

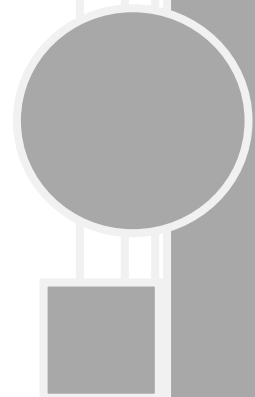


# AUDIT REPORT

DALLAS COUNTY

DISTRICT CLERK CRIMINAL FY2016 & FY2017

Darryl D. Thomas  
Dallas County Auditor  
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# DISTRICT 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 Felicia Pitre  
District Clerk  
Dallas, Texas

Attached is the County Auditor's final report entitled "**District 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 District Clerk Criminal for fiscal years 2016 and 2017 revealed the significant observations listed below:

### **Summary of Significant Observations**

- Department did not safeguard sensitive personally identifiable information.
- Evidence room items could not be located.
- The original and duplicate copies of 22 voided computer receipts could not be located.
- Three cash receipts were voided one hour or more after the original receipt and re-issued for \$902 less than the original receipt amount.
- Clerks have system roles that allow them to receipt and void transactions
- Delays in posting Special Fund disbursements of 111 and 470 business days.
- Four bonds discharged in AIS between one and three years after the judgment date.
  
- Several fee schedules routinely under/over-assessed statutorily approved fee amounts.
  - 63 cases on the Civil Protective Order (CV) schedule with under-assessments totaling \$13,356 for twelve standard filing fees that were not assessed on each case.
  - 243 cases on the Felony Reduced (FR) schedule with over-assessments totaling \$10,449 for the Consolidated State Court Costs fee.
  - 64 cases on the Felony Reduced (FR) schedule with over-assessments totaling \$3,840 for the Drug Court fee assessed in error.
  - 3,481 cases on the Felony Reduced (FR) schedule with under-assessments totaling \$17,405 for the State Electronic Filing fee.
  - 20 cases on the Standard Felony (F-) schedule with under-assessments totaling \$5,000 for the DNA fee.
  - Cases on the Standard Felony (FS 12.44A) schedule assessed the incorrect amount for the Drug court fee.
    - 25 cases with under-assessments totaling \$1,500.
    - 37 cases with over-assessments totaling \$2,220.
  - 90 cases on the Felony Reduced (FR) schedule were assessed for the incorrect amount.
    - Under-assessments totaling \$2,250 for the District Attorney fee.
    - Over-assessments totaling \$9,000 for the State Electronic Filing fee, Courthouse Security fee and Consolidated Court Cost fee.

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

- Special Fund disbursements were posted with incorrect check information.
- Delays in posting special fund disbursements and cancelations.
- Waived, Probated, and Jail Time Served credits not entered as the correct credit type in CRIN.
- Manual receipts skipped in sequence and not marked void.
- Funds sent to the Treasurer's Office for deposit do not match system control totals.
- Clerks have system roles that allow them to receipt and void transactions.
- Delays in discharging bonds in AIS.

- Fee assessment errors on various schedules.

**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 assets

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

### **Regulations/Security**

Due to space limitations, the District Clerk's Office stored documents off-site at the Panoramic Circle warehouse. As part of the review of computer receipts voided during fiscal years 2016 and 2017, the District Clerk requested that boxes containing daily receipts and deposit forms be sent directly to the Internal Audit section of the Auditor's Office. Our office received 33 unsealed boxes containing not only the requested information, but also applications with sensitive personally identifiable information, including social security numbers, dates of birth, and driver license numbers. As part of their business processes, the District Clerk's Office scans the paper applications, which eliminates the need to maintain the document. **Status:** The Department Records Manager retrieved the boxes from the Auditor's Office and returned them to the District Clerk's Office.

