



DALLAS COUNTY
COUNTY AUDITOR

Memorandum

To: Honorable Judge Norris "Stretch" Rideaux
Justice of Peace, Precinct 4, Place 1

From: Darryl D. Thomas
County Auditor

Darryl D. Thomas

Subject: Review Performed for Fiscal Year 2013

Date: Issued: January 12, 2015
Released: April 29, 2015

Scope

A review was performed in accordance with statutory guidelines on the records and reports of Justice of the Peace, Precinct 4, Place 1 for fiscal year 2013.

Review Procedures

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

A partial list of the review tests include:

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

Statistical

During fiscal year 2013, the justice court processed:

- 17,556 computer receipts totaling \$1,682,566
- 4,150 class C misdemeanors (includes 304 automated traffic filings)
- 1,937 civil/small claims
- 3,822 eviction cases

FINDINGS

Cash Management

Receipts – Computer / Manual – A complete review of 55 (less than 1% of population) voided computer receipts and a sample review of 17,556 computer receipts and corresponding daily receipt transaction logs revealed material compliance except: one \$20 cash shortage.

A sample review of approximately 59 manual receipts revealed: four manual receipts totaling \$1,136.40 cash did not contain an original receipt amount on the court's carbon copies.

Responses to the Internal Control Questionnaire revealed: separate cash drawers are not maintained by the back-up bookkeepers; and, monies not separately balanced prior to combining with the funds controlled by the bookkeeper due to a lack of separate tills within the JPAS.

Court Costs and Fine Assessment / Distribution – A review of 43 cases and corresponding computer receipts (342 fee code entries) for compliance with statutorily required court costs and fines revealed: limited instances of assessment errors including nine ticket issuance fees credited to the incorrect agencies.

Responses to the Internal Control Questionnaire revealed: all court clerks are authorized to update Court Costs and Fine fields on the Docket screen.

Disbursement / Special Fund Reconciliation - A review of special fund activity revealed: old case balances over three years old totaling approximately \$333,523 remain in the special fund account as of September 30, 2013 without research for disbursement to the applicable party and / or escheating to the County Treasurer or State Comptroller; and, approximately \$261,440 in cash bonds over four years old not eligible for forfeiture.

Processing/Reporting

Criminal Fee Dockets – A review of IT Services JP Warrant Error Report dated February 10, 2014 revealed: 106 active warrants or capias on the Constable's or Sheriff's warrant systems for cases without balances due, with time served, dismissed, and/or inactive/marked disposed on the JPAS Docket screen (*Status: 103 of the 106 noted warrants or capias were recalled*). All court clerks are authorized to issue and recall warrants.

Time Payment Plans – A review of 10 time payment plans revealed: one delinquent case without evidence of collection efforts.

Delinquent Collection Referral – A review of 10 cases referred to a delinquent collection law firm revealed: three cases not properly allocated/prorated to include delinquent collection fees. (*Status: One of three cases with the delinquent collection fee recorded on the last partial payment*)

Failure to Appear (FTA) Driver License (DL) Renewal Block Program – A review 25 cases from the Year to Date FTA Payment History Report revealed material compliance.

Civil Fee Dockets – A review of 15 civil/small claims/eviction cases on the justice fee exception report revealed: two (2) cases filed without advance collection of filing and service fees (*Status: Filing fees were subsequently collected*); and, one *Affidavit of Inability to Pay Costs* not docketed on the JPAS.

Activity Reports – Comparison of activity reports filed by the court with the Office of Court Administration (OCA), the Office of Budget and Evaluation (OBE), and Auditor's Office to the mainframe JPAS case records revealed significant variances for traffic misdemeanor, small claims, and eviction cases reported.

Credit Card Transactions – A review of 24 credit/debit card transactions, related procedures, and an ongoing desk review of daily credit card transactions revealed material compliance except five credit card transactions with delayed posting to the JPAS.

Other/Miscellaneous

Birth/Death Certificates & Marriage License Applications

Sensitive information such as birth and death certificate applications are retained for up to 90 days prior to destruction rather than maintained for required period of time (three years).

Time and Attendance – Observation of time and attendance during fieldwork, a sample review of manual attendance records, and KRONOS time and attendance postings revealed: the court closes to the public at 4:00 pm even though court personnel work until 4:30 pm; and, employees take 50 minutes for lunch with no breaks (lunch is recorded as 30 minutes on the KRONOS time and attendance system); instances of actual time not matching recorded time; and, multiple instances of non-exempt employee's original KRONOS web timestamp clock-in/clock-out times changed to a later/earlier time without reason codes.

RECOMMENDATIONS

Cash Management

Receipts – Reemphasize retention of all copies of a voided receipt, clearly marking "void", and affixing a reason for the void. Employees receipting money should verify that money tendered is accurately receipted prior to providing receipts to the customers. Cash handling duties should be properly segregated. Separate cash drawers should be maintained with collections balanced prior to combining with other receipted funds.

Court Costs and Fine Assessment / Distribution – Continue monitoring assessment, collection, and prorating of court costs, fines, and fees in compliance with applicable state laws, Commissioners Court orders, Attorney General (AG) Opinion No. GA-0147, and applicable fee schedules based on the offense date. Separation of duties limiting (through security access) staff assigned to add, delete, or modify information on Docket screens.

Disbursement / Special Fund Reconciliation – A management plan (including reconciling the County's General Ledger and the court's special fund bank account) should be developed and implemented to periodically review and research items on the detailed special fund report in order to clear old items on disposed cases in accordance with unclaimed property statutes, Property Code, § 72 and 76, and/or disburse to the applicable party. Cash bonds should be forfeited in accordance with Code of Criminal Procedure, § 22.18.

Processing/Reporting

Criminal Fee Dockets – Outstanding warrants or capiases should be recalled timely when cases are dismissed or otherwise disposed, payments made in full, time is served, etc. Separation of duties should be established limiting (through system security access) staff assigned to recall warrants.

Time Payment Plans – Payment plans should be established and monitored in accordance with Code of Criminal Procedure, Art. 103.0033, and guidelines established by OCA.

Delinquent Collection Referral – The 30% add-on delinquent collection fee should be assessed and collected in accordance with Commissioners Court orders and Code of Criminal Procedure, § 103.0031 including proportionally prorating partial payments.

Failure to Appear (FTA) Driver License (DL) Renewal Block Program – Continue to assess and collect the \$30 failure to appear fee and release DL renewal blocks in accordance with Commissioners Court Order No. 2003-2085, dated November 11, 2003, and Transportation Code § 706.

Civil Fee Dockets – Monitor timing/collection of filing fees and service fees in compliance with applicable state laws and Commissioner Court orders for all eviction, civil and small claim cases filed by non-governmental entities and individuals except for those individuals with approved affidavits of indigence on file. Reason for not collecting filing or service fees should be documented on the JPAS and case jacket. Record the file date of a pauper's affidavit in predefined fields on the Docket screen.

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

Credit Card Transaction – Continue review of reports for credit card activity and post payments timely in compliance with *Dallas County General Policy for Use of Credit Card Transactions* including reference to the last five digits of the transaction ID number.

Other/Miscellaneous

Birth/Death Certificates & Marriage License Applications – Documents should be retained in a secure location with restricted access for the statutorily defined retention period.

Time and Attendance – Actual time worked and meal periods should be properly and timely posted to the KRONOS time and attendance system in accordance with Dallas County Code.

CURRENT FINDINGS/OBSERVATION AND RECOMMENDATIONS

Finding templates numbered 13-JP4.1-01-01 through 13-JP4.1-01-12 are attached with management responses incorporated.

Summary

The report is intended for the information and use of the department. While we have reviewed internal controls and financial reports, this review will not necessarily disclose all matters of a material weakness. 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.

Highest areas of risk which need to be addressed include: clearing old Special Fund balances totaling \$333,523 not timely remitted and/or escheated; and, monitoring the warrant exception report for inappropriate active warrants; prorating partial payments to delinquent collection fees as applicable; retaining of records in accordance with records retention schedules; and, accurately recording time worked.

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

–Cc: Darryl Martin, Commissioners Court Administrator
Ryan Brown, Director OBE



Finding Number: 13-JP4.1-01-01 – Manual Receipts
Date: June 20, 2014
Audit: Justice of the Peace 4-1 Audit FYE 2013
Auditor(s) Assigned: JA

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| <p>Finding:</p> | <p>Manual Receipts Review of approximately 59 manual receipts including eight voided manual receipts and manual receipt procedures show material compliance except:</p> <ul style="list-style-type: none"> Four manual receipts totaling \$1,136.40 cash did not contain an original receipt amount on the court’s carbon copies. Receipt amounts were documented on the receipts after original/customer copies were removed from receipt book. <p>Status: Confirmation letters sent to the payers were returned undeliverable.</p> <ul style="list-style-type: none"> Two voided manual receipts did not show a reason for voiding. |
| <p>Work Paper Reference: (or other method by which finding was identified)</p> | <p>Work papers 5A.3-4, 5B.1-2, and 5B.3-5</p> |
| <p>Condition: (Describe the current condition)</p> | <p>When the Justice of Peace Accounting System (JPAS) is not operational, manual receipts (three part form) are issued by the bookkeeper and/or back-up bookkeeper. The original manual receipt is issued to the customer. Multiple amounts are listed on manual receipts without clear labels. Manual receipts are set aside pending system availability.</p> <p>Once the JPAS is active or automated traffic ticket uploads create new cases on the JPAS, corresponding computer receipts are issued. The original computer receipt is attached to the corresponding triplicate manual receipt copy retained in numerical order in the manual receipt book. The duplicate manual receipt copy is attached to the duplicate computer receipt copy retained separately in numerical order.</p> <p>If a manual receipt is voided the bookkeeper will write “void” on the receipt with an explanation for the void inconsistently noted. All three copies of the manual receipt will remain attached in the manual receipt book.</p> |
| <p>Criteria: (Describe the optimal condition)</p> | <p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls related to receipt control procedures require that:</p> <ul style="list-style-type: none"> All receipts should accounted for and properly used, in order to affix responsibility, enhance cash control and prevent potential assertion that monies were paid and refund due. 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 and procedures recommended by the County Auditor. Receipts should not be altered, but properly voided and affixed with a reason for the void with retention of all voided receipt copies. |
| <p>Cause: (Describe the cause of the condition if possible)</p> | <p>Clerical error</p> |
| <p>Effect: (Describe or quantify any adverse effects)</p> | <p>Potential assertion that monies were overpaid and refunds due.</p> |
| <p>Recommendation: (Describe corrective action)</p> | <p>Re-emphasize proper receipt control procedures including but not limited to:</p> <ul style="list-style-type: none"> The chief clerk should confirm compliance by reviewing issued and voided receipts. All copies of a voided receipt should be retained, clearly marked “void” and affixed with reason for void in order to affix responsibility, enhance cash control and prevent potential assertion that |



