



AUDIT REPORT

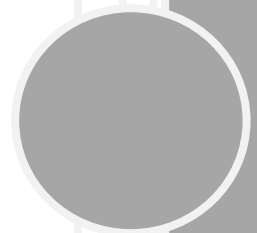
DALLAS COUNTY

FY2021 Justice of the Peace Precinct 4, Place 2 Audit

Darryl D. Thomas
Dallas County Auditor

ISSUED: 12/7/2022

RELEASED: JANUARY 24, 2023



FY2021 Justice of the Peace Precinct 4, Place 2 Audit

TABLE OF CONTENTS

| | |
|-------------------------|---|
| 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 Sasha Moreno
Justice of Peace, Precinct 4, Place 2
Dallas, Texas

Attached is the County Auditor's final report entitled "FY2021 Justice of the Peace Precinct 4, 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 4, Place 2 for the fiscal year 2021. Priority areas of risk that need consideration by management are:

Summary of Significant Observations:

- **Cases Deletions:** 13 cases were deleted without supervisory review. There is no means to determine if the financial activity was recorded in the deleted cases
- **Special Fund:** The \$9,597.79 Special Fund balance per JPAS is \$6,131.24 less than the \$15,729.03 bank balance, as a result of incomplete and unposted JPAS records, 11 canceled checks totaling \$3,687.90 were not posted to JPAS. In addition, Nine Special Fund checks have not been posted to the correct case in JPAS, mislabeled and not reference the correct case number.

Repeat observations from Previous Audits:

- **Cases Deletions:** Cases were deleted without supervisory review. There is no means to determine if the financial activity was recorded in the deleted cases
- **Special Fund:** A lack of management oversight on performing Special Fund reconciliation, posting disbursement, resolving outstanding issues, and the difference between Special Fund general ledger balance and JPAS records.
- **Dismissed Cases:** Five case files were not provided to corroborate the judgment of the court.
- **Computer Receipts:** Court management did not follow the voiding and receipting procedure to detect receipting errors, omissions, and retaining copies of receipts.

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

Fine and Court Fee Assessment

Twenty 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 were identified:

- Three cases in which the time payment fee was not properly assessed and collected based on the offense date. The time payment fee for offenses with dates prior to 1/1/2020 is \$25, and the fee for offenses made after 1/1/2020 is \$15.
- One case in which collection fees were over-paid because the court did not credit community service as a non-receipt.

Court costs, fines, and fees should be assessed and collected in compliance with applicable state laws including Code of Criminal Procedure (CCP) Chapter 45, CCP 102, CCP 103, Local Government Code Chapter (LGC) 133 and 134, Transportation Code 542 and 706, Commissioners Court orders, and Attorney General Opinion GA-0147. Payments must be allocated to costs and fees before satisfying the fine according to the cost-first allocation rule. Court costs should be assessed based on offense date and offense type per the OCA. 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. The court's procedure for accounting for community service is to post credit as a non-receipt in JPAS. This occurred due to noncompliance with Texas statutes and court procedure, and inadequate JPAS system functionality that requires the manual entry of assessments and payments. These errors and omissions may result in the inadequate or over-collection of court costs and fine amounts and an incorrect distribution and disbursement of funds contractually and statutorily owed to other parties.

Recommendation

Fine and Court Fee Assessment

Management should make the following corrective actions:

- Process the refund to the case with a \$45.60 overpayment.
- Docket credit for community service as a non-receipt to JPAS, once it has been verified by the court.
- Assess the court costs, fees, and fines in effect based on the offense date, per the OCA.
- Review case records, dockets, and payments for accuracy and completeness before disposing the case.
- Review JPAS collection and docketing reports in order to detect errors and omissions.



- Ensure all court personnel consistently follow court guidelines and Texas Statutes (CCP Ch.45, 102, 103, and LGC Ch.133).

Management Action Plan

- Converted JPAS cases will have to be assessed by bookkeeper, back-up bookkeeper or chief clerk before payment can be posted. This should ensure that the proper fees are assessed. Reports are also generated daily in the new Odyssey system for cases that require the Time Payment/Collect fees.

Auditors Response

- None

Case Deletions

Defendant//Plaintiff (D/P) Log Reports were reviewed during the audit period, and it was identified that thirteen cases were deleted without supervisory review. **Status::** Per Court Staff is not permitted to delete cases, they are to document that case in JPAS/Forvus and in the case file with an explanation in full detail. Court staff will also follow the recommendations provided by the Auditor's office.