According to the Business and Commerce Code Sec. 521.052, a business shall implement and maintain reasonable procedures, including taking any appropriate corrective action, to protect from unlawful use or disclosure any sensitive personal information collected or maintained by the business in the regular course of business. Additionally, a business shall destroy or arrange for the destruction of customer records containing "sensitive" personal information within the business's custody or control that are not to be retained by the business by: shredding, erasing; or, otherwise modifying the sensitive personal information in the records to make the information unreadable or indecipherable through any means. Due to lack of management oversight and inadequate training related to the handling of sensitive documents, Dallas County may be liable to individuals for the theft and misuse of their sensitive information.

### **Recommendation**

#### **Regulation/Security**

Management should:

- Retrain staff on proper handling, safeguarding and destroying of sensitive information.
- Maintain documents in accordance with Texas State Records Retention Schedule which permits the destruction of documents that have exceeded their administrative value.

### **Management Action Plan**

Sensitive information of individuals such as social security numbers and license numbers are a priority in the District Clerk's Office. Management and staff have been coached on how to secure boxes that contain this information.

### **Auditors Response**

None

### **Criminal Evidence Room**

A review of the District Clerk Criminal Evidence Room revealed that items related to three out of 64 (5%) cases tested were not located during the inventory audit; there was no documentation or log to show if the evidence had been destroyed or checked out; and eligible evidence is not disposed of in a timely manner following court rulings and statute requirements including 1,194 District Clerk evidence items still remain in the custody of the Sheriff Property and Evidence Room. The party responsible for the disposition of the District Clerk items is not yet determined. According to the department, due to a lack of organization, it can take several days to locate evidence once a request is submitted. Though department policy and procedures indicate that firearms and drugs are not the responsibility of the District Clerk; occasionally, these items are taken into possession by the department.

All criminal evidence received or released should be handled, stored, and disposed consistent with the Code of Criminal Procedure Art. 2.21. A lack of staffing and management oversight could result in evidence being lost, misplaced, and/or destroyed without previous approval by the court.

### **Recommendation**

#### **Criminal Evidence Room**

Management should:

- Update policy and procedures for handling and storing evidence.
- Utilize an electronic inventory management system with barcode tracking to maintain evidence. Until implementation, maintain an evidence log that includes date received, description of item, location, date of transfer/department, date of disposal.
- Hire additional staff.
- Policy and procedures on handling firearms and drugs should be followed at all times.
- Request a District Attorney Opinion to determine which entity is responsible for the disposition of the items held in the Sheriff's Property and Evidence Room.

### **Management Action Plan**

The District Clerk is working with the Sheriff Department, Commissioner's Court and DA's Office to review status and policies. This review should ensure the statute is being followed and there is a process in place to address firearms and contraband in the evidence room. The need for additional space in the evidence room is being discussed with Administration by the District Clerk in hopes to have a better systematic process of locating items needed along with a new ACMS that services evidence.

### **Auditors Response**



### **Computer Receipts & Closeout/Deposit**

A review of mainframe computer receipts including 179 voided receipts and deposit/closeout procedures during fiscal years 2016 and 2017 revealed the original and duplicate copies of 22 voided computer receipts could not be located; 45 receipts were voided one hour or more after issuance of the original receipt including three cash receipts that were re-issued for \$902 less than the original receipt amount; 31 receipts were voided between 15 minutes to one hour after issuance of the original receipt including one cash voided receipt re-issued for \$10 less than the original receipt amount; department did not consistently retain the original copy of voided computer receipts; 19 voided computer receipts did not have a reason noted and did not have all of the original receipts attached; clerks have system roles that allow them to receipt and void transactions; and the department routinely issued customers the yellow carbon copy of the computer receipts instead of the original customer receipt. 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; receipts should not be altered, but properly voided and affixed with a reason for the void with retention of all voided copies. Inconsistent management oversight over voiding and depositing procedures could increase the risk of misappropriation of funds.