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| | <p>monies were paid and refund due.</p> <ul style="list-style-type: none"> • Receipts should be verified for accuracy of amount, payment type, case number, and payer before issuing a receipt to a customer. • All amounts listed on manual receipts should be clearly labeled including total received, change due, total applied to case, etc. |
| Responsible Department or Organization: | Justice of the Peace 4-1 |
| Management's Response: | <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree Respondent: Honorable Norris Rideaux Date: 4/21/2015 |
| Comments: | <p>Beginning in 2011, JP 4-1 began the process with the back-up bookkeeper "double counting" monies for confirming compliance of deposits and daily start till.</p> <p>In accordance with the auditor recommendations, we will set into practice the following process.</p> <p>Additionally, the back-up bookkeeper or designee will be responsible daily for:</p> <ul style="list-style-type: none"> • Verifying the accuracy of amount, payment type, case number of receipts • Ensuring all amounts listed on manual receipts are clearly labeled, including total received, change due, total applied to case, and type of payment is cash or check • All copies of a voided receipt should be clearly marked "void" and affixed with reason for void. • By close of the business day, report to the Court Administrator any discrepancy found during review process |
| Disposition: | <input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration |



Finding Number: 13-JP4.1-01-02 Computer Receipts
Date: June 20, 2014
Audit: Justice of the Peace 4-1 Audit FY 2013
Auditor(s) Assigned: JA

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| <p>Finding:</p> | <p>A sample review of 17,556 computer generated receipts including a complete review of 55 (less than 1% of the population) voided computer receipts, receipt continuity, testing of voiding procedures for proper accounting and internal controls, review of cash handling procedures and a sample review of Daily Receipts Log revealed:</p> <ul style="list-style-type: none"> • Two (3.64%) voided computer receipts lack one or more components of a properly voided receipt: <ul style="list-style-type: none"> ○ One voided receipt without an explanation for void ○ One voided receipt missing the original (customer copy) and duplicate (office copy) Status: Missing receipt was replaced on the next computer receipt for the same payment type and same amount. • One computer receipt skipped due to printer error. Status: Receipt was voided and reissued on the next computer receipt for the same payment type and a higher amount. • One \$20 cash shortage. Response: Customer was given too much change. IT Services was contacted to record the \$20 shortage to the deposit in order for the court to print the Form 98 and submit the deposit to the County Treasurer. <p>Responses to the Internal Control Questionnaire indicate:</p> <ul style="list-style-type: none"> • A separate cash drawer is not maintained by the back-up bookkeeper • Monies received by the back-up bookkeeper are not separately balanced prior to combining with the funds controlled by the bookkeeper due to a lack of separate tills within the Justice of Peace Accounting System (JPAS). |
| <p>Work Paper Reference: (or other method by which finding was identified)</p> | <p>Work paper 3.I, 5C.1, 5C.2 and 5D.1</p> |
| <p>Condition: (Describe the current condition)</p> | <p>Cash payments received by the counter clerks are counted in the presence of the payer. Payments made over the counter and supporting documents are provided by the counter clerks to the bookkeeper or back-up bookkeeper for receipting. Cash is recounted by the bookkeeper or back-up bookkeeper prior to the generation of the computer receipt with change noted. Check/money order payments are consistently reviewed for correctness by comparing the numeric and written/legal amounts on the check and payer name to the case number, case style, and amount due on the case prior to the generation of the computer receipt. The JPAS is accessed for generating a computer receipt to the appropriate case number and the payment information is entered by the bookkeeper or back-up bookkeeper. The computer receipt is printed and reviewed by the bookkeeper or back-up bookkeeper for accuracy prior to submitting to the customer by the counter clerk. If errors are identified, the original computer receipt and copy is voided with an explanation noted. Computer receipts and any change due from cash payments are provided to the customers by the counter clerks.</p> <p>The court closes to the public at 4:00 PM in preparation for closeout. The computer receipts are totaled and compared to the funds on hand and system control totals by the bookkeeper with a second count completed by the chief clerk. Corrections are made by the bookkeeper or chief clerk when the payment type is incorrectly recorded, the check amount is not correctly received, or other errors are identified. Customers will not receive a copy of "closeout" voids / corrections. New computer receipts may be generated that do not match the receipt the customer received.</p> <p>The ending computer receipt number to include in the overnight closeout process is entered into the</p> |



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| | <p>JPAS. Computer receipts issued after the cut-off are included with the next business day's deposit. The following business day funds on hand are consistently confirmed as balancing to the JK98 totals with deposits submitted to the County Treasurer through the courier.</p> <p>Document Direct reports are reviewed by the bookkeeper each morning for automated computer receipt postings created overnight from credit card payments processed over the Internet. Intent of the review is to validate accuracy of fee type breakdown and for complete posting of Internet payments. In the event of an identified fee code distribution error, the computer receipt is voided in the JPAS by the bookkeeper. However, no hard copy of a receipt exists for receipts generated through the automated process. The bookkeeper will enter the correct fee code breakdown and generate a new computer receipt with the total amount matching the confirmation received by the customer.</p> |
| <p>Criteria: (Describe the optimal condition)</p> | <p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls related to receipt control procedures require that:</p> <ul style="list-style-type: none"> • All computer receipts should be accounted for and properly used in order to affix responsibility, enhance cash control and prevent potential assertion that monies were paid and refund due. • 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 and procedures recommended by the County Auditor. • Receipts should not be altered, but properly voided and affixed with a reason for the void with retention of all voided copies. • The chief clerk should periodically review the exception reports and transaction logs (especially with respect to receipt deletions, lowered amounts, and payment type changes) to ensure that the explanation for the deletions is documented and reasonable. • Corrections are reviewed and approved by the chief clerk. • The number of individuals authorized to receipt payments and handle cash is properly segregated and limited. <p>Standard accounting and system control procedures require daily reconciliation and balancing of collected funds with receipts promptly issued for the amount of funds tendered. Separate cash drawers should be maintained by all clerks receipting payments and funds should be balanced prior to combining with other receipted funds.</p> |
| <p>Cause: (Describe the cause of the condition if possible)</p> | <p>Lack of separate tills within the mainframe Justice of the Peace Accounting System (JPAS). Minor processing errors.</p> |
| <p>Effect: (Describe or quantify any adverse effects)</p> | <p>JPAS computer receipt records do not accurately reflect payment submitted by customers. Inability to affix responsibility in the event shortages occur.</p> |
| <p>Recommendation: (Describe corrective action)</p> | <p>Cash handling and receipt control procedures should include:</p> <ul style="list-style-type: none"> • Separate cash drawers provided for the bookkeeper, back-up bookkeeper, and others assisting in the receipting process. Balance each drawer separately prior to combining with other receipted funds. A proper segregation of duties reduces the risk of misappropriated funds and establishes a clear line of liability in the event losses occur. • Limit individuals authorized to receipt payments and handle cash. • All copies of a voided receipt retained, clearly marked "void" and affixed with reason for void in order to affix responsibility, enhance cash control and prevent potential assertion that monies were paid and refund due. • Receipts verified for accuracy of amount, payment type, case number, and payer before issuing a receipted to a customer. • Compensating processes such as dual sign-off on voids, receipt corrections, supervisory review. |



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| | testing, and validation. • At the end of the business day: the receipts totaled and compared to the funds on hand and system control totals. Corrections made such that both good internal control and audit trails are maintained. Receipt and deposit totals verified by the back-up bookkeeper or chief clerk. | | | | |
| Responsible Department or Organization: | Justice of the Peace 4-1 | | | | |
| Management's Response: | <input type="checkbox"/> Agree | <input checked="" type="checkbox"/> Disagree | Respondent: | Honorable Norris Rideaux | Date: 4/21/2015 |
| Comments: | Based on the court's current structure and budget, we will take into consideration. | | | | |
| Disposition: | <input checked="" type="checkbox"/> Audit Report | <input type="checkbox"/> Oral Comment | <input type="checkbox"/> Deleted From Consideration | | |



Finding Number: 13-JP4.1-01-03 Court Costs, Fine, & Fee Assessments
Date: May 9, 2014
Audit: Justice of the Peace 4-1 Audit FY 2013
Auditor(s) Assigned: JA

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| <p>Finding:</p> | <p>Court Costs, Fine, and Fee Assessments Review of 43 cases and corresponding computer receipts (342 fee code entries) for appropriate assessment and collection of court costs, fines, and fees, and accurate posting to the Justice of the Peace Accounting System (JPAS) revealed:</p> <ul style="list-style-type: none"> • Nine \$5 ticket issuance fees credited to the incorrect agency <ul style="list-style-type: none"> ○ Four Texas Parks & Wildlife (TPW) issuance fees credited to the Constable ○ Three Texas Department of Public Safety (DPS) issuance fees credited to the Constable ○ One Sheriff issuance fee credited to the Constable ○ One Dart issuance fee credited to the Sheriff • Two \$25 Time Payment Fees assessed on two cases which were paid within 30 days of judgment date • One fine amount on a TPW case not allocated 85% to TPW <p>Responses to the Internal Control Questionnaire (ICQ) indicate:</p> <ul style="list-style-type: none"> • All court clerks are authorized to update Court Costs and Fine fields on the Docket screen. • Bookkeeper and two back-up bookkeepers (one Civil and one Eviction clerk) assigned receiving rights within JPAS. |
| <p>Work Paper Reference: (or other method by which finding was identified)</p> | <p>Work paper 5E review of fines and fees assessed ICQ responses</p> |
| <p>Condition: (Describe the current condition)</p> | <p>The Justice of Peace Accounting System lacks automated assessment and partial payment distribution functions. Pre-assessed court costs and fine amounts are posted to the JPAS Docket screen by justice court staff (or populated via automated traffic case filings) based on state statutes in effect at the time of the offense.</p> <p>Time payment fees (for cases not paid in full by the 31st day after the judgment), transaction fees, and warrant fees (for each warrant and/or capiases issued) are additional court costs that must be manually updated and assessed by the compliance clerk, bookkeeper, or back-up bookkeepers in the JPAS Court Costs field on the Docket screen. The Courts Costs field is consistently updated with the appropriate administrative fee for dismissal when defendants present proof of registration, inspection, or a valid driver's license. Proof of insurance will result in dismissal of "no insurance" cases without payment of an administrative fee.</p> <p>Defendants appearing before the court may receive a reduced fine from the Judge with the judgment reflecting a fine less than the pre-assessed amount, requiring the compliance clerk, cashier, or bookkeeper to update the JPAS Fine field on the Docket screen.</p> <p>Other defendants may request and be approved for a driving safety course with the compliance clerk, cashier, or the bookkeeper updating the JPAS Court Costs field on the Docket screen by adding an additional \$10 administrative fee to the standard moving violation court costs amount and requiring payment at the time of request. Some defendants may request and receive deferred disposition from the court which requires full payment of the court costs for the offense and payment of a "special expense" set by the Judge. The "special expense" in lieu of the fine may not exceed the maximum amount of the fine for the offense. Adjustments are required to the JPAS Docket screen fields by the compliance clerk, bookkeeper, or back-up bookkeepers to reflect deferred disposition including noting a date in the JPAS DEFER ADJU date field.</p> |



