

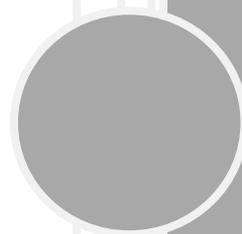


# AUDIT REPORT

DALLAS COUNTY

COUNTY CLERK CRIMINAL FY2016 & FY2017

Darryl D. Thomas  
Dallas County Auditor  
ISSUED: March 25, 2019  
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# COUNTY CLERK CRIMINAL FY2016 & FY2017

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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 John Warren  
County Clerk  
Dallas, Texas

Attached is the County Auditor's final report entitled "**County Clerk Criminal FY2016 & FY2017**" Report. In order to reduce paper usage, a hard copy will not be sent through in-house mail except to the auditee.

If you prefer that released reports be emailed to a different (or additional) recipient, please inform me of the name and the change will be made.

Respectfully,

A handwritten signature in blue ink, appearing to read "Darryl D. Thomas".

Darryl D. Thomas  
County Auditor

## **EXECUTIVE SUMMARY**

A review of County Clerk Criminal for fiscal years 2016 and 2017 revealed the significant observations listed below:

### **Summary of Significant Observations**

- 376 cases with overpayment amount for less than \$10 were receipted to Special Fund fee code 15.
- 25 voided receipts re-issued two or more business days after the original receipt.
- Two County Clerk Criminal deposits received in the Treasurer's Office totaling \$427 less than the system control total.
  
- Several fee schedules routinely under/over-assessed statutorily approved fee amounts.
  - 1,536 cases on Misdemeanor Class C Appeals (MD) schedule with over-assessments totaling \$4,608 for the Truancy Prevention and Diversion Fee.
  - 293 cases on the Misdemeanor Non-Disclosures (MND) schedule with under-assessments totaling \$1,465 for the Law Library Fee.
  - 328 cases on the Misdemeanor Non-Disclosures (MND) schedule with under-assessments totaling \$1,640 for the Non-Disclosure Fee.
  - 472 cases on the Moving Violations (MV) schedule with over-assessments totaling \$2,360 for the State Electronic Filing Fee.
  - 1,391 cases on the Moving Violations (MV) schedule with under-assessments totaling \$2,785 for the Truancy Prevention and Diversion Fee.
  - 4,396 cases on the Misdemeanor Traffic - Rules of the Road (MAR) schedule with under-assessments totaling \$8,792 for the Truancy Prevention and Diversion Fee.
  - 1,084 cases on the Misdemeanor Traffic - Rules of the Road (MAR) schedule were incorrectly assessed \$5,420 for the State Electronic Filing Fee.
  - 480 cases on the Miscellaneous Misdemeanors schedule (MCL) with over-assessments totaling \$2,400 for the State Electronic Filing Fee.

### **Repeat Observations from Previous Audits:**

- Disbursements not posted to CRIN.
- Disbursements posted with an incorrect amount/check number.
- Delays in posting credit card transactions.
- Inaccurate/incomplete fee assessments.

**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.**

## 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 asset

This audit covered the period of October 1, 2015 through September 30, 2017.

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

### **Special Fund Disbursements**

A review of 227 County Clerk Criminal Special Fund 501 disbursements during fiscal years 2016 and 2017 revealed 69 disbursements posted to the CRIN system with an incorrect check number; two disbursements posted to the CRIN system for the incorrect amount; nine disbursements posted to the incorrect case in the CRIN system; 40 disbursements posted to the CRIN system more than three days after check was issued; 45 disbursements posted to the CRIN system with CRIN receipt numbers instead of the check number; six disbursements not posted to the case in the CRIN system; one disbursement was receipted to Trust Fund 502 but disbursed out of Special Fund 501; 11 canceled disbursements were not voided in the CRIN system; and one disbursement did not have funds available in the Special Fund in the CRIN system. All Special Fund disbursements should be accounted for, issued to the proper payee for the correct amount in a timely manner, and reference the relevant case information. Additionally, all Special Fund disbursements, voids, cancelations, and stale dated checks should be timely and accurately posted to the Criminal mainframe system to maintain accurate financial records. Lack of management oversight over the reconciliation of non-integrated financial systems to timely identify and resolve clerical errors has resulted in inaccurate case balances and increases the potential that duplicate disbursements may be issued or monies not collected.

