



# DALLAS COUNTY COUNTY AUDITOR

## Memorandum

**To:** Honorable Judge Juan Jasso  
Justice of Peace, Precinct 5, Place 2

**From:** Virginia A. Porter *Virginia Porter*  
County Auditor

**Subject:** Review Performed for Fiscal Year 2010 (7/1/2010 thru 9/30/2010) and FY2011

**Date:** Issued February 4, 2013  
Released March 19, 2013

## **Scope**

A review was performed in accordance with statutory guidelines on the records and reports of Justice of the Peace, Precinct 5, Place 2 for fiscal years partial 2010 and 2011.

## **Review Procedures**

Standard review procedures were followed to test the internal controls for cash, revenue, and other county assets. A random sampling of the total activity was selected for certain review steps based on risk, the dollar value of transactions, the volume of transactions, and noted internal control weaknesses. Testing involved a review of the JP Accounting System (JPAS) as well as case jackets.

A partial list of the review tests include:

- Accounted for numerical sequence of manual and computer generated receipts
- Traced amounts recorded on the receipts to the bank deposits
- Performed unannounced cash counts
- Examined special fund disbursements and associated fee dockets to determine if sufficient funds were collected, proper payees paid, and if posting to the JPAS had occurred
- Reviewed assessed fees for compliance with applicable state laws and Commissioners Court orders
- Reviewed unpaid criminal cases for outstanding warrants of arrest
- Reviewed outstanding warrant reports for appropriateness of active warrants
- Traced issuance of bad check actions to the criminal fee dockets to confirm the filing of the cases, collections of assessed fines and costs, or the issuance of arrest warrants
- Reviewed time and attendance records for proper posting and compliance with County policies and procedures
- Compared activity reports to actual new cases on the JPAS
- Reviewed 'Justice Fee Exception List' to determine reason for uncollected fees
- Reviewed credit card transactions and processes

## Statistical

During fiscal year 2010, the justice court processed:

- 22,476 computer receipts totaling \$2,973,305
- 16,499 class C misdemeanors (includes 14,117 automated traffic filings)
- 2,716 civil/small claims
- 2,216 eviction cases

During fiscal year 2011, the justice court processed (decrease in activity reflects elimination of constable traffic program):

- 14,089 computer receipts totaling \$1,810,137
- 4,977 class C misdemeanors (includes 2,041 automated traffic filings)
- 2,417 civil/small claims
- 2,513 eviction cases

## FINDINGS

### Cash Management

Cash Counts / Change Fund – A review of cash handling procedures, cash counts performed and comparison of total receipts deposited to form 98 revealed: One deposit was delayed for nine days. **Status:** A correction was made by IT staff to reflect the actual payment to the related case on a later date.

Receipts – A review of 143 voided computer receipts including a sample review of 22,802 computer receipts and corresponding daily receipt transaction logs revealed frequent lapses in following proper accounting procedures. Thirty (20.98%) of 143 voided computer receipt were missing the original and/or duplicate copy including four voided cash receipts that were not replaced or replaced for lower amounts totaling \$251.50 less cash and one voided cash receipt partially replaced with a \$143 check. Two cash receipts were altered to lower amounts totaling \$100 less cash.

Assessment/Distribution – Review of 22 cases and corresponding computer receipts (175 fee code entries) for compliance with statutorily required court costs and fine revealed instances of collection, assessment, and/or posting errors including: wrong court costs schedules used and partial payments not prorated.

Disbursement / Special Fund Reconciliation - A review of special fund activity revealed: delays in posting disbursements; un-posted disbursements, cancellations or stale dated checks; and old (over three years old as of September 30, 2011) case balances totaling approximately \$215,398 (of \$268,765) remain in the special fund account without research for disbursement to the applicable party and/or escheating to the County Treasurer or State Comptroller. Forfeiture proceedings are not initiated against defendants to forfeit cash bonds (\$56,100 over four years old) when defendants fail to appear.

### Processing/Reporting

Credit Card Process – A review of eight credit card transactions and procedures and an ongoing desk review of daily credit card transactions revealed: all card transactions posted to the JPAS with the sequence ID number or the first four digits of the transaction id number; three credit

card payments posted to the incorrect fee types; and, three warrants not noted as recalled on cases paid in full.

Criminal Fee Dockets - Review of time payment plans, active warrants or capias (IT Services Active Warrant Error Report), warrants or capias on disposed cases for the appropriateness of warrant status, and corresponding Docket screens revealed 171 active warrants or capias on the Constable's warrant system for cases: without calculated balances due; with time served; dismissed; and/or on cases marked disposed on the JPAS Docket screen. All clerks are authorized to recall warrants. Docket screen comments for one disposed case references defendant mailed money order for \$101 (Payment not receipted to JPAS).

Civil Fee Dockets - Limited review of fifteen civil cases on the justice fee exception report revealed: six cases filed without advance collection of filing and service fees on civil/small claims/eviction cases; and five cases filed with a pauper's affidavit not documented on the JPAS Docket screen. **Prior Year Status:** \$42,590 in receivables dating to FY2004 remain due from the Dallas Housing Authority (DHA) as of September 30, 2011 with new cases accepted from DHA without advance payment of filing and service fees.

Activity Report – Comparison of activity reports filed by the court with OCA to mainframe JPAS case records revealed significant count variances in traffic cases reported.

#### **Other/Miscellaneous**

Time and Attendance – Employees take 50 minutes for lunch with no breaks. Four absences including 22 hours sick leave noted in the manual records were not posted to Kronos.

Security/Administrative – Inquiry and observation of court procedures and responses to the ICQ revealed internal control weaknesses that expose the court to possible misuse of confidential information and loss of county funds.

### **RECOMMENDATIONS**

#### **Cash Management**

Cash Count / Receipts – Receipts should be verified for accuracy of amount before issuing to customer. At the end of the each business day, receipts should be totaled and balanced to the funds on hand and system control totals. The receipts and deposit total should be verified by the back-up bookkeeper or chief clerk prior to submitting to the Treasurer's office. All monies received should be promptly receipted and deposited consistent with state law, V.T.C.A., L.C.G. § 113.022 and Vernon's Ann. C.C.P. §103.004. Receipts should never be altered, but properly voided. **All copies of a void receipts should be retained** clearly marked "void" and affixed with a reason for the void. Any changes from tender type (for example cash to check or vice versa) should be specifically reviewed and appropriately supported. Compensating controls such as dual sign-off on voids and receipt corrections should be implemented. A funding source should be identified for all missing funds.

Assessment/Distribution – Court costs, fines, and fees should be assessed/collected/prorated in compliance with applicable state laws, Commissioners Court orders, and applicable fee schedules based on the offense date for criminal offenses and filing date for civil type cases.

Disbursement / Special Fund Reconciliation - A management plan (including reconciling the County's General Ledger and the court's special fund bank account) should be developed and implemented to periodically review the detailed special fund report in order to clear old items on disposed cases in accordance with unclaimed property statutes. Cash bonds should be forfeited in accordance with Code of Criminal Procedure, § 22.

### **Processing/Reporting**

Credit Card Process – Payments should be posted in compliance with *Dallas County General Policy for Use of Credit Card Transactions* including reference to the last five digits of the transaction ID number.

Criminal Fee Dockets – JPAS Docket screens should be updated as warrants or capiases are issued, recalled, and/or returned. Outstanding warrants or capiases should be recalled timely when cases are dismissed or otherwise disposed, payments made in full, time is served, etc. Coordinate with constable's office to clear inappropriate active warrants or capias. Separation of duties should be established limiting (through system security access) staff assigned to recall warrants. Electronic Dockets should be completed in compliance with Vernon's Ann., Code of Criminal Procedure, § 45.017.

Civil Fee Dockets – Monitor timing/collection of filing fees and service fees in compliance with applicable state laws and Commissioner Court orders for all eviction, civil and small claim cases filed by non-governmental entities and individuals except for those individuals with approved affidavits of indigence on file. Reason for not collecting filing or service fees should be documented on the JPAS and case jacket. Collection of unpaid court costs and service fees should be pursued with assistance through the District Attorney.

Activity Report - Monthly activity reports should be completed in an accurate and timely manner with copies provided to OCA, OBE, and the County Auditor.

