



# AUDIT REPORT

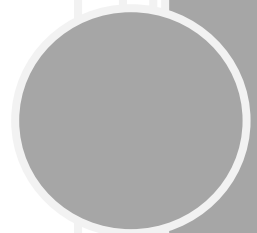
DALLAS COUNTY

FY2021- Justice of the Peace Precinct 5, Place 2 Audit

Darryl D. Thomas  
Dallas County Auditor

ISSUED: 9/27/2022

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# FY2021- Justice of the Peace Precinct 5, Place 2 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 Juan Jasso  
Justice of Peace Precinct 5, Place 2  
Dallas, Texas

Attached is the County Auditor's final report entitled "FY2021- 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 2021. Priority processes with internal control weaknesses, requiring management's consideration are:

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

- **Special Fund:** The Special Fund balance is \$286,708.20, of which \$274,653.56 is from cases older than 3 years that were not escheated to parties. In addition, 39 check cancellations totaling \$41,257.79 were not posted to JPAS, 18 disbursement checks totaling \$39,770.20 were not posted to JPAS and Three disbursements were posted to JPAS between 5 and 25 business days after the issuance date. The court did not complete the 12 monthly FY21 Special Fund reconciliations by the start of the audit (6/24/2022). **STATUS: The completed the reconciliation on 7/25/2022.**
- **Disposed Case:** 16 of 20 (80%) disposed cases in which non-receipt credits were not recorded to the JPAS, cases were not provided to corroborate the judgment of the court and case was improperly disposed without receiving complete payment.
- **Civil Case:** 8 of 20 (40%) case filed by non-government entity in which filing fee were not paid at the time of filing were court did not document an explanation for not collecting filing fees and five case files requested for audit review were not provided.

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

- **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.
- **Court Cost, Fine, and Collection fee Assessment:** The court continues to apply the incorrect fee schedule and not properly post partial payments.
- **Dismissed Cases:** Cases were dismissed without documented judicial approval.
- **Disposed Case:** Disposed cases in which non-receipt credits were not recorded to the JPAS, cases were not provided to corroborate the judgment of the court and case was improperly disposed without receiving complete payment.

**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.**

500 Elm Street, Suite 4200

Dallas, Texas 75202

TEL: 214-653-6472

FAX: 214-653-6440

## 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, 2020 through September 30, 2021

The audit procedures will include interviews with key process owners, observation of transactions processing, data analysis and sample testing of transactions. The main system used will also be reviewed and incorporated as part of the testing of transactions.



DETAILS

**CREDIT CARDS**

The court's online credit card transactions and postings to JPAS during the audit period were reviewed; two credit cards payments were both receipted after five business days (one after eight and the other after fourteen business days) after the payment was made.

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. These instances 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, payment errors may not be detected and defendants may not receive credit for payments made to their cases.

**Recommendation**

CREDIT CARDS

Management should make the following corrective actions:

- Post complete and accurate payments for online credit card payments to JPAS in compliance with LGC 113.022.
- Ensure management provides oversight by reviewing JP Credit Card and Settlement Reports against payments posted to JPAS verifying all payments are accurately and completely posted within five business days.

**Management Action Plan**

Comply with above recommendations

**Auditors Response**

None

**CASE DELETIONS**

Defendant//Plaintiff (D/P) Log Reports were reviewed during the audit period, and it was identified that four cases were deleted without supervisory review, including one case deleted outside of the court's business hours.

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 should 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 review D/P Log reports to effectively detect and monitor 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.
- 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

Comply with above recommendations

### Auditors Response

None

## COMPUTER RECEIPTS

All deposits made by the court during the audit period and 27 voided computer receipts were reviewed and the following were identified:

- Four computer receipts were voided without documented approval by management or the backup reviewer.
- One deposit was short \$20 because the court accepted an expired check (11/06/2019). **STATUS: The check was removed from the deposit.**

The court's voiding procedure is to mark receipts "Void", document a reason for voiding, ensure all receipt copies are retained by the court, and obtain management's signed approval on all voided receipts. Check dates should be reviewed prior to processing and during end of day deposit preparation, which is reviewed by management for accuracy and completeness as evidenced by a dated signature on deposit records. The court's voiding procedure was stated by management in a response to the Internal Control Questionnaire, but the procedure is not formally documented by the court. Exception reports from Document Direct are not reviewed to ensure that errors and omissions are detected. 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**

