



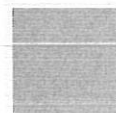
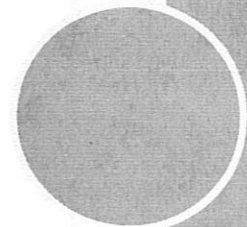
# AUDIT REPORT

DALLAS COUNTY

2019 JUSTICE OF THE PEACE PRECINCT 2, PLACE 2 AUDIT

Darryl D. Thomas  
Dallas County Auditor  
December 29, 2020

ISSUED:  
RELEASED:



# 2019 JUSTICE OF THE PEACE PRECINCT 2, PLACE 2 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 KaTina Whitfield  
Justice of the Peace, Precinct 2, Place 2  
Dallas, Texas

Attached is the County Auditor's final report entitled "**2019 Justice of the Peace Precinct 2, Place 2 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". The signature is written in a cursive style.

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 2019. All issues resulted during which the Honorable Judge Bill Metzger presided are noted. Priority areas of risk which need consideration by management are:

### **Summary of Significant Observations**

- **Special Fund Activities:** Special Fund balance is \$61,314.48, of which \$57,792.73 is for cases older than three years. A difference of \$3,429.95 resulted from incomplete JPAS records. This is the difference between the bank balance and the JPAS fund balance. Four cancellations totaling \$223.27 and one check disbursement totaling \$246 was not posted to JPAS.
- **Warrants:** 73 cases without a balance due or marked inactive (disposed) have an active warrant
- **Case Deletions:** Six cases were deleted without management review. There are no means to determine if financial activity was recorded to the deleted cases.
- **Dismissed Cases:** Six out of Twenty (30%) case dismissed without the judge's signature or used the judge's signature stamp without documenting who used the stamp. Two case files could not be located in the court or county archives to corroborate the judgment of the court.
- **Disposed Cases:** Two case files could not be located in the court or county archives to corroborate the judgement of the court. One case was dismissed after receiving the DA's motion, but the Judge's authorization was not documented in the case. One case in which the dismissal date and DA's motion to dismiss date was not posted to JPAS (JT1843582E). **Status: As of 8/05/2020, the court posted the missing date fields in JPAS.**
- **No Plea or Judgement:** 57 cases were disposed without a judgement, appeal, dismissal, or deferred adjudication date and 50 cases were disposed without a plea in JPAS.

### **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 training of staff and lack of management oversight over deletion, dismissal and disposed of cases.
- Lack of written policies and procedures for receipting and voiding transactions. Management does not review voided transactions from the Document Direct Exception Report R09353.
- Inconsistency assessing, collecting, applying and posting proper court costs, fees and fines.
- 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.
- Clerks are not required to write their initials when using the Judge's 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 Funds**

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

- The Special Fund balance per JPAS is \$61,314.48, of which \$57,092.73 is for cases older than three years that have not been escheated.
- The \$61,314.48 balance per JPAS is \$3,429.95 less than the \$64,744.43 bank balance, as a result of incomplete JPAS records.
- The court did not complete the Special Fund Reconciliation by the start of the audit (04/30/2020). **Status: On 7/29/2020 the court completed the Special Fund Reconciliation.**
- Four cancellations totaling \$223.27 were not posted to JPAS.
- One check disbursement totaling \$246 was not posted to JPAS.

The Special Fund is a temporary escrow account for funds that belong to individuals, companies, and government entities. 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. This occurred because the Special Fund balance and activities, which contain overpayments and cash bonds paid by parties, are not monitored. Individuals and entities entitled to funds have not received them and may not realize they are held in escrow by the court. As a result, 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 make the following corrective actions:

- Contact parties to claim \$57,092.73 in Special Funds held in escrow.
- Post the Special Fund disbursement check totaling \$246 and the four cancellations totaling \$223.27 to JPAS.
- Reconcile Special Fund balances and transactions from the General Ledger against JPAS each month.
- 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**

- The Special Fund reconciliation was completed January 2021 and in March 2021 Special Funds escheated to the State in the amount of \$33,911.00.

