



AUDIT REPORT

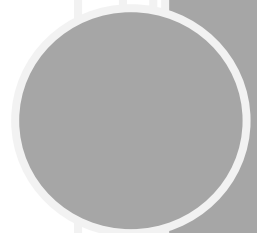
DALLAS COUNTY

FY2020 Justice of the Peace Precinct 5, Place 2 Audit

Darryl D. Thomas
Dallas County Auditor

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FY2020 Justice of the Peace Precinct 5, Place 2 Audit

TABLE OF CONTENTS

MANAGEMENT LETTER	3
EXECUTIVE SUMMARY.....	4
INTRODUCTION	6
DETAILS	7

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 Juan Jasso
Justice of Peace Precinct 5, Place 2
Dallas, Texas

Attached is the County Auditor's final report entitled "FY2020 Justice of the Peace Precinct 5, 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 5, Place 2 for the fiscal year 2020. Priority processes with internal control weaknesses, requiring management's consideration are:

Summary of Significant Observations:

- Mass Dismissal: 7,965 cases were not docketed with a dismissal date in JPAS after the DA's motion and the Judge's order to dismiss were signed.
- Special Fund: The Special Fund balance is \$289,016.75, of which \$283,731.89 is from cases older than 3 years that were not escheated to parties
- Dismissed Cases: 8 of 40 (20%) cases in which the court did not document the Judge's approval (signature) of the DA's motion.
- Court Cost, Fine, and Collection fee Assessment: 19 of 40 (48%) cases with court cost and fee assessment errors, improper removal of collection fees, and docketing errors in the case management system (JPAS).
- No Judgment/Plea: 237 disposed of cases that were paid in full did not have a plea posted to JPAS; including three disposed of cases without a judgment, appeal, dismissal, or deferred adjudication date in JPAS.

Repeat observations from Previous Audits:

- Dismissed Cases: Cases were dismissed without documented judicial approval.
- Court Cost, Fine, and Collection fee Assessment: The court continues to apply the incorrect fee schedule and not properly post partial payments.
- Special Fund: Case balances over 3 years were not escheated or returned to parties. The court's failure to post issued checks and check cancellations to JPAS resulted in a Special Fund balance difference between JPAS and the Bank balance.
- No Judgment/Plea: The court does not update the docket screen to consistently reflect accurately a court record and case status in the case management system (JPAS).
- Case deletions: Cases were deleted without management review.
- Warrants: Active warrants remained on inactive (disposed) cases.
- Credit Card: an online credit card payment was not posted to JPAS and another was not timely posted.

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 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, 2019 through September 30, 2020.

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

We reviewed online credit card payments and postings to JPAS during FY2020 and identified:

- One credit card payment totaling \$279.50 was not posted to the defendant's case in JPAS.
- One credit card payment was receipted after 15 business days, but not within the five day requirement.
- One failed credit card transaction was posted to JPAS for \$517.50, but the auditor's office was not notified within 24 hours. **Status: On 09/04/2020 a \$517.50 Special Fund check was issued to reimburse the Treasurer's office and bring the case balance to zero.**

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. The court did not ensure three online credit card payments were timely posted to JPAS. As a result, payment errors may not be detected and two defendants did not receive credit for payments made to their cases.

Recommendation

Credit Cards

Management should make the following corrective actions:

- Post the \$279.50 credit card payment to JPAS.
- Receipt all credit card payments to JPAS the following business day.
- Provide oversight by reviewing JP Credit Card and Settlement Reports against payments posted to JPAS to ensure all payments are accurately and completely posted.

Management Action Plan

- This payment showed on credit card report as declined. We notified Treasurers office and provided a copy to them, they did not know why the report were different.

Auditors Response

- None



JP Fine and Court Fee Assessment

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

- Four cases in which partial payments were not properly posted.
- Four cases in which Fees and Fines were not posted according to the Fee Schedule.
- One case in which \$57.60 in collection fees were manually removed from JPAS.

We also reviewed 20 Collection Fee Removals and identified:

- Five cases in which the court removed collection fees, which is inconsistent with the County's contract.
- Three cases in which the dismissed date was not posted on the JPAS docket screen.
- Two cases in which collection fees were forced removed because the court did not update docketing date in JPAS, but the cases were subsequently paid in full by the defendant.

Court costs, fines, and fees should be assessed, collected, and prorated in compliance with applicable state laws including Code of Criminal Procedure (CCP) Chapters 45 and 102 and Local Government Code Chapter 133, Commissioners Court orders, and Attorney General Opinion GA-0147. Consistent with CCP Chapter 45.017, the JPAS Docket screen should be updated as cases are filed, additional court costs are added, and the date judgment is rendered. Per Dallas County Commissioners Court Order 2004-1147, the remaining balance will not be waived in any way but continue to be outstanding until the collection amount is paid in full; except for a case dismissed by a court, any amount satisfied through time-served or community service, perfected appeals, or if the court has determined that a Defendant is indigent.