A comparison 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 computer receipt date. A comparison of deposit amounts to the system control total amounts for Criminal and Bond collections during fiscal years 2016 and 2017 revealed 13 days the deposited amount did not match the system control amount including seven variances that were \$2 or more below the system control total. The department did not have explanations for these variances. All monies received should be promptly receipted and deposited properly, and timely in accordance with Local Government Code (L.G.C.), § 113.022. Drawers should be reconciled daily and included in deposit. Inconsistent management oversight over depositing procedures have resulted in delayed revenue recognition.

A review of Special Fund fee code 15 assessment on CR50 receipts during fiscal year 2016 and 2017 revealed three cases with fees incorrectly receipted to fee code 15 instead of the appropriate fee codes and overpayment amounts less than \$10 totaling \$558.21 receipted to fee code 15. 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 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 and training related to the receipting process to timely identify and resolve clerical errors has resulted in inaccurate financial records and delayed revenue recognition.

### **Recommendation**

#### **Computer Receipts & Closeout/Deposit**

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.
- Total and balance the funds on hand to the system receipt control totals at the end of each business day. Follow-up should be initiated on any identified variances.

### **Management Action Plan**

The recommendations for this section have been reviewed with the cashier clerks and changes have been made to rectify issues. Process changes to the computer receipts voids were implemented in 2015. A void log was created where the supervisor/manager signs off on every void with 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 members, the location of the safe is very constricted and not accessible for 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 cashier funds before logged and given to cashier clerk for receipt. There were some system limitations with over payments of less than \$10 where defendant to make a request for this refund before it is processed. The District Clerk Criminal Division implemented a majority of the County auditors recommendations in 2015 and anticipates that a new ACMS implementation in the Criminal Courts should have the automated functionality to assist with the issues listed in this finding.

### **Auditors Response**

#### **Special Fund Disbursements**

A review of 111 District Clerk Criminal Special Fund 503 disbursements issued during fiscal years 2016 and 2017 revealed 90 disbursements posted to the CRIN system with an incorrect check number; one disbursement posted to the CRIN system with for the incorrect amount; 37 disbursements were posted to the CRIN system greater than three business days after issuance, including delays of 111 and 470 business days; 16 disbursements were not posted to the CRIN system; two canceled disbursements were not voided in the CRIN system; one disbursement posted to the CRIN system though a disbursement check was not issued; one disbursement was issued for the incorrect amount resulting in an overpayment of \$13.62; and one disbursement issued on a case without funds available in Special Fund. **Status:** The disbursement was posted to the case.

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. 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 increased the potential that duplicate disbursements may be issued or monies not collected.

### **Recommendation**

#### **Special Fund Disbursements**

Management should:

- Develop written procedures for the disbursement process.
- Periodically review case balances and disburse amounts to the appropriate parties in a timely manner.
- Verify available funds prior to processing disbursement requests.
- Emphasize that staff enter disbursements referencing the last five numbers of the Special Fund check.

### **Management Action Plan**

The 504 and 503 Special Funds 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 anticipated that the process would be better managed once the new ACMS was finalized. The TechShare Court system has been placed on hold yet we still feel this is a priority for whatever new system is acquired. The District Clerk's office will ensure that more automated functionality to assist with the issues in this finding is in the new system. We will review the process and ensure updated procedures are completed to address this issue.

### **Auditors Response**

#### **Credits & Negative Balances**

A sample review of District Clerk Criminal credits issued during fiscal years 2016 and 2017 revealed four cases with credits incorrectly recorded to CRIN as waived instead of jail time served; one case with a credit incorrectly recorded to waived, though supporting documentation indicates the fine amount should have been paid; one case with a credit incorrectly recorded as a waived credit instead of probated; one case with a credit incorrectly recorded as probated instead of jail time served; one case with a fine amount that was probated in CRIN for the incorrect amount; three cases with credits incorrectly recorded as jail time served instead of probated and waived; and 15 cases credited as community service in error.

A review of all negative balances during fiscal years 2016 and 2017 revealed one bond forfeiture refund was not posted to CRIN and one bond forfeiture overpayment was not refunded.

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**

All corrections have been completed on the cases identified within this section of the audit except for two items. These cases will be forwarded to the section supervisor for research and review. Then corrections will be made.

