



AUDIT REPORT

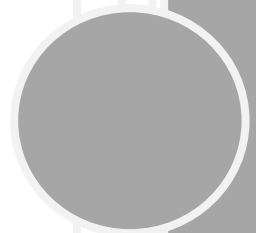
DALLAS COUNTY

FY2022 JUSTICE OF THE PEACE PRECINCT 3, PLACE 1 AUDIT

Darryl D. Thomas
Dallas County Auditor

ISSUED: 7/6/2023

RELEASED: AUGUST 18, 2023



FY2022 Justice of the Peace Precinct 3, Place 1 Audit

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This report is intended for the information and use of the agency/department. While we have reviewed internal controls and financial reports, this review will not necessarily disclose all matters of a material weakness. It is the responsibility of the department to establish and maintain effective internal control over compliance with the requirements of laws, regulations, and contracts applicable to the department



DALLAS COUNTY
COUNTY AUDITOR

MANAGEMENT LETTER

Honorable Judge Adam Swartz
Justice of Peace, Precinct 3, Place 1
Dallas, Texas

Attached is the County Auditor's final report entitled "**FY2022 Justice of the Peace Precinct 3, Place 1 Audit**" Report. In order to reduce paper usage, a hard copy will not be sent through in house mail except to the auditee.

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 3, Place 1 for fiscal year end 2022 during which the Honorable Judge Al Cercone presided. Internal Control weaknesses which need consideration by management are as follows:

Summary of Significant Observations

- **Case Deletions:** 41 cases were deleted without supervisory review.
- **Special Fund Reconciliation and Activity:** The Special Fund balance is \$47,050.33 of which \$4,135 is for cases balance eligible for escheatment (older than three years as of the 3/1/2022 reporting date). JPAS is \$1,335 less than the general ledger balance per Oracle because of incomplete and unposted records. Such as seven check disbursements totaling \$3,618.50 and five Cancelled checks totaling \$3,414 were not posted to JPAS.
- **Civil Case:** 9 out of 20 (45%) cases in which there was no reason for not collecting filing fees totaling \$1,213.00. and One case was created in error but the court did not reference the correct case number in JPAS comments.
- **Voided Computer Receipts:** A supervisor did not review 52 out of 67 (78%) computer receipts. Six computer receipts were back-dated and two computer receipts were voided but the court's voided receipt approval form and copy of the voided receipts were missing.

Fee and Fine Assessment and Collection: 6 out of 20 (30%) cases in which partial payments were not allocated among all applicable court costs; three cases in which the time payment fee was not properly assessed and collected; and one case in which the Truancy Prevention and Diversion fee was not assessed and collected.

Repeat observations from Previous Audits:

- **Case Deletion:** The court does not deter cases deletions and does not review D/P Reports to detect the appropriateness of case deletions. There is limited system functionality for assigning security roles and rights in JPAS, which allow court staff to delete cases.
- **Special Fund Reconciliation:** The court does not reconcile the Special Fund to timely detect posting errors.
- **Voided Computer Receipts:** Voids were not reviewed by court management for accuracy and completeness.
- **Dismissed Cases:** Case files requested for audit review were not provided. For cases dismissed in JPAS, the supporting documentation not located.
- **Fee and Fine Assessment and Collections:** The court does not have a review process to ensure court costs were accurately assessed and collected, and cases activities are completely logged in JPAS prior to case disposition.

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.

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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, 2021 through September 30, 2022.

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

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

- Six cases in which partial payments were not allocated among all applicable court costs. In one case the court did not update the docket screen for a \$100 fine waiver, resulting in a \$33.60 overpayment.
- Three cases in which the time payment fee was not properly assessed and collected. In two cases the court collected \$15 rather than \$25.
- One case in which the Truancy Prevention and Diversion fee was not assessed and collected.
- In two cases in which collection fees were incorrectly collected by the court.

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 Chapters 133 and 134, Transportation Code (TC) 542 and 706, Commissioners Court orders, and Attorney General Opinion GA-0147. Court costs should be assessed based on offense date and offense type. Consistent with CCP Chapter 45.017 the JPAS Docket screens should be updated as cases are filed, 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. These errors and omissions resulted in the inadequate collection of court costs and may result in an incorrect distribution and disbursement of funds contractually and statutorily owed to other parties.

