ensuring the function of receipting and reviewing credit card transactions are appropriately segregated and reviewed for accuracy and completeness against JPAS control reports.

### **Management Action Plan**

Management does not agree with the recommendation.

Bookkeeping procedures are in place, and do include instructions for posting all credit card payments by the next business day to JPAS using the last five digits of the Record ID number from the settlement report. Specifically, procedures require updating JPAS when court and fine amounts change, to ensure an accurate balance owed is displayed on the County website

JPAS system limitations are critical to the functionality needed to eliminate corrections of manual recording elements of the receipts by clerks to the JPAS.

Management will continue to provide oversight over the receipting process, which includes

the timely posting of credit card transactions.

All transactions noted have been corrected, and the recommendation should be closed and removed from finding.

### **Auditors Response**

The Court should continue to provide oversight over the receipting process and ensure issues with JPAS are addressed with the appropriate department for resolution.

### **Special Fund**

We reviewed the Special Fund activities (period ending September 30, 2018) and identified the fund balance is \$92,797.71, of which \$88,281.11 is for cases older than three years; and a difference of \$40,930.78 resulted from incomplete JPAS records. This is the difference between the bank balance and the JPAS fund balance. We also reviewed 25 Special Fund checks and identified: three Special Fund checks were issued, but were not posted to JPAS; and two Special Fund checks were issued referencing the incorrect case number. 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 bank statement) each month. Management should escheat funds per Property Code, § 72 and § 76. Special Fund reports should be periodically reviewed and disbursements should be made in the appropriate amount, to the appropriate parties and posted in a timely manner. These instances occurred because the court does not reconcile the Special Fund from JPAS to the General Ledger, and there is no management review over Special Fund duties. As a result, disbursements to parties entitled to funds are delayed. The JPAS does not agree to the GL and posting errors are not corrected in JPAS. There is also a potential for duplicate disbursements.

### **Recommendation**

#### **Special Fund**

Management should implement policies and procedures that include:

- Monitoring, recording, and following up on Special Fund activities by reviewing Special Fund Reports.
- Escheating Special Funds in accordance with Unclaimed Property Statutes, Property Code, § 72 and § 76, and Code of Criminal Procedure § 22.
- Reviewing all disbursement checks for reasonableness, accuracy, and completeness. Inconsistencies should be researched and resolved before checks are disbursed.
- Timely posting disbursements checks and cancellations to JPAS and completing a monthly reconciliation of Special Fund activities to the General Ledger.

- Completing a monthly reconciliation of JPAS activities to the GL and timely resolving discrepancies.

### **Management Action Plan**

Management agrees with the recommendation. Work on this issue is ongoing. In accordance with the auditor's findings, the bookkeeper will continue addressing the "Special Fund" on a regular basis by reviewing the R05494 report in order to clear outstanding issues in reconciling and clearing Special Fund.

### **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 civil cases were entered incorrectly, but a reason was not provided on the JPAS comments screen to reference the correct case. 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. These instances occurred due to clerical errors and a manual process. 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 implement policies and procedures that include:

- Training staff on court procedures and implementing docketing checklists to ensure cases are accurately filed.
- Periodically reviewing of the Justice Fee Exception List from Document Direct.

### **Management Action Plan**

Management disagrees with the recommendation. Management will continue to ensure staff follows written policies and procedures already in place for processing civil cases. Our policies and procedures provide detail description of expectations, and how to perform responsibilities.

Management will continue to review Document Direct report daily to ensure accuracy and completeness, and document corrective actions as necessary.

We anticipate more accurate reporting in the future based on these efforts.

Management believes that the control problem identified in the finding, has been identified and the recommendation should be closed and removed from finding.

### **Auditors Response**

Internal Audit was not provided with the policies and procedures that address the risks and findings identified. In addition, the Court has not provided Internal Audit with evidence that the findings identified were remediated.

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

We reviewed 40 cases for compliance with applicable State Laws including Code of Criminal Procedure Chapters 45 and 102 and Local Government Code Chapter 133, Commissioners Court orders, and Attorney General Opinion No. GA-0147 and identified 14 JPAS docketing, court cost assessment, receipt posting and collections errors. These errors and omissions result in inadequate collection of court cost and fine amounts, an incorrect distribution and disbursement of funds, and inaccurate or incomplete data reflected in JPAS.

### **Recommendation**

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

Management should implement policies and procedures that include:

- Docketing 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, and judgments rendered by the court.
- Establishing monitoring procedures and verifying case activities for accuracy and completeness before disposing the case.
- Training staff to ensure all court personnel consistently follow court guidelines, Commissioners Court Orders, and Texas Statutes (C.C.P. Ch.45, 102 and L.G.C. Ch.133).

### **Management Action Plan**

Management agrees with the recommendation. A review of the cases cited in the audit findings, determined that cases have been disposed with no further action required.

