



AUDIT REPORT

DALLAS COUNTY

JUSTICE OF THE PEACE PRECINCT 2, PLACE 2 FY2018

Darryl D. Thomas
Dallas County Auditor
ISSUED: June 03, 2019
RELEASED: August 01, 2019



JUSTICE OF THE PEACE PRECINCT 2, PLACE 2 FY2018

TABLE OF CONTENTS

MANAGEMENT LETTER.....	3
EXECUTIVE SUMMARY.....	4
INTRODUCTION.....	6
DETAILS.....	7
Computer Receipts.....	7
Case Deletions.....	8
Warrants.....	8
Civil Fees.....	9
Driver Safety Course.....	10
Vital Records.....	11
Credit Cards.....	11
Appealed Cases.....	12
Manual Receipts.....	13
Fee and Fine Assessment and Collection.....	14
Disposed Cases.....	15
Special Funds.....	17
Internal Control Questionnaire.....	18
No Judgement/Plea.....	19

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 KaTina Whitfield
Justice of the Peace, Precinct 2, Place 2
Dallas, Texas

Attached is the County Auditor's final report entitled "**Justice of the Peace Precinct 2, 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, with a long horizontal stroke at the end.

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 2, Place 2 for fiscal year 2018 during which the Honorable Judge Bill Metzger presided. Priority areas of risk which need consideration by management are:

Summary of Significant Observations

Computer Receipts

- 27 of 27 (100%) computer receipts voided without supervisor approval and not appropriately marked void.

Fee and Fine Assessment & Collection

- 34 of 40 (85%) cases noted with that the court didn't entered the correct offense code, applicable fee not assessed, partial payment is not properly prorated and waived court cost not supported by appropriate documentation.
- 18 cases files could not be located in the court or the County's Archived.

Disposed Cases:

- 38 of 80 (47%) disposed cases the court didn't docket the screen with the correct court record including 15 cases defendant took the Driver Safety course were not posted to offense code 3401.
- 13 Disposed cases files could not be located in the court or the County Archives.

No Judgement/Plea

- 40 cases were disposed without a judgement or dismissal date in the JPAS docket screen
- 40 cases were disposed without a plea in the JPAS docket screen.

Special Fund Activities

- Special Fund balance is \$59,713.82, of which \$57,792.73 is for cases older than three years.
- A difference of \$2,876.68 resulted from incomplete JPAS records. This is the difference between the bank balance and the JPAS fund balance.
- 14 of 20 (70%) Special Fund checks noted that seven case file couldn't be located, five cash bond were disbursed without a signed release form, and two checks have incorrect information.

Case Deletions

- Four cases were deleted without management review and approval.

Warrants

- Nine cases without a balance due or marked inactive (disposed) have an active warrant, of those three cases were not disposed in JPAS.

Civil Cases

- 7 of 9 (78%) cases for a non-government entity that the court did not update court record and post payment to the correct case number in JPAS.

Appealed Cases

- Three appeal cases were returned without obtaining a letter from the appeal court, two cases not dismissed by the court and one case dismissed without the DA approval or the Judge.

Credit Cards:

- 21 cases where the Transaction ID was not entered to post credit card payment in JPAS.
- 19 Credit Card transactions were refunded due to the court not updating the court cost and fine in JPAS.

Vital Records

- 11 voided vital record computer receipts were not reviewed by management
- Two void vital record computer receipts where both copies of the receipt were not retained.

Manual Receipts:

- 6 of 46 (13%) manual receipts contain error. Three manual receipts were not posted to JPAS until after two business days

Observation

- Four chairs, two keyboards, three computer mouse's and some filing cabinets were identified as missing by the court. Also, a Texas flag was reported missing from the Court room.

Repeat observations from Previous Audits:

- 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.
- Lack of management oversight over recalling and issuing warrants.
- Inadequate segregation of responsibility among staff despite the system limitations of assigning security roles and right functionality.
- Inadequate training of staff and lack of management oversight over deletion of cases.
- Inconsistency assessing, collecting, applying and posting proper court costs, fees and fines.
- Lack of written policies and procedures for receipting and voiding transactions.
- 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.