Recommendation

Fee and Fine Assessment and Collection

Management should make the following corrective actions:

- Collect the time payment fee when a payment is made on or after the 31st day from the judgment, per CCP 102.030.
- Allocate partial payments among all applicable court costs before allocating payments to the fine per Attorney General Opinion GA-0147.
- 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.
- Review collection and docketing reports to detect errors and omissions.
- Train all court personnel and ensure they consistently follow court guidelines, Commissioners Court Orders (2004-1147), Texas Statutes (CCP Ch.45, 102, 103;



LGC Ch.133, 134; and TC Ch.542 and 706), and Attorney General Opinion GA-0147.

Management Action Plan

- Court costs, fines, and fees are currently assessed, collected, and prorated in compliance with applicable state laws including Code of Criminal Procedure (CCP) Chapters 45 and 102, Local Government Code Chapters 133 and 134, Transportation Code (TC) 542 and 706, Commissioners Court orders, and Attorney General Opinion GA0147.
- Court costs are currently assessed based on offense date and offense type.
- Consistent with CCP Chapter 45.017 the JPAS Docket screens should be updated as cases are filed, 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
- Training all court personnel to consistently follow court guidelines, Commissioners Court Orders (2004-1147), Texas Statutes (CCP Ch.45, 102, 103; LGC Ch.133, 134; and TC Ch.542 and 706), and Attorney General Opinion GA-0147.
- Provide oversight by reviewing JP Credit Card and Settlement Reports against payments posted to the JP system to ensure all payments are accurately and completely posted.

Auditors Response

- None

Dismissed Cases

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

- Fifteen cases were dismissed by the judge on Motion of the DA, but the DA dismissed date was not posted in JPAS.
- Two case files requested for audit review were not provided; therefore, Internal Audit could not verify whether the District Attorney's motion was obtained, and the dismissal was approved by the Judge.
- Two cases were dismissed in JPAS without the State's Motion to Dismiss and signed dismissal order.
- One case in which the insurance filed shows that the defendant did not have insurance on the date of offense. In addition, the Order of Dismissal states that hearing was held on 11/15/2021, which is the date of the offense. The actual date of the hearing was 2/28/2022.

Per Code of Criminal Procedure (CCP) Article 32.02, the attorney representing the State may, by permission of the court, dismiss a criminal action at any time upon filing a written statement with the papers in the case setting out his reasons for such dismissal. No case shall be dismissed without the



consent of the presiding judge. According to the Texas Court of Criminal Appeals, "A trial court has no "general authority" to dismiss a criminal case without the prosecution's consent except as provided by statute, common law, or constitutional provision (See State v. Johnson, 821 S.W.2d 609, 613; Tex.Crim.App.1991)." Per Texas AG Opinion H-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. Transportation Code (TC) 601.053 and 601.193 states the operator of the vehicle charged shall provide a liability insurance policy covering the vehicle to the court that was valid at the time the offense is alleged to have occurred. 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. Court management did not adhere to CCP 32, CCP 45, TC 601.193, LGC 115.901, and did not detect record omissions in the case files. It is possible assets may be misappropriated when dismissals are granted without supporting authorization, case files and official court records are missing, and when cases are not reviewed by the court for completeness of supporting documentation.

Recommendation

Dismissed Cases

Management should make the following corrective actions:

- Locate the two missing case files and dismissal documentation for examination by the County Auditor per LGC 115.
- Communicate records management issues to the Records Management Officer.
- Require that judicial decisions, including signed DA (prosecution) motions for dismissal, are authorized by the judge with the judge's signature.
- These official court records should be present in the case file.
- Post the date when the DA files the motion to dismiss and the judicial dismissed date in compliance with CCP 45.
- Ensure that the terms of orders are completed prior to case disposition and that case records are reviewed for accuracy and completeness before disposing the case.
- Comply with TC 601 by obtaining a physical copy of the liability insurance policy that displays the defendant's vehicle was covered at the time that the offense is alleged to have occurred.

