



DALLAS COUNTY COUNTY AUDITOR

Memorandum

To: Honorable Felicia Pitre
District Clerk

From: Darryl D. Thomas *Darryl D. Thomas*
County Auditor *DDT*

Subject: Review Performed on Criminal Section for Fiscal Years 2014 through 2015

Date: Issued: June 9, 2017
Released: November 3, 2017

Scope:

A review was performed on the financial records and internal controls of the Dallas County District Clerk's Criminal section for fiscal years 2014 through 2015 with an internal control procedures walkthrough completed in May 2017 (term of the Honorable Gary Fitzsimmons ended December 31, 2014 and the term of the Honorable Felicia Pitre began January 1, 2015).

Review Procedures:

Standard review procedures were followed to test the internal controls against documentation to validate performance of the identified processes. A random (100% of population tested using Automated Command Language {ACL} when feasible) 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 included a review of the Mainframe system (CRIN and JI66 including data extracts provided by IT Services) and the Adult Information System (AIS) as well as corresponding case jackets.

A partial list of the review tests included:

- Submitted Internal Control Questionnaire (ICQ) and evaluated responses
- Evaluated internal control procedures
- Performed unannounced cash counts
- Accounted for numerical sequence of manual and computer generated receipts and traced amounts recorded on the receipts to Criminal Receipt system (CRIN) postings
- Examined special and trust fund disbursements and related cases for postings to CRIN
- Reviewed assessed court costs, fines, and fees, credits, and waived amounts for compliance with applicable state laws, Attorney General and District Attorney opinions, and Commissioners Court orders
- Reviewed certified copy requests
- Examined special and trust fund disbursements to determine if sufficient funds were collected, proper payees paid, and if posting had occurred
- Reviewed non-sufficient fund (NSF) activity
- Reviewed time and attendance records for proper posting and compliance with County policies and procedures

FINDINGS:

Cash Management

Cash Counts – Cash overages/shortages verified by Internal Audit staff for FY14-15 revealed: seven checks were receipted using the numerical amount and not the legal written amount creating a deposit overage/shortage; 13 deposit overages totaling \$128; one deposit shortage totaling \$2; and, four additional departmental miscounts of receipted funds when preparing the deposit creating a shortage/overage. *Status: Resolved. Deposits and receipted payments have been corrected or overages/shortages recorded.*

Receipting/Depositing – Manual/Computer Receipts – A sample review of the 301 manual receipts (includes 16 voided manual receipts) revealed: seven manual receipts were missing from the manual receipt book; 18 manual receipts were skipped in numerical sequence; two instances of voided receipts without retention of the original and/or carbon copy; and, one manual receipt for \$560 cash not receipted to the computer for 12 days.

A review of 150,295 computer receipts including a review of 285 voided computer receipts revealed: 97 voided computer receipts missing the original receipt including nine of the 97 with the carbon copy also missing; two delays of five days in re-receipting voided check payment; nine delays of six to 17 business days between the mainframe receipt date and the Deposit Management System (DMS) with multiple instances of other receipted payments not deposited the following business date.

Departmental responses to the ICQ and a walkthrough of departmental internal controls revealed: access to the vault, safe, lockbox are not under dual control; mainframe user roles/rights do not prevent cashiers from voiding receipts in the system; and, a viewable audit trail of adjustments to previously receipted payments does not exist on CRIN.

Fee Assessments – A sample review of a two year comparison of assessed fees to statutorily approved fees for District Clerk felony cases (F-, FR, FRD, and FDW schedules), bond forfeiture cases (FB schedule), and miscellaneous case types (FL, CV, FND, and FX schedules) revealed numerous assessment and collection errors including, but not limited to:

- Incomplete postings to the CR Mainframe judicial screen (JI66)
- Treasurer's return check fees not assessed on applicable cases
- Instances of the Treasurer's return check fee assessed to an incorrect fee code
- Instances of the \$50 warrant fee not assessed or assessed to an incorrect fee code
- Instances of warrant fees assessed erroneously
- Approximately 1% of time payment fees added to assessment number one rather than under a new assessment number
- Limited instances of the \$25 time payment fee not assessed when full payment not received prior to the 31st day after the date of judgment
- Instances of duplicated court costs and/or fine assessments
- Instances of assessments incorrectly deleted after judgment for revocation of probation entered
- Credits entered for served jail time, community service, waived by judge, and/or probated lack a secondary approval including instances of credits recorded to the wrong category or lack of documentation to support entry of credit