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

Computer Receipts

We reviewed 27 voided computer receipts and identified: 22 computer receipts were voided without documented approval by the designated reviewer; three voided computer receipts where both copies of the printed receipt were not retained; one voided computer receipt was not marked "Void"; and one computer receipt was voided after the fine was reduced, however we could not identify the Judge's signature approving the reduction. 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, computer receipts that cannot be issued to customers due to error should be marked "Void" with an explanation written on the receipt. All receipt copies should be retained by the court. Computer receipts 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. The court should docket credit for waivers, community service, and time served, with the authorized approver's signature and date, consistent with the Code of Criminal Procedure (C.C.P.) Chapter 45. These errors were made during the voiding process and the computer receipt voids were not reviewed for accuracy. A lack of segregation of duties and review over voiding transactions may result in the misappropriation of assets.

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.
- Ensuring authorization to reduce fines is supported by the Judge's signature or initials.

Management Action Plan

Management and Supervisory staff currently ensures all voided receipts are forwarded for management review.

Auditors Response

None

Case Deletions

We reviewed the monthly Defendant/Plaintiff (D/P) Reports and identified four cases were deleted without management review. There are no means to determine if financial activity was recorded to the deleted cases. As a best practice, management should not permit the deletion of cases and periodically review D/P Reports to ensure that case deletions do not occur. 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. Assets can be misappropriated and not 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 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.

Management Action Plan

Staff is not permitted to delete cases. Only management is allowed to delete cases. Management keeps a log of all cases deleted.

Auditors Response

None

Warrants

We reviewed the JP Warrant Error Report dated 3/17/19 and identified six cases without a balance due or marked inactive (disposed) have an active warrant; and three cases were paid in full without a plea and judgement date and were not disposed in JPAS. 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. The Warrant Error Report is not reviewed to recall active warrants on disposed cases and those paid in full. This poses a potential liability to the County for persons arrested in error.

Recommendation

Warrants

Management should implement policies and procedures to ensure warrants and capiases are recalled consistent with C.C.P. Art. 45 and monitor activity on the Warrant Error Report.

Management Action Plan

Management staff is currently reviewing and monitoring the Warrant Error Report to ensure warrants and capiases are recalled consistently.

Auditors Response

None

Civil Fees

We reviewed nine cases brought by a non-government entity on the Justice Fee Exception List and identified three cases where the court did not update JPAS with the date the pauper's affidavit was filed; two cases where the filing fees were posted to the incorrect case (**Status: On 3/15/19, the court transferred the filing fees to the correct cases**); one case where there was no documentation indicating the Judge's approval of plaintiff's inability to pay; and one case where the court did not collect the filing fees and document the explanation for not collecting the filing fees in the case jacket. In accordance with statutes (Local Government Code (LGC) § 118.121, 118.122, 118.123, 118.131, and Chapter 133) and Commissioners Court orders, filing fees should be collected at the time of filing and service fees should be collected at the time of service request for all evictions, civil and small claim cases filed by non-governmental entities and individuals except for those individuals with approved affidavits of indigence on file or those entities listed under Civil Practices and Remedies § 6.001, 6.002, and 6.003. Due to clerical errors and manual process, there is no mechanism to prevent the court from settling a case without accepting the filing fees or documenting a valid reason for not accepting them. The court does not review the Justice Fee Exception List to detect filing fee collection and documentation errors. As a result, assets may be misappropriated when waivers are granted without sufficient approval and when cases are not reviewed for collection of filing fees. Assets may also be misappropriated when monetary waivers, including inability to pay, are recorded but not supported by the authorized party.

Recommendation

Civil Fees

Management should implement policies and procedures that include:

- Collecting filing fees at the time of filing non-misdemeanor cases except in limited circumstances addressed by statute (Order of Indigence, cases filed by government entities, etc.) which is documented in JPAS and the case jacket.
- Training staff, implementing receipting and docketing checklists, and periodically reviewing the Justice Fee Exception List from Document Direct.
- Docketing case events as they occur, including: a party's inability to pay filing fees,
- Ensuring judicial decisions, such as authorizing a party's inability to pay costs, are supported by the Judge's signature or initials.

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

Management Action Plan

Staff will have continuous training to address Civil Fees to ensure accuracy.