### **Recommendation**

#### **Special Fund Disbursements**

Management should:

- Develop and consistently apply written procedures for the disbursement process.
- Review case balances on a periodic basis and disburse amounts to the appropriate parties in a timely manner.
- Timely post disbursement with the correct check number, payee and amount.
- Verify available funds prior to processing disbursement requests.

### **Management Action Plan**

The current Supervisor is aware that the check number is what needs to be entered and will do so. The Cashier Office will ensure that in the future the correct check number will be posted to avoid this issue. Staff has been advised of the issue and to ensure in the future to act carefully to avoid this type of occurrence. Forvus is unable to void any disbursements already posted into the system. Any new case system will be asked to have this capability.

### **Auditors Response**

None

### **Fee Assessment- M- Schedule and MCL Schedule**

A 100% review of the ACL analysis extract of 31,797 with assessments created during fiscal years 2016 and 2017 using the M-(Misdemeanor Regular) schedule revealed one case was assessed using the incorrect fee schedule by offense date; one case was assessed the Drug Court Cost (fee code #13) of \$60 in error; 15 cases were not assessed the Traffic Offense (fee code #10) for \$3 and the Transportation Fee (fee code #92) for \$30; 70 cases were not assessed the Traffic Offense (fee code #10) for \$3, TCLEOSE (fee code #57) for \$0.10, and Transportation Fee (fee code #92) for \$30. One case was not assessed the State Electronic Filing Fee (fee code #100 ) for \$5; two cases were not assessed the Graffiti Fee (fee code #81) for \$50; 34 cases were not assessed the Truancy Prevention Diversion Fund (fee code #101) for \$2; 13 cases were assessed Consolidated State Court Cost (fee code #77) for the incorrect amount; 15 cases were assessed State Electronic Filing Fee (fee code #100) for \$5 in error; one case was not assessed the Drug Court Cost (fee code #13) of \$60 and State Electronic Filing Fee (fee code #100) for \$5, and one case was assessed the Consolidated State Court Cost (fee code #77) for the incorrect amount.

A 100% review of the ACL analysis extract of cases with assessments created during fiscal years 2016 and 2017 using the M- Reduced schedule (Misdemeanor Class C) revealed 64 cases were assessed Consolidated State Court Cost (fee code #77) with an incorrect amount; three cases were not assessed the TCLEOSE Fee (fee code #57) for \$0.10, the Traffic Offense (fee code #10) for \$3, and the Transportation Fee (fee code #92) for \$30; nine cases were not assessed the State Electronic Filing Fee (fee code #100) for \$5 and the Truancy Prevention Diversion Fund (fee code #101) for \$2; and one case was assessed Drug Court Cost (fee code #13) for \$60 in error.

A 100% ACL analysis extract of 500 cases with assessments created during fiscal years 2016 and 2017 using the MCL schedule revealed 480 cases were assessed a State Electronic Filing Fee (fee code #100) for \$5 in error.

Court costs, fines, and fees should be assessed in compliance with applicable state laws, Judge's orders, Commissioners Court orders, Attorney General Opinions, etc. Information processing controls must be continually updated and monitored to help ensure that transactions completed through computerized applications are valid, authorized, complete, and accurate. Lack of management oversight and clerical errors resulted in inaccurate assessments of court costs to defendants and potential revenue loss for Dallas County.

### **Recommendation**

#### **Fee Assessment- M- Schedule and MCL Schedule**

Management should:

- Periodically review assessments for appropriateness, timeliness, and completeness.
- Emphasize accuracy in recording all elements of the assessments and receipt.
- Process corrections (within statutory guidelines) for assessment errors and adjustments reported to the County Treasurer for inclusion on the next State Quarterly Report.

### **Management Action Plan**

We agree with the findings. Staff will be retrained to assess fees on the correct fee code. Procedures will be put in place to monitor discrepancies. Fees will be monitored to ensure they are in compliance with all applicable state laws and fee schedules. Alternatives have been considered to improve this issue with the introduction of a case management system.

