



DALLAS COUNTY COUNTY AUDITOR

Memorandum

To: Honorable Judge Carlos Medrano
Justice of Peace, Precinct 5, Place 1

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

Subject: Review Performed for February 1, 2008 through Fiscal Year 2010

Date: Issued January 12, 2011
Released February 10, 2011

Scope

A review was performed in accordance with statutory guidelines on the records and reports of Justice of the Peace, Precinct 5, Place 1 for February 1, 2008 through fiscal year 2010 during which the Honorable Luis Sepulveda served.

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
- Reviewed daily receipt transaction log reports
- Reviewed credit card transaction reports
- 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
- Traced issuance of bad check actions to the criminal fee dockets to confirm the filing of the cases, collections of assessed fines and costs, or the issuance of arrest warrants
- Reviewed time and attendance records for proper posting and compliance with County policies and procedures
- Compared activity reports to actual new cases on the JPAS
- Reviewed 'Justice Fee Exception List' to determine reason for uncollected fees

Statistical

During fiscal year 2008, the justice court processed:

- 18,614 computer receipts totaling \$2,131,480
- 20,493 class C misdemeanors cases (includes traffic, IBC, etc.)
- 5,501 civil/small claims cases
- 1,203 eviction cases

During fiscal year 2009, the justice court processed:

- 16,690 computer receipts totaling \$2,035,589
- 20,902 class C misdemeanors cases (includes traffic, IBC, etc.)
- 2,483 civil/small claims cases
- 1,232 eviction cases

During fiscal year 2010, the justice court processed:

- 18,040 computer receipts totaling \$2,256,868
- 24,481 class C misdemeanors cases (includes traffic, IBC, etc.)
- 1,205 civil/small claims cases
- 1,202 eviction cases

FINDINGS

Cash Management

Cash Count – A cash count performed on March 3, 2010 revealed four unreceipted checks totaling \$2,352.81 received from the District Attorney dated January 11, 2010 through February 22, 2010. Back-up bookkeeper, chief clerk, and/or other staff receipting payments do not maintain separate cash drawers when relieving the bookkeeper.

Receipts Computer/Manual – A review of 151 voided computer receipts and a sample review of 47,262 computer receipts and corresponding daily receipt transaction logs revealed minor discrepancies: one computer receipt not marked 'void' and five voided computer receipts without retention of the original copy. **Status:** The receipt not marked 'void' was replaced with a new receipt for a higher amount. Three of the five receipts were replaced for the same amount and payment type with two check payment type receipts replaced for a different amount (copies of checks reflect numeric amount was different than the legal amount). A review of 273 manual receipts revealed: one manual receipt was not marked 'void' (marked with an 'X') and manual receipt books were used out of order. Responses to the Internal Control Questionnaire indicate the computer transaction log is not reviewed by the chief clerk (review completed by the bookkeeper).

Assessments/Distribution- Review of 80 computer receipts (600 fee code entries) for compliance with statutorily required court costs and fine revealed material compliance.

Disbursement/Special Fund Reconciliation - A review of special fund activity revealed: old (over three years old as of September 30, 2010) case balances totaling approximately \$71,500 remain in the special fund account without research for disbursement to the applicable party and/or escheating to the County Treasurer or State Comptroller.

Processing/Reporting

Criminal Fee Dockets – Review of time payment plans, active warrants or capias (active warrant report R05870), warrants or capias on disposed cases for the appropriateness of warrant status, and corresponding Docket screens revealed: ten cases delinquent on time payment plans without issuance of a capias and 144 active warrants or capias on the Constable or Sheriff's warrant system for cases without calculated balances due and/or on cases marked disposed on the JPAS Docket screen. **Status:** Fourteen of the 144 warrants or capias returned to the court thirty or more days after the corresponding case was disposed with one warrant/capias not returned for five years after case disposition. All court clerks are authorized to recall warrants. Office of Court Administration (OCA) requirements under SB 1863 related to time payment plans were implemented by the justice court.

A review of 326 unprocessed manual traffic citations on March 9, 2010 revealed the oldest citation with a file stamp date of January 19, 2010. Backlog had occurred while traffic clerk was on FMLA. **Status:** Cases indexed to the JPAS.

Civil Fee Dockets – Limited review of civil, small claims and eviction cases on the justice fee exception report revealed instances of approved paupers affidavits not noted on the Docket comment screen.

Interpreter Invoices – A review of interpreter fee invoices on civil, small claims, and/or eviction cases revealed: FY2009 County general fund disbursements totaling \$9,945 without payments received by the court from the requestor plaintiff or defendant and FY2010 County general fund disbursements exceeding payments received by the court from the requestor plaintiff or defendant totaling \$1,390.