Auditors Response

None

Driver Safety Course

We reviewed a randomly selected sample of 20 out of 67 cases with Driver Safety Course and identified: 15 cases with Driver Safety Course did not report the conviction and have the offense code 3401 on the docket screen; one case did not contain a copy of the defendant's insurance; one case with a Driver Safety Course Certificate that specified a court other than JP 2-2; three cases without the DDS Complete date entered on the docket screen; one case did not contain a copy of the defendant's driving record; and one case where defendant was allowed to complete Driver Safety Course in lieu of the Fine within 12 months of previously taken Driver Safety Course. Per C.C.P Art. 45.0511(c) The court shall enter judgment on the defendant's plea of no contest or guilty at the time the plea is made, defer imposition of the judgment, and allow the defendant 90 days to successfully complete the approved driving safety course or motorcycle operator training course and present to the court a uniform certificate of completion of the driving safety course or a verification of completion of the motorcycle operator training course. 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. The court should docket credit for waivers, community service, and time served, with the authorized approver's signature and date, consistent with C.C.P. Chapter 45. These instances occurred because the court does not have comprehensive internal controls to ensure a case is appropriately docketed when a case is disposed and that sufficient approval is documented for waivers and compliance dismissals. As a result, case docketing fields in JPAS may not reflect accurate and complete information and assets may be misappropriated when waivers are granted without sufficient approval and when disposed cases are not quality reviewed by the court for completeness of supporting documentation.

Recommendation

Driver Safety Course

Management should implement policies and procedures that include:

- Verifying case activities performed by staff are complete and accurate before disposing the case.
- Staff is trained and follows procedures for docketing cases in JPAS.

Management Action Plan

Management has addressed the findings and is making the necessary corrections.

Auditors Response

None

Vital Records

We reviewed 11 voided computer receipts related to vital statistics and identified 11 voided computer receipts were not reviewed by management and two voided computer receipts where both copies of the printed receipt were not retained. 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, computer receipts that cannot be issued to customers due to an error should be marked "Void" with an explanation written on the receipt. All receipt copies should be retained by the court. Void transactions should be reviewed by court management to ensure the duties of preparing and approving voided transactions are appropriately segregated and not conducted by the same individual. These errors were made during the voiding process and management should review vital record computer receipt voids to detect them. A lack of segregation of duties, oversight and management review over voiding transactions may result in the misappropriation of assets and an incomplete audit trail.

Recommendation

Vital Records

Management should implement policies and procedures that include:

- Ensuring all copies of voided receipts are retained and clearly marked "Void".
- Documenting the review of void transactions by management and ensure void duties are appropriately segregated.
- Periodically reviewing Exception Reports from JPAS to monitor computer voids and ensure the timely detection of errors and omissions by court staff.

Management Action Plan

Management has addressed the findings and is making the necessary corrections.

Auditors Response

None

Credit Cards

We reviewed credit card postings, refunds, and failed transactions posted to JPAS during FY2018 and identified: 21 cases in which the Transaction ID from the Credit Card Settlement Report was not applied to the payment posted in JPAS; and 19 credit card transactions were refunded because the court did not timely update the court costs and fine in JPAS. 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 (from the Settlement Report) or Record ID (from the Autocite Report) should be posted in the JPAS check number field consistent with the courts procedure for recording credit card transactions. The court did not update the JPAS docket screen to reflect the correct amounts due and made errors when posting the Transaction ID to the financial screen. As a result,

defendants may pay more than the amount owed and it may be difficult to determine the source of payments if the incorrect credit card Transaction ID is posted in JPAS.

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).
- Making timely adjustments to assessments, such as judicial fine reductions, to reflect internal control and audit trails. This should include compensating controls such as dual sign-off on adjustments with supervisory review and approval, monitoring, and validation.

Management Action Plan

Management has addressed the findings and is making the necessary corrections.

Auditors Response

None

Appealed Cases

We reviewed appealed cases and identified: three appealed cases were returned without obtaining a letter from the appeals court indicating the reason for the return; two appealed cases were returned, but were not reviewed by the court or dismissed; and one appealed case was returned and dismissed without the DA's approval and an Order of Dismissal signed by the judge. The defendant shall pay any fine or costs assessed or give an appeal bond in the amount stated in the notice before the 31st day after receiving the notice, per C.C.P. Art 27.14. The court should also process appealed misdemeanor cases consistent with C.C.P. Art 45. These instances occurred because the court does not have comprehensive internal controls to ensure appealed cases are appropriately processed when returned and that sufficient authorization is granted for dismissing cases. As a result, assets may be misappropriated when appealed cases are returned to the court and dismissed without supporting authorization (signature), or are not processed by the court with sufficient oversight.