Management Action Plan

- No response received

Auditors Response

- None



Disposed cases

Twenty disposed cases were reviewed; it was identified that three case files requested for audit review were not provided; therefore, Internal Audit could not verify whether proof of offense compliance, or the dismissal was approved by the Judge.

Local Government Code (LGC) 115.901 states the county auditor shall examine the accounts, dockets, and records of each justice of the peace to determine if any money belonging to the county and in the possession of the officer has not been accounted for and paid over according to law. Per the Local Schedule LC of the Texas State Library and Archives Commission, a local government record may not be destroyed if any litigation, claim, negotiation, audit, public information request, administrative review, or other action involving the record is initiated prior to the destruction of the record until the completion of the action and the resolution of all issues or until the expiration of the retention period of the record, whichever is later. Management did not adhere to LGC 115.901 and the Local Schedule LC of the Texas State Library and Archives Commission. Missing case files may increase the risk that assets may be misappropriated and not detected through examination of the case jacket and its contents. Additionally, parties requesting official court records may not have access to them.

Recommendation

Disposed Cases

Management should make the following corrective actions:

- Locate the three missing case files for examination by the County Auditor per LGC 115.
- Ensure management reviews case records, dockets, and payments for accuracy and completeness before disposing the case.
- Retain court files and records for the five-year minimum required retention period for criminal cases per Local Schedule LC of the Texas State Library and Archives Commission.
- Communicate records management issues to the Records Management Officer.

Management Action Plan

No response received.

Auditors Response

N/A

Unposted Traffic Tickets

On 05/09/2023, unposted traffic tickets were inspected; it was identified that 142 traffic tickets (78 stamped 4/26/2023, and 64 stamped 5/2/2023) were not posted to Odyssey and remain outstanding as of 5/16/2023.

Per CCP Article 27.14 "the court shall notify the defendant either in person or by regular mail of the amount of any fine or costs assessed in the case." The court's procedure is to post new misdemeanor



cases to JPAS within three days after the court receives the citation or notice of offense. The court has not formally written this procedure in its manual and management does not monitor for its compliance. It is possible unposted traffic tickets may delay justice for defendants, result in revenue loss, and cause bottlenecks in the court's ability to manage criminal cases.

Recommendation

Unposted Traffic Tickets

Management should make the following corrective actions:

- Post the 142 traffic tickets in Odyssey.
- Ensure staff enter traffic tickets within three business days per the court's procedure.
- Write a formal policy documenting the court staffs' responsibilities for posting traffic tickets to Odyssey. The policy should clarify what documenting is acceptable for the court, the steps to follow in obtaining missing documentation, and when to escalate issues to management.
- Ensure management monitors the queue of unposted traffic tickets, works with staff to resolve documentation discrepancies, and seeks compliance with the court's policy.
- Communicate circumstances surrounding traffic ticket documentation issues with law enforcement and agency managers for resolution.
- Delegate posting new misdemeanor cases to additional personnel when ticket volumes increase or additional assistance is required.
- Monitor output levels performed by personnel through Odyssey Reports and provide additional training opportunities when needed.
- Continue file stamping traffic citations with the date received.

Management Action Plan

- Post the 142 traffic tickets in Odyssey.
- Ensure staff enter traffic tickets within 3 business days per the court's procedure.
- Write a formal policy documenting the court staffs' responsibilities for posting traffic tickets to Odyssey.
- The policy should clarify what documenting is acceptable for the court, the steps to follow in obtaining missing documentation, and when to escalate issues to management.
- Ensure management monitors the queue of unposted traffic tickets, works with staff to resolve documentation discrepancies, and seeks compliance with the court's policy.
- Communicate circumstances surrounding traffic ticket documentation issues with law enforcement and agency managers for resolution.
- Delegate posting new misdemeanor cases to additional personnel when ticket volumes increase or additional assistance is required.
- Monitor output levels performed by personnel through Odyssey Reports and provide additional training opportunities when needed.



- Continue file stamping traffic citations with the date received.

Auditors Response

- None

Civil Fees

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

- Nine cases in which there was no reason for not collecting filing fees totaling \$1,213.00.
- One case was created in error, but court did not reference the correct case number in JPAS comments.