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| | <p>Prior to receipting payments, the bookkeeper or back-up bookkeeper review the JPAS payment history screen for prior payments and the case jacket and JPAS Docket screen for accuracy of amounts due including Court Costs, Fine/Special Expense, FTA Fee, and/or Delinquent Collection Fee. During the receipting process, the bookkeeper or back-up bookkeeper must perform a modified manual cost allocation process to record payments to each fee type due to limited system functionality. Court costs grids are used by the bookkeeping staff at the point of receipting to provide a guide for the Fee Type breakdown in the JPAS.</p> |
| <p>Criteria: (Describe the optimal condition)</p> | <p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific cash controls related to internal control, segregation of duties, and other require that:</p> <ul style="list-style-type: none"> • Court costs, fines, and fees should be assessed/collected/prorated in compliance with applicable state laws including Code of Criminal Procedure Chapters 45 and 102 and Local Government Code Chapter 133, Commissioners Court orders, and Attorney General Opinion No. GA-0147. • Court costs should be assessed based on offense date and offense type. • Court costs and court cost tables should be updated each time a legislative change or a Commissioners Court change is made affecting court costs. • The fee assessment process should be automated as much as possible with manual overrides restricted in use. • Assigned duties for payment processing and assessment reductions are adequately separate. <p>Once collected, each fee should be posted to the proper JPAS fee type and paper type to assure subsequent distribution to proper governmental entity. Paper types for designated traffic programs should be used when recording payments on traffic cases.</p> <p>JPAS Docket screens should be updated as cases are filed and additional case activity occurs including, but not limited to, the assessment of additional court costs and/or changes in fines or special expense amounts as ordered by the judge in accordance with Code of Criminal Procedure, § 45.017.</p> |
| <p>Cause: (Describe the cause of the condition if possible)</p> | <p>Clerical error Inadequate JPAS system functionality</p> |
| <p>Effect:(Describe or quantify any adverse effects)</p> | <p>Incorrect distribution/disbursement of funds to the State of Texas and/or Dallas County requiring additional time to correct posting.</p> |
| <p>Recommendation: (Describe corrective action)</p> | <p>Continue monitoring assessment, collection, and prorating of court costs fines, and fees in compliance with applicable state laws including Code of Criminal Procedure Chapter 102 and Local Government Code Chapter 133 or Commissioners court orders and applicable fee schedules based on the offense date and offense type for criminal offenses and file date for civil type cases.</p> <p>Processing of financial transactions should reflect proper segregation of duties (e.g. bookkeeper should be able to add additional charges, but not decrease or delete assessments; civil and eviction clerks should be able to add or modify assessments, but not receipt payments).</p> <p>JPAS Docket screen posting procedures should include separation of duties limiting (through system security access) staff assigned to add, delete, or modify information on Docket screens.</p> <p>Continue to pursue new Justice of the Peace system with improved features.</p> |



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| Responsible Department or Organization: | Justice of the Peace 4-1 | | |
| Management's Response: | <input checked="" type="checkbox"/> Agree | <input type="checkbox"/> Disagree | Respondent: Honorable Norris Rideaux Date: 4/21/2015 |
| Comments: | <p>While the Court agrees with the draft finding of the "Condition" as outlined, our current operational structure is mainly contingent on the JPAS system case management functionality.</p> <p>Consequently, the court Chief Administrator has authorized the court Bookkeeper a +/- 10% tolerance when additional cases are filed and additional case activity occurs including, but not limited to the assessment of additional court costs and/or changes in fines or special expense amounts as ordered by the judge in accordance with Code of Criminal Procedure, § 45.017.</p> <p>Notwithstanding the current limited system functional and the potential risk of human clerical error, we will continue to pursue a new Justice of the Peace system with improved features.</p> | | |
| Disposition: | <input checked="" type="checkbox"/> Audit Report | <input type="checkbox"/> Oral Comment | <input type="checkbox"/> Deleted From Consideration |



Finding Number: 13-JP4.1-01-04 –Credit Card Transaction
Date: June 20, 2014
Audit: Justice of the Peace 4-1 Audit FYE 2014
Auditor(s) Assigned: JA

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| <p>Finding:</p> | <p>Credit Card Payments Review of financial activity associated with twenty-four credit card transactions and the associated JPAS postings revealed:</p> <ul style="list-style-type: none"> • One credit card transaction posted to a different case number for the same defendant. • Five credit card transactions with delayed posting to the JPAS six and seven days, respectively. <p>Limited integration of automated JPAS payment posting functionality requiring additional staff time to review, reconcile, and research/post exceptions.</p> <ul style="list-style-type: none"> • Two daily settlement reports for Internet payment activity. • One daily Point of Sale (POS) Batch Settlement report for over-the-counter activity. • One automated receipt posting report for payments submitted through the automated ticket payment channel with activity limited to amounts that match predefined court costs tables. Instances of incorrect matches noted. • One automated payment rejection report for payment amounts not matching the predefined court costs tables. |
| <p>Work Paper Reference: (or other method by which finding was identified)</p> | <p>Work paper 6 Desk Review JPAS and Settlement reports</p> |
| <p>Condition: (Describe the current condition)</p> | <p>Credit card payments are submitted for processing either by defendant directly over the Internet or by Point-of-Sale (POS) over the counter transactions using a swipe card reader and numeric pad for entry of debit cards PIN by customer. There are two web portals that can be used: an ‘auto citation’ payment channel and a ‘JP Court’ precinct payment channel.</p> <p>Defendants paying with a credit or debit card in person are required to provide a government issued photo ID. The counter clerks inform the payer the convenience fee to be assessed for the payment. The counter clerk will swipe the credit/debit card on the Point of Sale (POS) device. The clerk generates two POS sales slips (customer and office copy) and obtains the customer’s signature on the court’s copy for non-PIN transactions only. For debit card transactions, the customer is required to enter a PIN on the numeric pad. The counter clerk will have the customer enter their PIN for debit card transactions on the numeric pad facing the customer. The counter clerk will take the signed POS slip or office copy of PIN POS sales slip and any supporting documentation to the bookkeeper or back-up bookkeeper for receipting. The bookkeeper staples the office copy of the POS slip to the office computer receipt copy. At the end of the business day (not prior to 4 PM), the clerks will generate a Device Detail Report for each POS device and give it to the bookkeeper for reconciling and balancing the daily JPAS transactions. The next business day, the bookkeeper and chief clerk receive, by email from the court’s proxy email account, a Batch Settlement Report, listing all the POS credit/debit card transactions completed by the court staff for that period. The bookkeeper will compare the Batch Settlement Report to the prior day Device Detail Report to verify the reports match. The Batch Settlement amount is noted on the check deposit Form 98 and a copy of the Batch Settlement Report will be attached to the deposit form.</p> <p>Defendants paying with credit card via mail are required to provide cardholders name and address, credit card number and expiration date, check the case(s) to be paid, record the amount to be paid, sign and date, and enter a plea on the citation provided at the time of offense. Mailed in credit card payment data are submitted to the bookkeeper for processing through the County’s Intranet portal. A confirmation number is generated by the system for successful transactions and the confirmation will be printed by the bookkeeper. Credit/debit card payments processed through the ‘automated traffic citation’ payment channel by 6:59:59 PM are not consistently included in the next day business closeout (processing is</p> |



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| | <p>dependent on IT parameters not JP court clerk). Credit card number and other information are not stored on Dallas County servers or systems.</p> <p>Defendants paying with credit card over the Internet for tickets issued via automated traffic citations must have their citation number and JP court ID from the citation in order to remit payment online. If the defendant does not have the citation, the defendant can contact the Justice of the Peace court for the information. Defendants are required to click box and agree to "By paying this violation, I hereby voluntarily, intelligently, and knowingly waive my right to a trial by jury". The defendant will be redirected to the JPMorgan Chase PayConnexion site. A valid credit or debit card must be entered at this point. A convenience fee (charged and collected by JPMorgan Chase) will display on the payment verification screen where the defendant will have the opportunity to terminate the transaction or pay the full payment. Once the defendant accepts the final amount, a confirmation number s generated by the system for successful transactions and the confirmation can be printed by the defendant. Credit/debit card payments processed through the 'automated traffic citation' payment channel by 6:59:59 PM are not consistently included in the next day business closeout (processing is dependent on IT parameters not JP court clerk). Credit card number and other information are not stored on Dallas County servers or systems.</p> <p>Defendants paying with credit card over the Internet for traffic, IBC, truancy, parks and wildlife, etc. cases must have their case number and JP court id in order to remit payment online. If the defendant does not have the case number or JP court id, the defendant can contact the Justice of the Peace court for the information. The defendant has the option to pay the full amount or a partial amount. After going through two additional screens, the defendant will be redirected to the JPMorgan Chase PayConnexion site after clicking on the 'continue' button. A valid credit or debit card must be entered at this point. A convenience fee (charged and collected by JPMorgan Chase) will display on the payment verification screen where the defendant will have the opportunity to terminate the transaction or make payment. Once the defendant accepts the final amount, a confirmation number s generated by the system for successful transactions and the confirmation can be printed by the defendant. Credit/debit card payments processed through the 'JP courts online payment center' channel by 6:59:59 PM are not consistently included in the next day business closeout (processing is dependent on IT parameters not JP court clerk). Credit card number and other information are not stored on Dallas County servers or systems.</p> <p>Each business morning, the bookkeeper prints the credit card transaction reports from both credit/debit card payment channels and the mainframe automated posting/reject reports. Accepted transactions (completed prior to 7 PM) processed through the 'auto citation' payment channel create a computer receipt in the overnight batch process without data entry required except for amounts that do not match the limited allocation table. A receipt does not print for these transactions. The bookkeeper reviews the 'automated traffic citation' payment channel accepted (titled Settlement Report) report and compares to the JPAS for accuracy in fee code distribution. There are limited court costs tables available for the automated posting of credit/debit card payments so some items appear on a mainframe reject (amounts do not match table) report and require research and manual posting for generation of a computer receipt.</p> <p>Valid transactions from the 'JP Court' precinct payment channel accepted (titled Settlement Report) report and the rejected 'auto citation' transaction mainframe report will be receipted by the cashier, bookkeeper or chief clerk to the JPAS as payment type 'check' due to JPAS limitations. Daily balancing of receipt activity will include credit/debit card payments that appear on the accepted/settlement (previous day's activity prior to 7 PM) reports generated by court staff from the County's Intranet site.</p> <p>A copy of the POS settlement report and the two accepted/settlement ('auto citation' and 'JP Court') reports will be sent to the County Treasurer with the check deposit.</p> |
| <p>Criteria: (Describe the optimal condition)</p> | <p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific cash controls related to internal controls, system security, and statutes regarding e-</p> |