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 Defendant/Plaintiff 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 did not detect these case deletions and did not indicate Defendant/Plaintiff Log Reports are reviewed. 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.
- Write a comment in JPAS explaining errors that occur on cases rather than deleting cases to keep a complete audit trail of cases.
- Ensure management, rather than staff, routinely monitor D/P Log Reports for case deletions and communicating with staff when they occur.
- Review circumstances surrounding each case deletion to understand the effect, impact, and reduce likelihood of reoccurrence.
- Work with Dallas County IT to limit system rights and roles based on the user's core job duties.



Management Action Plan

- The Court received a better understanding of what was defined as “case deletions” and that explanation was provided to staff. Moving forward, the new Odyssey system will not allow certain staff members to delete and reuse cases.

Auditors Response

- None

Dismissed Cases

Twenty-eight dismissed cases were reviewed; it was identified that five case files were not provided to corroborate the judgment of the court.

Local government retention schedule LC states that criminal case papers, dockets, and docket sheets will be retained for a minimum of five years. 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 and the resolution of all issues that arise from it or until the expiration of the retention period of the record, whichever is later. 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 will cooperate with the Commissioners Court and the county records management officer on records management issues. Management did not adhere to Texas retention schedule LC and LGC 115.901. Missing case files increase the risk that assets may be misappropriated and not detected through examination of the case file and its contents or that parties requesting timely access to information may not obtain it.

Recommendation

Dismissed Cases

Management should make the following corrective actions:

- Locate the five missing case files for examination by the County Auditor per LGC 115.
- Ensure the preservation and five year retention of criminal case records per local government retention schedule LC.
- Utilize Odyssey court management system to scan and electronically store case records when it goes live 10/31/2022.
- Ensure that case files are appropriately labeled and classified prior to transport to county archives.
- Communicate records management issues to the Records Management Officer per Dallas County Code Section 98-6 (a).

Management Action Plan

- The county was unable to locate the missing files that the court sent to the Dallas County archive building. The court will keep the remainder of physical files on site, regardless of that fact that we lack the space, to eliminate the loss of JPAS files until audit is complete. Moreover, the new Odyssey system allows for all documents to be scanned into the system.



Auditors Response

- None

Disposed Cases

Twenty disposed cases were reviewed; it was identified that five case files were not provided to corroborate the judgment of the court.

Local government retention schedule LC states that criminal case papers, dockets, and docket sheets will be retained for a minimum of five years. 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 and the resolution of all issues that arise from it or until the expiration of the retention period of the record, whichever is later. 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 will cooperate with the Commissioners Court and the county records management officer on records management issues. Management did not adhere to Texas retention schedule LC and LGC 115.901. Missing case files increase the risk that assets may be misappropriated and not detected through examination of the case file and its contents or that parties requesting timely access to information may not obtain it.

Recommendation

Disposed Cases

Management should make the following corrective actions:

- Locate the five missing case files for examination by the County Auditor per LGC 115.
- Ensure the preservation and five year retention of criminal case records per local government retention schedule LC.
- Utilize Odyssey court management system to scan and electronically store case records when it goes live 10/31/2022.
- Ensure that case files are appropriately labeled and classified prior to transport to county archives.
- Communicate records management issues to the Records Management Officer per Dallas County Code Section 98-6 (a).

Management Action Plan

- The county was unable to locate the missing files that the court sent to the Dallas County archive building. The court will keep the remainder of physical files on site, regardless of that fact that we lack the space, to eliminate the loss of JPAS files until audit is complete. Moreover, the new Odyssey system allows for all documents to be scanned into the system.

Auditors Response

- None



Warrants on Inactive Cases

The JP Warrant Error Report, dated 09/13/2022, was reviewed; it was identified that one case without a balance due or marked inactive (disposed) has an active warrant. **Status: On 9/14/2022 the court recalled the warrant.**

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 disposed case on the Warrant Error Report was not reviewed to detect and recall active warrants. This poses a potential liability to the County for persons arrested in error.

Recommendation

Warrants on Inactive Cases

Management should make 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

- Court will continue to monitor and recall warrants as needed.

