



AUDIT REPORT

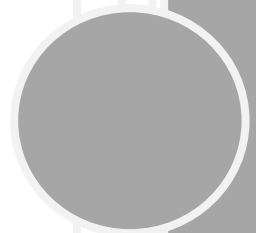
DALLAS COUNTY

FY2022 JUSTICE OF THE PEACE PRECINCT 5, PLACE 2 AUDIT

Darryl D. Thomas
Dallas County Auditor

ISSUED: 7/6/2023

RELEASED: AUGUST 18, 2023



FY2022 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 "**FY2022 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 2022. Priority processes with internal control weaknesses, requiring management's consideration are:

Summary of Significant Observations:

- **Special Fund:** The Special Fund balance is \$291,981.20, of which \$290,263.97 is for cases balance eligible for escheatment (older than three years as of the 3/1/2023 reporting date). JPAS is \$1,562.15 less than the general ledger balance Oracle due to incomplete and unposted records. Such as 39 check cancellations totaling \$41,257.79 and 22 disbursement checks totaling \$39,770.20 were not posted to JPAS. The court did not complete FY22 Special Fund reconciliations by the start of the audit (4/26/2023).
- **Civil Case:** 10 of 20 (50%) cases filed by non-government entities in which the filing fee was not paid at the time of filing, cases were created in error, payments were posted to wrong cases, or incorrect filing date was used. Court did not document the Pauper's Affidavit Filed in JPAS. In addition, two case files requested for audit review were not provided to corroborate the reason for not collecting the filing fees.
- **Disposed Case:** 13 of 20 (65%) disposed cases in which non-receipt credits were not recorded to the JPAS, not provided to corroborate the judgment of the court, or improperly disposed without receiving complete payment.
- **Dismissed Cases:** 10 of 40 (25%) cases were dismissed without proper documentation of necessary judicial approval and order, without obtaining vehicle insurance, or the vehicle listed in the insurance card did not match the original citations and one case in which the court did not collect the \$136 court cost and \$10 driver safety course fee

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 does 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 the case was improperly disposed of without receiving complete payment.
- **Civil Fees:** Requested files not provided for audit review.
- **Computer Receipts:** Computer receipts voided without documented explanation.
- **Credit Card:** Credit payments receipted after 5 business days.

Only those weaknesses which have come to our attention as a result of the audit have been reported. It is the responsibility of the department management to establish and maintain effective internal control over compliance with the requirement of laws, regulations, and contracts applicable to the department.

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INTRODUCTION

Dallas County Auditor's Office mission is to provide responsible, progressive leadership by accomplishing the following:

- Comply with applicable laws and regulations
- Safeguard and monitor the assets of the County utilizing sound fiscal policies
- Assess risk and establish and administer adequate internal controls
- Accurately record and report financial transactions of the County
- Ensure accurate and timely processing of amounts due to County employees and vendors
- Set an example of honesty, fairness and professionalism for Dallas County government
- Provide services with integrity
- Work in partnership with all departments to resolve all issues of the County
- Strive to utilize the latest efficient and effective technology in the performance of tasks
- Provide technical support and training in the development, implementation, and maintenance of information systems
- Hold ourselves accountable to the citizens of the County at all times
- Be responsive to the elected officials and department heads of Dallas County

The objectives of this audit are to:

1. Ensure compliance with statutory requirements
2. Evaluate internal controls
3. Verification of accuracy and completeness of reporting
4. Review controls over safeguarding of assets

This audit covered the period of October 01, 2021, through September 30, 2022.

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



DETAILS

Fee and Fine Assessment

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

One disposed case in which the warrant return date was not posted in JPAS.

One case in which partial payments were not allocated among all applicable court costs.