### **Other/Miscellaneous**

Time and Attendance – Requests should be submitted to the Payroll Hotline for required historical edits. Ensure Kronos signed off timely for bi-weekly payroll processing.

Security/Administrative – Develop a management plan to address internal control weaknesses. Security measures should include securing cash handling areas and prohibiting public access to cash handling areas and confidential information.

### **CURRENT FINDINGS/OBSERVATION AND RECOMMENDATIONS**

Finding templates numbered 11-JP5.2-01-01 and 03 thru 10 are attached with responses incorporated.

### **Summary**

The report is intended for the information and use of the department. While we have reviewed internal controls and financial reports, this review will not necessarily disclose all matters of a material weakness. Ongoing office responsibility is to establish and maintain effective internal control over compliance with the requirements of laws, regulations, and contracts applicable to the department.



Highest areas of risk which need to be addressed include: establishing proper receipt controls including retention of all voided receipts; clearing of old Special Fund balances totaling approximately \$215,398; coordinating with the constable's office to clear inappropriate active warrants (additionally, court staff should perform ongoing monitoring of the warrant exception report for inappropriate active warrants); collecting filing and service fees at the time of case filing; and properly reporting case activity.

Training provided by the Texas Justice Court Training Center should be used by the court for staff as budgetary resources and time constraints allow. Consideration of all issues and weaknesses should be incorporated by the court as a self-assessment tool in testing processing functionality of a new justice court system. Adherence to and follow-through with the recommendations should strengthen internal control and compliance with Dallas County policies and procedures. This report will stay open pending resolution of unaccounted customer cash and misapplied payments.

cc: Darryl Martin  
Ryan Brown, OBE



**Finding Number:** 11-JP5.2-01-01 **Computer Receipts**  
**Date:** 5/24/12  
**Audit:** Justice of the Peace 5-2 Audit partial FY10 thru FY11  
**Auditor(s) Assigned:** DW

<p><b>Finding:</b></p>	<p>Review of 22,802 computer generated receipts including an expanded review {to extent receipts were available} of 143 (less than 1% of population) voided computer receipts, receipt continuity, voiding procedures and receipt-deposit delays revealed:</p> <ul style="list-style-type: none"> <li>• Two receipts totaling \$225 cash altered to lower amounts totaling \$125 cash (\$100 cash less than originally receipted)</li> <li>• One receipt for a \$165 check (for a clerk fee and constable fee to serve a writ of possession) voided without issuance of a replacement receipt. Writ of possession issued by the court the same day.</li> <li>• Thirty-two of 143 (22.4%) computer voids lacking one or more components of a properly voided receipt:             <ul style="list-style-type: none"> <li>• 23 (16.1%) receipts not marked void</li> <li>• 29 (20.3%) do not contain reason for void</li> <li>• 24 (16.8) missing customer copy of receipt                 <ul style="list-style-type: none"> <li>○ Four cash receipts not replaced or replaced for lower amounts totaling \$251.50. One defendant provided written confirmation and a copy of the receipt indicating payment of \$200 cash (amount replaced by chief clerk was only \$100 cash).</li> <li>○ One cash receipt for \$182.10 replaced with split payment types of \$39.10 cash and \$143 check.</li> </ul> </li> </ul> </li> <li>• Original and customer copy of six voided computer receipt not retained. Audit confirmed three of six receipts replaced with the same payment type and the same or higher amount.</li> </ul>
<p><b>Workpaper Reference:</b> (or other method by which finding was identified)</p>	<p>Workpapers 5B.2, 5C.1-2 and 5.D.1</p>
<p><b>Condition:</b> (Describe the current condition)</p>	<p>Cash payments received by the counter clerks are counted in the presence of the payer. Payments made over the counter and supporting documentation is provided to the bookkeeper, back-up bookkeeper, or chief clerk for receipting. Cash is recounted by the bookkeeper, back-up bookkeeper, or chief clerk prior to the generation of the computer receipt with change noted. Cash and checks/money order payments are not consistently verified for correctness prior to the generation of the computer receipt with inconsistent comparison of the numeric and written/legal amounts on the check, payment type, payer name to the case number, case style, and amount due on the case prior to the generation of the computer receipt. The JPAS is accessed for generating a computer receipt to the appropriate case number and the payment information is entered by the bookkeeper, back-up bookkeeper, or chief clerk with the payment types frequently recorded incorrectly to the JPAS and instances of payments recorded to the wrong case. The computer receipt is printed, but not consistently reviewed by the bookkeeper, back-up bookkeeper, or chief clerk for accuracy prior to submitting to the customer. Computer receipts and any change from cash payments are provided to the customers. Frequently, the customer has left with the original receipt before errors are reportedly identified. <u>Processing of receipt deletions/alterations to the JPAS by the chief clerk or bookkeeper occur without sufficient supporting documentation or without dual sign-off. The receipt copy is not consistently marked void and an explanation is not noted.</u></p> <p>At the end of the business day prior to closeout, the computer receipts are totaled, compared to the funds on hand and system control totals. Adjustments are processed to the JPAS when the payment type is incorrectly recorded, the check amount is not correctly receipted, or other errors are identified. Other unsupported changes may be made by the chief clerk or bookkeeper after the customer has left when funds do not balance. Customers will not receive a copy of "closeout" voids / corrections. Corrections are not reviewed nor signed-off as a compensating control by a second employee. New computer receipts may be generated that do not match the receipt the customer received.</p> <p>The ending computer receipt number to include in the overnight closeout process is entered into the JPAS. Computer receipts issued after the cut-off are included with the next business day's deposit. The following</p>



	<p>business day funds on hand are consistently confirmed as balancing to the JK98 totals with deposits submitted to the County Treasurer through the courier.</p> <p>Document Direct reports are reviewed by the bookkeeper each morning for automated computer receipt postings created overnight from credit card payments processed over the Internet. In the event of an identified fee code distribution error, the computer receipt is voided in the JPAS by the bookkeeper. However, no hard copy of a receipt exists for receipts generated through the automated process. The bookkeeper will enter the correct fee code breakdown and generate a new computer receipt with the total amount matching the confirmation received by the customer.</p> <p>Internal control procedures are not established to ensure physical copies of voided computer receipts are retained.</p>
<p><b>Criteria:</b> (Describe the optimal condition)</p>	<p>Best practices regarding receipt control procedures require that:</p> <ul style="list-style-type: none"> <li>• All computer receipts should be accounted for and properly used in order to affix responsibility, enhance cash control and prevent potential assertion that monies were paid and refund due.</li> <li>• Receipts should not be altered, but properly voided and affixed with a reason for the void with retention of all voided copies.</li> <li>• The chief clerk should periodically review the exception reports and transaction logs (especially with respect to receipt deletions, lowered amounts, and payment type changes) to ensure that the explanation for the deletions is documented and reasonable.</li> <li>• Corrections are reviewed and approved by the chief clerk.</li> </ul> <p>Accounting and system control procedures require daily reconciliation and balancing of collected funds to support documents and separation of duties to affix responsibility for processing. Separate cash drawers should be maintained by all clerks receipting payments and funds should be balanced prior to combining with other received funds.</p>
<p><b>Cause:</b> (Describe the cause of the condition if possible)</p>	<p>Incomplete, improper or inaccurate application of accounting controls and cash handling procedures. Lack of training or supervisory review. Correction/adjustment controls are weak. No second approval for changes.</p>
<p><b>Effect:</b> (Describe or quantify any adverse effects)</p>	<p>Payments may be misplaced, lost or inaccurately posted. Potential revenue loss for Dallas County and the State of Texas. JPAS computer receipt records do not accurately reflect payments submitted by customers.</p>
<p><b>Recommendation:</b> (Describe corrective action)</p>	<p>Identify a funding source for all missing cash and improperly applied money orders/checks. Losses include:</p> <ol style="list-style-type: none"> <li>1. Two receipts for \$100 cash</li> <li>2. One receipt for \$165 check</li> <li>3. Four receipts for \$251.50 cash</li> </ol> <p>Receipt procedures should include:</p> <ul style="list-style-type: none"> <li>• Changes to check and money order payment types which occur after the customer has left with the original receipt should be evidenced by retention of a copy of the check or money order with the computer receipt and include dual sign-off (initials of the changer and reviewer)</li> <li>• Changes to cash payment types should <b>not</b> occur after the customer has left with the original receipt unless supporting documentation is available such as the payment type should be check or money order with a copy of the check or money order attached to the revised computer receipt. If the customer does not return with the original receipt, the deposit should be submitted short when the actual payment type is cash.</li> <li>• A cash handling office policy should be established where employees are held liable for cash shortages or inappropriate changes to receipts.</li> <li>• All copies of a voided receipt should be retained, clearly marked "void" and affixed with reason for void in order to affix responsibility, enhance cash control and prevent potential assertion that monies were paid and refund due.</li> <li>• Compensating processes such as dual sign-off on voids, receipt corrections, supervisory review,</li> </ul>