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, lack of management review, and system overrides. These errors and omissions resulted in the inadequate collection of court costs and fine amounts, an incorrect distribution and disbursement of funds, and inaccurate or incomplete data reflected in JPAS.

Recommendation

JP Fine and Court Fee Assessment

Management should make the following corrective actions:



- Remove collection fees only for cases dismissed by the court, amounts satisfied through time-served or community service, perfected appeals, or if the court has determined that a Defendant is indigent per Dallas County Commissioners Court Order 2004-1147.
- 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 Reports from Document Direct to ensure cases are appropriately docketed (including hearing reset dates) before the case is referred to collections.
- Review JPAS collection and docketing reports in order to detect errors and omissions.
- Ensure all court personnel consistently follow court guidelines, Commissioners Court Orders (2004-1147) and Texas Statutes (CCP Ch.45, 102, 103, and LGC Ch.133).

Management Action Plan

- Comply with above-have more training sessions

Auditors Response

- None

Manual Receipts

We reviewed all 10 manual receipts issued in FY2020 and identified nine manual receipts were not attached to the court's computer receipts. 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 when payment is receipted in JPAS, and the yellow copy should remain within the manual receipt book with the second computer receipt attached. Under LGC Sec. 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. Management does not have a process for reviewing and ensuring manual receipts are attached to computer receipts. An incomplete audit trail increases the risk that that manual receipt are may not be posted to JPAS and without review may not be detected by the court.

Recommendation

Manual Receipts

Management should make the following corrective actions:

- Attach the pink manual receipt copy to the court's computer receipt for the nine receipts and all future manual receipt transactions.



- Review manual receipts and agree to computer receipts for accuracy and completeness..

Management Action Plan

- None provided

Auditors Response

- None

Civil Fees

We reviewed 15 civil cases brought by a non-government entity from the Justice Fee Exception List and identified three cases in which the court did not document an explanation for not collecting filing fees in JPAS. 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 was caused by clerical errors made in the manual process of setting up new cases and were 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.

Recommendation

Civil Fees

Management should make the following corrective actions:

- Update JPAS comments with an explanation for not collecting filing fees to the three one cases. Reference the correct case number for those cases set up in error.
- Review the Justice Fee Exception List from Document Direct for civil cases filed without a payment and for posting errors.

Management Action Plan

- None provided

Auditors Response

- None

Disposed Cases

We reviewed 20 disposed cases and identified:

- One case file could not be located in the court or county archives to corroborate the judgement of the court.
- One case was dismissed after receiving the DA's motion, but the dismissal date and DA's motion to dismiss date was not posted to JPAS.



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. Local Government Code (LGC) 115.901 states the county auditor shall examine the accounts, dockets, and records of each justice of the peace. Per Dallas County Code Sec. 98-6 (a) elected officials who designate themselves as the records management officer for their office will cooperate with the Commissioners Court and the county records management officer on records management issues.

The court did not adhere to CCP 45 and LGC 115.901. Case dockets were not reviewed for accuracy and completeness prior to case disposition. The court stores paper records in files and utilize a manual system for categorizing and tracking case jackets stored remotely. As a result, the court's case management software JPAS may not reflect accurate and complete information if not appropriately updated. 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:

- Review case records and dockets for accuracy and completeness before disposing the case.
- Locate missing case files for examination by the County Auditor per LGC 115 and Dallas County Code Section 98-6 (a).
- Ensure court files and records are classified and inventoried before moving files off-site, for ease in later identification.
- Communicate records management issues to the Records Management Officer.

Management Action Plan

- Comply with above recommendations, and records management has scanned some of JP 5-2 boxes to another court.

Auditors Response

- None

Dismissed Cases

We reviewed 40 dismissed cases and identified:

- Eight cases were dismissed after receiving the DA's motion, but the Judge's signed authorization was not documented in the file. Two cases did not have a DA dismissal date posted in JPAS.



- Two cases in which the judge's stamp was used to grant the DA's motion to dismiss; however, we could not verify who used the stamp because the clerk's initials were not documented.
- One case in which the DA's motion to dismiss did not state a reason for dismissal.

Per C.C.P. Art 45.017 (a) The judge of each court shall keep a docket containing the date the examination or trial was held, judgment and sentence of the court, and the date each was given. Per C.C.P. Art. 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, which shall be incorporated in the judgment of 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."