Court costs, fines, and fees should be assessed, collected, and prorated in compliance with applicable state laws including Code of Criminal Procedure (CCP) Chapters 45 and 102, Local Government Code Chapter 133, Commissioners Court orders, and Attorney General Opinion GA-0147. Court costs should be assessed based on offense date and offense type. Consistent with CCP Chapter 45.017, the JPAS Docket screen should be updated as cases are filed, additional court costs are added, the date judgment is rendered, the date warrants are returned, and as changes in fines or amounts are ordered by the Judge. These instances occurred due to non-compliance with state statutes, clerical errors and omissions from manual case entries, 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, liability to the county, and an incorrect distribution and disbursement of funds contractually and statutorily owed to other parties.

Recommendation

Fee and Fine Assessment

Management should make the following corrective actions:

- Allocate partial payments among all applicable court costs and fees before allocating payments to the fine per Attorney General Opinion GA-0147.
- Review case records, dockets, and payments for accuracy and completeness before disposing the case. Assess and collect court costs based on offense date.
- 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 Odyssey collection and docketing reports to detect any errors and omissions.



- Train all court personnel and ensure they consistently follow court guidelines, Commissioners Court Orders (2004-1147), Texas Statutes (CCP Ch.45, 102, 103; LGC Ch.133, 134; and TC Ch.542 and 706), and Attorney General Opinion GA-0147.

Management Action Plan

- Comply with recommendations

Auditors Response

- None

Dismissed Cases

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

- Six cases were dismissed for no insurance, but the vehicle listed on the Insurance Liability Card did not match the original citation.
- Two dismissed case files did not have a dismissal order signed by the judge.
- One case in which the court did not collect the \$136 court cost and \$10 driver safety course fee.
- One case was dismissed without a state's motion filed by the DA and signed judicial order.
- 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.

Per Code of Criminal Procedure (CCP) Article 32.02, the attorney representing the State may, by permission of the court, dismiss a criminal action at any time upon filing a written statement with the papers in the case setting out his reasons for such dismissal. No case shall be dismissed without the consent of the presiding judge. According to the Texas Court of Criminal Appeals, "A trial court has no "general authority" to dismiss a criminal case without the prosecution's consent except as provided by statute, common law, or constitutional provision (See State v. Johnson, 821 S.W.2d 609, 613; Tex.Crim.App.1991)." Per Texas AG Opinion H-386, "A justice of the peace may not delegate to any other person the exercise of judicial powers and duties devolved upon him by the Constitution or statutes of the state." Per CCP Article 45.017 (a) the judge of each court shall keep a docket containing the judgment and sentence of the court, and the date each was given. Transportation Code (TC) 601.053 and 601.193 states the operator of the vehicle charged shall provide a liability insurance policy covering the vehicle to the court that was valid at the time the offense is alleged to have occurred. Per CCP Article 45.0511 the judge shall require the defendant to successfully complete a driving safety course approved by the Texas Department of Licensing and Regulation, in addition to court costs and fees authorized or imposed by a law of this state and pay a reimbursement fee to cover the cost of administering this article in an amount of not more than \$10. This occurred because the court did not adhere to CCP 32, CCP 45, TC 601.193, and AG Opinion JH-386. It is possible the county may incur a loss or assets may be misappropriated when dismissals are granted without supporting authorization, are granted inconsistent with state statutes, and when cases are not reviewed by the court for completeness of supporting documentation.



Recommendation

Dismissed Cases

Management should make the following corrective actions:

- Comply with TC 601 by obtaining a physical copy of the liability insurance policy that displays the defendant's vehicle was covered at the time that the offense is alleged to have occurred.
- Obtain the DA's (prosecution) signed motion for dismissal.
- Require that judicial decisions, including signed DA (prosecution) motions for dismissal, are authorized by the judge with the judge's signature in compliance with CCP Chapter 32 and AG Opinion JH-386.
- Collect the court costs and fees authorized or imposed the state and pay the \$10 reimbursement fee when the judge grants a driving safety course approved by the Texas Department of Licensing and Regulation per CCP Article 45.0511.
- Post the date when the DA files the motion to dismiss and judicial dismissed date in compliance with CCP 45.
- Ensure a written order signed by the judge is retained in the court's file.