#### COMPUTER RECEIPTS

Management should make the following corrective actions:

- Formally document and follow the court's receipting procedures for voiding transactions.
- Ensure management periodically reviews Exception Reports from JPAS to monitor voided computer receipts and ensure the timely detection of errors and omissions.
- Ensure check dates, numeric amounts, and written (legal) amounts are reviewed by clerks and the Bookkeeper before receipting checks to JPAS.
  - During the daily closeout create separate calculator tapes totaling the written (legal) amount and then totaling the numeric amount of checks to detect check errors .
  - Then review the check dates to detect stale dated checks.
- Document the review of void transactions by management in writing and ensure void duties are appropriately segregated.

### **Management Action Plan**

Comply with above recommendations

### **Auditors Response**

None

## **FINE AND COURT FEES**

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

- Two disposed cases in which the return date field for an issued warrant or capias was not entered on the JPAS docket screen. This also includes:
  - One case in which the court costs and fees were not assessed and collected according to the fee schedule for the offense.
  - One case in which the court did not collect the correct time payment fee amount. The fee is assessed based on the offense date.
- One case in which the partial payments were not properly allocated among all applicable fee type.

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. 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. This occurred due to non-compliance with state statutes, clerical errors and omissions from manual case entries, and inadequate JPAS system functionality that requires the manual entry of assessments and payments. These errors and omissions may result in the inadequate collection of court costs and fine amounts and an incorrect distribution and disbursement of funds contractually and statutorily owed to other parties.

**Recommendation**

**FINE AND COURT FEES**

Management should make the following corrective actions:

- Ensure payments are allocated to costs and fees before satisfying the fine in accordance to the cost-first allocation rule described in AG Opinion GA-0147.
- Review case records, dockets, and payments for accuracy and completeness before disposing the case.
  - Post the return date in JPAS for issued warrants.
  - Assess fees based on the offense date.
- Ensure all court personnel consistently follow court guidelines and Texas Statutes (CCP Ch.45, 102, 103; LGC Ch.133 and 134; and TC Ch.542 and 706).

**Management Action Plan**

Comply with above recommendations

**Auditors Response**

None

## **WARRANTS**

The JP Warrant Error report dated 07/08/2022 was reviewed; it was identified that two cases without a balance due or marked inactive (disposed) have an active warrant.

Per the Code of Criminal Procedure (CCP) Art. 45, "A justice or judge shall recall an arrest warrant for the defendant's failure to appear if the defendant voluntarily appears to resolve the amount owed and the amount owed is resolved." The court shall recall a capias pro fine under the same conditions. This occurred because the court did not adhere to CCP Article 45 by recalling warrants on disposed cases. As a result, this poses a potential liability to the County for persons arrested in error.

**Recommendation**

**WARRANTS**

Management should 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**

Comply with above recommendations

### **Auditors Response**

None

## **DISMISSED CASES**

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

- Six case files requested for audit review were not provided; therefore, internal audit could not verify whether the District Attorney's motion was obtained, dismissal was approved by the Judge, or supporting documentation obtained.
- Three cases were dismissed on motion of the DA, but JPAS was not docketed with a DA dismissal date.
- One case was dismissed without a state's motion filed by the DA and signed judicial order or supporting documentation in the case files.
- One case in which the judge's stamp was used to grant the DA's motion to dismiss; however, the person who used the stamp could not be verified because the clerk's initials were not documented.
- One case was docketed in JPAS with the incorrect dismissal date. The date should be 5/6/2021, the date approved with the Judge's stamp.
- One case in which the dismissal order on the stamped court order is different than the dismissed date in JPAS.

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, 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 CCP Article 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. 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, 45, and LGC 115; detect record omissions in the case files; or prevent staff from dismissing a case without a DA's motion or judicial approval. As a result, assets may be misappropriated when waivers and dismissals 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**

#### DISMISSED CASE

Management should make the following corrective actions:

- Locate the six missing case files for examination by the County Auditor per LGC 115.
- Post the DA dismissal dates in JPAS for the three cases.
- Ensure signed dismissal orders and motions are present in the case file and that case records are reviewed for accuracy and completeness before disposing the case.
- Docket cases as events occur in JPAS, such as dismissal, DA motions for dismissal, appeal bond file dates, and judgments rendered by the court.
- Require that judicial decisions, including DA (prosecution) motions for dismissal, are authorized by the Judge with the DA's and Judge's signature in compliance with CCP Chapter 32 and Chapter 45.