### **Auditors Response**

None

### **Bond Forfeiture - MB Schedule**

A sample review of ACL analysis extract of MB (Misdemeanor Bond) assessments created during fiscal years 2016 and 2017 revealed standard filing fees were not consistently assessed on the bond forfeiture cases when costs were ordered against the defendant/surety by the Judge. Limited court costs and fees assessed include 30 cases that were assessed the incorrect Records Management and Preservation (fee code #98) instead of (fee code #66) of \$5; two cases with fee codes not assessed in accordance with the applicable fee schedule; one case was assessed a Jury fee (fee code #34) for the incorrect amount; one case was assessed a Sheriff's fee (fee code #35) for the incorrect amount; one case was assessed a Court Reporter Service Fee (fee code #33) for the incorrect amount; two cases were assessed a State Electronic Filing Fee (fee code #100) for \$20 in error; three cases were assessed the incorrect amount for Sheriff's fee code 35; 16 bond cases were assessed the citation fee to the incorrect fee code; and 10 bond cases were not assessed the correct bond forfeiture interest amount.

A sample review of bonds with a NISI status prior to 270 days from audit date revealed seventeen bond forfeiture cases with no activity that have a NISI order issued and two bond forfeiture cases were not discharged in AIS.

Assessment and collection of court costs, bond forfeiture fines, and fees should be assessed against the defendant/surety and collected in compliance with applicable state laws including Code of Criminal Procedure, Chapters 17 and 22, and Occupations Code Chapter 1704, Commissioners Court orders, Attorney General Opinions, District Attorney Opinions, etc. when ordered by the Judge. Quality control processes should be implemented with ongoing review by management and information processing controls must be continually updated and monitored to help ensure that transactions completed through computerized applications are valid, authorized, complete, and accurate. Lack of management oversight, inadequate quality assurance controls, and clerical errors could result in a misstatement of bond forfeiture receivables and a potential loss of County revenue.

### **Recommendation**

#### **Bond Forfeiture - MB Schedule**

Management should:

- Periodically review assessments for appropriateness, timeliness, and completeness. Review should also include forfeiture assessments on CRIN (for validity and accuracy) and corresponding bond documentation including a forfeiture status on AIS of: Judgment Against State (JGAS), Final Judgment Against State, Final Judgment Against State (No Cost), Bill of Review (BORG), Motion for New Trial

Granted, etc.

- Emphasize accuracy in recording all elements of the assessments and receipt.
- Process corrections (within statutory guidelines) for assessment errors and adjustments reported to the County Treasurer for inclusion on the next State Quarterly Report.
- Process corrections for cases with receivables in error. Invalid assessments removed / cleared through CRAM and incorrect assessment amounts revised by supervisory personnel. Adjustments to assessments should be made that both good internal control and audit trails are maintained including compensating controls such as dual sign-off on adjustments, supervisory review and pre-approval, testing, and validation.
- Reinforce training of court clerks and bond forfeitures staff responsible for recording assessments.

#### **Management Action Plan**

We agree with the finding. Staff will be retrained to assess fees on the correct fee code. Procedures that are currently in place will be reviewed for efficiency. Assessments will be monitored for discrepancies. Consideration has been taken to improve this issue with the introduction of a case management system. Emphasis will be stressed on "accuracy over speed".

#### **Auditors Response**

None

#### **Computer Receipts and Mail Log**

A review of 222 computer receipts voided during fiscal years 2016 and 2017 revealed 25 voided receipts re-issued two or more business days after the original receipt; six voided receipts did not have an explanation noted; five voided receipts did not have all copies of the receipt attached. Best practices regarding the receipt process indicate that all voids should be reviewed daily by supervisory personnel at least one level above employee that voided the payment; All computer receipt voids should indicate the reason for the void. Inconsistent management oversight over voiding procedures increased the potential that funds may be misappropriated.

A review of computer receipt dates to deposit dates during fiscal years 2016 and 2017 revealed five deposits processed in excess of three business days after the original transaction date including: four deposits processed after four business days and one deposit processed six days after the original transaction date. All monies received should be promptly receipted and deposited properly, and timely in accordance with Local Government Code (LGC.), § 113.022. Cash drawers should be reconciled daily and included in deposit. Inconsistent management oversight over depositing procedures has resulted in delayed revenue recognition.

A review of procedures related to mail and lock box payments revealed a log was not maintained for mail payments received during fiscal years 2016 and 2017. Best practices indicate mail logs containing all pertinent information should be maintained for mailed payments to ensure that funds are timely and completely recorded to the mainframe. Incomplete controls over the mail payment process increased the potential that funds may be misappropriated.