Management Action Plan

- Comply with recommendations

Auditors Response

- None

Disposed Cases

Twenty disposed cases were reviewed and the following were identified:

- Three disposed cases did not have a signed order granting indigence by the judge.
- Nine disposed cases in which the court did not post non-receipt credits to the JPAS payment file when defendants served time or performed community service.
- One case was disposed before the terms of the state's plea-in-bar were met; the defendant's other case was not paid.

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 reasons for such dismissal. No case shall be dismissed without the consent of the presiding judge. According to the Texas Court of Criminal Appeals, "A trial court has no "general authority" to dismiss a criminal case without the prosecution's consent except as provided by statute, common law, or constitutional provision (See State v. Johnson, 821 S.W.2d 609, 613; Tex.Crim. App.1991). The Texas Justice Court Training Center states courts should issue written orders when specifying exactly how the fine and costs shall be discharged, including for granting indigence under CCP 45.0491. The court's procedure is to post non-receipt credits to the JPAS



payment file when defendants serve time or performs community service. Management did not adhere to their procedure of posting non-receipt credits and cases were not reviewed to assess the adequacy of the payment and supporting orders prior to disposition. It is possible the county may incur losses and assets may be misappropriated when dismissals and waivers are granted without a state's motion, signed judicial order, and cases are disposed without management's review of these documents for accuracy and completeness.

Recommendation

Disposed Cases

Management should make the following corrective actions:

- Reactivate the case in which the state's plea in bar terms were not met and the defendant has an outstanding balance owed on associated cases.
- 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 Odyssey when defendants serve time or performs community service.
- Obtain a signed judicial order granting indigence as advised by The Texas Justice Court Training Center and in compliance with CCP 45.0491.

Management Action Plan

- Comply with recommendations on items above.

Auditors Response

- None

Civil Fees

Twenty 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:

- Four cases were created in error, but the court did not post a comment in JPAS to explain the error or reference the correct case in which the payment was posted.
- Three cases in which the payment was posted to the wrong case.
- Two case files were requested for audit review were not provided to corroborate the reason for not collecting filing fees.
- One case in which the wrong filing date was posted in JPAS. The case filing date should be 02/22/22, not 03/02/22.
- One case in which the court did not document the Pauper's Affidavit Filed in JPAS.
- One case was filed without collecting the filing fee.

Civil filing fees should be collected and applied to the initiating party's case in compliance with Local Government Code (LGC) 133.151, 135.103 and 118.131. Each clerk shall keep a file docket which shall show in convenient form the number of the suit, the names of the attorneys, the names of the parties to the suit, and the nature thereof, and, in brief form, the officer's return on the process, and all



subsequent proceedings had in the case with the dates thereof, consistent with Rules 25 and 524 of the Texas Rules of Civil Procedure. 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. Management did not adhere to LGC 133.151, 135.103 and 118.131, 115.901 and did not review cases to ensure all supporting documentation and payments were provided to the correct cases. This resulted in a loss to the county and payment errors to cases.

Recommendation

Civil Fees

Management should make the following corrective actions:

- Post the three payments to the correct cases.
- Locate the two missing case files for examination by the County Auditor per LGC 115.
- Collect the appropriate filing fees on civil cases per (LGC) 133.151, 135.103 and 118.131.
- Add a comment referencing the correct case number for the four cases created in error.
- Post the correct filing date to the case in Odyssey.
- Document an explanation in Odyssey for not collecting filing fees when fees are not collected, including when parties file Pauper's Affidavits.
- Review the Odyssey reports for civil cases filed without a payment.
- Ensure case records are accurate and reflect a complete account of case activities.

Management Action Plan

- Make corrections and comply with recommendations.

Auditors Response

- None

Cash Count

On 9/13/2022 internal audit performed a cash count and identified the court was short \$100.00 from the amount posted to JPAS.