Recommendation

Appealed Cases

Management should implement policies and procedures that include:

- Obtaining and documenting authorizations and signatures to support dismissing cases.

- Training staff to follow procedures for docketing and processing appealed cases and those returned by the appeals court.
- Monitoring cases returned by the Appeals Court and seeking the Judge's direction for processing returned cases.

Management Action Plan

Management will address the findings and make the necessary corrections.

Auditors Response

None

Manual Receipts

We reviewed 46 manual receipts issued in FY18 and identified three manual receipts were receipted to JPAS two business days after the manual receipt was issued; two manual receipts were issued containing an error in the case number (**Status: Both manual receipt payments were receipted to the payee's correct case in JPAS**); and one voided manual receipt was not reviewed by management. 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. Manual receipts that cannot be issued to customers, due to 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 and to ensure receipts are timely posted to the correct cases. A county officer or other person who receives money shall deposit the money with the County Treasurer on or before the next regular business day after the date on which the money is received consistent with Local Government Code (LGC) Sec. 113.022(a). These errors were made during the receipting process and these manual receipts were not reviewed by management for accuracy. 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 includes:

- Reviewing manual receipts for accuracy including the total amount, tender type, case number, transaction date, and payer name fields on the receipt.
- Ensuring all payments, including manual receipts, are receipted prior to the daily close-out, consistent with LGC Sec. 113.022(a).
- Documenting the review of void transactions by management and ensure void duties are appropriately segregated.

Management Action Plan

Management will ensure the procedures that are currently in place for manual receipts are

adhered to.

Auditors Response

None

Fee and Fine Assessment and Collection

We reviewed 40 cases for compliance with applicable state laws including Code of Criminal Procedure (C.C.P.) Chapter 45, C.C.P. Ch. 102, C.C.P. Ch.706, Local Government Code Chapter 133, Commissioner Court Orders, and Attorney General Opinion No. GA-0147 and identified 29 JPAS docketing, court cost assessment and collection errors; 18 case files could not be located in the court or the County's Archives to corroborate the judgement of the court; four JPAS case notes indicate the judge waived the remaining court costs and fees owed on the case without documenting whether the defendant is indigent, was granted time served, or completed community service; and one case does not have the judge's signature authorizing community service to satisfy the balance due. Consistent with C.C.P. Chapter 45.017, the JPAS Docket screen should be updated as cases are filed, additional court costs are added, case activities occur, and as fines or special expense amounts are ordered by the 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)." The court should docket credit for waivers, community service, a defendant's inability to pay, and time served, with the authorized approver's signature and date, consistent with C.C.P. Chapter 45. 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 instances occurred because the court does not have comprehensive internal controls to ensure a case is appropriately docketed, justification was not docketed for waiving court costs and fees, costs and fines are not consistently updated as additional case activity occurs, and manual cases entries to JPAS are not reviewed for accuracy and completeness. These instances can result in the incorrect collection of court costs, incorrect distribution and disbursement of funds, and inaccuracies to JPAS. Assets may be misappropriated when waivers are granted without sufficient approval and when cases files cannot be located by the court for review.

Recommendation

Fee and Fine Assessment and Collection

Management should implement policies and procedures that include:

- Reviewing case records and dockets for accuracy and completeness before disposing the case.
- 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 judgements rendered by the court are supported by the Judge's signature or initials.
- Waiving court costs and fees owed by granting and then documenting a defendant's inability to pay, time served, or community service, consistent with

C.C.P Ch.45.

- Monitoring court activities by periodically reviewing JPAS collection and docketing reports.
- Training staff, implementing procedural checklists, and addressing clerical issues with staff.
- Transitioning the court to Electronic Document Management 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 has addressed the findings and will implement policies and procedures needed to correct this action.