- Instances of credits for waived amounts recorded against assessments without case documentation reflecting ordered by the judge
- 244 cases without assessment of the \$25 District Attorney Fee on reductions to Class A, B or C misdemeanors on the FR (Felony Reduction – 13 cases), FDW (Felony DWI – 11) and F- (Felony regular – 220) schedules.
- 177 cases with an incorrect assessment of the \$25 District Attorney Fee when defendant convicted of a State Jail Felony under Penal Code 12.44(a) on the FR (Felony Reduction – 171 cases), FRD (Felony Reduction DWI – 1) and F- (Felony regular – 5) schedules.
- 352 cases with consolidated state court costs over assessed on reductions to Class A, B or C misdemeanors on the FR (Felony Reduction – 188 cases), FRD (Felony Reduction DWI – 1), FDW (Felony DWI – 11) and F- (Felony regular – 152) schedules.
- 176 cases with consolidated state court costs under assessed incorrectly when defendant convicted of a State Jail Felony under Penal Code 12.44(a) on the FR (Felony Reduction – 170 cases), FRD (Felony Reduction DWI – 1) and F- (Felony regular – 5) schedules.
- 156 cases without assessment of the \$60 drug and intoxication fee on applicable drug offenses on the FR (Felony Reduction – 10 cases) and F- (Felony regular – 146) schedules.
- 69 cases with an incorrect assessment of the \$60 drug and intoxication fee on reductions to no applicable offenses including Class C misdemeanor on the FR (Felony Reduction – 41 cases), FRD (Felony Reduction DWI – 1) and F- (Felony regular – 27) schedules.
- 46 cases with an incorrect assessment of the \$250 DNA fee on reductions to no applicable offenses including Class C misdemeanor on the F- (Felony regular – 46) schedule.
- 129 cases without assessment of the \$250 DNA fee on applicable offenses including burglary of habitation with intent to commit a felony on the F- (Felony regular – 129) schedule.
- 38 cases without assessment of the \$100 child abuse prevention fund fee on applicable offenses on the F- (Felony regular – 38) schedule.
- 25 cases with an incorrect assessment of the \$100 child abuse prevention fund fee on reductions to non-applicable offenses on the F- (Felony regular – 25) schedule.
- 221 courthouse security fees incorrectly assessed at \$5 versus \$3 on reductions to Class A, B or C misdemeanors on the FR (Felony Reduction – 13 cases), FDW (Felony DWI – 11) and F- (Felony regular – 197) schedules.
- 177 courthouse security fees incorrectly assessed at \$3 versus \$5 when defendant convicted of a State Jail Felony under Penal Code 12.44(a) on the FR (Felony Reduction – 171 cases), FRD (Felony Reduction DWI – 1) and F- (Felony regular – 5) schedules.
- 181 (100%) FL (Felony Occupational Driver License) schedule cases without assessment of the \$20 State Electronic Filing Fee (\$30 effective for filings September 1, 2015) and 15 cases without assessment of the \$5 or \$10 District Clerk Technology Fund / Archive Fee).
- 813 (100%) CV (Civil Protective Order) schedule assessments without complete assessment of filing fees when costs are ordered against the respondent by the Judge. Most court costs are missing from the standard schedule.
- Incomplete assessment of civil court costs on bond forfeiture cases through the FB (Felony Bond) schedule in part due to fees not flagged as standard on the schedule and not selected by the court clerks during the assessment process.
- 333 (32%) of FB (Bond Forfeiture) schedule assessments with \$50 Consolidated State Criminal Court Costs improperly assessed rather than State Judicial Salary Fee.
- Instances of bond forfeiture interest miscalculated.
- Instances of bond forfeiture fine and court cost assessments not reversed after Judge granted motion for new trial and dismissal of bond forfeiture proceeding.
- Supervisory review not evidenced for bond forfeiture assessments and CRAM updates.

