



## DALLAS COUNTY COUNTY AUDITOR

### Memorandum

**TO:** Honorable Judge Michael D. Windham  
Justice of the Peace, Precinct 2, Place 2

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

**SUBJECT:** Review Performed on Justice of the Peace, Precinct 2, Place 2 for Fiscal Year 2010

**DATE:** Issued: January 21, 2011  
Released: February 11, 2011

### **Scope**

A review was performed in accordance with statutory guidelines on the records and reports of Justice of the Peace, Precinct 2, Place 2 for fiscal year 2010 during which the Honorable Ken Blackington 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 2010 the justice court processed:

- 24,576 computer receipts totaling \$ 3,963,048
- 21,473 class C misdemeanor cases including IBC, traffic, FTA, etc. (including auto-filed traffic cases)
- 1,392 civil/small claim cases
- 2,326 eviction cases

## **FINDINGS**

### **Cash Management**

Receipts – Computer / Manual – A review of 58 voided computer receipts and a sample review of 24,576 computer receipts and corresponding daily receipt transaction logs revealed minor discrepancies including two voided computer receipts without retention of the original copy. **Status:** One of the two receipts replaced for the same amount and payment type and one of two receipts replaced for the same payment type, check, but a lower receipt amount (\$110.10 versus \$250) than the original receipt. Responses to the Internal Control Questionnaire (ICQ) indicate separate cash drawers are not maintained when other staff assist or relieve the bookkeeper.

Additional responses to the ICQ indicate former employees may know the combination to the safe.

Assessments/Distribution- Review of 40 computer receipts (373 fee code entries) for compliance with statutorily required court costs and fine revealed material compliance except court costs on automated traffic case filings did not consistently include the new .10 cent TCLEOSE fee, which became effective January 1, 2010, due to the vendor providing the handheld devices and related software not updating the court costs tables, timely.

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 \$300,665 remain in the special fund account without research for disbursement to the applicable party and/or escheating to the County Treasurer or State Comptroller and forfeiture proceedings are not initiated against defendants to forfeit cash bonds when defendants fail to appear.

### **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: 78 active warrants or capias on the Constable's warrant system for cases without calculated balances due and/or on cases marked disposed on the JPAS Docket screen. **Status:** Six of the 78 warrants or capias returned to the court thirty or more days after the corresponding case was disposed. 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.

Civil Fee Dockets – Review of civil, small claims and eviction cases on the justice fee exception report indicates material compliance.

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 JPAS case records revealed material compliance.

Credit Card Process – Review of sixty credit card transactions on a test basis revealed no exceptions.

#### **Other/Miscellaneous**

Time and Attendance – Clerk's time is recorded in advance to Kronos based on scheduled hours with exceptions recorded to Kronos by the chief clerk. Bi-weekly pay period 'approval' of time worked is not reflected on the Kronos time cards.

#### **Contractual**

Driver's License Renewal Block – Review of cases referred for DL renewal blocks revealed instances of holds released upon case dismissal of cases without collection of the \$30 FTA administrative fee.

### **RECOMMENDATIONS**

#### **Cash Management**

Receipts – Computer / Manual – Continue existing receipt issuance practices. Re-emphasize verification of receipt amount before issuing to a customer and retention of all copies of a voided receipt. Separate cash drawers should be maintained by all clerks receipting payments and funds should be balanced prior to combining with other receipted funds.

The combination to the safe should be changed when employees with knowledge of the combination leave the justice court or otherwise reassigned.

Assessments/Distribution – Continue monitoring assessment, collection, and prorating of court costs fines, and fees in compliance with applicable state laws, Commissioners court orders, and applicable fee schedules.

Document and communicate automated traffic case filing court costs errors to IT Services. Adjust fine or transaction fee receipt amounts when Docket court costs fields exclude statutorily required court costs.

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 the detailed special fund report in order to clear old items on disposed cases in accordance with unclaimed property statutes. Cash bonds should be forfeited in accordance with Code of Criminal Procedure § 22.

#### **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 capias. Separation of duties should be established limiting (through system security access) staff assigned to recall warrants.

#### **Other/Miscellaneous**

Time and Attendance – Consider implementation of web-timestamp functionality to capture non-exempt start and end times. Ensure Kronos signed off timely for bi-weekly payroll processing.