Activity Report – Comparison of activity reports filed by the court with OCA to mainframe JPAS case records revealed: FY2009 civil cases were over-reported by 9.0% (166 cases) and FY2009 small claims case were over-reported by 9.3% (59 cases). **Status:** Errors corrected on OCA website.

Marriage License – Review of marriage license issuance and receipting revealed material compliance.

Credit Card Activity – Review of 65 credit card transactions, processing and receipting to the JPAS revealed material compliance.

Miscellaneous/Others

Time and attendance – Former chief clerk recorded sick leave, approved time off (ATO), and holiday pay for days after her last day worked. Former chief clerk did not average a 40 hour work week during FY2010 and FY2011 including use of an unearned ATO day on the date of the primary election (March 2, 2010) and a sick day the following day. Clerk's time is recorded in advance to Kronos based on scheduled hours with exceptions recorded to Kronos by the chief clerk. Web-timestamp functionality is not used. One employee took a vacation day while still on probation.

Status: Historical edit processed by Payroll on chief clerk final paycheck for time recorded as ATO after last day worked.

RECOMMENDATIONS

Cash Management

Receipts – Receipts should be verified for accuracy of amount before issuing to customers. All monies received should be promptly receipted and deposited consistent with state law, V.T.C.A., L.C.G. § 113.022 and Vernon's Ann. C.C.P. §103.004. The supervisor should periodically scan exception reports, transaction logs, manual receipts books, and computer receipts issued, for proper usage. Receipts should never be altered, but rather properly voided. All copies of void receipts should be retained, clearly marked "void", and affixed with a reason for the void. Any changes from tender type (for example cash to check or vice versa) should be specifically reviewed by the chief clerk for appropriate support. Separate cash drawers should be maintained by all clerks receipting payments and funds should be balanced prior to combining with other receipted funds.

Assessments/Distribution – 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.

Disbursement / Special Fund Reconciliation - All checks issued, canceled, and/or stale dated should be posted accurately and timely to the JPAS. A management plan (including reconciling the County's General Ledger and the court's special fund bank account) should be developed and implemented to periodically review the detailed special fund report in order to clear old items on disposed cases in accordance with unclaimed property statutes.

Processing/Reporting

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

Staff should be reassigned as necessary to timely process and index activity to the JPAS for all filed cases.

Civil Fee Dockets – Reason for not collecting filing or service fees should be documented on the JPAS and case jacket.

Interpreter Invoices – Deposits for interpreter fees should be collected in accordance with Rules of Civil Procedure, Rule 143, 146, and 183. Prevailing parties to a suit that have paid interpreter fees may request recover of costs in accordance with Rules of Civil Procedure, Rule 559 and Civil Practice and Remedies, § 31.007 (b)(3).

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

Miscellaneous/Others

Time and Attendance – Exempt employees should average at a minimum a 40 hour work week with use of ATO in compliance with County policy/code. Except for pay-off of vacation and sick leave benefits in accordance with County policy/code, employees are not entitled to additional time usage for sick leave, ATO, and/or paid holidays after their last day worked. Court personnel should periodically verify the accuracy of their computerized vacation, sick leave and comp time balances as reflected on Kronos, in order to confirm that corrections are made on a timely basis. Consider implementation of web-timestamp functionality to capture non-exempt start and end times.

CURRENT FINDINGS/OBSERVATION AND RECOMMENDATIONS

Finding templates numbered 10-JP5.1-01-01, 02b, 04 thru 09 are attached.

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.

Emphasis on outlined procedures should provide for improved departmental processes. 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: Commissioners Court
Ryan Brown, OBE
Honorable Judge Martin Lowy, LADJ



Finding Number: 10-JP 5.1-01-01
Date: 3/3/2010
Audit: Justice of the Peace 5-1 Partial FY08 thru FY10
Auditor(s) Assigned: NH