### **Recommendation**

#### **Computer Receipts and Mail Log**

Management should:

- Establish written procedures for voiding receipts in order to strengthen the office's internal control and improve efficiency. These procedures and the employees' adherence to them in the performance of their work should be periodically reviewed by the appropriate supervisory staff in order to effectively maintain good internal control.
- Retain all receipts, including voided receipts, until the latter of the Records Retention period or audit completion date.
- Review all voided transactions.
- Logs should be retained until audit of fiscal year is complete.

### **Management Action Plan**

We will review checks to minimize having to void transactions. We will advise customers to issue corrected checks as soon as possible. The cashier office has implemented a new procedure to insure all the voids received have the replacement receipt noted on the top, plus cashiers have been instructed to not only add the explanation in Forvus , but on the receipt. The supervisor will double-check for the notation at the time she initials for approval. The cashier department has implemented a paperless process. We have new logs for mail payments, drop off box payments, and receipts payments saved in the Criminal Cashiers folder. There are specific files for each of these procedures and others to ensure more efficient ways to maintain the logs.

### **Auditors Response**

None

### **CR50 Receipts**

A review of the ACL analysis/extract of CR50 receipts issued during fiscal years 2016 and 2017 revealed one receipt could not be located; one case with an overpayment amount receipted to fee code 15 was not disbursed to the payer; and 376 cases with overpayment amounts less than \$10 were receipted to Special Fund fee code 15, amounting to \$1,040.41 that should have been receipted to Clerk Fees.

Best practices regarding the CR50 receipt process indicate all receipts should be accounted for and properly used in order to affix responsibility, enhance cash control, and prevent assertion that monies were paid and refund was due. Supervisory personnel should periodically review transaction logs (especially with respect to receipt deletions, lowered amounts, and payment type changes) to ensure that the explanation for the change is documented and reasonable. Overpayment amounts receipted for less than \$10 should be deposited to the clerk fee account, all Special Fund disbursements should be accounted for, issued to the proper payee for the correct amount in a timely manner, and reference the relevant case information. Lack of management oversight over the reconciliation of non-integrated financial systems to timely identify and resolve clerical errors has resulted in inaccurate financial records and increased the potential that funds could be misappropriated.

### **Recommendation**

#### **CR50 Receipts**

Management should:

- Periodically review assessments in the mainframe for appropriateness and completeness.
- Emphasize that employees should record all elements of the assessments and receipt correctly to the proper fee codes and accounts.
- Retain all receipts until the latter of the Records Retention period or audit completion date.

### **Management Action Plan**

Management agrees with the finding. A total of \$27 is owed to the payer and staff will research to find an applicable address to mail the check to. Management is reviewing the process to allow overpayments of less than \$10 to be receipted to Clerk Fees instead of the Special Fund.

### **Auditors Response**

None

#### **Fee Assessment – Fine and Miscellaneous Fees (Fee code 35, 50, 51 and 61)**

A sample review of ACL analysis extract of the Sheriff's fee codes (FC35 and FC51), Miscellaneous Clerk's fee code (FC50), and Fine (FC61) assessments during fiscal years 2016 and 2017 revealed seven cases were assessed the Sheriff's fee (fee code #35) for an incorrect amount; one case was assessed the Sheriff's Miscellaneous Fee (fee code #51) for an incorrect amount; three cases were assessed the Miscellaneous Clerk's fee (fee code #50) in error; and three cases were assessed \$50 for a Fine (fee code #61) in error, instead of assessing fee code #35. One bond application was uploaded to Onbase without the redaction of the individual's social security number.

A sample review of the Duplicate Assessment Report R07146 during fiscal years 2016 and 2017 revealed seven cases were assessed a duplicate charge to Sheriff's fee (FC35 and 51).

Court costs, fines, and fees should be assessed in compliance with applicable state laws, Commissioners Court orders, Attorney General Opinions, etc. Lack of management oversight and clerical errors has resulted in over-assessment or under-assessment of court costs including warrant fees, capias fees, and/or bond fees to defendants and incorrect or incomplete fee assessments.

**Recommendation**

**Fee Assessment –Fine and Miscellaneous Fees (Fee code 35, 50, 51 and 61)**

Management should:

- Periodically review assessments for appropriateness, timeliness, and completeness.
- Emphasize accuracy in recording all elements of the assessments and receipt.

**Management Action Plan**

Staff will be retrained to assess fees on the correct fee code. Procedures that are currently in place will be reviewed for efficiency. Assessments will be monitored for discrepancies. Alternatives have been considered to improve this issue with the introduction of a case management system. Emphasis will be stressed on "accuracy over speed".