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| | <p>file control procedures require that:</p> <ul style="list-style-type: none"> • All monies received should be promptly receipted and deposited properly, and timely in accordance with Local Government Code, § 113.022 and Code of Criminal Procedure, § 103.004. • Accounting and system control procedures require daily reconciliation and balancing of collected funds, including supervisory review. • E-Commerce requires information processing controls to test that transactions completed through computerized applications are valid and properly authorized, completely, accurately, and timely processed, and reported. <p>Per Dallas County General Policy for Use of Credit Card Transactions Policy, any customer credit card numbers or security numbers from the back of the credit card received through the mail by the justice courts and used to process credit card transactions must be securely retained for 24 months after the transaction is processed through web access in a locked file cabinet with limited access. After 24 months, the credit card information should be destroyed or redacted. At no time should credit card information be left on desks or other work areas nor be filed in case jackets.</p> <p>According to Local Government Code, § Sec. 130.003. PAYMENT CONDITIONAL. (a) The acceptance of a check or credit card invoice for the payment of a fee or tax does not constitute payment of the fee or tax. The fee or tax is not considered paid until the check is honored by the bank on which the check is drawn or the credit card invoice is honored by the issuer.</p> | | | | | | |
| <p>Cause: (Describe the cause of the condition if possible)</p> | <p>Non-integrated financial systems for e-commerce requiring manual intervention. Multiple credit card reports and payment channels.</p> | | | | | | |
| <p>Effect: (Describe or quantify any adverse effects)</p> | <p>Delayed revenue recognition</p> | | | | | | |
| <p>Recommendation: (Describe corrective action)</p> | <p>Continue review of reports for card acceptance & rejection postings to properly and timely account for payments. Valid payments not auto-posted should be receipted to the JPAS when appearing on the settlement report.</p> <p>Post payments in compliance with <i>Dallas County General Policy for Use of Credit Card Transactions Policy</i> including reference to the last five digits of the transaction id number.</p> <p>Document proposed modifications to the automated posting process and incorporate in <u>technology assessments</u>.</p> | | | | | | |
| <p>Responsible Department or Organization:</p> | <p>Justice of the Peace 4-1</p> | | | | | | |
| <p>Management's Response:</p> | <table border="1"> <tr> <td><input checked="" type="checkbox"/> Agree</td> <td><input type="checkbox"/> Disagree</td> <td>Respondent:</td> <td>Honorable Norris Rideaux</td> <td>Date:</td> <td>4/21/2015</td> </tr> </table> | <input checked="" type="checkbox"/> Agree | <input type="checkbox"/> Disagree | Respondent: | Honorable Norris Rideaux | Date: | 4/21/2015 |
| <input checked="" type="checkbox"/> Agree | <input type="checkbox"/> Disagree | Respondent: | Honorable Norris Rideaux | Date: | 4/21/2015 | | |
| <p>Comments:</p> | <p>While the Court agrees with the finding, we acknowledge the limitations of the current case management system to auto-post valid payments received via online.</p> <p>We understand there are proposed modifications to the current case management system through discussions at Commissioners Court.</p> <p>Citations processed through the automated system do not require manual entry into the JPAS, while manual hand written citations do.</p> <p>Therefore, we will continue to review settlement report for credit/debit card acceptance & rejection to confirm proper and timely postings during receipting to JPAS within 24 hours.</p> | | | | | | |
| <p>Disposition:</p> | <table border="1"> <tr> <td><input checked="" type="checkbox"/> Audit Report</td> <td><input type="checkbox"/> Oral Comment</td> <td><input type="checkbox"/> Deleted From Consideration</td> </tr> </table> | <input checked="" type="checkbox"/> Audit Report | <input type="checkbox"/> Oral Comment | <input type="checkbox"/> Deleted From Consideration | | | |
| <input checked="" type="checkbox"/> Audit Report | <input type="checkbox"/> Oral Comment | <input type="checkbox"/> Deleted From Consideration | | | | | |



Finding Number: 13-JP4.1-01-05 Criminal Fee Dockets
Date: June 20, 2014
Audit: Justice of the Peace 4-1 FYE 2013
Auditor(s) Assigned: JA

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| <p>Finding:</p> | <p>Criminal Fee Dockets Review of IT Services JP Warrant Error report dated February 10, 2014 for validity of warrant issuances, recalls, and served/returned/active/regional statuses (approximately 8,377 active warrants or capias as of 10/19/2013) revealed:</p> <ul style="list-style-type: none"> • All court clerks are authorized to recall warrants. • 106 warrants or capias reflected as active or outstanding on WX50 or WRWI for cases without balances due; with time served; dismissed; and/or inactive (marked with Disposed flag 'X') as of February 10, 2014. <p>Status: As of 1/6/2015, 103 of the 106 warrants have been recalled and removed as active on WX50 or WRWI. Two of three remaining active warrants relate to errors on Sheriff WRWI system.</p> |
| <p>Work Paper Reference: (or other method by which finding was identified)</p> | <p>Work papers 8A.1-4 IT Services Active Warrants on Disposed Cases Report and responses to ICQ</p> |
| <p>Condition: (Describe the current condition)</p> | <p>Warrants including alias warrants and failure to appear warrants are issued by the court and signed by the Judge when defendants do not appear or do not comply with the terms of release. The issuance date is recorded to the JPAS Docket screen by the court staff. A notice of show cause hearing is issued by court staff when defendants do not satisfy the terms of the judgment including payment of fine and court costs. Criminal process is sent to the constable's office for service.</p> <p>Court clerks transmit (prompting recall notices to print at the law enforcement agency) recall notices to the appropriate law enforcement agency but without notice of confirmation recall received. Recalled dates are noted in the Docket notes and returned dates are consistently entered in the designated fields as warrants and/or capias are returned from law enforcement agencies by court clerk. Process verification is problematic since systems are not linked and lack warnings when payments are made in full, defendants appear, or defendants comply with orders of the court, etc. The chief clerk inconsistently reviews the warrant error report to ensure any active warrants that need to be recalled are processed by court staff.</p> <p>No separation of duty procedure is established for issue/recall of warrants.</p> |
| <p>Criteria: (Describe the optimal condition)</p> | <p>In accordance with state statutes and at judge's discretion, warrants/capias should be issued within a reasonable time frame to further enhance the court's collections process. All warrants should be recalled when a defendant makes proper disposition of court costs & fines by payments made, jail time served, community service or other disposition such as appeal of the case.</p> <p>Best practices for internal control require separation of assigned duties for personnel authorized to issue and/or recall warrants.</p> <p>Docket screen procedures recommended by the County Auditor in document titled 'Standard Procedures for Recording Misdemeanor Information to the Docket Screen' should be followed when recording entries to the court's official electronic docket which is governed by Code of Criminal Procedure, § 45.017. JPAS Docket screens should be updated as additional case activity occurs including but not limited to warrant/capias issuance/recall/return, jail time served, dismissed dates, deferred disposition dates, judgment dates, assessment of additional court costs and/or changes in fine/special expense amounts as ordered by the judge. The disposed flag field should be marked with an "X" when the case has reached final disposition, including dismissals, appeals to the County Court of Criminal Appeals, jail time served for satisfaction of fine and court costs, payment in full for satisfaction of fine and court costs.</p> |

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| | <p>In accordance with Code of Criminal Procedure, §45.041, the judgment and sentence, in case of conviction in a criminal action before a justice of the peace or municipal court judge, shall be that the defendant pays the amount of the fine and costs to the state. The justice or Judge may direct the defendant to pay: (A) the entire fine and cost when sentence is pronounced; (B) the entire fine and cost at some later date; or (C) a specified portion of the fine and costs at designated intervals.</p> | | | |
| Cause: (Describe the cause of the condition if possible) | <p>Warrant /capias not returned from Constable/ Sheriff offices Inadequate system exception reporting for recall of warrants and follow-up Clerical error</p> | | | |
| Effect: (Describe or quantify any adverse effects) | <p>Liability to County for persons arrested in error.</p> | | | |
| Recommendation: (Describe corrective action) | <p>Update and monitor warrant and capias procedures which should include:</p> <ul style="list-style-type: none"> • Warrants or capiases issued timely when defendants do not appear, do not comply with conditions of release, or default on payment terms. Show cause hearings should be set when defendants default on payment plans. • Separation of duties limiting (through system security access) staff assigned to recall warrants. • Outstanding warrants or capiases recalled same business day when cases are dismissed or otherwise disposed, payments are made in full, time is served, community service is performed, time payment plans are implemented/followed, or official notification/verification of a defendant's death is received. • A tracking list of recalled, but unreturned warrants or capiases should be maintained with weekly follow-up communications to the constable or sheriff until returned. • Outstanding warrant reports periodically reviewed for accuracy. <p>JPAS Docket screen posting procedures should include:</p> <ul style="list-style-type: none"> • Updating Docket screens as warrants or capiases are issued/recalled/returned. • Completion of electronic dockets in compliance with Code of Criminal Procedure, § 45.017 and § 45.041. • Periodic verification of workflow and entry accuracy. <p>Continue to pursue new system with improved features.</p> | | | |
| Responsible Department or Organization: | Justice of the Peace 4-1 | | | |
| Management's Response: | <input type="checkbox"/> Agree | <input checked="" type="checkbox"/> Disagree | Respondent: | Honorable Norris Rideaux |
| | | | Date: | 4/21/2015 |
| Comments: | <p>The audit recommends "separation of duties limiting (through system security access) staff assigned to recall warrants". Separation of these duties is not practical. The Clerks are sworn officers of the court and are competent to recall warrants amount all other duties assigned with regard to the courts day to day operation.</p> <p>With regards to weekly tracking of recalled, but unreturned warrants, the Court does not have the level range to hold accountability over constable or sheriff office once the capiases warrant document(s) has been taken to them for performance.</p> <p>Additionally, the Court lacks the funding to support an additional position to provide oversight to constable or sheriff office.</p> <p>Moving forward, the Court will continue to docket screen as warrants or capiases are issued / recalled / returned.</p> | | | |
| Disposition: | <input checked="" type="checkbox"/> Audit Report | <input type="checkbox"/> Oral Comment | <input type="checkbox"/> Deleted From Consideration | |



Finding Number: 13-JP4.1-01-06 **Time Payment Plans**
Date: June 20, 2014
Audit: Justice of the Peace 4-1 FYE 2013
Auditor(s) Assigned: JA

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| <p>Finding:</p> | <p>Time Payment Plans Review of 10 cases on time payment plans revealed:</p> <ul style="list-style-type: none"> • One (10%) delinquent case on time payment plan with no collection efforts made and no capias issued. <p>The court established a collections process for time payment plan cases as required by the Office of Court Administration (OCA) Collections Improvement Program. The Office of Budget and Evaluation (OBE) has provided one designated collection clerk for each court.</p> |
| <p>Work Paper Reference: (or other method by which finding was identified)</p> | <p>Work paper 7A</p> |
| <p>Condition: (Describe the current condition)</p> | <p>In response to the OCA and Senate Bill 1863 (enacted by the 79th Legislature in 2005), the court established procedures for defendants requesting time payment plans. These procedures include but are not limited to: defendant completing a personal data form when requesting time to pay, interview of defendant by the court collection clerk; defendant signing a payment agreement; defendant's phone numbers and references verified by court collection clerk; phone calls and delinquent collection notices sent by the court collection clerk for missed payments based on non-system logs maintained by the court collection clerk; and, a pre-warrant notice sent by the court collection clerk when a defendant defaults on a payment plan.</p> <p>No controls exist to prevent the Costs Due date advanced on delinquent cases without receipt of payment.</p> |
| <p>Criteria: (Describe the optimal condition)</p> | <p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and Communication; and Monitoring Activities. Specific controls related to billing procedures, collection efforts, and accounting controls include:</p> <ul style="list-style-type: none"> • Monitoring the age of receivables (run an aged receivable report on a weekly or monthly basis), and systemically follow-up on any accounts that are past due more than a predetermined number of days <ul style="list-style-type: none"> ○ Accounts receivable sub-ledger is reconciled monthly. Reconciliation is reviewed by management and evidence of review is maintained. ○ Referral of uncollected receivables for delinquent collection assistance in a timely manner • Invoices include an accurate breakdown of fees assessed. <ul style="list-style-type: none"> ○ Invoices are mailed timely (emailed if email address is available) • Collection efforts initiated on all cases with balances pending <ul style="list-style-type: none"> ○ Automated phone calls (or live call scripts) and delinquent notice mailings (standard collection letters) ○ Use skip tracing or available address search engines <p>In accordance with state statutes and at judge's discretion, warrants/capias should be issued within a reasonable time frame to further enhance the court's collections process. All warrants should be recalled when a defendant makes proper disposition of court costs & fines by payments made, jail time served, community service or other disposition such as appeal of the case.</p> |