The county commissioner's court adopted a self-insurance policy to provide fire, burglary, theft and mysterious disappearance coverage for all officials and employees per Dallas County Policy Section 74-671. The insurance covers personal liability for loss of public funds in the department heads/elected officials' custody when the loss is not a result of malicious, willful and/or negligent acts. The County Auditor's Office should 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. It is a best practice that employees safeguard all undeposited cash in a locking safe or lockbox. Change should be counted before it is returned to customers. Security cameras should be in place overlooking cashier stations and management should count and review closed employee cash tills. This occurred due to a court



employee's error or omission and resulted in a \$100 loss to the county. A lack of cash training, management oversight, and adequate security controls may increase the risk this could occur again.

Recommendation

Cash Count

Management should take the following corrective actions:

- Review and investigate incidents of cash shortages, and evidence them on Department Memorandum.
- Develop a court procedure for employees handling money at the court.
- Include the responsibilities and expectations of employees when handling money.
- Document the outcome when responsibilities are not met
- Train employees on best practices, ethics, and the procedures for handling cash:
- Safeguard all undeposited cash in a locking safe or lockbox.
- Count change before it is returned to customers.
- Ensure security cameras are place overlooking cashier stations.
- Segregate the duties of receipting and review employee cash tills.
- Management should count, review and approve tills after they are closed.
- Report cash shortages and claims under the self-insurance program to the County Auditor's Office in compliance with Dallas County Policy Section Sec. 74-671 and 74-692.

Management Action Plan

- Train employees on practices noted above and comply with recommendations.

Auditors Response

- None

Computer Receipts

All daily deposits processed during the audit period and 60 voided computer receipts were reviewed and the following were identified:

- Three computer receipts were voided without documented approval by management including one computer receipt was voided without a documented explanation.
- Two deposit batches were not deposited within five business days.
- One voided computer receipt in which the incorrect reissued receipt was documented.

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. Deposits shall be made by the following business day, but no later than the fifth day after the day money was received per Local Government Code (LGC) 113.022. 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.
- Train staff on the court's receipting procedures for voiding transactions, including:
 - Mark computer receipts "Void" with a written explanation when receipts are voided at the court.
 - Ensure all receipt copies are retained by the court.
 - Document the review of void transactions by management in writing and ensure void duties are appropriately segregated.
 - Ensure management periodically reviews Odyssey reports to monitor voided computer receipts and ensure the timely detection of errors and omissions.
 - Document the review of void transactions by management in writing and ensure void duties are appropriately segregated.

Management Action Plan

- Comply with recommendations noted above.

Auditors Response

- None

Special Funds

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

- The Special Fund balance per JPAS is \$291,981.20, of which \$290,263.97 is for cases balance eligible for escheatment (older than three years as of the 3/1/2022 reporting date).
- The \$291,981.20 balance per JPAS is \$1,562.15 more than the \$290,419.05 Oracle GL balance, as a result of incomplete JPAS records.
- \$46,723.12 is made up of case balances under \$100 and can be escheated to the county.



- The court did not complete the FY22 Special Fund reconciliation by the start of the audit (4/26/2023).
- 39 check cancellations totaling \$41,257.79 were not posted to JPAS.
- 22 disbursement checks totaling \$39,770.20 were not posted to JPAS.

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. Unposted transactions discovered from the reconciliation should be posted to JPAS. Reconciliations should be reviewed by management for accuracy, completeness, and the appropriateness of transactions. The Special Fund is intended to be a temporary escrow account. Management should escheat funds per Property Code, § 72 and § 76 and cash bonds should be forfeited per Code of Criminal Procedure § 22. 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. As a result, parties entitled to funds did not receive them and may not realize they are held in escrow by the court. A lack of a reconciliation and management's review increases the risk that financial records in JPAS may be inaccurate and incomplete.