**Auditors Response**

None

**Fee Assessments – MAR Schedules**

A 100% review of the ACL analysis extract of 4,567 cases with assessments created during fiscal years 2016 and 2017 using the MAR (Misdemeanor Traffic - Rules of the Road) schedule revealed 14 cases were not assessed a Child Safety Fine (fee code #28) for \$25; all cases were not assessed the Truancy Prevention Diversion Fund (fee code #101) for \$2; 4,518 cases were not assessed a TCLEOSE Moving Violation Fee (fee code #57) for \$0.10; 1,084 cases were assessed a State Electronic Filing fee (fee code #100) of \$5 in error; one case was assessed a State Electronic Filing Fee (fee code #101) for \$30 in error; and two cases were not assessed CCDC Technology Fee (fee code#56) for \$4.

A review of the ACL analysis extract cases with assessments created during fiscal years 2016 and 2017 using the MAR reduced schedule revealed 15 cases were not assessed a TCLEOSE Moving Violation Fee (fee code #57) for \$0.10;

15 cases were not assessed the Truancy Prevention and Diversion Fee (fee code #101) for \$2; and three cases were assessed a State Electronic Filing Fee (fee code #101) for \$5 in error.

Court costs, fines, and fees should be assessed in compliance with applicable state laws, Judge's orders, Commissioners Court orders, Attorney General Opinions, etc. and quality control processes should be implemented with ongoing review by management. Lack of management oversight, clerical error, and inadequate quality assurance controls resulted in over-assessment and under-assessment of court costs to defendants. The incorrect or incomplete fee assessments could result in revenue loss for Dallas County.

### **Recommendation**

#### **Fee Assessments – MAR Schedules**

Management should:

- Periodically review assessments for appropriateness, timeliness, and completeness.
- Emphasize accuracy in recording all elements of the assessments and receipt.
- Process corrections (within statutory guidelines) for assessment errors and adjustments reported to the County Treasurer for inclusion on the next State Quarterly Report.

### **Management Action Plan**

Staff will be retrained to assess fees on the correct fee code. Procedures will be put in place to monitor discrepancies. Fees will be monitored to ensure they are in compliance with all applicable state laws and fee schedules. Alternatives have been considered to improve this issue with the introduction of a case management system. Emphasis will be stressed on "accuracy over speed"

### **Auditors Response**

None

#### **Fee Assessments – MD Schedule**

A 100% review of ACL analysis extract of 7,181 cases with assessments created during fiscal years 2016 and 2017 using the MD (Misdemeanor Class C Appeals from Municipalities or Justice of Peace Courts) schedule revealed 1,536 cases on the Class C Non-Moving and Other Moving Violations schedules were incorrectly assessed a State Electronic Filing fee (fee code #100) for \$5 instead of the Truancy Prevention and Diversion Fund (fee code #101) for \$2; 11 cases on the Drug Class A & B schedule were not assessed the Drug Court Cost (fee code #13) for \$60; and 22 cases on the Standard A & B schedule and 12 cases on the Other than Lewdness A & B schedule were assessed the Consolidated Court Cost (fee code #77) for the incorrect fee amount of \$40 instead of \$83.

Court costs, fines, and fees should be assessed in compliance with applicable state laws, Judge's orders, Commissioners Court orders, and Attorney General Opinions. Best practices indicate Information processing controls must be continually updated and monitored to help ensure that transactions completed through computerized applications are valid, authorized, complete, and accurate. Lack of management oversight, clerical error and system limitations resulted in inaccurate or incomplete fee assessments and potential revenue loss for Dallas County.

### **Recommendation**

#### **Fee Assessments – MD Schedule**

Management should:

- Periodically review assessments for appropriateness, timeliness, and completeness.
- Emphasize accuracy in recording all elements of the assessments and receipt.
- Process corrections (within statutory guidelines) for assessment errors and adjustments reported to the County Treasurer for inclusion on the next State Quarterly Report.
- Continue to pursue a technological solution to automate fee assessments.