- 527 (100%) non-disclosure fees improperly assessed at \$33 rather than the statutorily authorized amount of \$28 under the FND (Felony Non-Disclosure).
- 3224 (100%) law library fees incorrectly assessed at \$15 rather than the increased amount of \$20 effective August 1, 2011 on FND (Felony Non-Disclosure) and FX (Felony Expunction) cases.
- 3224 (100%) cases without assessment of the \$20 (\$30 effective September 1, 2015) state electronic filing fees for FX (Felony Expunction) and FND (Felony Non-Disclosure) cases.
- 2866 (89%) District Clerk technology fund / archive fees incorrectly assessed at \$15 rather than the Commissioners Court approved amount of \$10. An additional 35 cases were assessed at \$5 rather than the Commissioners approved amount of \$10.
- Instances of assessment errors to the Special Fund rather than to warrant fees, fines, etc.
- Instances of names of minors and/or victims of sexual assaults not redacted from judicial confession accessible on public website.

A formal request and approval / change management process is not in place for the District Criminal (mainframe) to approve changes to fee schedules and fee transactions codes as fees and fee schedules are statutorily approved by the Legislature or Commissioners Court. Access to maintenance fee schedules and fee codes is not centralized nor limited to IT Services personnel.

Disbursements - Special Fund – A sample review of Special Fund 503 disbursements and a comparison of the Discoverer report to the Mainframe CR60 report revealed: one disbursement posted for an incorrect amount to the CR Mainframe system; instances of erroneous assessments to fee code 15; 40 disbursements posted to the CR Mainframe system with an incorrect check number; 44 disbursements not recorded to the CR Mainframe system; and, instances of refund disbursements not issued on cases with an available amount in the special fund.

Disbursements – Trust Fund – A sample review of 50 criminal cash bond Registry/Trust Fund 504 disbursements revealed: disbursements recorded (with the last four digits of the check) to the Odyssey courts system, but not to AIS system leaving available criminal cash bonds balances reflected on AIS; and, instances of files uploaded to the Samba drive with incomplete descriptions/references.

NSF Checks – A review of NSF procedures, receipts related to NSF items, and department's NSF check list revealed: one receipted payment returned unpaid by the bank was reversed to the wrong fee code in the CR Mainframe system.

Other Controls– An inquiry of the department manager revealed locks are not changed when employees separate from Dallas County employment or transfer to other departments.

RECOMMENDATIONS:

Cash Management

Cash Counts – Cash handling office policy should be periodically reviewed and updated as appropriate. Proper cash handling procedures should be reinforced through training emphasizing rejection of all checks where the written legal amount and numeric amount do not match.

Management Response: *During 2014-2015, there were issues with checks being receipted using the numerical amount on the check rather than the legal written amount. This was mostly due to the loss of the Collection Coordinator for that section and training of new clerks in the*

cashier cage. All deposits were corrected within 7 to 10 days of contact from the Treasurer's Department and ensuring the lead clerk/supervisor reviewed all checks against the written amount before the final close out of the cashier section nightly. The District Clerk Criminal Division implemented a majority of the County Auditor's recommendations in 2015 and agrees with the recommendations submitted in 2017. The Tech Share Court System is anticipated to be implemented in the Criminal Courts in June of 2018 and should have the functionality to assist with the issues listed in the finding.

Receipting/Depositing – Manual/Computer Receipts – Receipts should be retained the later of Records Retention requirements or audit completion date. Receipts should be verified for accuracy of amount before issuing to customers. All monies received should be promptly receipted and deposited consistent with state law, Local Government Code, § 113.022 and Code of Criminal Procedure, §103.004. The supervisor should periodically review manual receipts books and computer receipts issued for proper usage. Receipts should never be altered, but properly voided. All copies of a void receipt should be retained, clearly marked "void", and affixed with a reason for the void (Supervisor or management follow-up should be conducted when a large percentage of voids are processed). Training of current cash handling procedures should be reinforced. A dual control process over opening the vault and safe should be considered. Assigned duties for cash control should be adequately separated for both physical and systemic processing.