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| | <p>In accordance with Code of Criminal Procedure, §45.041, the judgment and sentence, in case of conviction in a criminal action before a justice of the peace or municipal court judge, shall be that the defendant pays the amount of the fine and costs to the state. The justice or Judge may direct the defendant to pay: (A) the entire fine and cost when sentence is pronounced; (B) the entire fine and cost at some later date; or (C) a specified portion of the fine and costs at designated intervals.</p> <p>In accordance with Code of Criminal Procedure, Art. 103.0033 (c) unless granted a waiver under Subsection (h), each county and municipality shall develop and implement a program that complies with the prioritized implementation schedule under Subsection (h). A county program must include district, county, and justice courts.</p> <p>(d) The program must consist of:</p> <p>(1) a component that conforms with a model developed by the office and designed to improve in-house collections through application of best practices; and</p> <p>(2) a component designed to improve collection of balances more than 60 days past due, which may be implemented by entering into a contract with a private attorney or public or private vendor in accordance with Article 103.0031.</p> |
| Cause: (Describe the cause of the condition if possible) | <p>Inconsistent controls over the billing and collection process</p> <p>Inadequate system exception reporting</p> <p>Defendants not held accountable for delinquent payment plans</p> |
| Effect: (Describe or quantify any adverse effects) | Sanctions from the State Comptroller and the Office of Court Administration including the loss of the County's quarterly administrative fee on State collections. |
| Recommendation: (Describe corrective action) | <p>Written policy and procedures manual should be developed (consistent with OCA guidelines) for billing responsibilities with training reinforced. Continue established payment plan procedures and monitor in accordance with Code of Criminal Procedure, Art. 103.0033.</p> <p>Collection efforts should be initiated on all cases with a balance due. Flag cases (including adding due dates) in JPAS with unpaid balances and generate bills on a predetermined basis taking into consideration court orders reducing fine amounts.</p> <p>Continue to pursue a new system with improved features.</p> |
| Responsible Department or Organization: | Justice of the Peace 4-1 |
| Management's Response: | <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree Respondent: Honorable Norris Rideaux Date: 4/21/2015 |
| Comments: | <p>Collections Clerk has met with OCA Rep to clarify collection procedure, which includes establishing payment plan, collection calls at default, and issuance of warrant.</p> <p>All staff has been briefed on OCA collection requirements.</p> <p>Collection Clerk is in the process of developing formal written procedure for review and approval by the judge. We anticipate that this procedure will be implemented in May 2015.</p> |
| Disposition: | <input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration |



Finding Number: 13-JP4.1-01-07 Delinquent Collection Services and FTA Program
Date: June 20, 2014
Audit: Justice of the Peace 4-1 FYE 2013
Auditor(s) Assigned: JA

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| <p>Finding:</p> | <p>Delinquent Collection Services and FTA Program Review of 10 cases from the Justice of the Peace Collection by Law Firm Monthly Report for adequate collection procedures on cases referred to delinquent collection law firm and 25 cases from the Year to Date FTA Payment History Report for properly processed OMNI fees and driver license hold revealed:</p> <ul style="list-style-type: none"> • Two (20%) cases referred for external delinquent collection services with payments received not prorated /posted to delinquent collection fees. • One (10%) case referred for external delinquent collection services with multiple partial payments not allocated to delinquent collection fees until all court costs and fine had been satisfied. |
| <p>Work Paper Reference: (or other method by which finding was identified)</p> | <p>Work papers 7B.1-2 and 7C</p> |
| <p>Condition: (Describe the current condition)</p> | <p>Dallas County Commissioners Court entered into a contract with the Law Firm of Linebarger, Goggan, Blair & Sampson for the purpose of providing collection services for delinquent justice court traffic cases (JT case type) that are more than 60 days past due. The contract indicates the 30% is due when the case "has been referred to Contractor for collection". Once the case is referred to Linebarger for collection, the defendant should be charged the collection fee for any unpaid court costs and fine amounts. Linebarger only gets paid when payments are recorded by the Dallas County justice courts on referred cases. Payments are inconsistently prorated or allocated to the collection fee (fee type 26).</p> <p>Cases that meet delinquent collection referral criteria (including at least 61 days delinquent) are systemically analyzed daily using programs developed by IT Services. Previously un-referred cases with balances due equal to or greater than \$5 are included on a daily 'future' report by JP court which lists all cases that are eligible for referral in the next 15 days based on the defined selection criteria. These cases are initially flagged with a future status code. During the 15 day period, the court has the opportunity to review the cases and change the status code to prevent the cases from being referred.</p> <p>On a weekly basis, all cases previously flagged for future referral that have reached the end of the 15 day period, are updated with a 30% delinquent collection fee systemically extracted by IT Services and sent to the delinquent collection law firm. The status code is changed to reflect the date sent. Due to JPAS limitations, only the last two status codes are viewable on the Docket screen. The delinquent collection law firm sends letters and makes phone calls to the defendant notifying of the delinquent collection referral and balances due on the cases. All payments are directed to be sent to the Dallas County JP courts.</p> <p>Daily updates are provided to the delinquent collection law firm for previously referred cases with changes to assessment, payment, and disposition information. Changes to the assessments (Court Costs field) result in the 30% delinquent fees to be systemically updated. When defendants remit payment in full, the COLL referral status is not systemically updated by the JPAS programs. Court staff can also update the COLL referral status code to remove 'R' the delinquent collection referral which results in the 30% delinquent fee to be systemically removed. The delinquent collection firm is systemically notified resulting in collection efforts to be discontinued.</p> <p>Cases that meet FTA referral criteria are systemically analyzed daily using programs developed by IT Services. Previously un-referred cases with balances due equal to or greater than \$5 are included on a daily 'future' report by JP court which lists all cases that are eligible for referral in</p> |



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| | <p>the next 15 days based on the defined selection criteria. These cases are initially flagged with a future status code. During the 15 day period, the court has the opportunity to review the cases and change the status code to prevent the cases from being referred.</p> <p>On a daily basis, all cases previously flagged for future referral that have reached the end of the 15 day period, are systemically extracted by IT Services and sent to OmniBase. The status code is changed to reflect the date sent. Upon acceptance or rejection of the referral by DPS through OmniBase, an electronic file is sent back to the County to systemically update the referral status code and date. Due to JPAS limitations, only the last two status codes are viewable on the Docket screen. For cases accepted for DL renewal block by DPS, a one-time letter is sent by OmniBase to the defendant notifying of the block with case and court contact information.</p> <p>When defendants remit payment in full, the FTA referral status is systemically updated by the JPAS programs during the daily FTA extraction process and updates are submitted to OmniBase. Upon acceptance of the updates by DPS through OmniBase, an electronic file is sent back to the County to systemically update the FTA referral status code and date to reflect payment in full and DL hold block released. Court staff can also update the FTA referral status code to force clear the renewal block and waive the \$30 FTA fee, force clear the renewal block and keep the \$30 FTA fee, or reprocess the renewal block. All manual updates by the court staff follow the same process as the automated updates which are systemically captured daily and sent to OmniBase for processing. Defendants infrequently report instances where the DL block fails to clear through the systemic process. Chief clerks complete a 'clearance' form and send to the designated County representative within the Office of Budget and Evaluation for faxing to OmniBase in order to manually clear the hold.</p> |
| <p>Criteria: (Describe the optimal condition)</p> | <p>According to Code of Criminal Procedure, Art. 103.0031. COLLECTION CONTRACTS.</p> <p>(b) A commissioners court or governing body of a municipality that enters into a contract with a private attorney or private vendor under this article may authorize the addition of a collection fee in the amount of 30 percent on each item described in Subsection (a) that is more than 60 days past due and has been referred to the attorney or vendor for collection. The collection fee does not apply to a case that has been dismissed by a court of competent jurisdiction or to any amount that has been satisfied through time-served credit or community service. The collection fee may be applied to any balance remaining after a partial credit for time served or community service if the balance is more than 60 days past due. Unless the contract provides otherwise, the court shall calculate the amount of any collection fee due to the governmental entity or to the private attorney or private vendor performing the collection services and shall receive all fees, including the collection fee. With respect to cases described by Subsection (a)(2), the amount to which the 30 percent collection fee applies is:</p> <p>(1) the amount to be paid that is communicated to the accused as acceptable to the court under its standard policy for resolution of the case, if the accused voluntarily agrees to pay that amount; or</p> <p>(2) The amount ordered paid by the court after plea or trial.</p> <p>(d) A defendant is not liable for the collection fees authorized under Subsection (b) if the court of original jurisdiction has determined the defendant is indigent, or has insufficient resources or income, or is otherwise unable to pay all or part of the underlying fine or costs.</p> <p>According to Transportation Code, Sec. 706.005. CLEARANCE NOTICE TO DEPARTMENT.</p> <p>(a) A political subdivision shall immediately notify the department that there is no cause to continue to deny renewal of a person's driver's license based on the person's previous failure to appear or failure to pay or satisfy a judgment ordering the payment of a fine and cost in the manner ordered by the court in a matter involving an offense described by Section 706.002(a), on payment of a fee as provided by Section 706.006 and:</p> <p>(1) the perfection of an appeal of the case for which the warrant of arrest was issued or judgment arose;</p> <p>(2) the dismissal of the charge for which the warrant of arrest was issued or judgment arose;</p> <p>(3) the posting of bond or the giving of other security to reinstate the charge for which the</p> |