	<p>testing, and validation.</p> <ul style="list-style-type: none"> <li>• Receipts should <b>never</b> be altered, but properly voided.</li> <li>• The chief clerk should periodically review the exception reports and transaction logs (especially with respect to receipt deletions, lowered amounts, and payment type changes) to insure that the explanation for the deletions are documented and reasonable.</li> <li>• All monies received should be promptly receipted and deposited consistent with state law, V.T.C.A., L.G.C. § 113.022 and Vernon’s Ann., C.C.P., § 103.004 and procedures recommended by the County Auditor.</li> <li>• A proper segregation of duties reduces the risk of misappropriated funds. If sufficient staff is not available, compensating processes such as dual sign-off on voids, receipt corrections, supervisory review, testing, and validation may be applied.</li> <li>• Prior to generating a receipt: <u>Cash tendered</u> should be counted in the customer’s presence and <u>check guaranteed amount</u> should be agreed to the numeric amount.</li> <li>• Receipts should be verified for accuracy of amount, payment type, case number, and payer before issuing to a customer.</li> <li>• At the end of the business day, the receipts should be totaled and compared to the funds on hand and system control totals. Corrections should be made such that both good internal control and audit trails are maintained. Receipt and deposit totals should be verified by the back-up bookkeeper or chief clerk.</li> </ul>				
<b>Responsible Department or Organization:</b>	Justice of the Peace 5-2				
<b>Management’s Response:</b>	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Honorable Judge Juan Jasso	<b>Date:</b> 2/28/2013
<b>Comments:</b>					
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		





**Finding Number:** 11-JP5.2-01-03 - Fee Assessment & Distribution  
**Date:** 08/20/12  
**Audit:** Justice of the Peace 5-2 Review FY 2011  
**Auditor(s) Assigned:** DW

<p><b>Finding:</b></p>	<p><b>Fine/Fee Assessment:</b>                  Review of 22 computer receipts (175 fee code entries) for appropriate assessment and collection of court costs, fines, and fees and accurate posting to the Justice of the Peace Accounting System (JPAS) revealed:</p> <ul style="list-style-type: none"> <li>• Five partial payments were not properly prorated</li> <li>• Two cases with court costs assessed/collected/receipted using the wrong fee schedule based on the offense date</li> <li>• One receipt posting not adjusted after Non-Sufficient Funds (NSF) notice from Treasurer’s office</li> <li>• Two cases with \$0.10 Civil Justice Fee not collected</li> <li>• One \$0.10 Civil Justice fee collected \$0.01 short</li> <li>• One receipted payment with the wrong paper type</li> <li>• One \$25 time payment fee not assessed</li> <li>• One additional \$50 warrant fee assessed in error</li> </ul> <p>Other instances were noted during an ongoing desk review where the court receipted payments incorrectly including the full payment received to Special Fund, fee type 07 without allocating to each fee type for court costs and/or fine. The court was advised as errors were identified.</p>
<p><b>Workpaper Reference: (or other method by which finding was identified)</b></p>	<p>Workpaper 5E review of fees assessed and receipted</p>
<p><b>Condition: (Describe the current condition)</b></p>	<p>The Justice of Peace Accounting System lacks automated assessment and partial payment distribution functions. Pre-assessed court costs and fine amounts are posted to the JPAS Docket screen by justice court (or populated via automated traffic case filings) staff based on state statutes in effect at the time of the offense.</p> <p>Additional court costs may be manually assessed with the JPAS Court Costs field on the Docket screen updated by the court clerks and the bookkeeper for time payment fees when payment plans are established, transaction fees when payments are presented, and warrants and/or capiases as each paper is issued. Other manual adjustments by court clerks or the bookkeeper to the JPAS Court Costs and Fine fields on the Docket screen inconsistently occur when defendants present proof of registration, inspection, or a valid driver’s license in conjunction with payment of an administrative fee and dismissal of the case.</p> <p>Proof of insurance will result in dismissal of “no insurance” cases without payment of an administrative fee and the JPAS Court Costs and Fine fields on the Docket screen are not manually updated to reflect no fee due. Defendants appearing before the court may receive a reduced fine from the Judge with the judgment reflecting a fine less than the pre-assessed amount, requiring the court clerks or bookkeeper to update the JPAS Fine</p>



	<p>field on the Docket screen. Other defendants may request and be approved for a driving safety course (defensive driving) with court clerks or the bookkeeper updating the JPAS Court Costs field on the Docket screen by adding an additional \$10 administrative fee to the standard moving violation court costs amount (updating the Docket screen to reflect DSC for reporting to Austin does not occur until proof of course completion is presented to the court along with a copy of insurance and an official driving record from DPS) and requiring payment at the time of request. Other defendants may request and receive deferred adjudication from the court which requires full payment of the court costs for the offense and payment of a “special expense” set by the Judge. Statutorily, the “special expense” in lieu of the fine may not exceed the maximum amount of the fine for the offense. Manual adjustments are required to the JPAS Docket screen fields by court clerks or the bookkeeper to reflect deferred adjudication including noting a date in the Deferred Adjudication judgment date field.</p> <p>Prior to receipting payments, the bookkeeper or chief clerk reviews the JPAS payment history screen for prior payments and the case jacket and JPAS Docket screen for accuracy of amounts due including Court Costs, Fine/Special Expense, FTA Fee, and/or Delinquent Collection Fee. During the receipting process, the bookkeeper or chief clerk perform a modified manual cost allocation process to record payments to each fee type due to limited system functionality.</p>
<p><b>Criteria:</b> (Describe the optimal condition)</p>	<p>Court costs, fines, and fees should be assessed/collected/prorated in compliance with applicable state laws including Code of Criminal Procedure Chapters 45 and 102 and Local Government Code Chapter 133, Commissioners Court orders, and Attorney General Opinion No. GA-0147. Court costs should be assessed based on offense date and offense type.</p> <p>Once collected, each fee should be posted to the proper JPAS fee type and paper type to assure subsequent distribution to proper governmental entity. Paper types for designated traffic programs should be used when recording payments on traffic cases.</p> <p>JPAS Docket screens should be updated as cases are filed and additional case activity occurs including, but not limited to, the assessment of additional court costs and/or changes in fines or special expense amounts as ordered by the judge in accordance with Vernon’s Ann., CCrP., § 45.017.</p>
<p><b>Cause:</b> (Describe the cause of the condition if possible)</p>	<p>Inadequate JPAS system functionality Clerical error</p>
<p><b>Effect:</b> (Describe or quantify any adverse effects)</p>	<p>Incomplete collection of court costs for the State of Texas and/or Dallas County. Incorrect distribution/disbursement of funds to the State of Texas, Dallas County, and/or other governmental entities requiring additional time to correct posting.</p>
<p><b>Recommendation:</b> (Describe corrective action)</p>	<p>Payment posting procedures should include:</p> <ul style="list-style-type: none"> <li>• Court costs, fees, and fines properly assessed/collected and timely deposited on all cases based on state laws, Commissioner Court orders, etc. and applicable fee schedules based on the offense date and offense type for criminal offenses and file date for civil type cases.</li> <li>• Care should be taken in recording all elements of the receipt correctly to the JPAS.</li> </ul>