Management Response: *In the District Clerk Criminal Division, the manual receipt books are not left with the cashiers until the system comes up. The receipt books are placed in the safe nightly to be secured. The Department does not use Odyssey; however, the FORVUS mainframe system is used to cashier payments. The District Clerk Criminal Division has implemented a majority of the County Auditor's recommendations and will adjust current procedures to include those that are not currently in place.*

The recommendations for this section are duly noted. Process changes to the computer receipt voids were implemented in 2015. A void log was created where the supervisor/manager signs off on every void with the reason for the void. All logs and voids are kept for review and signed by the cashier. Currently, we do not have dual control processes for the safe or drop box. The safe and drop box combinations are only given to two other management member, the location of the safe is very constricted and not easily accessible for two people. The lockbox envelopes are opened by management (to look for cash payments) in the view of a clerk that does not have cashier funds before being logged and given to the cashier clerk to receipt. The District Clerk Criminal Division implemented a majority of the County Auditor's recommendations in 2015 and agrees with the recommendations submitted in 2017. The Tech Share Court System is anticipated to be implemented in the Criminal Courts in June of 2018 and should have the functionality to assist with the issues listed in the finding.

Fee Assessments – Assessment and collection of court costs, fines, filing fees, and/or other miscellaneous fees should be monitored for compliance with applicable state laws, attorney general opinions, DA opinions, judicial orders, Commissioners court orders, and applicable fee schedules. CRFE tables should be updated as appropriate. Supervisory personnel should periodically review assessments and system edit reports for compliance, appropriateness, accuracy, and completeness including the review of large credits and reversed (deleted)

assessments. Proper assessment procedures should be reinforced through training and written procedures manual.

System modifications to further automate the fee assessment process should be considered or documented for future migration to the Adult Case Management System (ACMS). In anticipation of the pending migration from the CR mainframe system, a concerted effort should be made to correct outstanding issues. District Clerk action will improve the accuracy of migrated data and impact staff efficiencies during and after implementation.

A formalized change management process should be implemented for requesting and approving changes to fee schedules and fee codes in the mainframe. Process should include the use of standardized request and approval forms, designated approval authorities, and written policies and/or procedures. Fee schedule and fee code maintenances should be centralized.

Criminal records available via public access should be redacted to exclude names of minors and victims of sexual assault.

Management Response: *The District Clerk Criminal Division implemented a majority of the County Auditor's recommendations in 2015 and agrees with the recommendations submitted in 2017. The Tech Share Court System is anticipated to be implemented in the Criminal Courts in June of 2018 and should have the functionality to assist with the issues listed in the finding.*

Specific comments regarding Fee Assessments are as follows:

- **Fee Assessments—Court appointed Attorneys:** *The District Clerk Criminal Division is given orders regarding the payment of the court appointed attorney. If the Judge or the Court Coordinator fail to deliver this information to the clerk with approval to process then this assessment is not added to the mainframe system. Many times this is sent directly to the Auditor's Office for processing.*
- **Fee Assessments—Time Payment Fees:** *The District Clerk Criminal Division previously assessed this fee manually and did not fully understand Local Government Code 133.103 regarding the time payment fee. Fee code 84 is now automated and clerks have been trained on when this fee should be applied to an assessment.*
- **Fee Assessments—Other:** *The recommendations for this section have been reviewed and are not fully agreed with. The current mainframe system is over 30-years old and does not allow for supervisory review and pre-approval of CRAMS prior to submission without holding up the disposition on the case. There are 17 felony courts that dispose of hundreds of cases and to add this process will only backup the courts, but would also have a major effect on the collection of court costs and fines. The court also follows the Judges orders through a courts "docket sheet". This is the documentation used by the clerk to adjust or credit court cost and fines.*
- **Fee Assessments—FL Schedule:** *All fee schedules were reviewed and updated in 2014/2015. This was a lengthy process that took time due to the large amount of changes that needed to be made.*
- **Fee Assessments—CV Schedule:** *Fee tables in the Protective Order court were reviewed and updated with verification by Internal Audit. At that time, the decision was made by the previous District Court Administration to move forward with assessment changes instead of going back and assessing missing fee codes on cases. In review of this audit, the current District Court Administration decided to assess the missing fees to the 813*

cases identified. The fees have been added by IT and the Collections Coordinator has been advised to work with the PO Collection Clerk to ensure that they are contacted for payment.