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| | <p>warrant was issued;</p> <p>(4) the payment or discharge of the fine and cost owed on an outstanding judgment of the court; or</p> <p>(5) other suitable arrangement to pay the fine and cost within the court's discretion.</p> <p>(b) The department may not continue to deny the renewal of the person's driver's license under this chapter after the department receives notice:</p> <p>(1) under Subsection (a);</p> <p>(2) that the person was acquitted of the charge on which the person failed to appear; or</p> <p>(3) from the political subdivision that the failure to appear report or court order to pay a fine or cost relating to the person:</p> <p>(A) was sent to the department in error; or</p> <p>(B) has been destroyed in accordance with the political subdivision's records retention policy.</p> <p>According to Transportation Code, Sec. 706.006. PAYMENT OF ADMINISTRATIVE FEE. (a) A person who fails to appear for a complaint or citation for an offense described by Section 706.002 (a) shall be required to pay an administrative fee of \$30 for each complaint or citation reported to the department under this chapter, unless the person is acquitted of the charges for which the person failed to appear. The person shall pay the fee when:</p> <p>(1) the court enters judgment on the underlying offense reported to the department;</p> <p>(2) the underlying offense is dismissed; or</p> <p>(3) bond or other security is posted to reinstate the charge for which the warrant was issued.</p> <p>(b) A person who fails to pay or satisfy a judgment ordering the payment of a fine and cost in the manner the court orders shall be required to pay an administrative fee of \$30.</p> <p>(c) The department may deny renewal of the driver's license of a person who does not pay a fee due under this section until the fee is paid. The fee required by this section is in addition to any other fee required by law.</p> |
| Cause: (Describe the cause of the condition if possible) | Incomplete application of Code of Criminal Procedure, Art. 103.0031 regarding allocation of payments to delinquent collection fees. |
| Effect: (Describe or quantify any adverse effects) | Non-compliance with delinquent collection contract and state statute. |
| Recommendation: (Describe corrective action) | <p>30% add-on delinquent collection fee should be assessed and collected in accordance with Commissioners Court Order No. 2013-1709 and Code of Criminal Procedure, § 103.0031 including proportionally prorating partial payments.</p> <ul style="list-style-type: none"> • A defendant's claim of indigence should be determined prior to the waiver of the 30% add-on fee and properly docketed. <p>Continue to assess and collect \$30 failure to appear fee in accordance with Commissioners Court Order No. 2003-2085, dated November 11, 2003, and Transportation Code § 706.</p> |
| Responsible Department or Organization: | Justice of the Peace 4-1 |
| Management's Response: | <input type="checkbox"/> Agree <input checked="" type="checkbox"/> Disagree Respondent: Honorable Norris Rideaux Date: 4/21/2015 |
| Comments: | <p>We disagree with the draft audit recommendation in regards to the 30% delinquent collection fee in accordance to Court Order # 2013-1709 and Code of Criminal Procedure § 103.0031.</p> <p>The judge does not recognize waiver of said Court Order and Code of Criminal Procedure as established by his predecessor.</p> <p>We will continue to assess and collect \$30 failure to appear fee in accordance with Commissioners Court Order No. 2003-2085, dated November 11, 2003, and Transportation Code § 706.</p> |
| Disposition: | <input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration |



Finding Number: 13-JP4.1-01-08 Civil Fee Dockets
Date: June 27, 2014
Audit: Justice of the Peace 4-1 Audit FYE 2013
Auditor(s) Assigned: JA

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| <p>Finding:</p> | <p>Civil Fee Dockets Review of 15 civil/small claims/eviction cases from the Justice Fee Exception report revealed:</p> <ul style="list-style-type: none"> • One case where an Affidavit of Inability to Pay Costs was filed but not properly docketed. • Three cases entered with the wrong case type deleted from the Justice of the Peace Accounting System (JPAS). • Two cases filed by non-exempt entities without advanced payment of costs. <p>Status: Filing fees were subsequently collected.</p> |
| <p>Work Paper Reference: (or other method by which finding was identified)</p> | <p>Work paper 9B review Justice Fee Exception Report identifying cases filed without payment of filing fees.</p> |
| <p>Condition: (Describe the current condition)</p> | <p>Court costs and service fees are required to be paid at the time of filing. Parties to a suit that do not have adequate resources may request to file a case without payment. Indigent plaintiffs complete an affidavit of inability to pay (pauper's affidavit) filing/service fees in accordance with Rule of Civil Procedure 145. The affidavit is reviewed by the court and if approved, filed in the case jacket. JPAS Docket screen lacks predefined fields for recording the filing of a pauper's affidavit. Civil, eviction, or small claims court clerks do not consistently record notations of filing of pauper affidavits on the Docket free-form Comments screen. JPAS receipt functionality does not include assessments for charges so credits are not recorded for pauper's affidavits. Paper service is stamped with "pauper oath filed" in accordance with Rule of Civil Procedure 126 and 145.</p> |
| <p>Criteria: (Describe the optimal condition)</p> | <p>In accordance with statutes (Local Government Code (LGC) § 118.121, 118.122, 118.123, 118.131, and Chapter 133) and Commissioners Court orders, filing fees should be collected at the time of filing and service fees should be collected at the time of service request for all evictions, civil and small claim cases filed by non-governmental entities and individuals except for those individuals with approved affidavits of indigence on file or those entities listed under Civil Practices and Remedies § 6.001, 6.002, and 6.003.</p> <p>Texas Rules of Civil Procedure, RULE 145. AFFIDAVIT ON INDIGENCY (a) Affidavit. In lieu of paying or giving security for costs of an original action, a party who is unable to afford costs must file an affidavit as herein described. A "party who is unable to afford costs" is defined as a person who is presently receiving a governmental entitlement based on indigency or any other person who has no ability to pay costs. Upon the filing of the affidavit, the clerk must docket the action, issue citation and provide such other customary services as are provided any party.</p> <p>Filing fees should be collected on cases transferred from courts outside of Dallas county under Rule of Civil Procedure, No. 89. <http://www.supreme.courts.state.tx.us/rules/trcphome.asp>.</p> <p>Texas Rules of Civil Court Procedures Rule 143. A party seeking affirmative relief may be ruled to give security for costs at any time before final judgment, upon motion of any party, or any officer of the court interested in the costs accruing in such suit, or by the court upon its own motion. If such rule be entered against any party and he failed to comply therewith on or before twenty (20) days after notice that such rule has been entered, the claim for affirmative relief of such party shall be dismissed.</p> |
| <p>Cause: (Describe the cause of the condition if possible)</p> | <p>Clerical error Weak system functionality</p> |



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| Effect: (Describe or quantify any adverse effects) | Inhibits cost recovery if the plaintiff's claim is upheld. System extracts do not include indigent status. Potential loss of revenue for Dallas County and State of Texas. Cases may be improperly deleted. |
| Recommendation: (Describe corrective action) | Filing fees should be collected at the time of filing on all non-misdemeanor cases except the following whereas a reason for not collecting the filing fees should be documented on the JPAS and the case jacket: <ul style="list-style-type: none"> • Transferred from other Dallas County JP courts • Involving tax suits • Involving mental illness warrants • Filed by governmental entities which are exempted from security of filing and service fees under Civil Practices and Remedies § 6.001, 6.002, and 6.003, but are ultimately responsible for court costs if it cannot be recovered from the losing party. See Attorney General Opinion No. DM-459 and District Attorney's opinion dated September 4, 2003. • Ordered as indigent under Texas Rules of Civil Procedure, Rule 145. <p>Filing fees should be collected on cases transferred from courts outside of Dallas county under Rule of Civil Procedure, No. 89.</p> <p>Record the file date of a pauper's affidavit on predefined fields on the Docket screen.</p> <p>All case numbers should be account for, with reason codes for missing numbers, deleted numbers, or numbers issued out of sequence, and timely documented.</p> |
| Responsible Department or Organization: | Justice of the Peace 4-1 |
| Management's Response: | <input type="checkbox"/> Agree <input checked="" type="checkbox"/> Disagree Respondent: Honorable Norris Rideaux Date: 4/21/2015 |
| Comments: | While we understand the value and importance of audit recommendation, exceptions are made to cases with Pauper's affidavits filed, and new cases transferred in from out of county. A special dismissal order is signed by the judge, if filing fees are not paid within 30 days pursuant to "Rule 89" of the rules of civil procedures. |
| Disposition: | <input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration |



Finding Number: 13-JP4.1-01-09 – Birth, Death & Marriage Certificates
Date: May 15, 2014
Audit: Justice of the Peace 4-1 Audit FYE 2013
Auditor(s) Assigned: JA

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| <p>Finding:</p> | <p>Birth and Death Certificates & Marriage License Applications Review of birth, death, and marriage certificate logs/applications and a selection of JPAS receipts revealed:</p> <ul style="list-style-type: none"> • Sensitive information such as birth and death certificate applications are retained for up to 90 days prior to destruction rather than maintained for the required period of time (three years). |
| <p>Workpaper Reference: (or other method by which finding was identified)</p> | <p>Work papers 10A, 10B and 10C</p> |
| <p>Condition: (Describe the current condition)</p> | <p>Requestor completes an application with applicable information, provides proof of identity and relationship to party for which the birth certificate pertains, and pays the required fee (Payment tender type should be cash or money order). The County Clerk has cross deputized JP clerks authorizing JP issuance of <u>birth certificates</u>. JP clerk counts the fee paid, reviews the application, verifies eligibility of requestor, and accesses (only one employee logs in at time due to BVS system instability) the Bureau of Vital Statistics system. The birth certificate information is printed using security paper through a designated printer and embossed with the County seal. The certificate and required fee are taken to the bookkeeper for receipting. The bookkeeper verifies the fee corresponds to the number of certificates requested. The JPAS is accessed by the bookkeeper and the payment for the certificate(s) is receipted. The original receipt, any change due, and certificates are provided to the requestor. An issuance log is maintained by the court and updated by the issuing clerk with the certificate number(s) being used and initials of clerk issuing certificate. Any voids are marked void on certificate and issuance log by the issuing clerk. Voided certificates are not submitted to the Texas Department of Health Vital Statistics on a regular basis with a request to remove for the lifetime count. However, the birth certificates are shredded, periodically.</p> <p>State Bureau of Vital Statistics submits one monthly bill to the County Clerk for all Dallas County locations. Billing reflects activity by user id and location. All searches to the state system reflect as a charge on the monthly billing.</p> <p>The County Clerk has cross deputized JP clerks authorizing JP issuance of <u>death certificates</u> (Funeral homes can request death certificates at the JP court. Individuals submit certificate requests to the County Clerk). \$21 is charged for the first certified copy of a death certificate. \$4 is charged for each additional copy of the same certificate issued with the first request. A funeral home brings the court an application(s) for a death certificate(s). JP clerk counts the fee paid, reviews the application. The clerk enters the deceased's information into the AiLIS system. Death certificate information is printed from the AiLIS system and copied to security paper using a photo-static copier and is embossed with the County seal. The certificates and check are given to the bookkeeper for receipting. The bookkeeper verifies the fee corresponds to the number of certificates requested. The JPAS is accessed by the bookkeeper and the payment for the certificate(s) is receipted. Once receipted, the certificates and receipt are placed in a tray awaiting pick up form the funeral home personnel. An issuance log is maintained by the court and updated by the issuing clerk with the certificate numbers being used. File number, date issued, and initials of clerk issuing certificate are recorded in that log. However, a log is not</p> |