	<ul style="list-style-type: none"> <li>• Code partial payments to the correct fee types prorating to each state and local court cost/fee before recording amounts to fine or only one court cost.</li> <li>• Fine or transaction fee amounts should be adjusted when automated traffic case filing court costs are incomplete or inaccurate.</li> </ul> <p>JPAS Docket screen posting procedures should include:</p> <ul style="list-style-type: none"> <li>• Updating Docket screens as: cases are filed; warrants or capiases are issued; pleas are entered; court dates are set; cases are dismissed, judgments or deferred adjudications are ordered; defensive driving is authorized; time payment plans are authorized; cases are disposed; etc.</li> <li>• Completing electronic Dockets in compliance with Vernon’s Ann., CCrP, § 45.017.</li> </ul>					
<b>Responsible Department or Organization:</b>	Justice of the Peace 5-2					
<b>Management’s Response:</b>	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent</b> :	Honorable Judge Juan Jasso	<b>Date</b> :	2/28/2013
<b>Comments:</b>						
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report		<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		



**Finding Number:** 11-JP5.2-01-04 **Credit Card Transactions**  
**Date:** June 4, 2012  
**Audit:** Justice of the Peace 5-2 Audit partial FY2010 thru FY 2011  
**Auditor(s) Assigned:** DW

<p><b>Finding:</b></p>	<p>Review of financial activity associated with 8 credit card transactions and the associated JPAS postings revealed:</p> <ul style="list-style-type: none"> <li>• Three credit card payments not posted to the correct fee types, proration errors for partial payments, and/or assessment errors</li> <li>• Three warrants not recalled on cases paid by credit card</li> </ul> <p><b>Status:</b> Warrants not active on Constable system</p> <p>Ongoing desk review revealed credit card transactions posted to the JPAS using the sequence ID number or the first four digits of the transaction ID number instead of the last five digits of the transaction ID number. (per procedures)</p> <ul style="list-style-type: none"> <li>• Limited integration of automated JPAS payment posting functionality requiring additional staff time to review, reconcile, and research/post exceptions.</li> <li>• Two daily settlement reports</li> <li>• One automated receipt posting report for payments submitted through the automated traffic ticket payment channel with activity limited to amounts that match predefined court costs tables.</li> <li>• One automated payment rejection report for payment amounts not matching the predefined court costs tables.</li> </ul>
<p><b>Workpaper Reference:</b> (or other method by which finding was identified)</p>	<p>Ongoing desk review, observation and Workpaper 6 JPAS and Settlement reports</p>
<p><b>Condition:</b> (Describe the current condition)</p>	<p>Credit card payments are submitted for processing either by defendant directly over the Internet or by court clerks for mail in payments (over the counter transactions stopped at the end of August 2012 pending contract changes – swipe card reader is not available). Two web portals are configured for use, an ‘auto citation’ payment channel and a ‘JP Court’ precinct payment channel.</p> <p>Defendants paying with credit card via mail are required to provide cardholders name and address, credit card number and expiration date, check the case(s) to be paid, record the amount to be paid, sign and date, and enter a plea on the citation provided at the time of offense. Mailed in credit card payment data is processed by the bookkeeper through the County’s Intranet portal. A confirmation number is generated by the system for successful transactions and the confirmation will be printed by the bookkeeper. Credit card payments processed through the ‘auto citation’ payment channel by 6:59:59 PM are not consistently included in the next day business closeout (processing is dependent on IT parameters not JP court clerk). Credit card number and other information is <u>not</u> stored on Dallas County servers or systems.</p> <p>Each business morning, the chief clerk or bookkeeper will print the credit card transaction reports from both credit card payment channels and the mainframe automated posting/reject reports. Accepted transactions (completed prior to 7 PM) processed through the ‘auto citation’ payment channel systemically create a computer receipt in the overnight batch process except for amounts that do not match the limited allocation table. The bookkeeper inconsistently reviews the ‘auto citation’ payment channel accepted (titled Settlement Report) report and compares to the JPAS for accuracy in fee code distribution. There are limited tables available for the automated posting of credit card payments so some items appear on a mainframe reject (amounts do not match table) report and require research and manual posting for generation of a computer receipt.</p> <p>Valid transactions from the ‘JP Court’ precinct payment channel accepted (titled Settlement Report) report and the rejected ‘auto citation’ transaction mainframe report will require receipting by the</p>





	<p>bookkeeper or chief clerk to the JPAS as payment type ‘check’ due to JPAS limitations. Daily balancing of receipt activity will include credit card payments that appear on the accepted/settlement (previous day’s activity prior to 7 PM) reports generated by court staff from the County’s Intranet site.</p> <p>Checks will be totaled and added together with both accepted/settlement report totals and balanced to JPAS control check totals. Closed-out receipting of credit card payments will be reflected on the check deposit with a manual notation on the deposit form 98 with the amount from the accepted/settlement reports as ‘ACH’.</p> <p>A copy of the two accepted/settlement (‘auto citation’ and ‘JP Court’) reports will be sent to the County Treasurer with the check deposit. The cash and check (including closed out / computer receipted credit card payments) deposits will be placed in separate clear plastic deposit envelope bags. Relevant information will be written on the clear plastic bags. Bag control numbers, payment type, and amount will be notated in the courier receipt book and signed by court staff. The deposits will be locked in the safe pending the arrival of the courier. The courier will sign for the deposits and deliver to the County Treasurer.</p>
<p><b>Criteria:</b> (Describe the optimal condition)</p>	<p>Court costs, fines, and fees should be assessed/collected/prorated in compliance with applicable state laws including Code of Criminal Procedure Chapter 102 and Local Government Code Chapter 133 or Commissioners Court orders.</p> <p>Standard accounting and system control procedures require daily reconciliation and balancing of collected funds with receipts promptly issued for the amount of funds tendered, all funds received properly secured, and deposited consistent with state law including V.T.C.A., L.G.C., § 113.022 and Vernon’s Ann., C.C.P., § 103.004</p> <p>Per <i>Dallas County General Policy for Use of Credit Card Transactions Policy</i>, any customer credit card numbers or security numbers from the back of the credit card received through the mail by the justice courts and used to process credit card transactions must be securely retained for 24 months after the transaction is processed through web access in a locked file cabinet with limited access. After 24 months, the credit card information should be <b>destroyed or redacted</b>. At no time should credit card information be left on desks or other work areas nor be filed in case jackets.</p> <p>E-Commerce requires information processing controls to test that transactions completed through computerized applications are valid, properly authorized, and completely and accurately processed and reported.</p> <p>According to V.T.C.A., L.G.C., § Sec. 130.003. PAYMENT CONDITIONAL. (a) The acceptance of a check or credit card invoice for the payment of a fee or tax does not constitute payment of the fee or tax. The fee or tax is not considered paid until the check is honored by the bank on which the check is drawn or the credit card invoice is honored by the issuer.</p>
<p><b>Cause:</b> (Describe the cause of the condition if possible)</p>	<p>Non-integrated financial systems for e-commerce requiring manual intervention. Multiple credit card reports and payment channels. Inconsistent adherence to credit card procedures outlined in the <i>Dallas County General Policy for Use of Credit Card Transactions Policy</i>.</p>
<p><b>Effect:</b> (Describe or quantify any adverse effects)</p>	<p>Delayed revenue recognition. Inherent risks for delayed deposits include non-recovery of funds, checks or cash could be lost or stolen before being receipted.</p>
<p><b>Recommendation:</b> (Describe corrective action)</p>	<p>Payment posting procedures should include:</p> <ul style="list-style-type: none"> <li>• Reports should be reviewed for card acceptance posting &amp; rejection to properly &amp; timely account for payments.</li> <li>• Valid payments not auto-posted should be receipted to the JPAS when appearing on the settlement report.</li> <li>• Post payments in compliance with <i>Dallas County General Policy for Use of Credit Card Transactions Policy</i> including reference to the last five digits of the transaction id number.</li> </ul>

County Auditor



Dallas County, Texas

<b>Responsible Department or Organization:</b>	Justice of the Peace 5-2				
<b>Management's Response:</b>	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Honorable Judge Juan Jasso	<b>Date:</b> 2/28/2013
<b>Comments:</b>					
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		



**Finding Number:** 11-JP5.2-01-05 - Criminal Fee Dockets  
**Date:** June 4, 2012  
**Audit:** Justice of the Peace 5-2 Audit partial FY2010 thru FY2011  
**Auditor(s) Assigned:** DW