Finding:	Cash count on March 3, 2010 revealed four unreceipted checks totaling \$2,352.81 on hand remitted by the Dallas County District Attorney dated January 11, 2010 through February 22, 2010. Responses to the Internal Control Questionnaire (ICQ) revealed the back-up bookkeeper, chief clerk, and/or other staffing receipting payments do not maintain separate cash drawers when relieving the bookkeeper.
Workpaper Reference: (or other method by which finding was identified)	Cash count and responses to the ICQ
Condition: (Describe the current condition)	Checks, money orders, and cashier checks are received over the counter, through the U.S. Postal Service, and from other County departments via the in-house mail system. Infrequent delays occur in receipting Sheriff jail checks and District Attorney checks remitted for the payment of court costs and fines. Separate cash drawers are not maintained by staff receipting payments.
Criteria: (Describe the optimal condition)	<p>V.T.C.A., Local Government Code, Sec. 113.022. TIME FOR MAKING DEPOSITS. (a) A county officer who receives funds shall deposit the funds with the county treasurer on or before the next regular business day after the date on which the funds are received. If this deadline is not met, the officer must deposit the funds, without exception, on or before the seventh business day after the date on which the funds are received. However, in a county with fewer than 50,000 inhabitants, the commissioners' court may extend the period during which funds must be deposited with the county treasurer, but the period may not exceed 30 days after the date the funds are received.</p> <p>Vernon's Ann., Code of Criminal Procedure, Art. 103.004. DISPOSITION OF COLLECTED MONEY. (a) Except as provided by Subsections (b) and (c), an officer who collects recognizances, bail bonds, fines, forfeitures, judgments, jury fees, and other obligations recovered in the name of the state under any provision of this title shall deposit the money in the county treasury not later than the next regular business day after the date that the money is collected. If it is not possible for the officer to deposit the money in the county treasury by that date, the officer shall deposit the money in the county treasury as soon as possible, but not later than the third regular business day after the date that the money is collected. (b) The commissioners court of a county may authorize an officer who is required to deposit money under Subsection (a) to deposit the money in the county treasury not later than the seventh regular business day after the date that the money is collected.</p> <p>Per Dallas County Code, Sec. 74-691. Receipts. Official receipts shall be written or generated immediately for all collections made in the official capacity of the various offices of the county. Receipts may be in the form or prenumbered autographic receipts or prenumbered book bound receipts, cash register receipts or machine validated receipts issued, cash register totals, validating machine totals or other approved procedures for establishing accountability.</p> <p>Per Dallas County Code, Sec. 74-693. Deposits. Deposits are to be made intact with the county treasurer using prescribed forms and in accordance with the schedule as provided by state statutes or other schedules that may be promulgated for the various offices (e.g., daily for downtown offices, twice or thrice weekly for certain outlying offices).</p>



	Assigned duties for cash controls are adequately separated. Accounting and system control procedures require daily reconciliation and balancing of collected funds to support documents and separation of duties to affix responsibility for processing. Separate cash drawers should be maintained by all clerks receiving payments and funds should be balanced prior to combining with other receipted funds.		
Cause: (Describe the cause of the condition if possible)	Occasional procedural exception.		
Effect: (Describe or quantify any adverse effects)	Delayed revenue recognition and lost interest earnings to the County and State. Inherent risks for delayed receipting include non-recovery of funds, checks could be lost or stolen before being receipted. Liability to County for persons arrested after payment made in full. Inability to affix responsibility in the event shortages occur.		
Recommendation: (Describe corrective action)	Cash handling procedures should include: <ul style="list-style-type: none"> • All monies received should be promptly receipted and deposited consistent with state law, V.T.C.A., L.G.C. § 113.022 and Vernon's Ann., C.C.P., § 103.004 and procedures recommended by the County Auditor. • Separate cash drawers should be maintained for all clerks receipting payments including balancing receipted funds 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. 		
Responsible Department or Organization:	Justice of the Peace 5-1		
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent: _____ Date: _____
Comments:			
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration



Finding Number: 10-JP5.1-01-02b
Date: 12/6/2010
Audit: Justice of the Peace 5-1 Partial FY08 thru FY10
Auditor(s) Assigned: NH/YA

<p>Finding:</p>	<p>Sample review of 47,262 computer generated receipts including 151 voided computer receipts, receipt continuity, voiding procedures, and Daily Receipts Logs revealed material compliance with proper receipting procedures except:</p> <ul style="list-style-type: none"> • Five voids without retention of the original copy Status: Three of the five receipts were replaced for the same amount and payment type. Two of the five receipts were replaced for a different amount (same payment type check). Copies of the checks reflect numeric amount was different than the legal amount. • One computer receipt was not marked void Status: Receipt was replaced with a new receipt for a higher amount <p>Responses to the Internal Control Questionnaire (ICQ) revealed the computer transaction log is reviewed by the bookkeeper.</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpaper No. 5B and computer receipt procedures Review of ICQ responses</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 documentation 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. During the afternoon each business day prior to closeout, the computer receipts are totaled, 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 when the payment type is incorrectly recorded, the check amount is not correctly receipted, or other errors are identified. Computer receipts issued after the cut-off are included with the next business day's deposit.</p> <p>Document Direct reports are reviewed by the bookkeeper each morning for automated computer receipt postings created overnight from credit card payments processed over the Internet. In the event of an identified fee code distribution error, the computer receipt is voided in the JPAS by the bookkeeper. However, no hard copy of a receipt exists for receipts generated through the automated process. The bookkeeper will enter the correct fee code breakdown and generate a new computer receipt with the total amount matching the confirmation received by the customer.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Best practices regarding receipt control procedures require that:</p> <ul style="list-style-type: none"> • All computer receipts are accounted for and properly used in order to affix responsibility, enhance cash control, and prevent potential assertion that monies were paid and refund



