

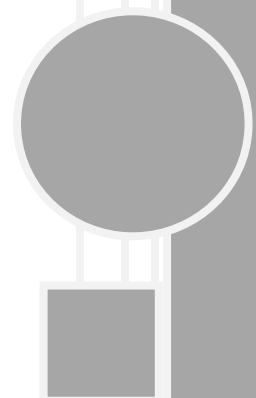


# AUDIT REPORT

DALLAS COUNTY

2019 JUSTICE OF THE PEACE PRECINCT 5, PLACE 1 AUDIT

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Dallas County Auditor  
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# 2019 JUSTICE OF THE PEACE PRECINCT 5, PLACE 1 AUDIT

## TABLE OF CONTENTS

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MANAGEMENT LETTER.....	3
EXECUTIVE SUMMARY .....	4
INTRODUCTION .....	5
DETAILS.....	6
Warrants.....	6
Case Deletions.....	6
Special Funds.....	7
Disposed Cases .....	8
Dismissed Cases.....	9
Credit Cards.....	10
Voided Computer Receipts .....	11
Appealed Cases.....	11
No Plea and No Judgment .....	12
Fine and Fee Compliance.....	13
Civil Fees .....	14

in 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 Sara Martinez  
Justice of the Peace Precinct 5, Place 1  
Dallas, Texas

Attached is the County Auditor's final report entitled "**2019 Justice of the Peace Precinct 5, 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.

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,

*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 5, Place 1 for fiscal year ended 2019. **The court showed signs of improvement in issuing manual receipts, timely depositing checks, and developing court procedures and controls from FY2018. Additionally, the court reduced the number of case deletions, the number of computer receipt voids, the number of fee and fine errors and omissions, and decreased the Special Fund balance by \$4,771.88 from FY2018.** Priority areas of risk which need consideration by management are:

### **Summary of Significant Observations**

- **Warrant:** The Warrant Error Report is not reviewed to recall active warrants on disposed cases and those paid in full as a result, 1120 cases without a balance due or marked inactive (disposed) have an active warrant. We reviewed the responses to the ICQ and noted all employees are authorized via user ID and password to recall warrants/capias.
- **Case Deletions:** 14 out of 30 (47%) cases were deleted without management review. There are no means to determine if financial activity was recorded to the deleted cases.
- **Special Fund:** \$2,383.40 Special Fund balance variances were noted due to incomplete JPAS records.
- **No Plea /No Judgment:** The court does not review cases to ensure a case is appropriately docketed as a result, a total of 38 cases disposed without plea, judgment, appeal, dismissal, or deferred adjudication date in JPAS.
- **Dismissed Cases:** The court requested a "blanket order" to mass dismiss NTTA Failure to Appear cases between 2006-2009 without providing a list of specific cases that should be dismissed.

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

- The Warrant Error Report is not reviewed to recall active warrants on disposed cases and those paid in full.
- There is limited system functionality for assigning security roles and rights in JPAS, which allows court staff to delete cases. D/P Reports are not monitored to detect case deletions, but management relies on staff to self-report case deletions.
- Failure to timely update the JPAS docket screen resulted Special Fund balance variance between JPAS record and Bank balance.
- The court does not review cases to ensure a case is appropriately docketed, all requested documentation has been received, and that sufficient approval is documented. The court stores paper records in files and utilize a manual system for categorizing and tracking case jackets stored remotely. The court does not utilize document imaging or other electronic means to maintain case records.

## 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

### **Warrants**

We reviewed the JP Warrant Error Report, dated 04/07/2020, and identified 1120 cases without a balance due or marked inactive (disposed) have an active warrant. We also reviewed the responses to the ICQ and noted all employees are authorized via user ID and password to recall warrants/capias. These cases require additional follow up by the court to process the warrant recall. Management should review the warrant error report and recall warrants when appropriate. Per the Code of Criminal Procedure (C.C.P.) 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 1120 cases consistent with C.C.P. Art. 45.
- Reviewing 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 reviewed every Monday.