Management did not adhere to CCP 32, and 45 and cases were not reviewed for completeness of documentation prior disposition. It is possible assets may be misappropriated when dismissals are granted without supporting authorization.

Recommendation

Dismissed Cases

Management should make the following corrective actions:

- Require that judicial decisions, including DA (prosecution) motions for dismissal, are authorized by the Judge with the Judge's signature.
- Comply with CCP Article 32 and 45.
- Review case records and dockets for accuracy and completeness before disposing the case.

Management Action Plan

- Comply with above recommendations

Auditors Response

- None

Case Deletions

We reviewed all monthly Defendant/Plaintiff (D/P) Reports and identified Three 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 allow court staff to delete cases without segregation of duties. 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 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

- Comply with above recommendations.

Auditors Response

- None

Special Fund

We reviewed the Special Fund activities (period ending September 30, 2020) and identified:

- The Special Fund balance per JPAS is \$289,016.75, of which \$283,731.89 is for cases older than three years.
- - o \$100,619.28 is made up of case balances under \$100 and can be escheated to the county.
 - o The \$289,370.84 Oracle balance is \$354.09 more than the fund balance per JPAS, as a result of incomplete JPAS records.
- 18 disbursement checks totaling \$39,770.20 were not posted to JPAS.
- 38 cancellations totaling \$41,179.79 were not posted to JPAS.



- Three unposted amounts were added to the reconciliation summary without identifying case and check numbers in the description. This makes it difficult for the court to post the check or cancelation to the correct case in a future period.

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), and 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 cash 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.

The Special Fund is intended to be a temporary escrow account, and the court has not escheated the \$283,731.89 balance which contains cash bonds and amounts owed to others. Parties entitled to funds have not received them and may not realize they are held in escrow by the court.

Recommendation

Special Fund

Management should make the following corrective actions:

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- Escheat \$100,619.28, made up of case balances under \$100, to the county.
- Contact parties to claim the remaining Special Funds held in escrow.
- Post the 39 cancellations totaling 18 Special Fund checks 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

- Comply with above recommendations as much as possible.

Auditors Response

- None



No Judgement and Plea

We reviewed disposed cases filed in FY20 and identified 237 disposed cases that were paid in full did not have a plea posted to JPAS; including three disposed cases without a judgement, appeal, dismissal, or deferred adjudication date in JPAS. The JPAS docket screen should be updated with a plea of nolo contendere (when the defendant has not entered a prior plea) and judgment when web or mail payments are accepted by the court as full payment in accordance with Code of Criminal Procedure (CCP), Article 27.14(c). Per CCP. Article 45.017 (a) The judge of each court shall keep a docket containing the judgment and sentence of the court, and the date each was given. The court does not review case records, JPAS date fields, and system reports for accuracy and completeness before disposing cases. As a result, the court's docket records may be incomplete and inaccurate.

Recommendation

No Judgement and Plea

Management should make the following corrective:

- Correct the 237 judgment date and plea 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

- Comply with above recommendations.

Auditors Response

- None

Mass Dismissal

We reviewed 103,462 cases dismissed "for lack of evidence and in the interest of justice" and identified 7,965 cases were not docketed with a dismissal date in JPAS after the DA's motion and the Judge's order to dismiss were signed.

Per the Code of Criminal Procedure (CCP) 45.017(a) the judge of each court shall keep a docket containing the date the examination or trial was held, judgment and sentence of the court, and the date each was given. The court did not review JPAS case records to ensure cases were appropriately docketed with a dismissal date. As a result, the court's case management software JPAS may not reflect accurate and complete information if not appropriately updated.

Recommendation

Mass Dismissal

Management should make the following corrective actions:



- Add the dismissal dates to JPAS for the 7,965 cases.
- Review case records and dockets for accuracy and completeness before disposing cases.
- Run Document Direct Reports or request JPAS reports from IT to detect docketing discrepancies.

Management Action Plan

- Comply with above recommendations.

Auditors Response

- None

Receipt Deposits

We reviewed all FY2020 deposits for continuity and delays and identified a 7/13/2020 deposit error of \$1,480.00 in void checks in which the department did not notify the County Auditor's office. **Status: IT removed the checks from JPAS at the request of the department.**

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 in accordance with Dallas County Policy Section 74-692. Management did not comply with Dallas County Policy Section 74-692. This impacts the availability of money for its intended purpose and can create an opportunity for the misappropriation of assets when shortages are not disclosed, reported, and appropriately resolved.

Recommendation

Receipt Deposits

Management should report cash shortages to the Auditor's Office in compliance with Dallas County Policy Section Sec. 74-692.

Management Action Plan

- Comply with above recommendations.

Auditors Response

- None

cc: Darryl Martin, Commissioners Court Administrator