### **Management Action Plan**

Staff will be retrained to assess fees on the correct fee code. Procedures will be put in place to monitor discrepancies. Fees will be monitored to ensure they are in compliance with all applicable state laws and fee schedules. Alternatives have been considered to improve this issue with the introduction of a case management system. Emphasis will be stressed on "accuracy over speed"

### **Auditors Response**

None

### **Fee Assessments – MV and ML Schedules**

A 100% review of ACL analysis extract of 2,247 cases with assessments created during fiscal years 2016 and 2017 using the MV (Class C Misdemeanor Moving Violations) schedule revealed 472 cases were assessed the State Electronic Filing Fee (fee code #100) for \$5 in error; 50 'child no seat belt' violation assessments without allocation of 50% of fee code 61 (Fine) to the State of Texas; 1,391 cases were not assessed the Truancy Prevention and Diversion Fee (fee code #101) for \$2; and one case was not assessed the Jury Reimbursement Fee (fee code #99) for \$4.

A 100% review of ACL analysis extract of 2,848 cases with assessments created during fiscal years 2016 and 2017 using the ML (Misdemeanor Occupational Driver License {ODL}) schedule revealed four cases were erroneously assessed the Miscellaneous Sheriff's fee (fee code #51) instead of the Miscellaneous Clerk Fee (fee code #50).

Court costs, fines, and fees should be assessed in compliance with applicable state laws, Judge's orders, Commissioners Court orders, Attorney General Opinions, etc. and quality control processes should be implemented with ongoing review by management. Lack of management oversight, clerical error, and inadequate quality assurance controls resulted in over-assessment and under-assessment of court costs to defendants and potential revenue loss for Dallas County.

## **Recommendation**

### **Fee Assessments – MV and ML Schedules**

Management should:

- Periodically review assessments for appropriateness, timeliness, and completeness.
- Emphasize accuracy in recording all elements of the assessments and receipt.
- Process corrections (within statutory guidelines) for assessment errors and adjustments reported to the County Treasurer for inclusion on the next State Quarterly Report.
- Continue to pursue a technological solution to automate fee assessments.
- Request a modification to the MV schedule to add a new fee code to allocate fine 50% County and 50% State for child safety seat violations.

## **Management Action Plan**

Staff will be retrained to assess fees on the correct fee code. Procedures will be put in place to monitor discrepancies. Fees will be monitored to ensure they are in compliance with all applicable state laws and fee schedules. Alternatives have been considered to improve this issue with the introduction of a case management system. Emphasis will be stressed on "accuracy over speed". Management will request a modification to the MV schedule to account for fees being dispersed to the county and state evenly for child safety seat violations.

## **Auditors Response**

None

### **Fee Assessments – MND Schedule**

A 100% review of ACL analysis/extract of cases with assessments created during fiscal years 2016 and 2017 using the MND (Misdemeanor Non-Disclosure) schedule revealed 293 cases were assessed a Law Library fee (fee code #36) of \$15 instead of \$20; 328 cases were assessed a Non-Disclosure Fee (fee code #94) of \$33 instead of \$28; two cases were assessed a Judicial Salary Fee (fee code #07) of \$45 instead of \$42; two cases were assessed a Clerk's Fee (fee code #31) inconsistent with the statutorily approved amount of \$40; four cases were assessed an Appellate Judicial Fee (fee code #52) of \$10 instead of \$5; three cases were assessed a Court Record Preservation Fee ( fee code #58) in excess of the statutorily approved amount of \$5; two cases were assessed a Courthouse Security Fee (fee code #65) of \$10 instead of \$5; three cases were assessed a Records Management Fee (fee code #66) with an incorrect amount; and one case was assessed a Judicial Salary Fee (fee code #96) of \$45 instead of \$40 .

Court costs, fines, and fees should be assessed in compliance with applicable state laws, Judge's orders, Commissioners Court orders, Attorney General Opinions, etc. and quality control processes should be

implemented with ongoing review by management. Lack of management oversight, clerical error, and inadequate quality assurance controls resulted in over-assessment and under-assessment of court costs to defendants. The incorrect or incomplete fee assessments could result in revenue loss for Dallas County.

### **Recommendation**

#### **Fee Assessments – MND Schedule**

Management should:

- Periodically review assessments for appropriateness, timeliness, and completeness.
- Emphasize accuracy in recording all elements of the assessments and receipt.
- Process corrections (within statutory guidelines) for assessment errors and adjustments reported to the County Treasurer for inclusion on the next State Quarterly Report.
- Updated Non-Disclosure (MND) schedule including standardization (flagged with an 'X') of filing fees within the CRFE schedule. Non-applicable court costs should be end dated.