All staff are trained, and have written procedures, whereby, they must verify fee and fine against current tables, and judgment rendered by the court prior to receiving final payment and closing/disposing the case.



### **Auditors Response**

None

### **Disposed Cases**

We reviewed 80 disposed cases and identified three cases did not have the DA's signature, stamp, and explanation to justify the DA's motion (request) for dismissal; two cases with DA requests (motion) to dismiss did not have a judge's signature approving the dismissal; and one case jacket could not be located at the court or in Dallas County archives for review. The court should docket credit for waivers, community service, time served, and dismissals with the authorized approver's signature and date, consistent with C.C.P. Chapter 45. Per Dallas County Code Sec. 98-6 (a) Naming: Under the Texas Local Government Records Law, the county has named a county records management officer responsible for the records of all county departments and all elected offices as designated. 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 that are common to all county offices. These instances occurred because the court does not have comprehensive internal controls to ensure a case has sufficient authorization when a case is disposed. The court stores paper records in files and utilize a manual system for categorizing and tracking case jackets stored remotely. The court does not utilize document imaging or other electronic means to maintain case records. As a result, the case docketing fields in JPAS may not reflect accurate and complete information. 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 implement policies and procedures that include:

- Obtaining and documenting authorizations and signatures to support dismissing cases.
- Transitioning the court to an Electronic Document Imaging System.
- Maintaining, safeguarding, tracking and transferring records of the court. Files and records should be classified and inventoried before moving files off-site for ease in latter identification.
- Communicating Records Management issues to the Records Management Officer.

### **Management Action Plan**

Management does not agree with recommendation. Management will continue to work with the DA's office to ensure the proper dismissal of that includes the signature, stamp, and explanation to justify their motion to dismiss. However, we are not empowered to mandate actions of the DA's office.

In addition, the court will continue to docket the system, and utilize a manual system for categorizing and tracking case jackets

Through recent communication with Records Management Officer, we have learned of a countywide initiative to transition to an "Electronic Document Imaging System" – which JP 1 – 2 has no direct control.

Management believes that, based on actions taken, and with the cooperation of the DA's office and Records Management Officer, audit recommendations should be closed and removed from finding.

### **Auditors Response**

Per Code of Criminal Procedure, Section 32.02, "No case shall be dismissed without the consent of the presiding Judge". The Court disposed the cases referenced in the findings, not the DA's Office. The court did not provide documentation that would remediate or contradict the findings identified. Dismissing cases without the Judge's consent is a risk that may result in potential losses to the County.

### **No Judgment/Plea Cases**

We reviewed disposed cases filed in FY18 and identified: 48 disposed cases where a plea was not posted in JPAS; ten cases were disposed, but a dismissal, DA dismissal, or a judgment date was not posted in JPAS; and one case where the offense 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 C.C.P., Art. 27.14(c). Per C.C.P. Art 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. These instances occurred because the court does not have comprehensive internal controls to ensure a case is appropriately docketed when a case is disposed. As a result, the case docketing fields in JPAS may not reflect accurate and complete information if not appropriately updated.

### **Recommendation**

#### **No Judgment/Plea Cases**

Management should implement policies and procedures that include:

- Docketing 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.
- Reviewing case records and dockets for accuracy and completeness before disposing the case.

### **Management Action Plan**

Management is in general agreement with the recommendation. The court has performed a complete review of items in audit finding, and have corrected all in JPAS.

In addition, procedures do exist relating to docketing of disposed cases to reflect accurate and complete information. All cases go through an internal review by Collection Clerk, except those cases that are being dismissed.

### **Auditors Response**

None

### **Vital Records**

We reviewed all vital record computer receipt voids and identified: 11 voided computer receipts were not reviewed by someone other than the preparer. Management is responsible for designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the COSO framework. As a best practice, the court's management should periodically review exception reports and transaction logs (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 future issues can be prevented. Vital record receipts should be reviewed by court management to ensure the duties of preparing and approving voids are appropriately segregated and not conducted by the same individual. These issues occurred because there are inadequate controls over the receipting process and lack of management oversight. As a result, receipts may be misappropriated, and errors might not be detected.

### **Recommendation**

#### **Vital Records**

Management should implement policies and procedures that include:

- Ensuring management review voids and incorporates this function in the court's receipt procedures.
- Periodically review Exception and Transaction Reports from JPAS to monitor court activities and ensure the timely detection of errors and omissions by court staff.

### **Management Action Plan**

Management does not agree with the recommendation. Procedures are in place, which does include void approval at the management level.

Management will ensure procedures are followed, and ensure timely detections of errors and

Omissions by court staff.

**Auditors Response**

The Court's procedures were not able to prevent or detect the findings identified. Nonetheless, policies should be strengthened with the discovery of these findings by Internal Audit.

cc: Darryl Martin, Commissioners Court Administrator