<p><b>Finding:</b></p>	<p>Review of 10 cases from the Justice of the Peace 5-2 Collection Referral Report for adequate collection procedures on cases referred to delinquent collection law firm, review of 20 cases on time payment plans and review of IT Services Active Warrants on Disposed Cases Report dated 12/31/2012 (approximately 18,582 active warrants or capias as of 1/19/2012) for validity of warrant issuances, recalls, and served / returned / active / regional statuses revealed (sample sizes less than 1% of population):</p> <ul style="list-style-type: none"> <li>• All court clerks are authorized to recall warrants</li> <li>• 171 active warrants and/or capias on WX50 for cases without balances due; with time served; dismissed; and/or inactive (marked with Dispose flag 'X') as of 12/31/2012.</li> <li>• 16 out of 18 cases delinquent on time payment plans do not have a capias issued  <b>Status:</b> Capias issued on 13 of the cases.</li> <li>• Two payments received in mail were posted three and five business days later per JPAS comments.</li> <li>• One case was disposed without payment of court costs recorded to the JPAS. Docket screen comments indicate defendant mailed money order for \$101.</li> </ul> <p>The court established a collections process for time payment plan cases as required by the Office of Court Administration (OCA) Collections Improvement Program. The Office of Budget and Evaluation (OBE) has provided one designated collection clerk for each court.</p>
<p><b>Workpaper Reference: (or other method by which finding was identified)</b></p>	<p>Workpaper No. 7A and 7B Criminal Fee Dockets  IT Services Active Warrants on Disposed Cases Report and responses to ICQ</p>
<p><b>Condition: (Describe the current condition)</b></p>	<p>In response to the OCA and Senate Bill 1863 (enacted by the 79th Legislature in 2005), the court established procedures for defendants requesting time payment plans. These procedures include but are not limited to: defendant completing a personal data form when requesting time to pay, interview of defendant by the court collection clerk, defendant signing a payment agreement, defendant's phone numbers and references verified by court collection clerk, phone calls and delinquent collection notices sent by the court collection clerk for missed payments based on non-system logs maintained by the court collection clerk, and a pre-warrant notice sent by the court collection clerk when a defendant defaults on a payment plan including a second call made by the collection clerk prior to issuing a warrant.</p> <p>Warrants including alias warrants are inconsistently issued by the court and signed by the Judge when defendants do not appear or do not comply with the terms of release. The issuance date is recorded to the JPAS Docket screen by the court staff. A notice of show cause hearing is issued by court staff when defendants do not satisfy the terms of the judgment including payment of fine and court costs. Criminal process is sent to the constable's office for service.</p> <p>Returned/recalled dates are recorded to the JPAS by court clerks as warrants and/or capias are returned from law enforcement agencies, but process verification is problematic. Systems are not linked, lack warnings, and when payments are made in full, defendants appear, defendants comply with orders of the court, etc., the court's employees transmits recall notices to the appropriate law enforcement. No separation of duty procedure is established for issue/recall of warrants.</p>



<p><b>Criteria:</b> (Describe the optimal condition)</p>	<p>In accordance with state statutes and at judge’s discretion, warrants/capias should be issued within a reasonable time frame to further enhance the court’s collections process. All warrants should be recalled when a defendant makes proper disposition of court costs &amp; fines by payments made, jail time served, community service or other disposition such as appeal of the case.</p> <p>Best practices for internal control require separation of assigned duties for personnel authorized to issue and/or recall warrants.</p> <p>Docket screen procedures recommended by the County Auditor in document titled ‘Standard Procedures for Recording Misdemeanor Information to the Docket Screen’ should be followed when recording entries to the court’s official electronic docket which is governed by Code of Criminal Procedure, § 45.017. JPAS Docket screens should be updated as additional case activity occurs including but not limited to warrant/capias issuance/recall/return, jail time served, dismissed dates, deferred adjudication dates, judgment dates, assessment of additional court costs and/or changes in fine/special expense amounts as ordered by the judge. The disposed flag field should be marked with an “X” when the case has reached final disposition, including dismissals, appeals to the County Court of Criminal Appeals, jail time served for satisfaction of fine and court costs, payment in full for satisfaction of fine and court costs.</p> <p>In accordance with Code of Criminal Procedures §45.041, the judgment and sentence, in case of conviction in a criminal action before a justice of the peace or municipal court judge, shall be that the defendant pays the amount of the fine and costs to the state. The justice or Judge may direct the defendant to pay: (A) the entire fine and cost when sentence is pronounced; (B) the entire fine and cost at some later date; or (C) a specified portion of the fine and costs at designated intervals.</p> <p>In accordance with Code of Criminal Procedure, Art. 103.0033 (c) Unless granted a waiver under Subsection (h), each county and municipality shall develop and implement a program that complies with the prioritized implementation schedule under Subsection (h). A county program must include district, county, and justice courts. (d) The program must consist of: (1) a component that conforms with a model developed by the office and designed to improve in-house collections for eligible cases through the application of best practices; and (2) a component designed to improve the collection of balances for eligible cases more than 60 days past due, which may be implemented by entering into a contract with a private attorney or public or private vendor in accordance with Article 103.0031.</p>
<p><b>Cause:</b> (Describe the cause of the condition if possible)</p>	<p>Incomplete control procedures. Warrant /capias are not returned from the Constable/ Sheriff offices. Inadequate system exception reporting for recall of warrants and follow-up. Clerical error</p>
<p><b>Effect:</b> (Describe or quantify any adverse effects)</p>	<p>Liability to County for persons arrested in error. Official Justice of the Peace Docket records are inaccurate or incomplete.</p>
<p><b>Recommendation:</b> (Describe corrective action)</p>	<p>Warrant and capias procedures should include:</p> <ul style="list-style-type: none"> <li>• Warrants or capiases issued timely when defendants do not appear, do not comply with conditions of release, or default on payment terms. Show cause hearings should be set when defendants default on payment plans.</li> <li>• Outstanding warrants or capias recalled same business day when cases are dismissed or otherwise disposed, payments are made in full, time is served, community service is performed, time payment plans are implemented/followed, or official notification/verification of a defendant’s death is received.</li> <li>• A tracking list of recalled, but unreturned warrants or capias should be maintained with</li> </ul>





	<p>weekly follow-up communications to the constable or sheriff until returned.</p> <ul style="list-style-type: none"> <li>• Outstanding warrant reports periodically reviewed for accuracy.</li> </ul> <p>Payment plans should be established and monitored in accordance with Code of Criminal Procedure, Art. 103.0033.</p> <p>JPAS Docket screen posting procedures should include:</p> <ul style="list-style-type: none"> <li>• Updating Docket screens as warrants or capiases are issued/recalled/returned.</li> <li>• Completion of electronic dockets in compliance with Vernon's Ann., CCrP, § 45.017.</li> <li>• Receipting and depositing payments received (receipt file should correspond to payment references on the Docket screen comments).</li> </ul>				
<b>Responsible Department or Organization:</b>	Justice of the Peace 5-2				
<b>Management's Response:</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Honorable Judge Juan Jasso	<b>Date:</b> 2/28/2013
<b>Comments:</b>					
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		



**Finding Number:** 11-JP5.2-01-06 - Civil Fee Dockets  
**Date:** 06/04/12  
**Audit:** Justice of the Peace 5-2 Audit FY10 thru FY11  
**Auditor(s) Assigned:** DW