## **Auditors Response**

### **Manual Receipts**

A review of all 186 District Clerk Criminal Cashier's Office manual receipts issued during fiscal year 2016 and 2017 revealed six manual receipts that were skipped in sequence and not marked "Void". **Status:** The receipts were voided after management was notified by Internal Audit. Two manual receipts were missing all three copies from the manual receipt book; three manual receipts were altered to lower amounts; two manual receipts were altered to a higher amount; one manual receipt was posted to mainframe two business days after the manual receipt was issued; three manual receipts are not properly signed by the cashier issuing receipt; one manual receipt did not have the computer receipt attached; and one voided manual receipt did not have all copies of the receipt.

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. Manual receipts should not be altered, but properly voided and affixed with a reason for the void. All copies of the manual receipt should be retained. A lack of 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 incomplete financial records and increased the potential that funds may be misappropriated.

### **Recommendation**

#### **Manual Receipts**

Management should:

- Establish written manual receipt procedures and train staff on the manual receipt procedures.
- Periodically review manual receipt books for completeness and proper posting to the mainframe system.

### **Management Action Plan**

In review of this section the Auditors recommendation for this section has been reviewed with the cashier clerks and changes have been made to rectify issues. These issues will be added to the cashier SOP on manual receipts to decrease mistakes in this area.

## **Auditors Response**

### **Cash Management**

A review of cash counts performed during fiscal years 2016 and 2017 of District Clerk Criminal deposits received at the Treasurer's Office revealed two deposits totaling \$58.48 less than the system control total due

to checks being receipted using the numerical amount instead of the legal written amount; one cash deposit shortage totaling \$38; and two deposit totaling \$1.23 more than the system control total due to checks being receipted using the numerical amount instead of the legal written amount and a 98 deposit form error.

During an unscheduled cash count on September 27, 2018, \$17 in cash was located in an envelope in the District Clerk Criminal vault. The envelope lacked any identifiable information to trace the amount to a payee or case. Further inquiry of department staff revealed the unidentified funds originally amounted to \$37. However, on August 30, 2018, management used \$20 to cover a counterfeit bill that was receipted by the department. **Status:** The remaining \$17 in unidentified funds were deposited in the overage account on September 28, 2017.

Per department responses to the Internal Control Questionnaire (ICQ), the vault is not under dual control.

All monies received should be promptly receipted and deposited consistent with Local Government Code, § 113.022. Any unidentified overages should be deposited to the overage/shortage account daily. Deposits should be recounted by supervisory personnel with review evidenced by an initial or signature on deposit forms and checks should be receipted for the legal written amount. The department is to notify the Auditor's Office of shortages timely and consistent with Dallas County Section 74-692. Implement a procedure to access the vault under dual control. Clerical errors combined with a lack of management oversight of the daily deposit process have resulted in delayed revenue recognition, additional staff time expended to contact customers to obtain replacement checks, and increased the risk that funds may be misappropriated.

### **Recommendation**

#### **Cash Management**

Management should:

- Establish written policies and procedures for cash handling responsibilities, which emphasize that receipts should be issued for all money received and checks are to be receipted for the written legal amount. No money should ever be accepted without immediately issuing an official Dallas County receipt.
- Total and balance the funds on hand to the system receipt control totals at the end of each business day. Receipt tapes for check totals should be calculated using the written legal amount and verified against the receipt control total. Receipt and deposit totals should be verified by supervisory personnel.
- Implement a procedure to access the vault under dual control.

### **Management Action Plan**

Cash counts were resolved with the auditor present and noted. The safe and drop box combinations are only given to two other management members, the location of the safe is very constricted and not easilt accessible for two people.