	<p>due.</p> <ul style="list-style-type: none"> • 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 insure that the explanation for the deletions is documented and reasonable. • Assigned duties for cash controls are adequately separated. 				
<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>Prevents potential assertion that monies were paid and refunds due.</p>				
<p>Recommendation: (Describe corrective action)</p>	<p>Receipt procedures should include:</p> <ul style="list-style-type: none"> • All copies of a voided receipt should be retained, clearly marked "void" and affixed with reason for void in order to affix responsibility, enhance cash control and prevent potential assertion that monies were paid and refund due. • Compensating processes such as dual sign-off on voids, receipt corrections, supervisory review, testing, and validation. • Prior to generating a receipt: <u>Cash tendered</u> should be counted in the customer's presence and <u>check guaranteed amount</u> should be agreed to the numeric amount. • Receipts should be verified for accuracy of amount, payment type, case number, and payer before issuing to a customer. • The chief clerk should periodically review the exception reports and transaction logs (especially with respect to receipt deletions, lowered amounts, and payment type changes) to insure that the explanation for the deletions is documented and reasonable. 				
<p>Responsible Department or Organization:</p>	<p>Justice of the Peace 5-1</p>				
<p>Management's Response:</p>	<table border="1"> <tr> <td><input type="checkbox"/> Agree</td> <td><input type="checkbox"/> Disagree</td> <td>Respondent:</td> <td>Date:</td> </tr> </table>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Date:
<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:	Date:		
<p>Comments:</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: 10-JP5.1-01-04
Date: 12/6/2010
Audit: Justice of the Peace 5-1 Partial FY08 thru FY10
Auditor(s) Assigned: NH/YA

<p>Finding:</p>	<p>Reconciliation and review of special fund activity, postings to the JPAS, general ledger and internal control procedures for separation of duties, authorization, funds available for disbursement and proper payees revealed:</p> <ul style="list-style-type: none"> • Old case balances (approximately \$71,500 of \$106,200 balance as of 9/30/2010 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. • One check number posted incorrectly <p>Status: Corrected</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpaper No. 6D- review of special fund activity</p>
<p>Condition: (Describe the current condition)</p>	<p>Data source for disbursement activity is request forms, daily special fund deposit reports, and JPAS (when date cards are updated by bookkeeper) detailed monthly special fund balance reports. Balances available to disburse consist of case overpayments, judgments paid into the registry of the court, cash bonds, and service fees for law enforcement agencies without designated fee codes for automated disbursements. Current special fund activity on the JPAS reports is reviewed by the bookkeeper for identification of eligible disbursements. Case jackets are pulled and postings to the JPAS are reviewed to determine the proper payee and amount. To generate disbursements, the bookkeeper prepares and saves a special fund disbursement file to a designated computer drive on an ongoing basis, based on a review of new daily special fund activity by case/receipt. The electronic file is submitted to the County Auditor/County Treasurer for processing, check printing, and mailing. The electronic file reflects details of disbursement. Subsequently, the bookkeeper updates the disbursement information to the JPAS, posting the check number, check amount, and date, but does not reconcile to the general ledger or to the bank. The JP office relies on the County Auditor for reconciliation to the general ledger and on the County Treasurer for bank reconciliations.</p> <p>The bookkeeper posts cancellations and stale dated checks to the JPAS based on notices received from the County Treasurer.</p> <p>Old case balances remain in the special fund account without research for disbursement or escheatment.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Best practices regarding cash control 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. • Inactive case balances should be reviewed in accordance with unclaimed property statutes, V.T.C.A., Property Code, § 72 and § 76, and escheated either to the County Treasurer (if \$100 or under) or the State of Texas (if over \$100).
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Limited staff time to research old items.</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.
Recommendation: (Describe corrective action)	Special fund procedures should include: <ul style="list-style-type: none"> • All checks issued, canceled, or stale dated posted accurately and timely to the JPAS (reconciliation of JPAS to GL) and verified/reviewed by the chief clerk. • Any stale dated checks posted with the current date in order to ensure subsequent reports reflect the corrections. <p>A management plan including reconciling GL and bank account should be developed and implemented to periodically review the detailed special fund report in order to clear old items on disposed cases.</p> <p>Escheat analysis and stale dating should be managed in accordance with unclaimed property statutes, V.T.C.A., Property Code, § 72 and § 76. (see website: http://www.window.state.tx.us/up/forms.html)</p>
Responsible Department or Organization:	Justice of the Peace 5-1
Management's Response:	<input type="checkbox"/> Agree <input type="checkbox"/> Disagree Respondent: _____ Date: _____
Comments:	
Disposition:	<input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration



Finding Number: 10-JP5.1-01-05
Date: 12/6/2010
Audit: Justice of the Peace 5-1 Partial FY08 thru FY10
Auditor(s) Assigned: NH/YA

<p>Finding:</p>	<p>Review of 20 cases from the Justice of the Peace 5-1 Collection Referral Report for adequate collection procedures on cases referred to delinquent collection law firm, review of IT Services Active Warrants on Disposed Cases Report dated 8/26/2010, review of 20 cases on time payment plans, review of 20 cases with final judgment, review of 80 disposed cases, review of 80 cases from the active warrants list (approximately 28,000 active warrants or capias), and for validity of warrant issuances, recalls, and served/returned/active/regional statuses revealed (sample sizes less than 1% of population):</p> <ul style="list-style-type: none"> • Ten delinquent time payment plans without issuance of a show cause or capias • All court clerks are authorized to recall warrants • 144 active warrants and/or capias on WX50 for cases without balances due and/or inactive (marked with Dispose flag 'X') as of 8/26/2010 <p>Status: Fourteen of the 144 warrants or capias returned by the constable thirty or more days after the corresponding case was disposed with one warrant/capias not returned for five years after case disposition.</p> <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>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpaper No. 7A, 7B, 7C, 7D, 7F Criminal Fee Dockets IT Services Active Cases on Disposed Cases Report and responses to ICQ</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 are made by the court collection clerk the next day after a missed payment, delinquent collection post cards are sent by court collection clerk 30 days later, a second phone call is made by the delinquent collection clerk after an additional 30 days, with a notice of show cause hearing sent by court collection clerk when a defendant defaults on a payment plan prior to issuance of a capias.</p> <p>Warrants including alias warrants are issued by court staff and signed by the Judge when defendants do not appear or do not comply with the terms of release. Capias or notice of show cause hearings are issued by court staff and signed by the Judge when defendants do not satisfy the terms of the judgment including payment of fine and court costs. The issuance date is recorded to the JPAS Docket screen by the court staff, but no control step is consistently used to affirm all postings are made to the JPAS. Criminal process is sent to the constable's office for service. Returned/recalled dates are recorded to the JPAS by court clerks as warrants and/or capias are returned from law enforcement agencies, but process verification is problematic. When payments are made in full, defendants appear, defendants comply with orders of the court, etc., the court's staff will transmit recall notices to the appropriate law enforcement agency.</p> <p>A log of all recalled warrants and capias is maintained by the court.</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>



Best practices for internal control require separation of assigned duties for personnel authorized to issue and/or recall warrants.

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, dismissal dates, deferred adjudication dates, judgment dates, assessment of additional court costs, and/or changes in fine/special expense amounts as ordered by the judge. The disposed flag field should be marked with an "X" when the case has reached final disposition, including dismissals, appeals to the County Court of Criminal Appeals, jail time served for satisfaction of fine and court costs, payment in full for satisfaction of fine and court costs.

In accordance with Code of Criminal Procedures §45.041, the judgment and sentence, in case of conviction in a criminal action before a justice of the peace or municipal court judge, shall be that the defendant pays the amount of the fine and costs to the state. The justice or Judge may direct the defendant to pay: (A) the entire fine and cost when sentence is pronounced; (B) the entire fine and cost at some later date; or (C) a specified portion of the fine and costs at designated intervals.

In accordance with Code of Criminal Procedure, Art. 103.0033 (c) Unless granted a waiver under Subsection (h), each county and municipality shall develop and implement a program that complies with the prioritized implementation schedule under Subsection (h). A county program must include district, county, and justice courts.

(d) The program must consist of:

- (1) a component that conforms with a model developed by the office and designed to improve in-house collections through application of best practices; and
- (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.

(e) Not later than June 1 of each year, the office shall identify those counties and municipalities that:

- (1) have not implemented a program; and
- (2) are able to implement a program before April 1 of the following year.

(f) The comptroller, in cooperation with the office, shall develop a methodology for determining the collection rate of counties and municipalities described by Subsection (e) before implementation of a program. The comptroller shall determine the rate for each county and municipality not later than the first anniversary of the county's or municipality's adoption of a program.

(g) The office shall:

- (1) make available on the office's Internet website requirements for a program; and
- (2) assist counties and municipalities in implementing a program by providing training and consultation, except that the office may not provide employees for implementation of a program.

(h) The office, in consultation with the comptroller, may:

- (1) use case dispositions, population, revenue data, or other appropriate measures to develop a prioritized implementation schedule for programs; and
- (2) determine whether it is not cost-effective to implement a program in a county or municipality and grant a waiver to the county or municipality.