**Contractual**

Driver's License Renewal Block – Monitor compliance and collect \$30 failure to appear fee in accordance with Commissioners Court Order No. 2003-2085, Dallas County Auditor Recommended Interim Policies for General Policy for Failure to Appear Program, and Transportation Code § 706.006 unless the person is acquitted of the charges for which the person failed to appear or the case was referred in error.

**CURRENT FINDINGS/OBSERVATIONS AND RECOMMENDATIONS**

Findings template numbered 10-JP2.2-01-01 thru 05 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. Ongoing office responsibility with change in elected official is 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 from the prior administration which need to be addressed include clearing of old Special Fund balances totaling approximately \$300,665 and coordinating with the constable's office to clear inappropriate active warrants.

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 Ken Blackington  
Honorable Judge Martin Lowy, LADJ



**Finding Number:** 10-JP2.2-01-01  
**Date:** November 29, 2010  
**Audit:** JP 2-2 FY 2010 Review- Computer & Manual Receipts  
**Auditor(s) Assigned:** YA

<b>Finding:</b>	<p>Sample review of 24,576 computer generated receipts including a complete review of 58 voided computer receipts, a sample review of 190 manual receipts including one voided manual receipt, a complete review of receipt continuity, testing of voiding procedures for proper accounting and internal controls, and a sample review of Daily Receipts Log revealed material compliance with proper receipting procedures except:</p> <ul style="list-style-type: none"> <li>• Two voids (3.4%) without retention of the original copy.               <ul style="list-style-type: none"> <li>○ One of the two reissued for same payment type, check, but a lower receipt amount (\$110.10 versus \$250) than the original receipt</li> <li>○ One of the two reissued for the same payment type and amount</li> </ul> </li> <li>• Six computer receipts were skipped by the Justice of the Peace Accounting System (JPAS) and did not print due to clerical error in duplicating the fee type while posting the payment. JPAS lacks the capability of flagging such errors.  <b>Status:</b> Replacement receipts were reissued for the same or higher amounts after corrections were made.</li> <li>• Six web payment receipts were voided due to duplicate credit card payments to the same case by the defendant.</li> <li>• Three \$23 cash receipts issued for birth certificate fees were voided because a CPS caseworker was the requestor. Birth certificates were issued at no fee.</li> </ul> <p>Responses to the Internal Control Questionnaire (ICQ) revealed:</p> <ul style="list-style-type: none"> <li>• Separate cash drawers are not maintained when other staff assist or relieve the bookkeeper</li> <li>• Funds receipted by other staff are not balanced prior to combining with the bookkeeper's cash drawer</li> </ul>
<b>Workpaper Reference:</b> <b>(or other method by which finding was identified)</b>	<p>Work paper No. 5A&amp;B – Review computer and manual receipts          Review of ICQ responses</p>
<b>Condition:</b> <b>(Describe the current condition)</b>	<p>Cash payments received by the counter clerks are counted in the presence of the payer. Payments made over the counter and supporting documentation is provided to the bookkeeper or back-up bookkeeper for receipting. Cash and checks/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 for accuracy prior to submitting to the customer. The receipt number is noted on the case jacket and the original computer receipt and any change due presented to the counter clerk. Computer receipts and any change from cash payments are provided to the customers by the counter clerk. In event of identified error, the computer receipt is voided in the JPAS and marked void with no dual sign-off of the change. In some instances, the customer leaves with the original receipt before errors are identified.</p> <p>Birth certificate fees were not collected from CPS caseworkers. The Dallas County Clerk holds a CPS escrow account which is drawn down to pay for birth certificates requested by caseworkers as authorized by CPS management.</p>