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| | <p>maintained of voided death certificates which are shredded.</p> <p>When applicants come to the court for marriage licenses, they are directed to apply for the license at the Kiosk located in the court’s hallway. Using the County Clerk’s AiLIS system, applicants complete an online application and receive a reference number which is given to the deputized clerk. The clerk searches the marriage license application system for the reference number, verifies the applicants have valid forms of identification, and prints the application for the applicants to verify and sign affirming the correctness of the information. The marriage license is printed (from AiLIS) on special paper and a gold embossed County seal is affixed. The clerk makes a copy of the signed application and both applicants’ identifications. The license and required fee (payment tender type should be cash or money order) accepted by the clerk are taken to the bookkeeper for receipting. The bookkeeper verifies the fee corresponds to the type of marriage license. The JPAS is accessed by the bookkeeper and the payment for the license is receipted to specially assigned case numbers under the MC case type. The marriage license log is filled out by the issuing clerk with the applicants name, certificate number, receipt number, case number, date, and initials of clerk issuing the license. The original receipt, any change due, and license are provided to the requestor.</p> <p>When a Twogether in Texas pre-marriage certificate is presented, the certificate is verified in the Twogether in Texas system as valid and the required box checked to apply the \$60 discount. Twogether license fees are \$21 rather than the standard \$81 fee.</p> <p>Birth and death certificate applications are destroyed prior to the expiration of the three (3) year retention period.</p> |
| <p>Criteria: (Describe the optimal condition)</p> | <p>According to V.T.C.A., Health and Safety Code § 191.0045, “..... (d) A local registrar or county clerk who issues a certified copy of a birth or death certificate shall charge the same fees as charged by the bureau of vital statistics.....”</p> <p>“(h) A fee under this section shall be collected by the registrar or county clerk on the issuance of a vital statistics record, including a record issued through a Remote Birth Access site.”</p> <p>According to Texas Administrative Code, RULE §181.24, (a) Abused birth record.</p> <p>(1) Any birth record that has had 10 certifications issued since the original date of filing shall be considered as an abused record. Such a notation shall be made on the birth record.</p> <p>(2) Local registrars shall notify the Bureau of any abused record. Requests for additional certifications shall be made to the bureau.</p> <p>(3) When the state registrar receives a request for an abused birth record, he/she shall refuse to issue any additional certifications until the registrant, minor registrant’s parent who is not excluded by law, or registrant’s guardian has satisfactorily explained the reason for the additional request(s).</p> <p>All voided certificates should be accounted for and marked “void” in order to affix responsibility, enhance cash control and prevent potential assertion that monies were paid and refund due. Notification of voided certificates related to records accessed through Remote Birth Access site should be reported to BVS for proper credit to the customer’s life time issuance count and adjustment to monthly billing statement.</p> <p>According to Texas Administrative Code, RULE §181.28, (e) Record retention. A record of the date issued, document number, name and address and form of identification to whom issued shall be made and maintained for a period of three years from the date issued. The application</p> |



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| | <p>form, with the document number inserted, used to apply for a record will fulfill this requirement.</p> <p>According to Texas Administrative Code, RULE §181.25:</p> <p>a) The bureau shall furnish application forms for a marriage license to each county clerk in the format as prescribed by the State Registrar.</p> <p>(b) The application form shall contain at a minimum the items and information prescribed in the Texas Family Code, §2.004.</p> <p>(c) When reproduced locally by the county clerk, the form shall be identical in content, format, and size as prescribed by the bureau.</p> <p>Documents including confidential information should be retained in a secure location to prevent improper usage including identify theft.</p> <p>According to the Texas State Library and Archives Commission, Local Schedule CC, (Third Editions), Retention Schedule for Records of County Clerks, the retention period for CC1325-23 Marriage License Applications is as long as administratively valuable. County clerks are not required to retain copies of marriage licenses applications after forwarding the applications to the Texas Vital Statistics Office of the Texas Department of State Health Services.</p> |
| <p>Cause: (Describe the cause of the condition if possible)</p> | <p>Unknown</p> |
| <p>Effect: (Describe or quantify any adverse effects)</p> | <p>Potential misuse of official documents County liability for improper storage and destruction of confidential information</p> |
| <p>Recommendation: (Describe corrective action)</p> | <p>Birth and death certificate and marriage license application procedures should be updated to include:</p> <ul style="list-style-type: none"> • Written procedures, periodic review by chief clerk for compliance, and staff training • Issuance logs updated with voided certificate data • Voided certificates clearly marked "void" and affixed with a reason for void • Voided birth certificates forwarded to Texas Department of State Health Services • The receipt comment field in the JPAS should document the file number of the certificate issued • Maintain a marriage license issuance log instead of retaining a court copy of the marriage license application <p>Documents retained in a secure location with restricted access and retained in accordance with records retention requirements.</p> |
| <p>Responsible Department or Organization:</p> | <p>Justice of the Peace 4-1</p> |
| <p>Management's Response:</p> | <p><input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree Respondent: Honorable Norris Rideaux Date: 4/21/2015</p> |
| <p>Comments:</p> | <p>The Court has revised written procedures for Birth Certificate to include audit recommendations for review and approval by the judge. We anticipate that this procedure will be implemented and training in May 2015.</p> <p>The Court will continue to maintain a marriage license issuance log and retain a court copy of the marriage license application. The log and court copy of the license will serve to strengthen reconciliation.</p> |
| <p>Disposition:</p> | <p><input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration</p> |



Finding Number: 13-JP4.1-01-10 Activity Reports
Date: June 27, 2014
Audit: Justice of the Peace 4-1 Audit FYE 2013
Auditor(s) Assigned: JA

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| <p>Finding:</p> | <p>Activity Reports Comparison of activity reports filed by the court with the Office of Court Administration (OCA), the Office of Budget and Evaluation (OBE), and the Auditor’s Office to the mainframe JPAS case records revealed:</p> <p>JPAS compared to OCA FY 2013</p> <ul style="list-style-type: none"> • Traffic misdemeanor cases (JT) were over reported by 22.23% (249 cases) • Small Claim suits (JS) were over reported by 29.6% (95 cases) <p>JPAS compared to OBE FY 2013</p> <ul style="list-style-type: none"> • Traffic misdemeanor cases (JT) were over reported by 10.98% (123 cases) • Evictions (JE) were underreported by 7.9% (302 cases) |
| <p>Work Paper Reference: (or other method by which finding was identified)</p> | <p>Work paper 11A.2 Comparison of activity reports submitted by the court to OCA website, OBE and JPAS filed cases as counted and analyzed by the auditor.</p> |
| <p>Condition: (Describe the current condition)</p> | <p>Court clerk assignments include processing traffic, IBC, other class C misdemeanor, evictions, civil, or small claims cases. In addition, the court clerks and bookkeeper manually capture case activity, disposition and payment information on a daily basis. Monthly data logs are manually prepared by the court clerks and bookkeeper for the chief clerk. The chief clerk compiles a monthly summary of case activity, disposition, and payment information based on data provided and submits to OCA, OBE, and Audit without complete cross reference to the JPAS or validation of totals.</p> <p>Automated traffic case filing numbers are retrieved daily by court personnel accessing Document Direct.</p> |
| <p>Criteria: (Describe the optimal condition)</p> | <p>Government Code Section 71.035(b) and Texas Administrative Code Sections 171.1 and 171.2 requires all activity reports to be accurately and timely completed and mailed (or updated via the Internet) to the council (Texas Judicial Council/OCA) no later than 20 days following the end of the month reported.</p> <p>Local Government Code 114.002 authorizes the County Auditor to determine the time and manner for making reports to the auditor. The County Auditor has determined that activity reports should be provided to the Internal Audit section no later than 20 days following the end of the month reported.</p> <p>Internal control for reporting requires that all case numbers are accounted for, issued consecutively by case type, and properly and timely indexed to the JPAS.</p> |
| <p>Cause: (Describe the cause of the condition if possible)</p> | <p>Mathematical errors and lack of automated tracking system</p> |
| <p>Effect: (Describe or quantify any adverse effects)</p> | <p>Inaccurate statewide court analysis by OCA. Errors in projected staffing levels or expected revenue based on statistical reporting.</p> |
| <p>Recommendation: (Describe corrective action)</p> | <p>In accordance with statutory guidelines, monthly activity reports should be completed in an accurate and timely manner with copies provided to OCA, OBE, and the County Auditor.</p> <p>Activity reports should be corrected and resubmitted if errors are later identified, as the accuracy of activity reports may affect staffing levels or statewide analysis.</p> <p>All case numbers should be accounted for, with reason codes for missing numbers, deleted numbers, or numbers issued out of sequence, and timely documented. Chief clerk should test for accurate, proper, and complete information provided by court staff.</p> <p>Continue to pursue a new system with automation and reporting functionality.</p> |



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| Responsible Department or Organization: | Justice of the Peace 4-1 | | |
| Management's Response: | <input checked="" type="checkbox"/> Agree | <input type="checkbox"/> Disagree | Respondent: Honorable Norris Rideaux Date: 4/21/2015 |
| Comments: | We agree with the audit finds, and are making adjustments to make certain our reporting is in compliance in the future. | | |
| Disposition: | <input checked="" type="checkbox"/> Audit Report | <input type="checkbox"/> Oral Comment | <input type="checkbox"/> Deleted From Consideration |



Finding Number: 13-JP4.1-01-11 – Special Fund Reconciliation
Date: May 15, 2014
Audit: Justice of the Peace 4-1 Audit FYE 2013
Auditor(s) Assigned: JA

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| <p>Finding:</p> | <p>Special Fund Transactions Reconciliation and sample review of special fund activity including a complete review of 29 disbursements, postings to the JPAS, general ledger and internal control procedures for separation of duties, authorization, funds available for disbursement and proper payees revealed:</p> <ul style="list-style-type: none"> • One special fund disbursement issued for \$224.20 refund of court costs and fine paid on a Failure to Maintain Financial Responsibility case reportedly after defendant provided proof of insurance seven (7) years after the original judgment. • One case with the defendant granted an appeal two months after the judgment date and \$302.10 payment refunded. • One \$160 service fee refunded after writ served per the Constable system. <p>Old case balances (approximately \$333,523 of \$425,925 balance as of 9/30/2013 over three years old) in the Special Fund have not been researched for disbursing to the applicable party and/or escheating to the County Treasurer or State Comptroller.</p> <p>Forfeiture proceedings were not initiated against defendants to forfeit cash bonds when defendants failed to appear (approximately \$261,440 in cash bonds are over four years old).</p> |
| <p>Work paper Reference: (or other method by which finding was identified)</p> | <p>Work paper No. 12A & 12C and Special Fund Reconciliation</p> |
| <p>Condition: (Describe the current condition)</p> | <p>Data source for disbursement activity include case jackets given to the bookkeeper by the other clerks, defendant requests, daily special fund deposit reports, and JPAS (when date cards are updated by bookkeeper) detailed monthly special fund balance reports. Balances available to disburse consist of case overpayments, judgments paid into the registry of the court, cash bonds, fines for other jurisdictions, and service fees for law enforcement agencies without designated fee codes for automated disbursements.</p> <p>Current special fund activity on the Document Direct reports is occasionally reviewed by the bookkeeper for identification of eligible disbursements. Case jackets are pulled and postings to the JPAS are reviewed to determine the proper payee and amount. To generate disbursements, the bookkeeper prepares and saves a special fund disbursement file to a designated computer drive on an ongoing basis, based on a review of new daily special fund activity by case/receipt. The electronic file is submitted to the County Auditor/County Treasurer for processing, check printing, and mailing. The electronic file reflects details of disbursement. Subsequently, the bookkeeper updates the disbursement information to the JPAS, posting the check number, check amount, and date, but does not reconcile to the general ledger or to the bank. The JP office relies on the County Auditor for reconciliation to the general ledger and on the County Treasurer for bank reconciliations.</p> <p>The bookkeeper posts cancellations and stale dated checks to the JPAS based on notices received from the County Treasurer.</p> <p>Limited research of old case balances (approximately \$333,523 of \$425,925 system balance as of 05/16/2014 over three years old) remaining in the special fund account for disbursement or escheatment.</p> |
| <p>Criteria: (Describe the optimal condition)</p> | <p>Management judgment in designing, implementing and conducting internal control, and in assessing its effectiveness is emphasized in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Internal control requires that five core components be present: Control Environment; Risk Assessment; Control Activities, Information and</p> |