(i) Each county and municipality shall at least annually submit to the office and the comptroller a written report that includes updated information regarding the program, as determined by the office in cooperation with the comptroller. The report must be in a form approved by the office in



	cooperation with the comptroller. (j) The comptroller shall periodically audit counties and municipalities to verify information reported under Subsection (i) and confirm that the county or municipality is conforming with requirements relating to the program. The comptroller shall consult with the office in determining how frequently to conduct audits under this section.		
Cause: (Describe the cause of the condition if possible)	Warrant /capias not returned from Constable/ Sheriff offices. Inadequate system exception reporting		
Effect: (Describe or quantify any adverse effects)	Liability to County for persons arrested in error.		
Recommendation: (Describe corrective action)	Warrant and capias procedures should include: <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 capias recalled same business day when cases are dismissed or otherwise disposed, payments are made in full, time is served, community service is performed, time payment plans are implemented/followed, or official notification/verification of a defendant's death is received. • Outstanding warrant reports periodically reviewed for accuracy. Continue established payment plan procedures and monitor in accordance with Code of Criminal Procedure, Art. 103.0033. Pursue new system with improved features.		
Responsible Department or Organization:	Justice of the Peace 5-1		
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent: _____ Date: _____
Comments:			
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration

County Auditor



Dallas County, Texas

Finding Number: 10-JP5.1-01-06
Date: 12/6/10
Audit: Justice of the Peace 5-1 FY 10
Auditor(s) Assigned: NH/YA

Finding:	Review of 30 civil/small claims/eviction cases from the 'Justice Fee Exception List' revealed: <ul style="list-style-type: none"> • Six case files (20% of sample) include a pauper's affidavit of inability to pay not documented on the JPAS
Workpaper Reference: (or other method by which finding was identified)	Workpaper No. 9B review Justice fee exception report identifying cases filed without payment of filing fees. Review of civil/small claim cases with interpreter fees
Condition: (Describe the current condition)	Court costs and service fees are required to be paid at the time of filing. Parties to a suit that do not have adequate resources may request to file a case without payment. Indigent plaintiffs complete an affidavit of inability to pay (pauper's affidavit) filing/service fees in accordance with Rule of Civil Procedure 145. The affidavit is reviewed by the court and if approved, filed in the case jacket. JPAS Docket screen lacks predefined fields for recording the filing of a pauper's affidavit. Civil, eviction, or small claims court clerks do not consistently record notations of filing of pauper affidavits on the Docket free-form Comments screen. JPAS receipt functionality does not include assessments for charges so credits are not systemically recorded for pauper's affidavits. Paper service is stamped with "pauper oath filed" in accordance with Rule of Civil Procedure 126 and 145.
Criteria: (Describe the optimal condition)	<p>In accordance with statutes (Local Government Code § 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. Exceptions also include 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>
Cause: (Describe the cause of the condition if possible)	Clerical error Weak system functionality
Effect: (Describe or quantify any adverse effects)	Inhibits cost recovery if the plaintiff's claim is upheld. System extracts do not include indigent status.
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 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



	<ul style="list-style-type: none"> • 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>		
Responsible Department or Organization:	Justice of the Peace 5-1		
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent: _____ Date: _____
Comments:			
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration



Finding Number: 10-JP5.1-01-07
Date: 7/23/2010
Audit: Justice of the Peace 5-1 FY09 thru Partial FY10
Auditor(s) Assigned: NH

<p>Finding:</p>	<p>Review of interpreter fee invoices for civil, small claims, and eviction cases for fiscal year 2009 thru partial FY10 revealed:</p> <ul style="list-style-type: none"> • \$9,955 in FY2009 County general fund disbursements without collection of costs from the requestor plaintiff or defendant • \$1,390 in partial FY2010 County general fund disbursements without complete collection of costs from the requestor plaintiff or defendant
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpaper: Interpreter fee invoices</p>
<p>Condition: (Describe the current condition)</p>	<p>Plaintiffs or defendants with limited English skills may request an interpreter to be present at the time of court hearing. If the case is a civil, small claims, or eviction case, the requester is responsible for paying the interpreter fee in accordance with the existing interpreter fee schedule at the time of request with approval by the court. The fee is not consistently collected from the requestor by the assigned court clerk based on the minimum interpreter charge. The Justice of the Peace Accounting System (JPAS) lacks functionality to record assessments. The bookkeeper receipts interpreter fees paid to the court as justice fees of the court to the JPAS. Hearings were not cancelled when interpreter fees were not paid.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>In accordance with Texas Rules of Civil Court Procedure, RULE 143. RULE FOR COSTS, 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>In accordance with Texas Rules of Civil Court Procedure, RULE 146. DEPOSIT FOR COSTS, in lieu of a bond for costs, the party required to give the same may deposit with the clerk of court or the justice of the peace such sum as the court or justice from time to time may designate as sufficient to pay the accrued costs.</p> <p>In accordance with Texas Rules of Civil Court Procedure, RULE 183. INTERPRETERS, the court may appoint an interpreter of its own selection and may fix the interpreter's reasonable compensation. The compensation shall be paid out of funds provided by law or by one or more of the parties as the court may direct, and may be taxed ultimately as costs, in the discretion of the court.</p> <p>In accordance with Texas Rules of Civil Court Procedure, RULE 559. COSTS, the successful party in the suit shall recover his costs, except in cases where it is otherwise expressly provided.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Chief clerk was unfamiliar with proper interpreter procedures</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Unrecovered County general fund expenditures due to uncollected interpreter fee revenue.</p>
<p>Recommendation: (Describe corrective action)</p>	<p>Civil, small claims, or eviction interpreter procedures should include:</p> <ul style="list-style-type: none"> • Requestor deposit/pre-payment of interpreter fees prior to the scheduled hearing date • Interpreter fees taxed as costs • Recovery of interpreter fees included in the judgment if paid by the prevailing party in