<p><b>Finding:</b></p>	<p>Review of accounts receivable, 15 cases from the Justice Fee Exception report, and the Daily Fee Log revealed:</p> <ul style="list-style-type: none"> <li>• Four (does not include one case for illegal towing and one case for writ of restoration of utilities without payment of court costs and service fees) cases without payment of filing and service fees from the 15 sampled do not meet the criteria for upfront exemption of filing fees or waiver due to the submission of an <i>Affidavit of Inability to Pay</i>.</li> <li>• Inconsistent docketing of the filing of an <i>Affidavit of Inability to Pay Cost</i>. Five of six (83.33%) cases reviewed with an <i>Affidavit of Inability to Pay Cost</i> filed were not docketed.</li> </ul> <p><b>Prior Year Status:</b></p> <ul style="list-style-type: none"> <li>• As of September 30, 2011, Dallas Housing Authority (DHA) owes \$42,590 for court activity dating to fiscal year 2004. New case filings were accepted from DHA in FY2011.</li> <li>• As of September 30, 2011, the City of Dallas owes \$391 for case activity between FY98 and FY05.</li> </ul>
<p><b>Workpaper Reference:</b> (or other method by which finding was identified)</p>	<p>Work paper: 9A, 9A.1 and 9B review Justice Fee Exception Report identifying cases filed without payment of filing fees.</p>
<p><b>Condition:</b> (Describe the current condition)</p>	<p>Court costs and service fees are required to be paid at the time of filing. Parties to a suit that do not have adequate resources may request to file a case without payment. Indigent plaintiffs complete an affidavit of inability to pay (pauper's affidavit) filing/service fees in accordance with Rule of Civil Procedure 145. The affidavit is reviewed by the court and if approved, filed in the case jacket. JPAS Docket screen lacks predefined fields for recording the filing of a pauper's affidavit. Civil, eviction, or small claims court clerks do not consistently record notations of filing of pauper affidavits on the Docket free-form Comments screen. JPAS receipt functionality does not include assessments for charges so credits are not systemically recorded for pauper's affidavits. Paper service is stamped with "pauper oath filed" in accordance with Rule of Civil Procedure 126 and 145.</p> <p>Cases authorized for processing without payment at the time of filing are not consistently billed by the bookkeeper and/or chief clerk when fees are subsequently due. Billing notations are not reflected on the case Docket comment.</p> <p><b>The court continued to accept DHA filings despite auditor recommendations in the August 15, 2006 report.</b></p>
<p><b>Criteria:</b> (Describe the optimal condition)</p>	<p>In accordance with statutes (Local Government Code (LGC) § 118.121, 118.122, 118.123, 118.131, and Chapter 133) and Commissioners Court orders, filing fees should be collected at the time of filing and service fees should be collected at the time of service request for all evictions, civil and small claim cases filed by non-governmental entities and individuals except for those individuals with approved affidavits of indigence on file or those entities listed under Civil Practices and Remedies § 6.001, 6.002, and 6.003.</p> <p><b>Texas Rules of Civil Procedure, RULE 145. AFFIDAVIT ON INDIGENCY</b></p> <p>(a) <b>Affidavit.</b> In lieu of paying or giving security for costs of an original action, a party who is unable to afford costs must file an affidavit as herein described. A "party who is unable to afford costs" is defined as a person who is presently receiving a governmental entitlement based on indigency or any other person who has no ability to pay costs. Upon the filing of the affidavit, the clerk must docket the action, issue citation and provide such other customary services as are provided any party.</p> <p>Filing fees should be collected on cases transferred from courts outside of Dallas county under Rule of Civil Procedure, No. 89. &lt;<a href="http://www.supreme.courts.state.tx.us/rules/trcphome.asp">http://www.supreme.courts.state.tx.us/rules/trcphome.asp</a>&gt;.</p>



	<p><b>Texas Rules of Civil Court Procedures Rule 143.</b> A party seeking affirmative relief may be ruled to give security for costs at any time before final judgment, upon motion of any party, or any officer of the court interested in the costs accruing in such suit, or by the court upon its own motion. If such rule be entered against any party and he failed to comply therewith on or before twenty (20) days after notice that such rule has been entered, the claim for affirmative relief of such party shall be dismissed.</p> <p><b>Texas Rules of Civil Procedure, RULE 656. EXECUTION DOCKET</b> The clerk of each court shall keep an execution docket in which he shall enter a statement of all executions as they are issued by him, specifying the names of the parties, the amount of the judgment, the amount due thereon, the rate of interest when it exceeds six per cent, the costs, the date of issuing the execution, to whom delivered, and the return of the officer thereon, with the date of such return. Such docket entries shall be taken and deemed to be a record. The clerk shall keep an index and cross-index to the execution docket. When execution is in favor or against several persons, it shall be indexed in the name of each person. Any clerk who shall fail to keep said execution docket and index thereto, or shall neglect to make the entries therein, shall be liable upon his official bond to any person injured for the amount of damages sustained by such neglect.</p> <p><b>Property Code, Sec. 92.0091. RESIDENTIAL TENANT 'S RIGHT OF RESTORATION AFTER UNLAWFUL UTILITY DISCONNECTION.</b> (k) The fee for filing a sworn complaint for restoration of utility service is the same as that for filing a civil action in justice court. The fee for service of a writ of restoration of utility service is the same as that for service of a writ of possession. The fee for service of a show cause order is the same as that for service of a civil citation. The justice may defer payment of the tenant's filing fees and service costs for the sworn complaint for restoration of utility service and writ of restoration of utility service. Court costs may be waived only if the tenant executes a pauper's affidavit.</p> <p><b>Occupations Code, Sec. 2308.457. FILING FEE AUTHORIZED.</b> The court <u>may</u> charge a filing fee of \$20 for a hearing under this chapter.</p>
<p><b>Cause:</b> (Describe the cause of the condition if possible)</p>	<p>Lack of supervisory review or follow-up Clerical error Weak system functionality</p>
<p><b>Effect:</b> (Describe or quantify any adverse effects)</p>	<p>Potential loss of revenue for Dallas County and State of Texas. Inhibits cost recovery if the plaintiff's claim is upheld. Inability to determine if billings have occurred from the Docket screen entries. System extracts do not include indigent status.</p>
<p><b>Recommendation:</b> (Describe corrective action)</p>	<p>Filing fees should be collected at the time of filing on all non-misdemeanor cases except the following whereas a reason for collecting the filing fees should be documented on the JPAS and the case jacket:</p> <ul style="list-style-type: none"> <li>• Transferred from other Dallas County JP courts</li> <li>• Involving tax suits</li> <li>• Involving mental illness warrants</li> <li>• Filed by governmental entities which are exempted from security of filing and service fees under Civil Practices and Remedies § 6.001, 6.002, and 6.003, but are ultimately responsible for court costs if it cannot be recovered from the losing party. See Attorney General Opinion No. DM-459 and District Attorney's opinion dated September 4, 2003.</li> <li>• Ordered as indigent under Texas Rules of Civil Procedure, Rule 145.</li> </ul> <p>Filing fees should be collected on cases transferred from courts outside of Dallas county under Rule of Civil Procedure, No. 89.</p> <p>The court should consider assessing / collecting a \$20 filing fee for illegal towing cases as authorized by Occupations Code, Sec. 2308.457 in order to partially recover administrative costs of processing the case.</p>



	<ul style="list-style-type: none"> <li>A management plan should be developed / implemented to bill for court costs and service fees not paid at the time of filing including writs of restoration. Collection of unpaid court costs and service fees should be pursued with assistance through the District Attorney(does not include one case for illegal towing and one case for writ of restoration of utilities)</li> </ul>				
<b>Responsible Department or Organization:</b>	Justice of the Peace 5-2				
<b>Management's Response:</b>	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Honorable Judge Juan Jasso	<b>Date:</b> 2/28/2013
<b>Comments:</b>	DHA now pays when evictions are filed.				
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		





**Finding Number:** 11-JP5.2-01-07 - Activity Reports  
**Date:** 05/12/11  
**Audit:** Justice of the Peace 5-2 Audit partial FY 2010 thru FY2011  
**Auditor(s) Assigned:** DW