- Fee Assessments—All fee codes Reviewed: The recommendations for this section have been reviewed and are not fully agreed with. The current mainframe system is over 30-years old and does not allow for supervisory review and pre-approval of CRAMS prior to submission without holding up the disposition on the case. There are 17 felony courts that dispose of hundreds of cases and to add this process will only backup the courts, but would also have a major effect on the collection of court costs and fines. The court also follows the Judges orders through a courts “docket sheet”. This is the documentation used by the clerk to adjust or credit court cost and fines.*
- Fee Assessments—FB,FBR Schedules: The District Clerk’s Office reviewed and updated, with verification from Internal Audit, FBR and FB Fee tables in 2014-2015. This resulted in previous cases being assessed incorrectly. In review of the tables the District Clerk’s Office worked with IT to have the base fee codes auto-generated for these tables to decrease clerical error. Miscalculated interest fees are not the responsibility of the clerk. Interest fees are submitted the District Clerk’s Office from the DA’s/Judge as part of the Judgment.*
- Fee Assessments-FX,FND,FR, FRD,FDW and F Schedules: The District Clerk’s Office reviewed and updated, with verification from Internal Audit, Fee tables in 2014-2015. This resulted in previous cases being assessed incorrectly. In review of the tables the District Clerk’s Office worked with IT to have the base fee codes auto-generated for these tables to decrease clerical error.*

Disbursements – All checks issued or canceled should be posted accurately and timely to the appropriate system (mainframe, AIS, and/Odyssey) to maintain accurate financial balances. A management plan including reconciling the General Ledger and bank account should be developed and implemented. In anticipation of the pending migration from the CR mainframe system, concerted effort should be made to correct outstanding issues.

Management Response: *The 504 Trust Fund and 503 Special Funds accounts are used in conjunction with the District Clerk’s Trust Department. The check numbers requested for these accounts are supplied by the District Clerk’s Trust Office. The systems that read the accounts are not able to be accessed by the Criminal Division so we rely on the Trust Department to ensure the funds are available for the needed checks pulled from this fund. Once the approval is given by the Trust Department that funds are available the Criminal Section will proceed to process Cash Bond requests and or Special Fund refunds to this Department. We anticipate that the process will be better managed once the new ACMS is finalized. The Tech Share Court System is anticipated to be implemented in the Criminal Courts in June of 2018 and should have the functionality to assist with the issues listed in the finding.*

NSF Checks – All outstanding NFS checks should be flagged with revenue reversed in the CR Mainframe system and applied to the Special Fund 503 fee code, and adjusted on the daily deposit. Subsequently, a Special Fund 503 check should be disbursed to Fund 170 Return Item Receivable Account.

Management Response: *The District Clerk Criminal Division implemented a majority of the County Auditor’s recommendations in 2015 and agrees with the recommendations submitted in*

2017. The Tech Share Court System is anticipated to be implemented in the Criminal Courts in June of 2018 and should have the functionality to assist with the issues listed in the finding.

Summary

This report is intended for the information and use of the department. While internal controls and financial reports were reviewed, all matters of a material weakness may not have been identified. 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.

Priority areas of risk which need to be addressed include: retaining all receipts in accordance with Records Retention requirements; updating criminal fee assessment schedules and processes; completing an ongoing supervisory review of credits, assessments, assessment reversals, and receipt adjustments; and posting disbursements appropriately.

Consideration of all issues and weaknesses should be incorporated by the District Clerk as a self-assessment tool in testing processing functionality of a new criminal courts system. Adherence to and follow-through with the recommendations should improve internal control and compliance with Dallas County policies and procedures.

CC: Darryl Martin, Commissioners Court Administrator