## **Auditors Response**

### **Fee Assessments-F-Schedule**

A 100% review of the ACL analysis extract of assessments created during fiscal years 2016 and 2017 using the Felony Regular Schedule revealed one case was assessed the Treasurer's fee (fee code #26) for \$50 in error; one case was assessed the Sheriff's fee (fee code #35) for the incorrect amount; two cases were assessed the Miscellaneous Sheriff's Fee (fee code #51) for the incorrect amount; four cases were not assessed the DNA fee (fee code #91) for \$250; one case was assessed Drug Court Fee (fee code #13) for \$60 in error; one case was assessed the Jury Fee (fee code #34) for \$30 instead of \$40; one case was assessed the Jury Fee (fee code #34) for \$50 in error; 47 cases were assessed the Jury Fee (fee code #34) for \$20 instead of the statutorily approved amount of \$40; five cases were assessed the State Electronic Filing Fee (fee code #100) for \$20 instead of \$5; 25 cases were not assessed the Drug Court Fee (fee code #13) for \$60; 37 cases were assessed the Drug Court fee (Fee code #13) for \$60 in error; 20 cases were assessed State Electronic filing fee (fee code #100) for \$20 instead of \$5; one case was not assessed CCDC Technology Fee (fee code #56) for \$4; one case was assessed Drug Court Cost (fee code #13) for \$50 instead of \$60; two cases were assessed Consolidated Court Cost (fee code #77) for \$119.93 instead of \$133; 20 cases were not assessed the DNA Fee (fee code #91) for \$250; one case was assessed using the incorrect fee schedule based on the offense date instead of the conviction date; one case was assessed the Consolidated Court Cost (fee code #77) for \$110.50 instead of \$133; and two cases were assessed Drug Court Cost (fee code #13) for \$60 in error.

A 100% review of the ACL analysis of assessments created during fiscal years 2016 and 2017 using the Felony Reduced to Misdemeanor A and B cases and the Reduced to Class C schedules revealed 39 cases were not assessed the State Electronic Filing Fee (fee code #100) for \$5; one case was assessed the Consolidated Court Cost (fee code #77) for \$83 instead of \$40; six cases were not assessed the DNA Fee (fee code #91) for \$250; 90 cases were not assessed District Attorney Fee (fee code #32) for 25; and 90 cases were assessed the incorrect fee code amounts for the District Attorney fee (fee code #32), the State Electronic Filing Fee (fee code #100), the Courthouse Security Fee (fee code #65), and the Consolidated Court Cost (fee code #77).

Court costs, fines, and fees should be assessed in compliance with applicable state laws, Judge's orders, Commissioners Court Orders, Attorney General Opinions, and Court Orders. 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-F-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**

A majority of the cases in this section have been corrected by the District Clerk's Office. There are some cases that are still pending correction after meeting with IT and an issue with the FORVUS program was identified. These cases have been reviewed and will need IT to make corrections to their program before the cases can be corrected.

### **Auditors Response**

#### **Bond Forfeiture - FB Schedule**

A sample review of ACL analysis/extract of FB (Felony Bond) schedule assessments created during fiscal years 2016 and 2017 revealed standard filing fees were not consistently assessed on bond forfeiture cases when costs were ordered against the defendant/surety by the Judge. Limited court costs and fees assessed include six bond cases that were assessed the incorrect bond forfeiture interest amount; five bond forfeiture cases incorrectly assessed the Sheriff Fee (fee code #35) instead of the Certified Mail fee (fee code #102) for \$75; and the citation fee on seven bond forfeiture cases was assessed to the incorrect fee code.

A sample review of bonds with a status of default judgment and a NISI status of 270 days or greater as of the audit review date and a sample review of bond forfeiture cases for appropriate court actions on AIS and CRIN revealed one bond forfeiture case with an unpaid court cost balance was discharged in AIS; four bond forfeiture cases older than 270 days with a NISI judgment issued have no activity to either set aside the NISI judgment or proceed with forfeiture; and four bonds that were discharged in AIS between one and three years after the judgment date.

A Comparison of the R12058 Schedule of Receivables by Age data report to AIS Bond Forfeiture Audit report revealed one bond forfeiture case was incorrectly entered as paid and discharged on AIS, the defendant's second bond forfeiture case was paid.