### **Management Action Plan**

Staff will be retrained to assess fees on the correct fee code. Procedures will be put in place to monitor discrepancies. Fees will be monitored to ensure they are in compliance with all applicable state laws and fee schedules. Alternatives have been considered to improve this issue with the introduction of a case management system. Emphasis will be stressed on "accuracy over speed". Management will request a modification to the MND schedule per the recommendation.

### **Auditors Response**

None

### **Cash Count Variances**

A review of cash counts performed during fiscal years 2016 and 2017 revealed two County Clerk Criminal deposits were received at the Treasurer's Office totaling \$427 less than the system control total due to the department receipting one \$389 check without a routing number and one cash shortage totaling \$38 less than the form 98 control totals. Additionally, one money order receipted for \$35 instead of the written legal amount of \$135.

Best practices indicate that daily deposits should be recounted by supervisory personnel with review evidenced by an initial or signature on deposit forms. Checks should be entered into mainframe for the legal written amount. Clerical errors combined with a lack of supervisory oversight of the daily deposit process have resulted in inaccurate financial records and increased the potential that funds may be misappropriated. Further, revenue

recognition was delayed and additional staff time expended to contact customers to obtain replacement checks.

**Recommendation**

**Cash Count Variances**

- At the end of each business day, receipts should be totaled and balanced to the system control totals.
- Deposit amounts should be totaled using both the written and numeric amounts. The results should be compared to identify any variances.
- Supervisors should reinforce to staff that the written amount is the legally tendered amount for checks.

**Management Action Plan**

The cashier department has implemented a different procedure for closing and printing Form 98's. After 2018, it is being double-checked by the cashier and supervisor before closing to ensure proper deposits. The cashier department is aware of check discrepancy issues and will make the necessary change to minimize this problem.

**Auditors Response**

None

**Manual Receipts**

A review of all 41 County Clerk Criminal Cashier's Office manual receipts issued during fiscal years 2016 and 2017 revealed one manual receipt was skipped in sequence and was not marked void and two manual receipts were voided without an explanation noted. Best practices related to manual receipting procedures indicate that manual receipts should be issued in sequential order only during system downtime reflecting the appropriate case number and amount paid. Once the system is restored, the payments are posted to the system and deposited daily, and timely in accordance with Local Government Code (LGC), § 113.022. Inconsistent management oversight in applying established internal control procedures for the manual receipting process that include the adoption of best practices to reduce the risk associated with manual receipts has resulted in an incomplete financial records and increased the potential that funds may be misappropriated.

**Recommendation**

**Manual Receipts**

Management should:

- Establish written manual receipt procedures
- Continue to train employees on the written procedures.

### **Management Action Plan**

The cashier department has a better understanding of what should be done with the manual receipt voids and we will ensure that this is notated in our training to keep better track of the books and ensure that no receipt has a discrepancy.

### **Auditors Response**

None

### **Fee Assessment - Crime Stoppers (Fee code 72) and Time Payment Fee (Fee code 84)**

A sample review of the ACL analysis/extract of Local Crime Stopper fees (fee code 72) assessed during fiscal years 2016 and 2017 revealed one case was assessed fee code 72 in error and three cases were assessed the incorrect amount for fee code 72.

A sample review of the ACL analysis/extract of Time Payment fees (fee code 84) assessed during fiscal years 2016 and 2017 revealed three delays in assessing the Time Payment Fee (fee code 84) on cases with outstanding balances remaining more than 30 days after the offense judgment date.

Court costs, fines, and fees should be assessed in compliance with applicable state laws, Judge's orders, Commissioners Court orders, and Attorney General Opinions. Best practices indicate Information processing controls must be continually updated and monitored to help ensure that transactions completed through computerized applications are valid, authorized, complete, and accurate. Lack of management oversight, clerical error and system limitations resulted in inaccurate or incomplete fee assessments requiring additional staff time to correct assessment errors.

### **Recommendation**

#### **Fee Assessment - Crime Stoppers (Fee code 72) and Time Payment Fee (Fee code 84)**

Management should:

- Periodically review assessments for appropriateness, timeliness, and completeness.
- Emphasize accuracy in recording all elements of the assessments and receipt.
- Process corrections (within statutory guidelines) for assessment errors and adjustments reported to the County Treasurer for inclusion on the next State Quarterly Report.
- Continue to pursue a technological solution to automate fee assessments.