- Chief Clerk and Bookkeeper were both trained during and after the audit which resulted in a balance Special Fund Report and an Escheatment to the State

**Auditors Response**

None

**Warrants**

We reviewed the JP Warrant Error Report dated 03/08/2020 and identified 73 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. 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 make the following corrective actions:

- Recall warrants and capias on the 73 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 and Sheriff's office.

**Management Action Plan**

- The warrant error report is pulled and reviewed every Monday by the Traffic Clerk. The majority of the items on the report of due to Name Error we are currently working with the Constable Offices on a resolution. All items on the list at the time of the audit were completed immediately.

**Auditors Response**

None

## **Case Deletions**

We reviewed all FY2019 monthly Defendant/Plaintiff (D/P) Reports and identified six 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 allows court staff to delete cases. 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 with supervisor approval
- Routinely monitor D/P 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**

- The Chief Clerk completes all case deletions and in my absence, the Sr. Clerk III Brenda Boyd/Crocker has the approval to delete.

### **Auditors Response**

#### **Dismissed Cases**

We reviewed 20 dismissed cases and identified:

- Three case files were dismissed without the Judge's signature approving dismissal.
- Three cases in which the judge's stamp was used to dismiss the case; however, we were unable to verify who used the stamp.
- Two case files could not be located in the court or county archives to corroborate the judgment of the court.

Per CCP Article 32.02, no case shall be dismissed without the consent of the presiding judge. 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 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. The court should docket credit for waivers, community service, time served, and dismissals with the authorized approver's signature and date, consistent with CCP Chapter 45. Local Government Code (LGC) 115.901 states the county auditor shall examine the accounts, dockets, and records of each justice of the peace. 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.

**Recommendation**

**Dismissed Cases**

Management should make the following corrective actions:

- Locate the missing case files 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 and 45.
- Review case records and dockets for accuracy and completeness before disposing the case.
- Ensure case files are made available to the County Auditor for examination per LGC 115.
- Require court files and records are classified and inventoried before moving files off-site, for ease in later identification.
- Communicate records management issues to the Records Management Officer.

**Management Action Plan**

- New Stamps were ordered and now has the Clerks initials underneath the Judge's Signature.

**Auditors Response**

None

**Disposed Cases**

We reviewed 10 disposed cases and identified:

- Two case files could not be located in the court or county archives to corroborate the judgement of the court.

- One case was dismissed after receiving the DA's motion, but the Judge's authorization was not documented in the case.
- One case in which the dismissal date and DA's motion to dismiss date was not posted to JPAS.

**Status: As of 8/05/2020, the court posted the missing date fields in JPAS.**

Per Code of Criminal Procedure (CCP) Article 32.02, no case shall be dismissed without the consent of the presiding judge. 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 42.01 and 45. Local Government Code (LGC) 115.901 states the county auditor shall examine the accounts, dockets, and records of each justice of the peace. 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. Court management did not adhere to CCP 42, CCP 45, and LGC 115.901. The court stores paper records in files and utilizes a manual system for categorizing and tracking case jackets stored remotely. As a result, assets may be misappropriated when waivers and dismissals are granted without supporting authorization. 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 files 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 and 45.
- Review case records and dockets for accuracy and completeness before disposing the case.
- Ensure case files are made available to the County Auditor for examination per LGC 115.
- Require court files and records are classified and inventoried before moving files off-site, for ease in later identification.
- Communicate records management issues to the Records Management Officer.

### **Management Action Plan**

- Case JT1843582E was correct 08/05/2020 and the importance of documenting cases and required JPAS fields has been communicated to the entire staff.
- We have implemented a new archival system by disposal year in hopes the cases

are easier to locate.

### **Auditors Response**

None

### **No Plea or Judgement**

We reviewed a report of 58 disposed cases without a judgment date or plea and identified:

- 57 cases were disposed without a judgement, appeal, dismissal, or deferred adjudication date in JPAS.
- 50 cases were disposed without a plea 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 Code of Criminal Procedure (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. Case records, JPAS date fields, and system reports are not reviewed for accuracy and completeness before cases are disposed. As a result, the court's docket records may be incomplete and inaccurate.