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| | <p>Communication; and Monitoring Activities. Specific controls related to disbursement procedures require that:</p> <ul style="list-style-type: none"> • All special fund disbursements and cancellations should be timely and accurately posted to the JPAS. Fund balances must be reconciled against control records (GL and bank statement). • Special fund reports should be reviewed on a periodic basis and disbursements should be made to the appropriate parties in a timely manner. <p>Inactive case balances should be reviewed in accordance with unclaimed property statutes, Property Code, § 72 and § 76, and escheated either to the County Treasurer (if \$100 or under) or the State of Texas (if over \$100).</p> <p>Bond forfeiture proceedings should be initiated in accordance with Code of Criminal Procedure, Chapter 22 when defendants, who post a cash bond, fail to comply with promise to appear before the court. An action by the state to forfeit a bail bond under Code of Criminal Procedure, § 22.18 must be brought not later than the fourth anniversary of the date the principal fails to appear in court.</p> <p>In accordance with Code of Criminal Procedure, Art. 103.008, Correction of Costs, on the filing of a motion by a defendant not later than one year after the date of the final disposition of a case in which costs were imposed, the court in which the case is pending or was last pending shall correct any error in the costs.</p> <p>In accordance with Code of Criminal Procedure, Art. 45.0426, Filing Bond Perfects Appeal, when the appeal bond has been filed with the justice or judge who tried the case not later than the 10th day after the date the judgment was entered, the appeal in such case shall be held to be perfected.</p> <p>(b) If an appeal bond is not timely filed, the appellate court does not have jurisdiction over the case and shall remand the case to the justice or municipal court for execution of the sentence.</p> |
| <p>Cause: (Describe the cause of the condition if possible)</p> | <p>Limited staff time to research old items and weak system functionality. Refunds and appeals without statutory authority.</p> |
| <p>Effect: (Describe or quantify any adverse effects)</p> | <p>Deferred research:</p> <ul style="list-style-type: none"> • Delayed disbursements to entities/individuals entitled to funds. • Penalties from the State for not following escheat statutes may be assessed if not corrected. <p>Limited reconciliation:</p> <ul style="list-style-type: none"> • Undetected posting errors resulting in potential for overpayment and unrecoverable losses. • Additional staff time to research and correct posting errors. <p>Cash bonds no longer eligible for forfeiture.</p> |
| <p>Recommendation: (Describe corrective action)</p> | <p>Special fund procedures should include:</p> <ul style="list-style-type: none"> • All checks issued, canceled, or stale dated posted accurately and timely to the JPAS and verified/reviewed by the chief clerk. • The availability of special fund case balance verified before initiating a special fund check. • Non-overpayment refunds issued in compliance with statutory authority. <p>A management plan including reconciling GL and bank account should be developed and implemented to periodically review the detailed special fund report in order to clear old items on disposed cases.</p> <p>Escheat analysis and stale dating should be managed in accordance with unclaimed property statutes, Property Code, § 72 and § 76. (see website: http://www.window.state.tx.us/up/forms.html)</p> <p>Cash bonds should be forfeited in accordance with Code of Criminal Procedure, § 22.</p> |



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| Responsible Department or Organization: | Justice of the Peace 4-1 | | | | |
| Management's Response: | <input checked="" type="checkbox"/> Agree | <input type="checkbox"/> Disagree | Respondent: | Honorable Norris Rideaux | Date: 4/21/2015 |
| Comments: | <p>In March 2015, the Court started researching its unclaimed funds which goes back to 1983.</p> <p>Concurrently, the Court added a clerk to assist the bookkeeper with the review process to ensure periodic review of the special fund report in order to clear old items on disposed cases.</p> | | | | |
| Disposition: | <input checked="" type="checkbox"/> Audit Report | <input type="checkbox"/> Oral Comment | <input type="checkbox"/> Deleted From Consideration | | |



Finding Number: 13.JP4.1-01-12 - Time & Attendance
Date: May 15, 2014
Audit: Justice of the Peace 4-1 Audit FYE 2013
Auditor(s) Assigned: JA

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| <p>Finding:</p> | <p>Time & Attendance Observation of office schedules , inquiry of court personnel and review of manual time and attendance records and Kronos time and attendance system postings revealed:</p> <ul style="list-style-type: none"> • The court is open to the public from 8:00 A.M. – 4:00 P.M. Employees continue to work until 4:30 P.M. • Full-time regular employees take 50 minutes for lunch with no breaks. Lunch is recorded as 30 minutes in the KRONOS time and attendance system. • One instance where KRONOS records were not updated for an employee leaving six (6) hours early. • One instance where KRONOS postings did not agree with manual attendance records (Documentation of requested and approved time off reflected 1.5 hours comp time to be taken. Kronos postings reflect employee recorded start time via web timestamp while end/out time entered by Chief Clerk reflecting full eight hours worked). • 584 instances of employees’ original KRONOS web timestamp clock-in/clock-out times changed to a later/earlier time without reason code. <ul style="list-style-type: none"> ○ 168 instances of clock-in/clock-out adjustments exceeding six minutes by Chief Clerk for 12 employees. ○ 416 instances of time adjusted by Chief Clerk to KRONOS employee set schedule of 8AM – 4:30 PM for any employee clocking in or out within 6 minutes of KRONOS schedule. <i>Response: KRONOS time adjustments will be discontinued.</i> ○ Non-exempt employee on intermittent FMLA time adjusted to reflect KRONOS schedule of 8 AM - 4:30 PM. While employee, did work a full 8 hours, KRONOS does not reflect the earlier clock-in and clock out times actually worked. <i>Response: KRONOS time adjustments will be discontinued.</i> |
| <p>Work paper Reference: (or other method by which finding was identified)</p> | <p>Work papers 13A, 13B and 13C.2 review of time and attendance</p> |
| <p>Condition: (Describe the current condition)</p> | <p>The clerks use web timestamp functionality in KRONOS to record start and end times. Manual attendance records are kept by the chief clerk. When the clerks need to take time off, they complete a request for leave form indicating the day(s) and hours being requested. The chief clerk approves or disapproves the request. The chief clerk enters the vacation or sick time used in KRONOS for the specified day and formally approves and signs off time worked. KRONOS time cards are marked with ‘approval’ by the Chief clerk with instances of bi-weekly pay period ‘sign off’ defaulting to system-wide sign-off.</p> |
| <p>Criteria: (Describe the optimal condition)</p> | <p>According to Dallas County Code, Section 82.32, Work hours scheduling:</p> <p>(a) <i>Work Schedule.</i> Each supervisor must approve and establish an authorized work schedule for each employee within the time-keeping system. All employees’ work hours, exempt and non-exempt, will reflect their established work schedule.</p> <p>(b) <i>Office hours.</i> An elected official/department head, with the approval of the commissioners court, has the right to establish and schedule reasonable work hours, rules and working conditions in a manner most advantageous to the county in accomplishing its service and work requirements. Compensatory time and overtime are also scheduled by the elected official/department head according to appropriate county policies. County offices, excluding 24-hour operations, are expected to remain open between the hours of 8:00 a.m.-4:30 p.m. and remain open during the noon hour. Employees should verify office hours and work hours with their supervisor.</p> <p>(c) <i>Breaks and lunch periods.</i> An elected official/department head may also establish breaks and</p> |



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| | <p>lunch periods for their employees. Employees may be granted one break of ten minutes for each four hours worked. Employees are paid while on break. A lunch period may be 30 minutes or an hour depending on the work schedule approved by the elected/appointed official/department head. Lunch periods are in addition to the regular eight-hour work period. Employees are not paid during their lunch period; therefore, they should be completely relieved of all duties and be free to leave their post of duty.</p> <p>(f) <i>Hours worked less than</i> Any nonexempt employee who does not work a full 40 hour workweek will have his compensation reduced by the value of the hours not worked or will charge such time not worked to accrued leave or compensatory time, holiday pay, vacation or sick leave, or any combination of such leave. Employees not eligible for approved leave and unable to consistently work 40 hours per week are subject to loss of full-time status and benefits.</p> <p>(g) <i>Other.</i> Each elected official/department head is responsible for ensuring that all reporting of time worked, accrual and use of leave, complies with county policies. Employees are not permitted to remain on the county's payroll if they are not on an approved leave of absence (with or without pay). Supervisors are responsible for accurate time reporting. The law requires that what is reported must be paid. Not reporting time accurately is considered falsifying an official document. Disciplinary action, up to and including termination, may be taken against employees and supervisors who falsify county documents related to work hours.</p> <p>According to Dallas County Code Sec. 82-175, Supervisory responsibilities:</p> <p>(a) Supervisory responsibilities fall to the elected official, department head or their designee.</p> <p>(b) Supervisors are responsible for informing their employees about which time entry method (time clocks, on-line entry or time sheets) they shall use to record their time and attendance. Supervisors shall educate their employees about how to use the time entry method they are assigned and about the time and attendance policies for their department.</p> <p>(c) Supervisors are responsible for ensuring employee time records are accurate and that no abuses occur. Only supervisors have the authority to correct employee time record errors or omissions.</p> <p>(d) Supervisors are responsible for recording employee vacation and sick time and for entering time for employees who are working outside their department work area.</p> <p>(e) Supervisors are responsible for checking daily start times, meal periods, end times, vacation time, sick time, compensatory time and overtime to ensure employees are in compliance with their shift work schedule and the county's overtime policies. Supervisors are responsible for promptly documenting actions warranting discipline and for promptly reporting possible fraud to the county auditor.</p> <p>According to Code of Federal Regulations title 29: Labor, part 785:</p> <p>§785.11 General. Work not requested but suffered or permitted is work time. For example, an employee may voluntarily continue to work at the end of the shift. He may be a pieceworker, he may desire to finish an assigned task or he may wish to correct errors, paste work tickets, prepare time reports or other records. The reason is immaterial. The employer knows or has reason to believe that he is continuing to work and the time is working time.</p> <p>§785.13 Duty of management. In all such cases it is the duty of the management to exercise its control and see that the work is not performed if it does not want it to be performed. It cannot sit back and accept the benefits without compensating for them. The mere promulgation of a rule against such work is not enough. Management has the power to enforce the rule and must make every effort to do so.</p> |
| <p>Cause: (Describe the cause of the condition if possible)</p> | <p>Inaccurate application of county time and attendance policies.</p> |
| <p>Effect:</p> | <p>Official time and attendance records do not accurately reflect time worked and taken.</p> |



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| (Describe or quantify any adverse effects) | | | | | |
| Recommendation: (Describe corrective action) | Actual hours worked, vacation time, sick time, holiday time, jury duty, compensatory time, overtime, ATO, etc. should be properly and timely posted to the Kronos time and attendance system in accordance with the Dallas County Code and Commissioners Court orders. Each employee should affirm bi-weekly time paid / leave balances expended through review of pay slip on Employee Self-Service (ESS) application. Historical edits should be submitted to the Payroll Hotline to reflect correct leave types and time taken on Kronos. | | | | |
| Responsible Department or Organization: | Justice of the Peace 4-1 | | | | |
| Management's Response: | <input checked="" type="checkbox"/> Agree | <input type="checkbox"/> Disagree | Respondent: | Honorable Norris Rideaux | Date: 4/21/2015 |
| Comments: | While the Court agrees with this finding, this is an issue directly related to carelessness. Court personnel have been reminded the importance of properly and timely reporting of time worked and taken off. | | | | |
| Disposition: | <input checked="" type="checkbox"/> Audit Report | <input type="checkbox"/> Oral Comment | <input type="checkbox"/> Deleted From Consideration | | |