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, and Court Orders. 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 - FB 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**

Corrections have been completed on cases that could be handled by the clerk's office. Some cases are still in a pending status while some cases identified have been "No Billed" or "Discharged" due to actions of the court. Miscalculated interest fees are not the responsibility of the clerk. Interest fees are submitted to the District Clerk's Office from the DA's/Judge as part of the Judgment. The ACMS should have more automated functionality to assist with the issues in this finding; these recommendations will be forwarded for their DA office and FORVUS programmers to review.

### **Auditors Response**

#### **Fee Assessments-CV Schedule**

A 100% review of ACL analysis extract of 1,406 cases using the CV (Civil Protective Order) schedule assessments created during fiscal years 2016 and 2017 revealed one case was assessed fees using a future date of November 20, 2025; two cases were assessed the District Clerk Technology Fund/Archive Fee code 59 for the incorrect amount; and 63 of 1,406 (4%) cases with under-assessments totaling \$13,356 for twelve standard filing fees that were not assessed on each case. Court costs, fines, and fees should be assessed and collected in compliance with fee codes statutorily approve by applicable laws, Commissioner's Court Orders, Attorney General Opinions, and Court Orders. 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. Inadequate quality assurance controls, clerical error, non-integrated financial systems, and lack of

management oversight has resulted in inaccurate/incomplete assessments of court costs to defendants and potential revenue loss for Dallas County.

### **Recommendation**

#### **Fee Assessments- CV 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**

Fee tables in the Protective Order Court are in the process of being reviewed and transferred into the Odyssey software program. The Protective Order Court transitioned from FORVUS to the Odyssey system in February 2019. The identified cases will be reviewed with IT for updating and sent to DC Administration for a decision to assess missing fees for collections from 2016 and 2017. The new Odyssey system should have the automated functionality to assist with the issues listed in this finding. Missing Fee Codes on 65 cases will be reviewed with the District Clerk on how to proceed.

### **Auditors Response**

#### **Fee Assessments - FX and FND Schedules**

A 100% review of the ACL analysis extract of 2,638 FX receipts issued using the Felony Expunction schedule during fiscal years 2016 and 2017 revealed one receipt was assessed the Records Management & Preservation fee (fee code #66) for \$3 instead of \$5; one receipt was assessed the Records Management fee (fee code #95) for \$3 instead of \$5; one receipt was assessed the Dispute Mediation fee (fee code #55) for \$13 instead of \$15; and 49 receipts were assessed the DC Archive Fee (fee code #59) for \$15 instead of \$10 and the Law Library Fee (fee code #36) for \$15 instead of \$20.

A 100% review of the ACL analysis extract of 510 FN receipts issued using the FND (Felony Non-Disclosure) schedule during fiscal years 2016 and 2017 revealed nine receipts were assessed the DC Archive Fee (fee code #59) for \$15 instead of \$10; the Non-Disclosure Fee (fee code #94) for \$33 instead of \$28; and the Law Library Fee (fee code #36) for \$15 instead of \$20; Additionally, the receipts were not assessed the State Electronic Filing Fee (fee code #100) for \$30. Two receipts, issued on September 1, 2017, were not assessed the Judicial and Court Personnel Training Fund fee (fee code #105) for \$5; one receipt was assessed the District Clerk's Fee (fee code #31) for \$52 instead of \$50; one receipt was not assessed the Alternative Dispute Fee (fee code #55)

for \$15; and nine receipts were incorrectly assessed the Special Fund (fee code #15) for \$15 instead of the Facility Fee (fee code #97).

Court costs, fines, and fees should be assessed in compliance with applicable state laws, Judge's orders, Commissioners Court orders, Attorney General Opinions, and Court Orders. Quality control processes should be implemented with ongoing review by management. 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 - FX and FND 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**

The District Clerk's Office reviewed and updated FX and FND fee tables. The majority of the cases have been paid in full by the defendant. These cases will be reviewed with the District Clerk for a directive to add the missing fees for collection.