### **Auditors Response**

None

### **Case Deletions**

We reviewed all monthly Defendant/Plaintiff (D/P) Reports from FY2019 and identified 14 out of 30 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. D/P Reports are not monitored to detect case deletions, but management relies on staff to self-report case deletions. 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 without supervisor approval.
- Routinely monitor D/P Reports for case deletions and discuss unapproved deletions with staff.
- 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**

There is a Case Deletion Log that is set in place that requires a Supervisor to sign off, however according to IT there is no limited access to restrict cases from being deleted.

### **Auditors Response**

None

### **Special Funds**

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

- The JPAS fund balance is \$15,148.32, of which \$7,252.83 is for cases older than three years that have not been reviewed for escheatment.
- The \$12,764.92 bank balance is (\$2,383.40) less than the fund balance per JPAS, as a result of incomplete JPAS records.
- The court has not completed the Special Fund reconciliation for fiscal year 2019.

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. 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 may increase.

### **Recommendation**

#### **Special Funds**

Management should make the following corrective actions:

- 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.
- Contact parties to claim \$7,252.83 in Special Funds held in escrow.

### **Management Action Plan**

- JP 5-1 will work on the Special Funds annually.

### **Auditors Response**

None

### **Disposed Cases**

We reviewed 10 disposed cases and identified:

- Two cases did not contain the Judge's signature authorizing community service.
- Two case files could not be located in the court or the County's Archives to corroborate the judgment of the court.
- One case did not have documentation to support time served by the defendant.

The court should docket fine waivers, community service, time served, judgments, deferred adjudication, DA motions (requests) to dismiss, and dismissals authorized by the Judge with a signature and date, consistent with C.C.P. Chapter 45. As a best practice, the court should maintain documentation to support a defendant's inability to pay, community service, and time served. Per Dallas County Code Sec. 98-6 (a) Elected officials who designate themselves as the records management officer for their office will cooperate with the Commissioners Court and the county records management officer on records management issues. The court does not review cases to ensure a case is appropriately docketed, all requested documentation has been received, and that sufficient approval is documented. The court stores paper records in files and utilize a manual system for categorizing and tracking case jackets stored remotely. The court does not utilize document imaging or other electronic means to maintain case records. As a result, assets may be misappropriated when waivers, time served, and community service hours are granted without supporting authorization and when disposed cases are not reviewed by the court for completeness of supporting documentation. 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:

- Ensure authorization has been properly granted for requests for DSC, time served, and community service.
- Review case records and dockets for accuracy and completeness before disposing the case.
- Maintain, safeguard, track and transfer records of the court. Files and records



should be classified and inventoried before moving files off-site.

- Communicate records management issues to the Records Management Officer.

### **Management Action Plan**

- Management has issued changes to policies and procedures.

### **Auditors Response**

None

### **Dismissed Cases**

We reviewed 20 Dismissed cases and identified:

- Three cases in which a "State's Motion for permission to Dismiss Criminal Actions" was in the case jacket, but it does not reference the case. The court did not send a list of NTTA specific Failure to Appear cases filed between 2006 and 2009 to the District Attorney.
- Two case files could not be located in the court or the County's Archives to corroborate the judgment of the court.
- One DA dismissed case did not have the Judge's signature approving the dismissal.