Auditors Response

None

Disposed Cases

We reviewed 80 disposed cases and identified: 15 cases in which the court did not report the defendant took the Driver Safety Course by posting offense code 3401 in JPAS; 13 case files could not be located in the court or the County's Archives to corroborate the judgement of the court; 10 cases where the court did not docket the DA's motion (request) for Dismissal in JPAS; three cases in which a Driver Safety Course completion date was not posted in JPAS; three JPAS case notes indicate the judge waived the remaining court costs and fees owed on the case without documenting whether the defendant is indigent, was granted time served, or completed community service; two dismissed cases do not have a judge's signature approving the dismissal; one compliance dismissal for "No Driver's License" was inappropriately granted because the court accepted a driver's license from another country as proof; one case file did not contain a copy of the defendant's insurance as a condition for taking a Driver Safety Course; one case file in which a Driver Safety Course Certificate did not specify "JP 2-2"; one case did not contain a copy of the defendant's driving record; one case where the court granted a Driver Safety Course reduction despite the defendant's driving record showing completion of a previous Driver Safety Course within a 12 month period.

Per C.C.P Art. 45.0511, a defendant can complete a driving safety course and present to the court evidence of financial responsibility (insurance) as required by Transportation Code Ch. 601, a uniform certificate of completion, and the defendant's driving record and affidavit showing that the defendant had not completed an approved driving safety course within the 12 months preceding the date of the offense. The court shall report the defendant successfully completed a driving safety course and the date of completion to the Texas Department of Public Safety. According to the Texas Department of Public Safety, Texas's recognition of driving privilege reciprocity is governed by international agreements coordinated and signed by the federal

government. Once a person becomes a new Texas resident, they must apply for a Texas license within 90 days to continue to drive legally per Transportation Code 521. The court should docket fine waivers, community service, time served, judgements, DA motions (requests) to dismiss, and dismissals authorized by the Judge with a signature and date, consistent with C.C.P. Chapter 45. 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 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. The court has not implemented comprehensive internal controls to ensure a case is appropriately docketed and that sufficient approval is documented for case dismissals. The court did not adequately apply and follow Texas statute C.C.P 45 and Transportation code 521. The court stores paper records in files and utilizes 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, assets may be misappropriated when waivers and dismissals are granted without supporting authorization and when disposed cases are not reviewed by the court for completeness of supporting documentation. Case docketing fields in JPAS may not reflect accurate and complete information if not appropriately updated. There is a potential for revenue loss from defendants not eligible for a driver's safety course or compliance dismissal. 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:

- 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 judgements rendered by the court are supported by the Judge's signature or initials.
- Waiving court costs and fees owed by granting and then documenting a defendant's inability to pay, time served, or community service, consistent with C.C.P Ch.45.
- Training staff on state statutes and docketing cases, and addressing clerical issues with staff.
- Implementing a checklist that outlines Driver Safety Course requirements for defendants and checkmarks showing successfully completion.
- Reviewing case records and dockets for accuracy and completeness before disposing the case.
- Transitioning the court to 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

The processes on how to properly docket and dismiss court cases have been discussed with the staff and we will be making the necessary corrections.

Auditors Response

None

Special Funds

We reviewed the Special Fund activities (period ending September 30, 2018) and identified the fund balance is \$59,713.82, of which \$57,792.73 is for cases older than three years, and a difference of \$2,876.68 resulting from incomplete JPAS records. This is the difference between the bank balance and the JPAS fund balance. We also reviewed 20 Special Fund checks and identified seven cases could not be located in the court or the County's Archives to corroborate to the judgement of the court; five cash bonds were disbursed without a signed cash bond release form; one Special Fund check was issued referencing the incorrect case number; and one payee name on the Special Fund check did not match the defendant's name in 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 bank statement) 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 court does not monitor and control the balance and activities over the Special Fund, which contain overpayments and cash bonds paid by parties. Parties entitled to funds may not receive them or realize they are held in escrow by the court. Unless the Special Fund is actively managed, the balance will continue to increase.

Recommendation

Special Funds

Management should implement policies and procedures that include:

- Monitoring, recording, and following up on Special Fund activities by reviewing Special Fund Reports.
- Assigning staff to perform a routine escheatment analysis of Special Funds in accordance with unclaimed property statutes, Property Code, § 72 and § 76.
- Forfeiting cash bonds in accordance with Code of Criminal Procedure § 22.