### **Management Action Plan**

We agree with the finding. Staff will be retrained to assess fees on the correct fee code. Current procedures will be reviewed for efficiency. Assessments will be monitored to ensure that they meet compliance with fee schedules. In regard to fee code 84,

management will be in contact with IT to ensure that the fees are assessed to comply with state requirements. Alternatives have been considered to improve this issue with the introduction of a case management system.

**Auditors Response**

None

**Credit Card Processing**

A sample review of online credit card transactions processed during fiscal years 2016 and 2017 revealed three online credit card transactions were posted to the CRIN system two days after payment. All credit card transactions should be deposited timely in accordance with Local Government Code, § 113.022 and 113.021. Accounting and system control procedures require daily reconciliation and balancing of collected funds, including supervisory review. Online credit card transactions should be receipted the next business day after the credit card settlement report indicates that the transaction successfully processed. Non-integrated financial systems requiring manual intervention to receipt online credit card payments to the CR mainframe system and a lack of management oversight of the credit card process has resulted in a delay in recognizing revenue due to Dallas County.

**Recommendation**

**Credit Card Processing**

Management should:

- Establish written procedures for processing credit card transactions.
- Periodically review the credit card settlement reports and CRIN for accuracy, timeliness of processing, and staff compliance to established policies and procedures.

**Management Action Plan**

Online payments are automatically posted in Forvus within 24-hours unless there is an exception. The exception report is reviewed daily, however, if unable to post automatically, any exception transactions must be researched before they can be manually posted. We therefore advise all defendants that any online payments can take anywhere from 2-6 days to post in the Forvus system.

**Auditors Response**

None

**Credits & Negative balances**

A sample review of County Clerk Criminal credits recorded to CRIN during fiscal years 2016 and 2017 revealed: one case incorrectly posted as a Probated credit instead of Jail Time served and two cases with a credit amount posted in CRIN for a lesser amount than indicated on supporting court documentation.

A review of fiscal years 2016 and 2017 bond forfeiture cases with negative balances revealed one case was not refunded the bond amount after a Motion for New Trial was granted and one case with a payment receipted to the incorrect fee codes.

Credits, assessment, collection, and prorating of court costs fines, and fees should be monitored for compliance with applicable state laws including Code of Criminal Procedure Chapters 42 and 102 and Local Government Code Chapter 133, Judge's orders, or Commissioners Court orders and applicable fee schedules based on the offense date and offense type for criminal offenses. Court costs, bond forfeiture fines, and fees should be assessed against the defendant/surety and collected in compliance with applicable state laws including Code of Criminal Procedure, Chapters 17 and 22, and Occupations Code Chapter 1704, Commissioners Court orders, Attorney General Opinions, District Attorney Opinions, etc. when ordered by the Judge. Credits should be properly, accurately, and timely recorded to CRIN in accordance with the Judge's orders.

Clerical error, incomplete quality assurance controls and a lack of management oversight have resulted in inaccurate distribution of funds to Dallas County requiring additional staff time to correct posting errors and increased the potential for refunds to be issued when assessed amounts were still due on cases. Inadequate automation in the application of credits and non-integrated financial systems increased the potential that errors may remain undetected and increased the risk that funds could be misappropriated.

### **Recommendation**

#### **Credits & Negative balances**

Management should:

- Emphasize that employees accurately record all elements of the credits, assessments, and receipts to the proper accounts and categories (court cost and fine).
- Periodically review credits and assessments for appropriateness, timeliness, and completeness. Review should also include forfeiture assessments on CRIN (for validity and accuracy) and corresponding bond documentation including a forfeiture status on AIS of: Judgment Against State (JGAS), Final Judgment Against State, Final Judgment Against State (No Cost), Bill of Review (BORG), Motion for New Trial Granted, etc.
- Continually monitor and update processing controls to ensure that transactions completed through computerized applications are valid, authorized, complete, and accurate.

### **Management Action Plan**

We agree with the finding. Staff will be retrained to ensure recording of credits, assessments and receipts to the proper accounts. Procedures that are currently in place will be reviewed for efficiency including bond documentation, and updating in AIS. Judgements Against State (JGAS) , Final Judgment Against State, Final Judgement Against State (No Cost), Bill of Review (BORG), and Motion for New Trial Granted. Consideration has been taken to improve this issue with the introduction of a

case management system. Emphasis will be stressed on "Accuracy over Speed".

**Auditors Response**

None

cc: Darryl Martin, Commissioners Court Administrator