The court should docket fine waivers, community service, time served, judgments, deferred adjudication, DA motions (requests) to dismiss, and dismissals authorized by the Judge with a signature and date, consistent with C.C.P. Chapter 45. Per Dallas County Code Sec. 98-6 (a) Elected officials who designate themselves as the records management officer for their office will cooperate with the Commissioners Court and the county records management officer on records management issues. The court asked the DA's office for a blanket Order to dismiss "all Failure to Appear cases filed on NTTA Failure to Pay Toll cases filed in 2006, 2007, 2008 and 2009", without a specific case list. The court does not review cases to ensure a case is appropriately docketed, all requested documentation has been received, and that sufficient approval is documented for case dismissals. The court stores paper records in files and utilize a manual system for categorizing and tracking case jackets stored remotely. The court does not utilize document imaging or other electronic means to maintain case records. As a result, assets may be misappropriated when case dismissals are granted without supporting authorization and when dismissals authorizations are not case specific. Missing case files increase the risk that assets may be misappropriated and not detected through examination of the case file and its contents.

### **Recommendation**

#### **Dismissed Cases**

Management should make the following corrective actions:

- Obtain and document case specific authorizations and signatures to support case dismissals.
- Review case records and dockets for accuracy and completeness before disposing the case.

- Maintain, safeguard, track and transfer records of the court. Files and records should be classified and inventoried before moving files off-site.
- Communicate records management issues to the Records Management Officer.

**Management Action Plan**

- Management has implemented changes to policies and procedures.

**Auditors Response**

None

**Credit Cards**

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

- Five cases in which the court did not post the defendant's complete credit card payment to JPAS.
- One credit card payment was not posted to the defendant's case in JPAS.

**Status Update:** On 7/30/2020 the court posted the credit card payment to the defendant's case.

- One credit payment was back-dated in JPAS one day before the defendant made the online payment.

The entire amount of online credit card payments should be receipted to JPAS by the following business day, consistent with L.G.C. 113.022. The court did not post the defendant's complete credit card payment amount to JPAS. As a result, payment errors may not be detected, defendants may not receive credit for payments made to their cases, and cases may be incorrectly disposed without adequate payment.

**Recommendation**

**Credit Cards**

Management should make the following corrective actions:

- Correct credit card payment posting errors and omissions in JPAS immediately.
- Post the defendant's complete credit card payment amount to JPAS.
- Provide oversight by reviewing JP Credit Card and Settlement Reports against payments posted to JPAS for accuracy and completeness.

**Management Action Plan**

- Management has implemented changes to policies and procedures.

**Auditors Response**

None

## **Voided Computer Receipts**

We reviewed 39 voided computer receipts and identified:

- Five computer receipts were voided without documented supervisory review and approval.
- Two computer receipts were voided without documented explanations.
- One voided computer receipt was not marked void.

Per the court's written procedures, one must "Write "VOID" on the receipt. There should always be an explanation and the initials of the person voiding the receipt written on the official computer receipt. All voids/skipped receipts should include a dual sign off. Only the Judge, Chief Clerk, Bookkeeper, and Collections Clerk are allowed to sign off on voided receipts." The court's procedures were not followed and the errors and omissions were not detected by the court. As a result, funds may be lost, misappropriated, and may not be deposited within a timely manner. This can cause inaccurate and or a delay in revenue recognition.

### **Recommendation**

#### **Voided 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.
- Mark computer receipts "VOID" and write an explanation for receipts that cannot be issued to customers due to error.
- Review Document Direct Exception Reports to timely detect voided receipt errors and omissions.

### **Management Action Plan**

- Management has implemented changes to policies and procedures.

### **Auditors Response**

None

## **Appealed Cases**

We reviewed cases appealed in FY2019 and identified one case in which JPAS reflects an appeal date, but the Justice Court Appeals Delivery Log does not indicate the case was sent to the County Court and the case was not in the CRIN system. The defendant shall pay any fine or costs assessed or give an appeal bond in the amount stated in the notice before the 31st day after receiving the notice, per C.C.P. Art 27.14. The misdemeanor docket screen should accurately reflect actions imposed by the court, including whether an appeal was taken and the date of that action, consistent with the Code of Criminal Procedure, § 45.017. The date

the appeal bond is received should be posted in the JPAS Appeal Bond field. These appealed cases are missing and went undetected because they were not recorded on the Justice Court Appeals Delivery Log and there was no follow up with the County Court. As a result, the court's docket records may be inaccurate or a defendant's appeal may not be heard at the County Court. Assets may be misappropriated when court records are updated without management review.