Recommendation

Special Fund

Management should make the following corrective actions:

- Post the 39 canceled checks totaling \$41,257.79; and the 22 disbursement checks totaling \$41,437.90.
- Reconcile Special Fund balances and transactions from the General Ledger against Odyssey each month per Local Government Code Section 113.008(f).
- Ensure checks and cancellations are accurately, completely, and timely posted to Odyssey once they are first recorded to the Oracle general ledger.
- 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

- Work on Special Funds with bookkeeper and training.

Auditors Response

- None

Credit Card Postings

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



- Ten instances in which an online credit card transaction was posted as multiple receipts on the case, instead of a single receipt.
- Four credit card transactions were backdated in JPAS for a portion of the original amount, rather than posting the entire amount in full.
- Three instances in which the defendant made two separate online credit card transactions, but the court posted them to JPAS as one receipt instead of separate receipts.
- One online credit card transaction was receipted after 23 business days.
- One online credit card transaction was not fully receipted to JPAS.

The entire amount of each online credit card payment should be receipted to the defendant's case in JPAS by the following business day, but no later than the fifth day after the day money was received per Local Government Code (LGC) 113.022. Payments should not be backdated in JPAS, but instead reflect the same date the clerk received the payment. Multiple credit card transactions made by a defendant should be posted as individual receipts, referenced by the transaction number. These instances occurred because the court did not ensure online credit card transactions were correctly and timely posted to JPAS, and did not comply with LGC 113.022. As a result, payment errors may not be detected and defendants may not receive timely credit for payments made to their cases. Backdating receipts affects the accuracy and reporting of the financial records and may create opportunities for asset misappropriation.

Recommendation

Credit Card Postings

Management should take the following corrective actions:

- Post the full amount of the credit card to the defendant's case.
- Post complete and accurate receipts for online credit card payments to Odyssey in compliance with LGC 113.022.
- Ensure management provides oversight by reviewing JP Credit Card and Settlement Reports against payments posted to Odyssey to ensure all payments are accurately and completely posted.
- Ensure receipts are not backdated in JPAS, but show the same date the clerk posted the payment.
- Receipt each credit card transaction as an individual receipt.

Management Action Plan

- Comply with recommendations noted above.

Auditors Response

- None



Time Observation

Kronos attendance system postings made during fieldwork from 04/26/23 - 05/10/23 were examined; it was observed on 05/03/23 at 12:00 PM, the entrance doors for the public were locked and a sign was posted on the entrance door noting the office would be closed until 1:30pm. Staff left their workstations and returned from lunch at 1:30 PM, but the additional time was not posted in Kronos.

Per Dallas County Policy Section 82-32(b) County offices, excluding 24-hour operations, are expected to remain open between the hours of 8:00 AM - 4:30 PM and remain open during the noon hour. Section 82-32(c) states, a lunch period may be 30 minutes to an hour depending on the work schedule approved by the elected/appointed official/department head. Lunch periods are in addition to the regular eight-hour work period and shall not be combined with breaks. Employees are not paid during their lunch period. This occurred because management did not comply with policy Section 82-32 and did not assign individual lunch schedules to provide coverage during office hours. It is possible this may result in employees working less than mandated 40 hour work weeks, reduced public access to the court, and lack of productivity to accomplish the court's service and work requirements.

Recommendation

Time Observation

Management should make the following corrective actions:

- Comply with Dallas County Policy 82-32 by remaining open during the noon hour and not combining lunch periods with breaks.
- Alternate lunch breaks for each employee to provide coverage while the court is open during establish county office hours (8:00 AM - 4:30 PM).
- Record employee schedules for all staff in Kronos and ensure each employee adheres to their scheduled lunch time.
- Report all time off work in Kronos that deviates from employees' normal work schedule and ensure time is accurately and completely reported.

Management Action Plan

- Time is recorded in KRONOS along with scheduled time off.

Auditors Response

- None

cc: Darryl Martin, Commissioners Court Administrator