### **Management Action Plan**

Comply with above recommendations

### **Auditors Response**

None

## **SPECIAL FUNDS**

20 Special Fund check disbursements, 12 monthly reconciliations, and postings to JPAS were reviewed during the audit period (ending September 30, 2021) and the following were identified:

- The Special Fund balance per JPAS is \$286,708.20, of which \$274,653.56 is for cases older than three years.
  - The \$286,708.20 balance per JPAS is \$619.09 less than the \$287,327.29 general ledger balance per Oracle, as a result of incomplete JPAS records.
  - \$46,375.02 in case balances under \$100 can be escheated to the county.
- 39 check cancellations totaling \$41,257.79 were not posted to JPAS.
- 18 disbursement checks totaling \$39,770.20 were not posted to JPAS.



- Three disbursements were posted to JPAS between 5 and 25 business days after the issuance date.
- The court did not complete the 12 monthly FY21 Special Fund reconciliations by the start of the audit (6/24/2022).

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 jackets, and bank statement) 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. 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. Management did not comply with LGC 113.008(f) to ensure the Special Fund accounts were reconciled monthly and that check disbursements and cancellations were timely posted to JPAS. The Special Fund is intended to be a temporary escrow account and balances in excess of three years were not escheated. Parties entitled to funds did not receive them and may not realize they are held in escrow by the court. This also increases the risk that financial records in JPAS may be inaccurate and incomplete.

**Recommendation****SPECIAL FUNDS**

Management should make the following corrective actions:

- Post the 39 canceled checks totaling \$41,257.79; and the 18 disbursement checks totaling \$39,770.20.
- Reconcile Special Fund balances and transactions from the General Ledger against JPAS each month per Local Government Code Section 113.008(f).
- Ensure checks and cancelations are accurately, completely, and timely posted to JPAS 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.

**Management Action Plan**

Comply with above recommendations

**Auditors Response**

None

**CIVIL FEES**

20 civil cases (brought by a non-government entity from the Justice Fee Exception List) in which filing fees were not paid at the time of filing were reviewed and the following identified:



Five case files requested for audit review were not provided.

Three cases in which the court did not document an explanation for not collecting filing fees in JPAS. In one case a Pauper's Affidavit was filed, but the date was not posted 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. 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. This occurred due to incomplete documentation in the manual process of setting up new cases. 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:

- Locate the five missing case files for examination by the County Auditor per LGC 115.
- Document an explanation in JPAS for not collecting filing fees when fees are not collected.
- 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.
- Utilize JPAS date fields to record Pauper's Affidavit filing dates.

### **Management Action Plan**

Comply with above recommendations

### **Auditors Response**

None

## **DISPOSED CASES**

20 disposed cases were reviewed and the following were identified:

- 10 disposed cases in which non-receipt credits were not recorded to the JPAS payment file when defendants serve time or performs community service.





- Five case files were not provided to corroborate the judgement of the court. This included one case improperly disposed without receiving complete payment.

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 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 (TC) 542 and 706, Commissioners Court orders, and Attorney General Opinion GA-0147. The court's procedure is to post non-receipt credits to the JPAS payment file when defendants serve time or performs community service.

The court's procedure for posting credits was stated by management in a response to the Internal Control Questionnaire, but the procedure is not formally documented by the court. Management did not adhere to LGC 115.901, and CCP 45.017 and cases were not reviewed to assess the adequacy of the payment prior disposition. As a result, assets may be misappropriated when disposed cases are not reviewed by the court for completeness and accuracy of payments. 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:

- Locate the ten missing case files for examination by the County Auditor per LGC 115.
- Review case records, dockets, and payments for accuracy and completeness before disposing the case
- Formally document and follow the court's procedure of posting non-receipt credits to the JPAS payment file when defendants serve time or performs community service.
- Ensure all court personnel consistently follow court guidelines and Texas Statutes (CCP Ch.45, 102, 103; LGC Ch.133 and 134; and TC Ch.542 and 706).

### **Management Action Plan**

Comply with above recommendations

### **Auditors Response**

None

cc: Darryl Martin, Commissioners Court Administrator