### **Recommendation**

#### **Appealed Cases**

Management should make the following corrective actions:

- Locate the appealed case that was not received by the County Court.
- Document and track transferred appealed cases to the County Court.
- Ensure appealed cases are received by the County Court.
- Review a report of cases with an Appeal bond to determine cases were not appealed in error.
- Monitor cases returned by the appeals court and seek the Judge's direction for processing returned cases.

### **Management Action Plan**

- Management has implemented changes to policies and procedures.

### **Auditors Response**

None

### **No Plea and No Judgment**

We reviewed disposed cases filed in FY2019 and identified:

- 32 cases were disposed without a judgment, appeal, dismissal, or deferred adjudication date in JPAS. **Status: On 9/1/2020 the court updated each case with a plea.**
- Six cases were disposed without a plea in JPAS. **Status: On 9/1/2020 the court updated each case with a judgment date.**

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 (C.C.P.), Article 27.14 (c). Per C.C.P. 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 and No Judgment**

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**

- Management has implemented changes to policies and procedures.

**Auditors Response**

None

**Fine and Fee Compliance**

We reviewed 40 cases for compliance with applicable state laws including Code of Criminal Procedure (C.C.P.) Chapters 45 and 102 and Local Government Code Chapter 133, Commissioner Court Orders, and Attorney General Opinion GA-0147 and identified:

- Two cases in which partial payments were not allocated to all applicable courts costs before applying to the fine (JT1746526O, JT1747968O).
- One case was disposed by the court without collecting the entire fine amount, totaling \$33 (JT1972079O).
- One case in which the deferred adjudication date is not recorded on the JPAS misdemeanor docket screen (JT1940514O). **Status: On 9/1/2020 the court added a deferred adjudication date.**

Court costs, fines, and fees should be assessed, collected, and prorated in compliance with applicable state laws including Code of Criminal Procedure (C.C.P.) Chapters 45 and 102 and Local Government Code Chapter 133, Commissioners Court orders, and Attorney General Opinion GA-0147. Consistent with C.C.P. Chapter 45.017, the JPAS Docket screen should be updated as cases are filed, additional court costs are added, case activities occur, and as fines or special expense amounts are ordered by the judge. Inadequate JPAS system functionality requires the manual entry of assessments and payments to JPAS. Clerical errors and omissions from manual case entries were made and the court does not have a review process to ensure court costs and fines were accurately assessed and collected prior to case disposition. This may result in the incorrect collection of court costs, incorrect distribution and disbursement of funds, and docket fields in JPAS may not reflect accurate and complete information. Assets may be misappropriated when waivers are granted without sufficient approval and when disposed cases are not appropriately reviewed by management for completeness of supporting documentation.

**Recommendation**

### **Fine and Fee Compliance**

Management should make the following corrective actions:

- Review case records, dockets, and payments for accuracy and completeness before disposing the case.
- Docket cases as events occur, including the deferred adjudication date.
- Review JPAS collection and docketing reports in order to detect errors and omissions.
- Ensure partial payments are prorated to all applicable court costs and collection fees before applying to the fine.

### **Management Action Plan**

- Management has implemented changes to policies and procedures.

### **Auditors Response**

None

### **Civil Fees**

We reviewed 15 civil cases filed by a non-government entity from the Justice Fee Exception List and identified four cases in which the court did not post the case transfer date and Pauper's Affidavit filed dates in JPAS.

**Status: on 9/1/2020 the court added a Pauper's Affidavit Date and Transfer Date to each 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 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 Pauper's Affidavit and case transfer dates for the four cases.
- 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**

- Management has implemented changes to policies and procedures.

**Auditors Response**

None

cc: Darryl Martin, Commissioners Court Administrator