<p><b>Finding:</b></p>	<p>Comparison of activity reports filed by the court with the Office of Court Administration (OCA), the Office of Budget and Evaluation (OBE), and the Auditor's Office to the mainframe JPAS case records for the period partial FY2010 (7/1/10 - 9/30/10 ) thru FY2011 revealed:</p> <p><u>JPAS to OCA</u></p> <ul style="list-style-type: none"> <li>• Traffic (JT) case counts were <b>over-reported</b> by 496.98% (4,771) in FY2010.</li> <li>• Forcible Entry &amp; Detainer (JE) case counts were <b>under-reported</b> by 12.50% (74 cases) in FY2010.</li> <li>• Traffic (JT) case counts were <b>over-reported</b> by 179.40% (8,925) in FY2011.</li> </ul> <p><u>JPAS to OBE</u></p> <ul style="list-style-type: none"> <li>• Traffic (JT) case counts were <b>over-reported</b> by 178.02% (1,709) in FY2010.</li> <li>• Forcible Entry &amp; Detainer (JE) case counts were <b>under-reported</b> by 12.50% (74 cases) in FY2010</li> <li>• Traffic (JT) case counts were <b>over-reported</b> by 100.44% (4,997 cases) in FY2011.</li> </ul>
<p><b>Workpaper Reference:</b> (or other method by which finding was identified)</p>	<p>Workpaper No. 11A                  Comparison of activity reports submitted by the court to OCA website, OBE and JPAS filed cases as counted and analyzed by the auditor.</p>
<p><b>Condition:</b> (Describe the current condition)</p>	<p>Court clerk assignments include processing traffic, IBC, other class C misdemeanor, evictions, civil, or small claims cases. In addition, the court clerks manually capture case activity, disposition and payment information on a daily basis. Oversight or mathematical errors result in monthly data provided by the court clerks to the chief clerk to not accurately reflect case activity as recorded to the Justice of Peace Accounting system. The chief clerk compiles a monthly summary of case activity, disposition, and payment information based on data provided and submits to OCA, OBE, and Audit without complete cross reference to the JPAS or validation of totals.</p> <p>Automated traffic case numbers are <b>not</b> retrieved daily by court personnel accessing Document Direct. The court is reporting first time appearances and pleas entered on automated traffic cases as new cases filed.</p>
<p><b>Criteria:</b> (Describe the optimal condition)</p>	<p>Government Code Section 71.035(b) and Texas Administrative Code Sections 171.1 and 171.2 requires all activity reports to be accurately and timely completed and mailed (or updated via the Internet) to the council (Texas Judicial Council/OCA ) no later than 20 days following the end of the month reported. Local Government Code 114.002 authorizes the County Auditor to determine the time and manner for making reports to the auditor. The County Auditor has determined that activity reports should be provided to the Internal Audit section no later than 20 days following the end of the month reported.</p> <p>Internal control for reporting requires that all case numbers are accounted for, issued consecutively by case type, and properly and timely indexed to the JPAS.</p>
<p><b>Cause:</b> (Describe the cause of the condition if possible)</p>	<p>Mathematical errors and inadequate record keeping.                  Non-adherence to OCA reporting guidelines.</p>
<p><b>Effect:</b> (Describe or quantify any adverse effects)</p>	<p>Potential for court staffing as determined by OBE to be less/more than authorized.                  Inaccurate statewide court analysis by OCA.</p>



<b>Recommendation:</b> <b>(Describe corrective action)</b>	In accordance with statutory guidelines, monthly activity reports should be completed in an accurate and timely manner with copies provided to OCA, OBE, and the County Auditor.  Activity reports should be corrected if errors are later identified, as the accuracy of activity reports may affect staffing levels or statewide analysis.  Future reporting for automated traffic cases should match counts shown on Document Direct R12147 <i>Automated JP Traffic Case Filing List JP5-2</i> .			
<b>Responsible Department or Organization:</b>	Justice of the Peace 5-2			
<b>Management's Response:</b>	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b> Honorable Judge Juan Jasso	<b>Date:</b> 2/28/2013
<b>Comments:</b>				
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration	



**Finding Number:** 11-JP5-2-01-08 - **Special Fund Reconciliation**  
**Date:** 06/04/12  
**Audit:** Justice of the Peace 5-2 Review FY2010 thru 2011  
**Auditor(s) Assigned:** DW

<p><b>Finding:</b></p>	<p><b>Special Fund Transactions:</b>                  Reconciliation and review of special fund activity, postings to the JPAS, general ledger and internal control procedures for separation of duties, authorization, funds available for disbursement and proper payees revealed:</p> <ul style="list-style-type: none"> <li>• Old case balances (approximately \$215,398 of \$268,765 system balance as of 9/30/2011 over three years old) in the special fund have not been researched for disbursing to the applicable party and/or escheating to the County Treasurer or State Comptroller.</li> <li>• One special fund checks issued to improper payee.</li> <li>• One interpreter fee for \$140 paid through the special fund rather than through Accounts Payable.</li> <li>• Forfeiture proceedings not initiated against defendants to forfeit cash bonds when defendants failed to appear (approximately \$56,100 in cash bonds are over four years old).</li> </ul>
<p><b>Workpaper Reference:</b> (or other method by which finding was identified)</p>	<p>Workpaper No. 12A, 12B and 12C Review of special fund activity</p>
<p><b>Condition:</b> (Describe the current condition)</p>	<p>Data source for disbursement activity is request forms, daily special fund deposit reports, and JPAS (when date cards are updated by bookkeeper) detailed monthly special fund balance reports. Balances available to disburse consist of case overpayments, judgments paid into the registry of the court, cash bonds, and service fees for law enforcement agencies without designated fee codes for automated disbursements. Current special fund activity on the JPAS reports is reviewed by the bookkeeper for identification of eligible disbursements. Case jackets are pulled and postings to the JPAS are reviewed to determine the proper payee and amount. To generate disbursements, the bookkeeper prepares and saves a special fund disbursement file to a designated computer drive on an ongoing basis, based on a review of new daily special fund activity by case/receipt. The electronic file is submitted to the County Auditor/County Treasurer for processing, check printing, and mailing. The electronic file reflects details of disbursement. Subsequently, the bookkeeper updates the disbursement information to the JPAS, posting the check number, check amount, and date, but does not reconcile to the general ledger or to the bank. The JP office relies on the County Auditor for reconciliation to the general ledger and on the County Treasurer for bank reconciliations.</p> <p>The bookkeeper posts cancellations and stale dated checks to the JPAS based on notices received from the County Treasurer.</p> <p>Limited research of old case balances (approximately \$215,398 of \$268,765 system balance as of 9/30/2011 over three years old) remaining in the special fund account for disbursement or escheatment.</p>
<p><b>Criteria:</b> (Describe the optimal condition)</p>	<p>Best practices regarding cash control require that:</p> <ul style="list-style-type: none"> <li>• All special fund disbursements and cancellations should be timely and accurately posted to the JPAS. Fund balances must be reconciled against control records (GL and bank statement).</li> <li>• Special fund reports should be reviewed on a periodic basis and disbursements should be made to the appropriate parties in a timely manner.</li> </ul> <p>Inactive case balances should be reviewed in accordance with unclaimed property statutes,</p>



	<p>V.T.C.A., Property Code, § 72 and § 76, and escheated either to the County Treasurer (if \$100 or under) or the State of Texas (if over \$100).</p> <p>Bond forfeiture proceedings should be initiated in accordance with Code of Criminal Procedure Chapter 22 when defendants, who post a cash bond, fail to comply with promise to appear before the court.</p>				
<b>Cause:</b> (Describe the cause of the condition if possible)	<p>Limited staff time to research old items.</p>				
<b>Effect:</b> (Describe or quantify any adverse effects)	<p>Deferred research:</p> <ul style="list-style-type: none"> <li>• Delayed disbursements to entities/individuals entitled to funds.</li> <li>• Penalties from the State for not following escheat statutes may be assessed if not corrected.</li> </ul> <p>Limited reconciliation:</p> <ul style="list-style-type: none"> <li>• Undetected posting errors resulting in potential for overpayment and unrecoverable losses.</li> <li>• Additional staff time to research and correct posting errors.</li> </ul> <p>An action by the state to forfeit a bail bond under Code of Criminal Procedure, § 22.18 must be brought not later than the fourth anniversary of the date the principal fails to appear in court.</p>				
<b>Recommendation:</b> (Describe corrective action)	<p>Special fund procedures should include:</p> <ul style="list-style-type: none"> <li>• All checks issued, canceled, or stale dated posted accurately and timely to the JPAS (reconciliation of JPAS to GL) and verified/reviewed by the chief clerk.</li> </ul> <p>A management plan including reconciling GL and bank account should be developed and implemented to periodically review the detailed special fund report in order to clear old items on disposed cases.</p> <p>Escheat analysis and stale dating should be managed in accordance with unclaimed property statutes, V.T.C.A., Property Code, § 72 and § 76. ( see website: <a href="http://www.window.state.tx.us/up/forms.html">http://www.window.state.tx.us/up/forms.html</a> )</p> <p>Cash bonds should be forfeited in accordance with Code of Criminal Procedure § 22.</p> <p>In anticipation of the pending migration from the JPAS, we recommend concerted effort be made to correct outstanding issues. Court action will improve the accuracy of migrated data and impact staff efficiencies during and after implementation.</p>				
<b>Responsible Department or Organization:</b>	Justice of the Peace 5-2				
<b>Management's Response:</b>	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>	Honorable Judge Juan Jasso	<b>Date:</b> 2/28/2013
<b>Comments:</b>					
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		