### **Recommendation**

#### **No plea or Judgement**

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 reports from JPAS to detect errors and omissions on disposed cases.

### **Management Action Plan**

- The majority the disposed cases without judgement, appeal, dismissal or deferred are destruction orders these cases are no longer added to forvus. Several of the cases disposed with a plea in JPAS were dismissed as the officer filed in two courts with payment being made in the other court. There are also several cases that did have a plea in JPAS.

## **Auditors Response**

None

### **Computer Receipts**

We reviewed FY2019 deposit batches and 50 voided receipts and identified:

- 11 computer receipts were voided without documenting supervisory review and approval.
- Nine voided computer receipts in which both copies of the printed receipt were not retained.
- Two deposits totaling \$2,209 were posted to JPAS by the court, but not deposited within five business days.

Per the Local Government Code (LGC) § 113.022: A county officer or other person who receives money shall deposit the money without exception, on or before the fifth business day after the day on which the money is received. The court's voiding procedure is to mark receipts "Void", document a reason for voiding, ensure all receipt copies are retained by the court, to obtain management review and approval before voiding receipts. Management does not review voided transactions from the Document Direct Exception Report R09353, did not follow the court's procedures, and did not ensure deposit batches were timely prepared for processing. A lack of segregation of duties and management oversight when voiding receipts may result in the misappropriation of assets and loss of revenue. Errors and omissions not detected by management may result in a delay in revenue recognition.

## **Recommendation**

### **Computer Receipts**

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.
- Retain all copies of voided receipts.
- Ensure receipts are completely voided for the entire amount, rather than voiding for partial amounts of the original.
- Prepare and transfer deposit batches consistent with Local Government Code 113.022.
- Review Document Direct Exception Reports to timely detect voided receipt errors and omissions.

## **Management Action Plan**

- Policy and Procedures for receipting and voiding transactions has been added to the Bookkeepers Desk book. Chief Clerk reviews all Document Direct Reports for inaccuracies.

### **Auditors Response**

None

#### **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:

- Three cases in which the \$25 time payment fee was not assessed and collected.
- Three cases in which the fine amount on the JPAS docket screen was not updated to comply with the court's judgment.
- Two cases in which the fees and fines were not posted according to the fee schedule.
- Two cases in which \$2 transaction fee was not assessed and collected for each payment made.
- One case in which the collection fees were inappropriately waived by the court.
- One case in which partial payments were not properly posted to all applicable fees.
- One case in which collection fees assessed were forced removed from JPAS, though the defendant paid the amount owed.
- One case in which the citation fee was not posted to the correct agency.
- One case was dismissed per JPAS, but the defendant plead guilty and paid the assessed fees and fine in full.

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. Consistent with CCP 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. Per Dallas County Commissioners Court Order 2004-1147, the County will provide the contractor with a list of unpaid traffic citations that are more than 60 days past due, which shall include the collection fee, a 30% fee that the County is authorized to add to each debt pursuant to Article 103.0031(b) of the CCP. This occurred due to clerical errors and omissions from manual case entries, inadequate JPAS system functionality that requires the manual entry of assessments and payments, and system override. These errors and omissions resulted in the inadequate collection of court costs 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 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, and judgments rendered 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 LGC Ch.133).

**Management Action Plan**

- We now have a trained Collection Clerk in place to help ensure we are posting proper courts cost, fees and fines.
- It has been communicated via team meetings the importance of updating the all screens with accurate information such as court cost and fine amounts.

**Auditors Response**

None

**Civil Fees**

We reviewed 18 civil cases filed by a non-government entity from the Justice Fee Exception List and identified seven cases in which the court did not document an explanation for not collecting filing fees in JPAS. Two of these cases were subsequently and inappropriately deleted by the court after being notified. 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 civil cases. The court does not review the Justice Fee Exception List to detect filing fee collection and JPAS posting errors. 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 corrective actions:

- Update the cases in JPAS with an explanation for not collecting filing fees.
- Not permit staff to delete cases in JPAS.
- Review the Justice Fee Exception List from Document Direct for civil cases filed without a payment.
- Ensure case records are accurate and reflect a complete account of case activities.