	<p>Document Direct reports are reviewed by the bookkeeper or chief clerk 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 event of identified error, the computer receipt is voided in the JPAS; however, no hard copy of a receipt exists for receipts generated through the automated process.</p>
<p><b>Criteria:</b> (Describe the optimal condition)</p>	<p>Best practices regarding receipt control procedures require that:</p> <ul style="list-style-type: none"> <li>• 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 refunds due.</li> <li>• Receipts should not be altered, but properly voided and affixed with a reason for the void with retention of all voided copies.</li> <li>• Fees should be collected from all requestors of birth certificates.</li> <li>• 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.</li> <li>• Assigned duties for cash controls are adequately separated.</li> <li>• Corrections are reviewed and approved by the chief clerk.</li> </ul> <p>E-Commerce requires information processing controls to test that transactions completed through computerized applications are valid, properly authorized, and completely and accurately processed and reported.</p> <p>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 receipting payments and funds should be balanced prior to combining with other receipted funds.</p>
<p><b>Cause:</b> (Describe the cause of the condition if possible)</p>	<p>Occasional procedural exceptions Non-integrated financial systems for e-commerce requiring manual intervention. JPAS unable to process multiple fee codes to the same case with the same date. Incomplete, improper or inaccurate application of accounting controls and cash handling procedures.</p>
<p><b>Effect:</b> (Describe or quantify any adverse effects)</p>	<p>Prevents potential assertion that monies were paid and refunds due. Inability to affix responsibility in the event shortages occur. Loss of revenue for the State of Texas and Dallas County.</p>
<p><b>Recommendation:</b> (Describe corrective action)</p>	<p>Payment posting procedures should include:</p> <ul style="list-style-type: none"> <li>• Continue review of reports for card acceptance posting &amp; rejection to properly &amp; timely account for payments. Payments not auto-posted should be receipted to the JPAS when appearing on the settlement report.</li> <li>• Document proposed modifications to the automated posting process and incorporate in <u>technology assessments</u>.</li> <li>• 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.</li> <li>• 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.</li> </ul> <p>Separate cash drawers should be maintained for all clerks receipting payments including</p>

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Dallas County, Texas

	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.				
	Contact CPS for authority to initiate an escrow draw through the County Clerk's office for birth certificates provided.				
<b>Responsible Department or Organization:</b>	Justice of the Peace 2-2				
<b>Management's Response:</b>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>		<b>Date:</b>
<b>Comments:</b>					
<b>Disposition:</b>	<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-JP2.2-01-02  
**Date:** 11/29/2010  
**Audit:** Justice of the Peace 2-2 FY 10  
**Auditor(s) Assigned:** YA

<b>Finding:</b>	<p>Review of 40 computer receipts (373 fee code entries) for appropriate collection of court costs, fines, and fees, and accurate posting to the Justice of the Peace Accounting System revealed materially accurate in assessment with minor code differences:</p> <ul style="list-style-type: none"> <li>• Three .10¢ TCLEOSE fees (fee type 36) not assessed/collected (automated case filings are not consistently updated with the .10¢ increase in court costs through the handheld unit operated by the constables and/or sheriff).</li> <li>• Two .10¢ TCLEOSE fees (fee type 36) assessed on 'no insurance' cases</li> </ul>
<b>Workpaper Reference: (or other method by which finding was identified)</b>	Workpaper No. 5E
<b>Condition: (Describe the current condition)</b>	<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 (or populated via automated traffic case filings) staff based on state statutes in effect at the time of the offense.</p> <p>Additional court costs may be manually assessed with the JPAS Court Costs field on the Docket screen updated by the court clerks and the bookkeeper for time payment fees when payment plans are established, transaction fees when payments are presented, and warrants and/or capiases as each paper is issued. Other manual adjustments by court clerks or the bookkeeper to the JPAS Court Costs field on the Docket screen may occur when defendants present proof of registration, inspection, or a valid driver's license in conjunction with payment of an administrative fee and dismissal of the case.</p> <p>Proof of insurance will result in dismissal of "no insurance" cases without payment of an administrative fee and the JPAS Court Costs field on the Docket screen updated to reflect no fee due. 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 court clerks or bookkeeper to update the JPAS Fine field on the Docket screen. Other defendants may request and be approved for a driving safety course (defensive driving) with court clerks 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 (updating the Docket screen to reflect DSC for reporting to Austin does not occur until proof of course completion is presented to the court along with a copy of insurance and an official driving record from DPS) and requiring payment at the time of request. Other defendants may request and receive deferred adjudication 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 court clerks or the bookkeeper to reflect deferred adjudication including noting a date in the Deferred Adjudication judgment date field.</p> <p>Prior to receipting payments, the bookkeeper or chief clerk reviews 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 chief clerk must perform a modified manual cost allocation process to record payments to each fee type.</p>
<b>Criteria: (Describe the optimal)</b>	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