**Finding Number:** 11-JP5.2-01-09 - Time & Attendance  
**Date:** June 4, 2012  
**Audit:** Justice of the Peace 5-2 Audit partial FY2010 thru FY2011  
**Auditor(s) Assigned:** DW

<p><b>Finding:</b></p>	<p>Observation of office schedules, review of responses to the Internal Control Questionnaire (ICQ), and review of manual attendance records and Kronos time and attendance system postings revealed:</p> <ul style="list-style-type: none"> <li>• Web-timestamp functionality not used during audit period.  <b>Status:</b> Clerks began using Kronos web-timestamp functionality in January 2012.</li> <li>• Four absences recorded as worked regular time in Kronos.</li> <li>• Full-time regular employees take 50-minutes for lunch with no breaks. Lunch is recorded as 30 minutes on the Kronos time and attendance system.</li> <li>• Bi-weekly pay period 'approval' (by chief clerk) of time worked is reflected on the Kronos time cards with system wide sign-off noted.</li> </ul>
<p><b>Workpaper Reference: (or other method by which finding was identified)</b></p>	<p>Observation, Workpapers 13.A, 13.B, 13.C.1-13.C.4, Time and Attendance Records and Internal Control Questionnaire.</p>
<p><b>Condition: (Describe the current condition)</b></p>	<p>Web-timestamp functionality used as of January 2012 by non-exempt staff to record start and end times. Employees submit leave request forms to the chief clerk for advance approval. Annual leave, sick leave, holidays, etc. taken are recorded to the Kronos system based on information available (including manual leave requests) to the chief clerk. Kronos time cards are marked with 'approval' by the chief clerk with default to system wide sign-off. Oracle DC Employee Self-Service is available for court staff to review hours paid and accrual balances taken / earned / available.</p> <p>Court policy to meet public demands does not allow employees to take a ten minute morning or afternoon break. Break times are combined to the authorized 30 minute lunch period.</p>
<p><b>Criteria: (Describe the optimal condition)</b></p>	<p>According to Dallas County Code, Section 82.32, <b>Work hours scheduling:</b></p> <p>(b) <i>Office hours.</i> An elected official/department head, with the approval of the commissioners court, has the right to establish and schedule reasonable work hours, rules and working conditions in a manner most advantageous to the county in accomplishing its service and work requirements. Compensatory time and overtime are also scheduled by the elected official/department head according to appropriate county policies. County offices, excluding 24-hour operations, are expected to remain open between the hours of 8:00 a.m.-4:30 p.m. and remain open during the noon hour. Employees should verify office hours and work hours with their supervisor.</p> <p>(c) <i>Breaks and lunch periods.</i> An elected official/department head may also establish breaks and lunch periods for their employees. Employees may be granted one break of ten minutes for each four hours worked. Employees are paid while on break. A lunch period may be 30 minutes or 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. Employees are not paid during their lunch period; therefore, they should be completely relieved of all duties and be free to leave their post of duty.</p> <p>According to Dallas County Code Sec. 82-175, <b>Supervisory responsibilities:</b></p> <p>(a) Supervisory responsibilities fall to the elected official, department head or their designee.          (b) Supervisors are responsible for informing their employees about which time entry method (time clocks, on-line entry or time sheets) they shall use to record their time and attendance.</p>





	<p>Supervisors shall educate their employees about how to use the time entry method they are assigned and about the time and attendance policies for their department.</p> <p>(c) Supervisors are responsible for ensuring employee time records are accurate and that no abuses occur.</p> <p>(d) Supervisors are responsible for recording employee vacation and sick time and for entering time for employees who are working outside their department work area.</p> <p>(e) Supervisors are responsible for checking daily start times, meal periods, end times, vacation time, sick time, compensatory time and overtime to ensure employees are in compliance with their shift work schedule and the county's overtime policies. Supervisors are responsible for promptly documenting actions warranting discipline and for promptly reporting possible fraud to the county auditor.</p>				
<p><b>Cause:</b> (Describe the cause of the condition if possible)</p>	<p>Inaccurate application of county time and attendance policies. Oversight</p>				
<p><b>Effect:</b> (Describe or quantify any adverse effects)</p>	<p>Official time and attendance records do not accurately reflect time worked and taken. Employees may be over-compensated for leave time already taken.</p>				
<p><b>Recommendation:</b> (Describe corrective action)</p>	<p>Actual hours worked, vacation time, sick time, holiday time, jury duty, compensatory time, overtime, ATO, etc. should be properly and timely posted to the Kronos time and attendance system in accordance with the Dallas County Code and Commissioners Court orders. Each employee should affirm bi-weekly time paid / leave balances expended through review of pay slip on Employee Self-Service (ESS) application.</p> <p>Kronos time cards should be signed off by department management at the end of each bi-weekly pay period.</p> <p>Train and update staff on county leave policies.</p> <p>Submit requests for historical edits to the Payroll Hotline.</p>				
<p><b>Responsible Department or Organization:</b></p>	<p>Justice of the Peace 5-2</p>				
<p><b>Management's Response:</b></p>	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<p><b>Respondent:</b></p>	<p>Honorable Judge Juan Jasso</p>	<p><b>Date:</b> 2/28/2013</p>
<p><b>Comments:</b></p>					
<p><b>Disposition:</b></p>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		

County Auditor



Dallas County, Texas

**Finding Number:** 11-JP5.2-01-10 - Security and Administration  
**Date:** 5/24/12  
**Audit:** Justice of the Peace 5-2 Audit partial FY2010 thru FY 2011  
**Auditor(s) Assigned:** DW

<b>Finding:</b>	Observation and review of responses to the Internal Control Questionnaire revealed the following security/administrative internal control weakness: <ul style="list-style-type: none"> <li>Community service workers working with sensitive data without any visual supervision.</li> <li>Bookkeeper occasionally leaves desk while case files with money attached are in sight, accessible and unattended.</li> </ul> Responses to the Internal Control Questionnaire (ICQ) indicate: <ul style="list-style-type: none"> <li>Confidential personal information (social security numbers, date of births {DOB}, driver license numbers, etc.) is easily accessible/stored in case files versus being safely secured.</li> </ul>		
<b>Workpaper Reference: (or other method by which finding was identified)</b>	Observation and Internal Control Questionnaire (ICQ)		
<b>Condition: (Describe the current condition)</b>	Court personnel interact with the public throughout the day. Confidential personal information obtained from various sources is left unsecured on desks or in files.		
<b>Criteria: (Describe the optimal condition)</b>	Best practice over cash handling, data security and safeguarding of assets requires all confidential information, cash, receipts, and deposits be secured at all times including installation of security cameras and locked cash handling areas with restricted access.		
<b>Cause: (Describe the cause of the condition if possible)</b>	Insufficient security measures and management oversight.		
<b>Effect: (Describe or quantify any adverse effects)</b>	Loss of Dallas County funds. A lack of security measures such as cameras, locked cash handling areas, and secured deposits increases risk of theft by either employees or the public..		
<b>Recommendation: (Describe corrective action)</b>	Security measures should be clearly identified and utilized. These measures should include accurately positioning security cameras, securing cash handling areas with locked doors, prohibiting public access to cash handling areas, and properly securing deposits.  Court personnel, in conjunction with the Public Service Program should follow procedures outlined in the <i>Dallas County Records Management Policy and Procedures for Destroying Transitory Records</i> briefed July 3, 2012 which states Public Service Program enrollees should not access any sensitive and/or confidential information or government records.  Cash handling procedures should include: Cash kept in a locked file, desk drawer, safe, or cash drawer when the bookkeeper/custodian is away from their desk. <ul style="list-style-type: none"> <li>All cash on hand at the close of a work day shall be locked in a safe.</li> <li>Funds should be immediately receipted and receipt returned to the customer.</li> </ul> Documents containing social security numbers or other confidential information should be retained in locked shelving within a secure location with restricted access.		
<b>Responsible Department or Organization:</b>	Justice of the Peace 5-2		
<b>Management's Response:</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Respondent:</b> Honorable Judge Juan Jasso
			<b>Date:</b> 2/28/2013
<b>Comments:</b>			
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration