



# AUDIT REPORT

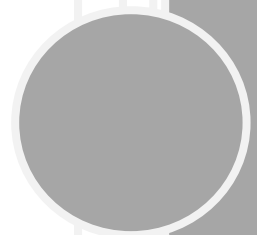
DALLAS COUNTY

FY2021 Justice of the Peace Precinct 2, Place 2 Audit

Darryl D. Thomas  
Dallas County Auditor

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# FY2021 Justice of the Peace Precinct 2, Place 2 Audit

## TABLE OF CONTENTS

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MANAGEMENT LETTER .....	3
EXECUTIVE SUMMARY.....	4
INTRODUCTION .....	5
DETAILS .....	6

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 "FY2021 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.

In 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,

*Darryl D. Thomas*

Darryl D. Thomas  
County Auditor

## EXECUTIVE SUMMARY

A review was performed in accordance with statutory guidelines on the records and reports of Justice of the Peace, Precinct 2, Place 2 for fiscal year 2021. **Audit staff observed that the court improved in several areas in which issues were identified in previous years.** Areas of risk which need consideration by management are:

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

- **Fee and Fine Assessment and Collection:** 11 out of 20 (55%) cases appear inconsistent in assessing, collecting, applying, and posting proper court costs, fees and fines.

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

- **Court Cost, Fine and Collection fee Assessment:** Inconsistency assessing, collecting, applying and posting proper court costs, fees and fines.

**Only those weaknesses which have come to our attention as a result of the audit have been reported. It is the responsibility of the department management to establish and maintain effective internal control over compliance with the requirement of laws, regulations, and contracts applicable to the department.**

## 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 requirements2. Evaluate internal controls3. Verification of accuracy and completeness of reporting4. Review controls over safeguarding of assets

This audit covered the period of October 1, 2020 through September 30,2021.

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

**Credit Cards**

The court's online credit card transactions and postings to JPAS during the audit period were reviewed and it was identified that one credit card transaction was not receipted within the five business days requirement, but posted to JPAS after 13 business days.

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 (LGC) 113.022. This occurred due to clerical oversight in the manual process of receipting payments. 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 per LGC 113.
- Provide oversight by reviewing JP Credit Card and Settlement Reports against payments posted to JPAS to ensure all payments are accurately and completely posted.

**Management Action Plan**

- The two JW cases were clerical errors that were addressed, the JT case the Treasurer's Office advised payment was made but it did not show up on the settlement report for posting which resulted in a late payment posting.

**Auditors Response**

- None

**Warrants**

The JP Warrant Error Report, dated 06/27/2022, was reviewed and it was identified that one case without a balance due or marked inactive (disposed) has an active warrant. 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. This occurred due to clerical oversight in recalling warrants on disposed cases. As a result, this poses a potential liability to the County for persons arrested in error.

**Recommendation**

Warrants

Management should take the following corrective actions:



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

### Management Action Plan

- We currently review the Warrant Error Report weekly and the traffic clerk recalls warrants and disposes the cases. We also email the Constable's office any warrant discrepancies.

### Auditors Response

- None

## Manual Receipts

All 33 manual receipts issued during the audit period were reviewed and it was identified that one manual receipt was issued referencing an invalid case number. **Status: Payment was posted to the correct case in JPAS.**

The court's manual receipting procedure is for the bookkeeper to input the case number, payment amount, tender type, payee name, payment date, and receiver's name on the manual receipt. This occurred because the court's manual receipting procedures were not followed. Manual receipt errors increase the risk that payments may not be receipted to the appropriate case, which may result in additional fees and other consequences to parties in a case. A lack of oversight and management review may result in risk of a delay in the detection of errors to manual receipts.

### Recommendation

Manual Receipts

Management should make the following corrective actions:

- Follow the court's manual receipt procedures.
- Review manual receipts for accuracy including the total amount, tender/payment type, case number, transaction date, and payer name fields on the receipt.

### Management Action Plan

- Manual receipts are reviewed by the Bookkeeper and Chief Clerk, the one issue was a clerical error that was corrected.



## **Auditors Response**

- None

## **Computer Receipts**

All deposits made by the court during the audit period and 15 voided computer receipts were reviewed and the following was identified: two computer receipts were not marked "Void". The court's voiding procedure is to mark receipts "Void/Deleted", document a reason for voiding, ensure all receipt copies are retained by the court, and obtain management's signed approval on all voided receipts. A lack of management oversight when voiding receipts may present opportunities for misappropriation.

### **Recommendation**

Computer Receipts

Management should make the following corrective actions:

- Following the court's procedures for voiding transactions.
- Ensure receipts containing errors are clearly marked "Void/Deleted".
- Periodically review Exception Reports to monitor voided computer receipts and ensure the timely detection of errors and omissions.

### **Management Action Plan**

- Recommendations have been discussed with each bookkeeper advised new backup bookkeeper that all voids needs to be approved reviewed and documented with reviewer initials.

### **Auditors Response**

- None

## **Civil Fees**

20 civil cases filed by a non-government entity from the Justice Fee Exception List were reviewed and the following identified:

- Five cases in which the court posted the wrong file date in JPAS. This includes one case in which the Pauper's Affidavit form in the case jacket was for a different case number.
- Four cases in which the Pauper's Affidavit form received was not file stamped.
- One case was deleted and the case number was re-used for a different plaintiff and defendant. There were no means to determine if financial activity was recorded to the deleted 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 of the Texas Rules of Civil Procedure. Per Rule 145, a Statement of Inability to Afford Payment should be docketed to the case. As a best practice, management should not permit the deletion of cases. This occurred due to clerical errors and omissions made in the manual process of setting up new cases and updating JPAS, and was not detected through reviewing the Justice Fee Exception List. As a result, JPAS docketing errors may occur when civil case filings are not reviewed by the court for completeness and accuracy. Deleting cases in JPAS increases the risk that assets may be misappropriated and not detected by management. Additionally, deleting cases may result in the loss of receipt records, case notes, docketing information, and other actions posted by the court without an audit trail.

### **Recommendation**

#### Civil Fees

Management should take the following correct actions:

- Update the file date in JPAS for the five cases.
- Not permit staff to delete cases
- Review the Justice Fee Exception List from Document Direct for civil cases filed without a payment and for posting errors.
- Ensure case records are accurate and reflect a complete account of case activities.
- 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**

- File date on each case was corrected, staff does not have access to delete cases and deleted cases are reused if case was entered as a clerical mistake. No money was ever applied to the deleted case as the clerical error was caught before funds were accepted.

### **Auditors Response**

- None

## **Dismissed Cases**

26 dismissed cases were reviewed during the audit period and the following were identified:

- Two cases were dismissed, but the DA's Motion to Dismiss order was not in the case file.
- One case in which the DA Dismissal date was incorrectly posted to JPAS.
- One case file requested for audit review was not provided; therefore, we could not verify whether the dismissal was approved 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). Per Code of Criminal Procedures (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, DA motions (requests) to dismiss, 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 to determine if any money belonging to the county and in the possession of the officer has not been accounted for and paid over according to law. These instances occurred because management did not adhere to CCP 45 and LGC 115.901. Management did not review cases to ensure all supporting documentation was included in the case files and that sufficient approval was documented for case dismissals. As a result, assets may be misappropriated when dismissals are granted without supporting authorization and when cases are not reviewed by the court for completeness of supporting documentation. Missing case files increase the risk that assets may be misappropriated and not detected through the loss of official court records.

### **Recommendation**

Dismissed Cases

Management should make the following corrective actions:

- Locate the missing case file for examination by the County Auditor, per LGC 115.
- Require that judicial decisions, including DA (prosecution) motions for dismissals, are authorized by the Judge with the DA's and Judge's signature in compliance with CCP Chapter 45.
- Docket cases as events occur, such as dismissal, DA motions for dismissal, appeal bond file dates, and judgments rendered by the court.
- Review case files for the appropriate records supporting the court's judgment and dockets for accuracy and completeness before disposing the case.

### **Management Action Plan**

- DA Dismissal cases were corrected, cases are sent down and recorded before being sent to archives.

### **Auditors Response**

- None

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

20 cases were reviewed for the assessment and collection of court costs, fines, and fees and accuracy of postings to the Justice of the Peace Accounting System (JPAS) and the following identified:



- Three cases in which the judgement date was not posted in JPAS. **Status: The court subsequently posted the judgment date to one of the cases after Internal Audit informed the court of the error.**
- Two cases in which the court costs were not assessed according to the fee schedule. This includes one case in which the community service credit was not posted to fees in JPAS as a "non-receipt" (NR) payment.
- One case in which the payment was backdated in JPAS one day for a portion of the original amount, rather than posting the entire amount in full.
- One case in which the time payment fee was not assessed and collected.
- One case in which the correct agency (Sheriff, Constable, Dart, etc.) did not receive credit for the citation.
- One disposed case in which the return date field for an issued warrant was not entered on the JPAS docket screen. Issued warrants should have both an issue and return date posted.

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, Local Government Code Chapter 133, Commissioners Court orders, and Attorney General Opinion GA-0147. Court costs should be assessed based on offense date and offense type. Consistent with CCP Chapter 45.017, the JPAS Docket screen should be updated as cases are filed, additional court costs are added, the date judgment is rendered, the date warrants are returned, and as changes in fines or amounts are ordered by the Judge. These instances occurred due to non-compliance with state statutes, clerical errors and omissions from manual case entries, and inadequate JPAS system functionality that requires the manual entry of assessments and payments. These errors and omissions may result in the inadequate collection of court costs and fine amounts and an incorrect distribution and disbursement of funds contractually and statutorily owed to other parties.

#### **Recommendation**

Fee and Fine Assessment and Collection

Management should take the following corrective actions:

- Post corrections for the one case in which the agency did not get credit for the citation, post the judgment date for the two cases, and post the return date for the one issued warrant in JPAS.
- Collect the time payment fee in compliance with CCP 102.030, on or after the 31st day after the date the judgment is entered.
- Ensure all court personnel consistently follow court guidelines and Texas Statutes (CCP Ch.45, 102, and LGC Ch.133) and Attorney General Opinion GA-0147.
- Post the Community Service credit to fees as a "non-receipt" (NR) payment for the one case.
- Docket the assessment of additional court costs (including administrative fees, time payment fees, warrant or capias fees, etc.), fine amounts reduced by the Judge, collection fees owed, and judgments rendered by the court.



- Review case records, dockets, and payments for accuracy and completeness before disposing the case.
- Not permit staff to backdate receipts to JPAS.
- Review JPAS collection and docketing reports in order to detect errors and omissions.

### Management Action Plan

- Met with staff to discuss these findings that are repeatedly made in error, will have continuous training sessions regarding Fine and Fees.

### Auditors Response

- None

## Special Fund

Special Fund check disbursements, reconciliations, and postings to JPAS were reviewed during the audit period (ending September 30, 2021) and the following was identified:

- The Special Fund balance per JPAS is \$23,346.16, of which \$19,650.67 is for cases older than three years.
- \$499.94 is made up of case balances under \$100 and can be escheated to the county.
- The \$23,346.16 balance per JPAS is \$3,011.68 less than the \$26,357.84 Oracle GL balance, due to incomplete JPAS records.
- Four cancelled checks totaling \$715.01 were not posted to JPAS.
- Three checks totaling \$811.01 were disbursed, but not posted to JPAS.

In accordance with Local Government Code Section (LGC) 113.008 (f), 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; ensure all financial adjustments resulting from the reconciliation are reported to the county auditor for entry in the general set of records; and reflected in the case receipts and disbursement registers of the County Treasurer. Management should escheat funds per Property Code, § 72 and § 76 and cash bonds should be forfeited per Code of Criminal Procedure § 22. Disbursement checks and cancellations should be completely and accurately posted to JPAS by the court once issued from Oracle. Management did not comply with LGC 113 to ensure the Special Fund account was timely reconciled to detect check disbursements and cancellations errors and omissions. The Special Fund is intended to be a temporary escrow account, and the court has not escheated the \$19,650.67 balance which contains overpayments and cash bonds paid by parties. As a result, parties entitled to funds did not receive them and may not realize they are held in escrow by the court. Without effective review and oversight disbursement checks may be sent to the incorrect payee, financial records in JPAS may be incomplete or posted with errors.



**Recommendation**

Special Fund

Management should take the following corrective actions:

- Contact parties to claim the \$19,650.67 in Special Funds held in escrow.
- Escheat \$499.94 in cases balances under \$100 to the county.
- Post the three Special Fund checks totaling \$811.01 and four cancellations totaling \$715.01 to JPAS.
- Reconcile Special Fund balances and transactions from the General Ledger against JPAS each month.
- Ensure Special Fund check disbursements and cancellations are accurately and completely posted to cases in JPAS after the completion of monthly reconciliations.
- Review Special Fund reports and routinely escheat Special Funds in accordance with unclaimed property statutes, Property Code, § 72 and § 76.
- Forfeit cash bonds in accordance with Code of Criminal Procedure § 22.

**Management Action Plan**

- Special Fund report corrections were made and balanced at the end of FY21.

**Auditors Response**

- None

cc: Darryl Martin, Commissioners Court Administrator