### **Auditors Response**

#### **Fee Assessments-FR and FL Schedule**

A 100% review of the ACL analysis extract of Felony Reduced (FR) schedule assessments created during fiscal years 2016 and 2017 revealed 184 cases on the FR 12.44 schedule were not assessed the State Electronic Filing Fee (fee code #100) for \$5; 243 cases reduced to Class C Misdemeanors were assessed Consolidated State Court Costs (fee code #77) for the incorrect amount of \$83 instead of \$40; 64 cases were assessed the Drug Court fee (fee code #13) for \$60 in error; 3,481 cases were not assessed the State Electronic Filing fee (fee code #100) for \$5; Eight cases were assessed Courthouse Security fee (fee code #65) and Consolidated State Court Costs (fee code #77) for the incorrect amount; four cases were not assessed the District Attorney Fee (fee code #32) for \$25; and five cases were assessed the Special Fund (fee code #15) for \$50 in error.

A 100% review of 179 cases using the Felony schedule for Occupational Driver's License assessments created during fiscal years 2016 and 2017 revealed four cases were assessed the Jury Fee (fee code #34) for the incorrect amount of \$30 instead of \$40; one case was assessed the Miscellaneous Clerk Fee (fee code #50) for the incorrect amount of \$357; one case was assessed Special fund (fee code #15) for \$10 in error; two cases

were assessed the Time Payment Fee (fee code #84) for \$25 in error; and 16 cases were not assessed State Electronic Filing Fee (fee code #100) for \$30.

Court costs, fines, and fees should be assessed in compliance with applicable state laws, Judge's orders, Commissioners Court orders, Attorney General Opinions, and Court Orders. Quality control processes should be implemented with ongoing review by management. Inadequate quality assurance controls, clerical error, system limitations, and lack of management oversight has resulted in inaccurate/incomplete assessments of court costs to defendants and potential revenue loss for Dallas County.

### **Recommendation**

#### **Fee Assessments-FR and FL 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**

There are some cases that are still pending correction after meeting with IT and an issue with the FORVUS program was identified. These cases have been reviewed and will need IT to make corrections to their program before the cases can be corrected.

### **Auditors Response**

#### **Duplicate Assessments**

A sample review of the District Clerk Criminal Duplicate Assessments report R07144 for fiscal years 2016 and 2017 revealed five cases were assessed duplicate court cost and warrant fees. Court costs, fines, and fees should be assessed and collected in compliance with fee codes statutorily approved by applicable laws, Commissioner's Court Orders, Attorney General Opinions, and Criminal District Court Orders. Quality control processes should be implemented with ongoing review by management. Clerical error, inadequate automation in the application of assessments, and a lack of management oversight has resulted in an overstatement of case balances and receivables and may result in excess collections on cases requiring additional staff time to refund overpayments.

### **Recommendation**

#### **Duplicate Assessments**

Management should:

- Periodically review assessments for appropriateness, timeliness, and completeness.
- Periodically review exception reports to ensure duplicate assessments are corrected in a timely manner.

### **Management Action Plan**

Cases were identified to be a glitch in an IT program. Once identified, the cases listed by the auditor were corrected.

### **Auditors Response**

### **Credit Card Processing**

A sample review of online credit card transactions processed during fiscal years 2016 and 2017 revealed one online credit card transaction was posted to the CRIN system two days after payment and one online credit card transaction was not posted to the CRIN system. 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. Lack of management oversight of the credit card process has resulted in delayed revenue recognition.

### **Recommendation**

#### **Credit Card Processing**

Management should:

- Emphasize to staff that credit card payments be entered into the CRIN when the credit card transaction appears on the daily settlement report and is not part of overnight automated batch process.
- Periodically review the credit card settlement report and CRIN for accuracy, timeliness of processing, and staff compliance to established policies and procedures.

### **Management Action Plan**

The two cases have been reviewed with the cashier clerks. Corrections were made and cashiers were coached on the credit card process.

### **Auditors Response**

cc: Darryl Martin, Commissioners Court Administrator