Civil filing fees should be collected and applied to the initiating party's case in compliance with Local Government Code (LGC) 133.151, 135.103 and 118.131. 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. Management did not adhere to LGC 133.151, 135.103 and 118.131 and did not review cases to ensure all supporting documentation was included in the case files and JPAS. It is possible JPAS docketing errors may occur or filing fees may not be collected when civil case filings are not reviewed by the court for completeness and accuracy, resulting in losses to the county.

Recommendation

Civil Fees

Management should take the following correct actions:

- Research the nine cases and determine if the county is owed filing fees or update comments with an explanation for not collecting filing fees.
- Add a comment referencing the correct case number for the case that was set up in error.
- Collect the appropriate filing fees on civil cases per (LGC) 133.151, 135.103 and 118.131.
- Review available Odyssey reports for civil cases filed without a payment and for posting errors.
- Ensure case records are accurate and reflect a complete account of case activities.



Management Action Plan

- Collect the appropriate filing fees on civil cases per (LGC) 118.121, 118.122, 118.123 and 118.131.
- Review available Odyssey reports for civil cases filed without a payment and for posting errors.
- Ensure case records are accurate and reflect a complete account of case activities.

Auditors Response

- None

Case Deletions

Defendant/Plaintiff (D/P) Log Reports were reviewed during the audit period and it was identified that forty-one cases were deleted without supervisory 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 Log 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 without segregation of duties and approval. Additionally, management does not monitor D/P Log Reports to detect and review case deletions. Deleting cases in JPAS increases the risk that assets may be misappropriated and not detected by management. Deleting cases can result in the loss of receipt records, case notes, docketing information, and other actions posted by the court without an audit trail.

Recommendation

Case Deletions

Management should make the following corrective actions:

- Not permit staff to delete cases.
- Routinely monitor available Odyssey reports for case deletions and communicate with staff when they occur.
- Review circumstances surrounding each case deletion to understand the effect and impact.
- Ensure system rights and roles are based on the user's core job duties.



Management Action Plan

- Ensure management reviews case records, dockets, and payments for accuracy and completeness before disposing the case.
- Retain court files and records for the 5-year minimum required retention period for criminal cases per Local Schedule LC of the Texas State Library and Archives Commission.
- Communicate records management issues to the Records Management Officer.
- As a best practice, management does not currently permit the deletion of cases by general staff to ensure that case deletions do not occur.
- Ensure system rights and roles are based on the user's core job duties.

Auditors Response

- None

Manual Receipts

All 26 manual receipts issued during the audit period were reviewed; it was identified that one manual receipt shows a cash payment, but was posted as a check in JPAS. The pink manual receipt was not attached to the computer receipt, and the second computer receipt was not attached to the manual receipt book.

Manual receipts should be issued in sequential order with the correct case number(s) referenced, payment amount, tender type, payee name, payment date, and receiver's name. When manual receipts are issued to customers, the white receipt copy should be given to the customer, the pink copy should be attached to the court's computer receipt after payment is received in JPAS, and the yellow copy should remain within the manual receipt book attached to the second computer receipt. Manual receipts should be reviewed by court management for accuracy and completeness. This occurred because there is no management oversight and segregation of duties over the manual receipting process. A lack of segregation of duties and management oversight may result in potential revenue losses, misappropriation of assets, and risk that manual receipt errors may not be detected.

Recommendation

Manual Receipts

Management should take the following corrective actions:

- Attach the computer receipt to the triplicate (yellow) manual receipt copy retained in the manual receipt book.



- Review manual receipts to ensure the total amount, tender type, case number(s), transaction date, and payer name fields are accurate and complete.
- Compare the details written on manual receipts to computer receipts stapled to the manual receipt book.

Management Action Plan

- Attach the computer receipt to the triplicate (yellow) manual receipt copy retained in the manual receipt book.
- Review manual receipts to ensure the total amount, tender type, case number(s), transaction date, and payer name fields are accurate and complete. When necessary, compare the details written on manual receipts to computer receipts stapled to the manual receipt book.