**Management Action Plan**

None received

## **Auditors Response**

N/A

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

We reviewed responses to the Internal Control Questionnaire, dated 6/18/2020, and noted:

- Management does not review voided transactions from the Document Direct Exception Report R09353.
- Clerks are not required to write or stamp their initials when using the Judge's Stamp. We detected occurrences in the audit in which cases were dismissed with a stamp, but we could not determine who used the stamp.

Management should periodically review Exceptions Reports from Document Direct to detect the occurrence voided transactions, errors and omissions. 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." As stated in Texas AG Opinion JM-373, "A judge may "sign" a document by allowing another person to place a mark on a document that constitutes the judge's approval of the document only if the other person does so in the presence of and under the direction of the judge." Court management has access to Document Direct, but does not utilize reports to monitor JPAS activities concerning the occurrence of void transactions. Additionally, the court allows staff to use the Judge's Stamp and does not have a means to differentiate which employee used the stamp. Without management oversight, transactions can be voided without segregation of duties. Waivers and dismissals may be inappropriately granted when parties with access to a judge's stamp use without an audit trail.

## **Recommendation**

### **Internal Control Questionnaire**

- Management should make the following corrective actions:
- Review the Document Direct Exception Report R09353 each month to detect the occurrence of voided transactions and evaluate each to determine authorization was granted, a reason was provided, the computer receipts state "Void" and are retained by the court.
- Require that judicial decisions, such as: DA motions for dismissal, judgments, fine reductions, credit for time served, and community service requests are authorized by the Judge on a court order with the Judge's signature.
- Ensure that clerks using the judge's stamp in the presence of the judge, record their initials on court documents to establish an audit trail.
- Limit access and use of judicial stamps.

## **Management Action Plan**

None received

**Auditors Response**

N/A

**Credit Cards**

We reviewed all credit card postings and refunds posted to JPAS during FY2019 and identified:

- One credit payment was receipted to JPAS after 11 business days (JT1800161E).
- One credit card payment was not posted to the defendant's case in JPAS (JT0650404E), but was posted to another defendant's case. **Status: On 7/22/2020 the \$30 payment was applied to the correct case.**

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. The court did not ensure a credit card payment was timely posted to JPAS and that another was posted to the correct defendant's case. As a result, payment errors may not be detected and defendants may not receive credit for payments made to their cases.

**Recommendation**

**Credit Cards**

Management should make the following corrective actions:

- 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.
- Post the defendant's complete online credit card payment amount to JPAS, referencing the last five digits of the Record ID (from the Credit Card Autocite) or the Transaction ID (from the Credit Card Settlement Report).

**Management Action Plan**

None received

**Auditors Response**

N/A

**Manual Receipts**

We reviewed the court's manual receipt books to determine whether receipts were issued in date sequence and the existence of receipt book pages, finding no instance of material non-compliance. We sampled 20 of the 45 manual receipts issued in FY2019 and compared them to computer receipts for accuracy, timely posting, and completeness with no instance of material non-compliance. However, of the 45 manual receipts issued only one manual receipt was voided. We tested the voided manual receipt and determined it was voided without management approval.



The court's procedure is for the requester to obtain approval from the Chief Clerk before voiding a transaction. The Chief Clerk "reviews the reason for the void and confirms that it is required." The court's management did not adhere to its procedure for voiding transactions. A lack of segregation of duties and management oversight when voiding transactions may result in the misappropriation of assets, loss of revenue, or a delay in revenue recognition.

**Recommendation**

**Manual Receipts**

Management should make the following corrective actions:

- Review manual receipts to detect voided transactions, errors, omissions, and to ensure voids are authorized.
- Require that staff who prepare receipts seek management's authorization prior to voiding transactions, as designated by management's signature.

**Management Action Plan**

None received

**Auditors Response**

N/A

cc: Darryl Martin, Commissioners Court Administrator