	accordance with Civil Practice and Remedies Code, § 31.007 (b) (3). Submit billings to requestors for interpreter fees paid by the General Fund without corresponding deposit or pre-payment through the court.		
Responsible Department or Organization:	Justice of the Peace 5-1		
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent: _____ Date: _____
Comments:			
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration

County Auditor



Dallas County, Texas

Finding Number: 10-JP5.1-01-08
Date: 12/6/2010
Audit: Justice of the Peace 5-1 FY08 thru FY10
Auditor(s) Assigned: NH/YA

Finding:	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: JPAS compared to OCA: <ul style="list-style-type: none"> • Civil (JC) case counts were over-reported by 9.0% (166 cases) in FY2009 • Small claims (JS) case counts were over-reported by 9.3% (59 cases) in FY2009 Status: Errors were corrected 3/16/2010 on OCA website.		
Workpaper Reference: (or other method by which finding was identified)	Workpaper No. 10 OCA website, Monthly JP activity reports, and JPAS. Comparison of activity reports to filed cases by the auditor's count		
Condition: (Describe the current condition)	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. Automated traffic case filing numbers are retrieved daily by court personnel accessing Document Direct.		
Criteria: (Describe the optimal condition)	Government Code Section 71.035(b) and Texas Administrative Code Sections 171.1 and 171.2 requires all activity reports to be accurately and timely completed and mailed (or updated via the Internet) to the council (Texas Judicial Council/OCA) no later than 20 days following the end of the month reported. Local Government Code 114.002 authorizes the County Auditor to determine the time and manner for making reports to the auditor. The County Auditor has determined that activity reports should be provided to the Internal Audit section no later than 20 days following the end of the month reported. All case numbers are accounted for, issued consecutively by case type, and properly and timely indexed to the JPAS.		
Cause: (Describe the cause of the condition if possible)	Clerical error		
Effect: (Describe or quantify any adverse effects)	Inaccurate statewide court analysis by OCA.		
Recommendation: (Describe corrective action)	In accordance with statutory guidelines, monthly activity reports should be completed in an accurate and timely manner with copies provided to OCA, OBE, and the County Auditor. Activity reports should be corrected if errors are later identified, as the accuracy of activity reports may affect staffing levels or statewide analysis.		
Responsible Department or Organization:	Justice of the Peace 5-1		
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent: _____ Date: _____
Comments:			
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration



Finding Number: 10-JP5.1-01-09
Date: 1/4/2011
Audit: Justice of the Peace 5-1 Audit FY08 partial thru FY11 partial
Auditor(s) Assigned: NH