Management Action Plan

Chief Clerk and Bookkeeper will continue to receive education on the Special Fund process to ensure we are in compliance.

Auditors Response

None

Internal Control Questionnaire

We inquired with the court and reviewed the Internal Control Questionnaire responses, dated 03/13/19, and identified:

- Time served and community service credits are not recorded as non-receipt items.
- All employees are authorized via user id and password to recall warrants/capias, and update Fine and Court Cost fields on the Docket Screen.
- The court does not ensure access authorizations are changed when job responsibilities change.
- Employees are not provided with a unique code to physically access employee only areas.
- The court does not have documented policies and procedures.
- Manual receipts are used when two forms of payment are received.
- Requests for Special Fund check disbursements are not reviewed and approved by management prior to the submission of the disbursement requests.
- Each cashier does not maintain a separate drawer for change funds and receipted funds.
- The court does not have controls to prevent users from inappropriately modifying electronic court records.
- The court does not review Document Direct reports.
- Four chairs, some filing cabinets, and three computer keyboards were reported missing by the court. Also, A Texas flag was reported missing from the Court Room.

Per Dallas County Policy Sec 90-471 County department heads and/or elected officials shall notify immediately the sheriff's office and the county auditor of the theft/loss of any property assigned to their department and belonging to the county. A copy of the police/sheriff's report shall be submitted to the county auditor as soon as completed, along with a letter from the department head explaining the circumstances of the loss. Management is responsible for designing, implementing and conducting internal control, and in the assessing its effectiveness as emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Written policies and procedures that outline court processes, controls, and court practices, should be maintained by the court and periodically reviewed for updates. Management should ensure preparation, review, custody, reconciliation, and recording functions are appropriately segregated among staff. System access privileges should align with employee job duties, change as responsibilities change, and removed when employees terminate employment. Management should periodically monitor court activities by reviewing JP Court Management Reports to ensure that errors and omissions are detected and reviewed. As a best practice manual receipts should be issued only when JPAS is non-operational, cash drawers should not be shared or combined from multiple employees, and credit for time served and community service should be posted as a non-receipt (NR) item in JPAS. Each employee should be provided with a unique physical access code to court personnel areas and access should be revoked when an employment is terminated. Management should safeguard County assets and report instances of asset misappropriation to the Sheriff and Auditor's Office.

Recommendation

Internal Control Questionnaire

Management should implement the following:

- Written policies and procedures that outline court processes, controls, and court

practices, should be maintained by the court and periodically reviewed for updates.

- Reviewing all assignable system rights and roles to ensure users have only the rights necessary to perform their core job functions, including separating duties (through system security access) limiting staff assigned to recall warrants and update Fine and Court Costs.
- Ensuring each employee has a unique code to access the court. Access should be deactivated by facilities when staff are terminated.
- Training staff to record approved time served credit and completed community service as non-receipt items in JPAS
- Reviewing the requests for check disbursements and documenting approval as part of the check request process.
- Management should periodically monitor court activities by reviewing JP Court Management Reports to ensure that errors and omissions are detected and reviewed.
- Reporting asset misappropriation and theft immediately to the Sheriff and Auditor's Office.
- Issuing manual receipts only when JPAS is non-operational, and e-cash drawers should not be shared or combined from multiple employees.

Management Action Plan

Management has addressed the finding and is making the necessary corrections where applicable.

Auditors Response

None

No Judgement/Plea

We reviewed disposed cases filed in FY18 and identified: 40 cases were disposed without a judgement date entered in the JPAS docket screen and 40 cases were disposed without a plea entered in the JPAS docket screen. 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. The court has not implemented comprehensive internal controls to ensure a case is appropriately docketed. As a result, assets may be misappropriated and JPAS docketing errors may occur when disposed cases are not reviewed by the court for completeness and accuracy.

Recommendation

No Judgement/Plea

Management should implement policies and procedures that include:

- Docketing cases as events occur, such as: pleas offered by the defendant, judgement 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.
- Monitoring case activities by periodically reviewing docketing reports from JPAS.

Management Action Plan

Management has addressed the finding and is making the necessary corrections where applicable.

Auditors Response

None

cc: Darryl Martin, Commissioners Court Administrator