Auditors Response

- None

Special Fund

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

- The bookkeeper prepares and reviews the Special Fund reconciliation without segregation of duties.
- The \$9,597.79 balance per JPAS is \$6,131.24 less than the \$15,729.03 Oracle balance as a result of incomplete JPAS records.
- Eleven cancelled checks totaling \$3,687.90 were not posted to JPAS.
- Five Special Fund checks totaling \$298 have not been posted to the correct case in JPAS.
- Three Special Fund Check numbers were mislabeled on the court's reconciliation.
- One Special Fund check disbursement did not reference the correct case number.

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 (GL and bank statement) each month. As a best accounting practice check requests and reconciliations should be reviewed by management for accuracy, completeness, and the appropriateness of transactions. This occurred because management does not review the Special Fund



reconciliation and does not require staff post disbursement check and cancellations timely posted to JPAS. This resulted in inaccurate or incomplete financial data reflected in JPAS. A lack of management oversight may increase the risk that checks issued to parties entitled to funds may be delayed, duplicate checks may be issued, and the difference between JPAS and Oracle may increase.

Recommendation

Special Fund

Management should make the following corrective actions:

- Ensure management reviews each monthly reconciliation and disbursement checks and cancellations are accurately, completely, and timely posted to cases in JPAS after the completion of monthly reconciliations.
- Post the eleven cancelled checks totaling \$6,131.24 and the five check disbursement totaling \$298 to JPAS. One check (#236) was incorrectly posted to a case (JT 9800387L).
- Correct the three mislabeled checks on the court's reconciliation.
- Reconcile Special Fund balances and transactions from the General Ledger against JPAS each month per Local Government Code Section 113.008.
- Investigate differences between the General Ledger and JPAS.
- As best accounting practice, the Court should document each disbursement to its own detectable case number for the purpose of tracking the payment.

Management Action Plan

- The court will continue to get a better understanding on how to properly reconcile Special Funds in the new Odyssey system. Training with the Odyssey team has been scheduled in the next few weeks

Auditors Response

- None

Credit Card Posting

All the court's online credit card transactions and postings to JPAS during the audit period were reviewed and the following were identified:

- Ten online credit card payments were posted to the defendant's case in JPAS after five business days.
- One online credit card payment receipt was backdated.

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. Payments should not be backdated in JPAS. This occurred because management relies on staff to post online credit card payment transactions but does not ensure they are posted timely to the defendant's case in JPAS, in compliance with LGC 113.022. As a



result, defendants may not receive timely credit for payments made to their cases. Additionally, backdating affects the accuracy and occurrence of financial records in JPAS.

Recommendation

Credit Card Posting

Management should make the following corrective actions:

- Post complete and accurate payments for online credit card payments to JPAS in compliance with LGC 113.022.
- Provide oversight by reviewing JP Credit Card and Settlement Reports against payments posted to JPAS verifying all payments are accurately and completely posted.
- Implement receipting procedures to not backdate receipts in JPAS.

Management Action Plan

- Bookkeeper, back-up bookkeeper and chief clerk will continue to review and accurately post payments timely. Reports are now generated daily in the new Odyssey system.

Auditors Response

- None

Computer Voids

All thirty voided computer receipts issued in FY2021 were reviewed and the following were identified:

- Four voided computer receipts were not approved by the Supervisor.
- Three computer receipts were not marked "void".
- One voided computer receipt in which only one of the two receipt copies was retained.

The court's voiding procedure is to mark receipts "Void", document a reason for voiding, ensure all receipt copies are retained by the court, void the full amount of the receipt, and obtain the supervisor's signed approval on all voided receipts. This occurred because the court's voiding procedures were not followed and exception reports from Document Direct were not reviewed to detect errors and omissions. A lack of management oversight and segregation of duties may result in inaccuracies, an incomplete audit trail, and present opportunities for misappropriation.

Recommendation

Computer Voids

Management should make the following corrective actions:

- Document management's review of void transactions with a signature and ensure void duties are appropriately segregated.
- Review Document Direct Exception Reports to timely detect voided receipt errors, omissions, or inconsistencies.
- Ensure personnel follow the court's computer receipting and voiding procedures.



- Mark computer receipts "Void" that cannot be issued to customers and document the reason for voiding.
- Retain all copies of voided receipts.

Management Action Plan

- Bookkeeper, back-up bookkeeper and chief clerk will continue to review all JPAS receipts. The new Odyssey system also now requires an authorization form to be complete and signed by supervisor.

Auditors Response

- None

cc: Darryl Martin, Commissioners Court Administrator