<p>Finding:</p>	<p>Observation of office schedules and review of manual attendance records and Kronos time and attendance system postings revealed:</p> <ul style="list-style-type: none"> • One employee took vacation time during their probationary period. • Web-timestamp functionality is not used. Clerk's time is recorded in advance to Kronos based on scheduled hours. • Chief clerk received approved time off (ATO) while not averaging a 40 hour work week over a floating 12 month period in FY2010 and FY2011 including the use of an unearned 10 hour ATO day on the date of the primary election (March 2, 2010) with a 10 hour sick day recorded the following day. • Chief clerk recorded ATO, sick leave, vacation, and holiday time to Kronos for days after her last recorded day worked. <p>Status: Historical edit processed by Payroll on chief clerk final paycheck for time recorded as ATO after last day worked.</p> <ul style="list-style-type: none"> • Limited instances of bi-weekly pay period 'sign off' completed by the department with most pay periods defaulting to system wide sign-off.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpaper No. 11D- review of time and attendance</p>
<p>Condition: (Describe the current condition)</p>	<p>Bi-weekly schedules are used to populate court staff's time in advance to Kronos. Web time stamp functionality is not used by non-exempt staff. Annual leave, sick leave, holidays, etc. taken are recorded to the Kronos system based on information available to the chief clerk. Oracle DC Employee Self-Service is available for court staff to review hours paid and accrual balances taken / earned / available. Kronos time cards are marked with 'approval' by the Chief clerk with limited bi-weekly pay period 'sign off' completed by the department.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>According to Dallas County Code, Section 82.32, Work hours scheduling:</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>(f) <i>Hours worked less 40.</i> Any nonexempt employee who does not work a full 40 hour workweek will have his or her compensation reduced by the value of the hours not worked or will charge such time not worked to accrued leave of compensatory time, holiday pay, vacation or sick leave, or any combination of such leave.</p> <p>(g) <i>Other.</i> Each elected official/department head is responsible for ensuring that all reporting of time worked, and accrual and use of leave, is in compliance with county policies. 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, Section 82-84, Maintenance of time and attendance records, "Each department shall keep a record of each employee's hours worked in a manner approved by the commissioner's court and administered by the county auditor's office."</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. (b)</p>



	<p>Supervisors shall educate their employees about how to use the time entry method they are assigned and about the time and attendance policies for their department.</p> <p>(c) Supervisors are responsible for ensuring employee time records are accurate and that no abuses occur.</p> <p>(d) Supervisors are responsible for recording employee vacation and sick time and for entering time for employees who are working outside their department work area.</p> <p>(e) Supervisors are responsible for checking daily start times, meal periods, end times, vacation time, sick time, compensatory time and overtime to ensure employees are in compliance with their shift work schedule and the county's overtime policies. Supervisors are responsible for promptly documenting actions warranting discipline and for promptly reporting possible fraud to the county auditor.</p> <p>According to Dallas County Code, Section 82-132, Work schedules: Exempt employees shall report all hours worked and adhere to an established work schedule approved by the elected official/department head. Exempt employees' work schedules shall average a minimum of 40 hours per week, including use of accrued leave time. All time worked shall be recorded in the official time and attendance system.</p> <p>According to Dallas County Code, Section 82-134, Scheduled time off: Periodically, elected officials/department heads may grant administrative time off for exempt employees. Such time off must be approved by the elected official/department head. In order to approve such leave, the elected official/department head must ensure the exempt employee's most current 12-month average weekly work schedule exceeds 40 hours. For exempt employees whose tenure is less than 12 months, their average weekly hours worked shall be determined by the average hours worked over the number of weeks worked for the county. If this criterion is met, the elected official/department head may, at his/her discretion, approve the time off. Under no circumstances will this time be granted on an hour-for-hour basis and the total amount of time granted shall not exceed 15 work days in a 12-month period except by formal approval by the commissioners court.</p> <p>Any exempt employee who is not approved for administrative time off by the elected official/department head shall have the appropriate accrued leave balances docked. If appropriate leave is unavailable, the employee's salary shall be docked.</p> <p>Elected official/department heads should carefully monitor the amount of administrative leave time granted to each exempt employee to ensure against abuse and the leave is being granted fairly. The county auditor's office will periodically audit administrative time off usage and submit a report to county departments and/or commissioners court.</p> <p>According to Dallas County Code, Section 82-172, Nonexempt employee responsibilities, "... (b)..... All of the time an employee works must be recorded on the county's time and attendance system. An employee is never to work without recording time..."</p> <p>According to Dallas County Code, Section 82-382, Expending, (b) Employees must complete their employment probationary period before they are eligible to expend their accrued vacation.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Inaccurate application of county time and attendance policies. Available automated time recording methods are not used.</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Official time and attendance records do not accurately reflect time worked and taken. Former chief clerk over-compensated. Actual times may vary from scheduled hours.</p>
<p>Recommendation: (Describe corrective action)</p>	<p>Actual hours worked, vacation time, sick time, holiday time, jury duty, compensatory time, overtime, ATO, etc. should be properly and timely posted to the Kronos time and attendance system in accordance with the Dallas County Code and Commissioners Court orders. Each employee should affirm bi-weekly time paid / leave balances expended through review of pay slip on Employee Self-Service (ESS) application.</p> <p>Train and update staff on county leave policies and annual holiday schedules.</p> <p>Consider implementation of web-timestamp capture of non-exempt start and end times.</p> <p>Sign-off Kronos time cards by department management at the end of each bi-weekly pay period.</p>

County Auditor



Dallas County, Texas

Responsible Department or Organization:	Justice of the Peace 5-1				
Management's Response:	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	Respondent:		Date:
Comments:					
Disposition:	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		