Auditors Response

- None

Voided Computer Receipts

Sixty-seven voided computer receipts were reviewed for audit period FY22 and the following were identified:

52 computer receipts were not reviewed by a supervisor. This includes:

- Two computer receipts were voided without a reason written on the receipt or court's void approval form.
- Two computer receipts were voided, then re-receipted after business hours.
- Six computer receipts that were back dated.
- Two computer receipts were voided, but the court's voided receipt approval form and copy of the voided receipt were missing.
- Three computer receipts list the wrong reason for voiding the receipt.

The court's voiding procedure is to label receipts "Void", document a reason for voiding, ensure all receipt copies are retained by the court, void the full amount of the receipt, and segregate the duties of void preparer and reviewer. As a best practice, management should review and approve all voided receipts. Per Local Government Code (LGC) Section 115.001, the county auditor shall have continual access to and shall examine and investigate the correctness of: the books, accounts, reports, vouchers, and other records of any officer. PAS reporting through Document Direct provides the JP courts with



the capability to review exception reports and voided transactions to ensure that errors and omissions are detected. Management did not ensure the court's voiding procedures were consistently followed and did not adhere to LGC 115.001. A lack of management oversight and segregation of duties may result in errors, omissions, revenue loss, an incomplete audit trail, and present opportunities for misappropriation. Unsupported voiding of payments may also result in losses to the county.

Recommendation

Voided Computer Receipts

Management should make the following corrective actions:

- Provide the missing voided receipts for examination to the County Auditor, per LGC 115.
- Train staff on the court's receipting procedures for voiding transactions, including:
- Mark computer receipts "Void" with a written explanation when receipts are voided at the court.
- Ensure receipts are completely voided for the entire amount, rather than voiding for partial amounts of the original.
- Ensure all receipt copies are retained by the court.
- Document the review of void transactions by management in writing and ensure void duties are appropriately segregated.
- Periodically monitor voided computer receipts and ensure the timely detection of errors and omissions.
- Train staff to not backdate receipts.

Management Action Plan

- As a best practice, management currently reviews and approves all voided receipts.
- Train staff on the court's receipting procedures for voiding transactions, including:
- Mark computer receipts "Void" with a written explanation when receipts are voided at the court.
- Ensure receipts are completely voided for the entire amount, rather than voiding for partial amounts of the original.
- Ensure all receipt copies are retained by the court.
- Document the review of void transactions by management in writing and ensure void duties are appropriately segregated.
- Periodically monitor voided computer receipts and ensure the timely detection of errors and omissions.
- Train staff to not backdate receipts.

Auditors Response

- None



Daily Deposits Batches

Daily deposits processed during the audit period were reviewed; four check batches were not deposited within the five business days.

Deposits shall be made 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. Per Dallas County Policy Section 74-692, the County Auditor's Office will be notified immediately (within one day) of any out of balance conditions for purposes of identifying and substantiating any shortages which may subsequently require indemnification. This occurred because the details of checks were not reviewed by the court before the check was sent to the Treasurer's Office, and management did not comply with LGC 113.022. A lack of management oversight and segregation of duties may result in inaccuracies, an incomplete audit trail, and present opportunities for misappropriation. Errors and omissions not detected by management may result in deposit delays and losses.

Recommendation

Daily Deposits Batches

Management should make the following corrective actions:

- Ensure all money is deposited no later than the fifth day after the day money was received, per LGC 113.022.
- Comply with Dallas County Policy Section 74-692 by timely reporting deposit issues to the County Auditor's Office.
- Train clerks to review the payee names and compare the written and numeric amounts of checks before checks have been posted to Odyssey and during the deposit review.
- During deposit preparation ensure two separate calculator tapes, one for the numeric amount and one for the written amount are made and compared to detect check amount discrepancies.
- Segregate the duties of preparing and reviewing the deposit, including a review for check errors and omissions.

Management Action Plan

No response received

Auditors Response

N/A

Special Fund

Twenty Special Fund check disbursements, monthly reconciliations, and postings to JPAS were reviewed during the audit period (ending September 30, 2022) and the following were identified:

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The Special Fund balance per JPAS is \$47,050.33, of which \$4,135 is for cases balance eligible for escheatment (older than three years as of the 3/1/2022 reporting date).

- \$2,585 is made up of case balances under \$100 and can be escheated to the county.
- The \$47,050.33 balance per JPAS is \$1,335.00 less than the \$48,385.33 Oracle general ledger balance, as a result of incomplete JPAS records.
- The court did not reconcile the FY22 Special Fund to the Oracle General Ledger.
- Seven check disbursements totaling \$3,618.50 were not posted to JPAS.
- Five cancelled checks totaling \$3,414 were not posted to JPAS.
- One \$5 receipt payment was posted to Oracle on 12/3/2021, but not JPAS.
- One disbursement check number was posted to the incorrect case.
- One disbursement check references the wrong case number.
- One refund check was overstated by \$10 because the court did not correctly charge the time payment fee.

In accordance with Local Government Code Section 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 files, general ledger,) each month and ensure all financial adjustments resulting from the reconciliation are reported for entry in the general set of records and reflected in the case receipts and disbursement registers of the County Treasurer. Unposted transactions discovered from the reconciliation should be posted to JPAS. Reconciliations should be reviewed by management for accuracy, completeness, and the appropriateness of transactions. Management should escheat funds per Property Code, § 72 and § 76 and cash bonds should be forfeited per Code of Criminal Procedure § 22. The Civil Practice and Remedies Section 64.072 states, a court may not administer a corporation in receivership for more than three years after the date the receiver is appointed. The Special Fund is intended to be a temporary escrow account. Management did not comply with LGC 113 and Civil Practice and Remedies Section 64.072. Management did not ensure Special Fund activities were timely reviewed and reconciled to detect check disbursement, receipting, and cancellation errors and omissions. 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 be posted with errors. Management relies on staff to complete the special fund reconciliation and post entries to JPAS without oversight. As a result, the Special Fund account was not timely reconciled, check disbursements and check cancellation errors and omissions were not detected.

Recommendation

Special Fund

Management should make the following corrective actions:



- Post the unposted disbursement checks and cancellations.
- Resolve and post the \$5 receipt from 12/3/21.
- Reconcile Special Fund balances and transactions from the General Ledger against the JP system each month per Local Government Code Section 113.008.
- Ensure checks and cancellations are accurately, completely, and timely posted to the JP system once they are first recorded to the Oracle general ledger.
- Comply with the Civil Practice and Remedies Section 64.072 for receiverships.
- 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.
- Ensure all money is appropriately collected before disposing the cases in the JP system. Determine whether the case that was disposed without payment should be re-activated.

Management Action Plan

- Comply with the Civil Practice and Remedies Section 64.072 for receiverships.
- 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.
- Ensure all money is appropriately collected before disposing the cases in the JP system. Determine whether the case that was disposed without payment should be re-activated.

Auditors Response

- None

Credit Card Postings

Online credit card transactions and postings to JPAS during the audit period were reviewed and the following were identified:

- Four online credit card payments were not posted in JPAS. In one case, the defendant was inappropriately charged the \$63 collection fee and paid twice.
- One online credit card payment was backdated.
- One online credit card payment was posted to the wrong defendant's 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 (LGC) 113.022. Payments should not be backdated in JPAS, but instead reflect the same date the clerk received the payment. Management did not ensure online credit card



transactions were timely posted to JPAS and did not comply with LGC 113.022. As a result, payment errors may not be detected and defendants did not receive credit for payments made to their cases.

Recommendation

Credit Card

Management should make the following corrective actions:

- Post the four online credit card payments to the JP system and post the payment to the correct case in the JP system. Refund any overpayments and inappropriately charged fees, as a result of not timely posting the original payment.
- Post complete and accurate payments for online credit card payments to the JP system in compliance with LGC 113.022, referencing the last five digits of the Record ID (from the Credit Card Autocite) or the Transaction ID (from the Credit Card Settlement Report).
- Ensure receipts are not backdated in the JP system, but show the same date the clerk posted the payment.
- Provide oversight by reviewing JP Credit Card and Settlement Reports against payments posted to the JP system to ensure all payments are accurately and completely posted.

Management Action Plan

No response received

Auditors Response

N/A

cc: Darryl Martin, Commissioners Court Administrator