<b>condition)</b>	Chapter 133, Commissioners Court orders, and Attorney General Opinion No. GA-0147. Court costs should be assessed based on offense date and offense type. Once collected, each fee should be posted to the proper JPAS fee type and paper type. Paper types for designated traffic programs should be used when recording payments on traffic cases. 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 Vernon's Ann., CCrP., § 45.017.		
<b>Cause:</b> (Describe the cause of the condition if possible)	Statutory changes in court costs and fines not consistently/timely updated by the vendor providing the handheld devices. Inadequate JPAS system functionality Clerical error		
<b>Effect:</b> (Describe or quantify any adverse effects)	Incomplete collection of court costs for the State of Texas and/or Dallas County. Incorrect distribution/disbursement of funds to the State of Texas, Dallas County, and/or other governmental entities requiring additional time to correct posting.		
<b>Recommendation:</b> (Describe corrective action)	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.  Adjust fine or transaction fee amounts when automated traffic case filing Docket screen court costs field amounts are incomplete or inaccurate.  Pursue new Justice of the Peace system with improved features.		
<b>Responsible Department or Organization:</b>	Justice of the Peace 2-2		
<b>Management's Response:</b>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>
<b>Comments:</b>	<b>Date:</b>		
<b>Disposition:</b>	<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-JP2.2-01-03  
**Date:** November 29, 2010  
**Audit:** JP 2-2 FY2010  
**Auditor(s) Assigned:** YA

<b>Finding:</b>	<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"> <li>• Old case balances (approximately \$300,665 of \$384,737 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.</li> <li>• Forfeiture proceedings not initiated against defendants to forfeit cash bonds when defendants fail to appear</li> </ul>
<b>Workpaper Reference:</b> (or other method by which finding was identified)	Work paper No. 6D – Review special fund activities
<b>Condition:</b> (Describe the current condition)	<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. Errors in amounts disbursed result in frequent cancellations. Old case balances remain in the special fund account without research for disbursement or escheatment.</p>
<b>Criteria:</b> (Describe the optimal condition)	<p>Best practices regarding cash control require that:</p> <ul style="list-style-type: none"> <li>• 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).</li> <li>• Special fund reports should be reviewed on a periodic basis and disbursements should be made to the appropriate parties in a timely manner.</li> </ul> <p>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> <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.</p>
<b>Cause:</b> (Describe the cause of the)	Limited staff time to research old items and weak system functionality.



<b>condition if possible)</b>					
<b>Effect:</b> (Describe or quantify any adverse effects)	Deferred research: <ul style="list-style-type: none"> <li>• Delayed disbursements to entities/individuals entitled to funds.</li> <li>• Penalties from the State for not following escheat statutes may be assessed if not corrected.</li> </ul> Limited reconciliation: <ul style="list-style-type: none"> <li>• Undetected posting errors resulting in potential for overpayment and unrecoverable losses.</li> <li>• Additional staff time to research and correct posting errors.</li> </ul>				
<b>Recommendation:</b> (Describe corrective action)	Special fund procedures should include: <ul style="list-style-type: none"> <li>• All checks issued or canceled posted accurately and timely to the JPAS (reconciliation of JPAS to GL) and verified/reviewed by the chief clerk.</li> </ul> <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: <a href="http://www.window.state.tx.us/up/forms.html">http://www.window.state.tx.us/up/forms.html</a> )</p> <p>Cash bonds should be forfeited in accordance with Code of Criminal Procedure § 22.</p>				
<b>Responsible Department or Organization:</b>	Justice of the Peace 2-2				
<b>Management's Response:</b>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b>		<b>Date:</b>
<b>Comments:</b>					
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration		



**Finding Number:** 10-JP2.2-01-04  
**Date:** 11/29/2010  
**Audit:** Justice of the Peace 2-2 FY10  
**Auditor(s) Assigned:** YA

<b>Finding:</b>	<p>Review of 10 cases from the Justice of the Peace 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 13 cases on time payment plans, review of 10 cases with final judgment, review of 20 disposed cases, and review of 40 cases from the active warrants list (approximately 23,000 active warrants or capias) 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"> <li>• All court clerks are authorized to recall warrants</li> <li>• Four cases referred for drivers license renewal block dismissed without collection of the \$30 FTA fee</li> <li>• 78 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</li> </ul> <p><b>Status:</b> 6 of the 78 warrants or capias returned by the constable thirty or more days after the corresponding case was disposed.</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>
<b>Workpaper Reference: (or other method by which finding was identified)</b>	<p>Workpaper 7A, 7A.1, 7B-7E, and IT Services Active Cases on Disposed Cases Report and responses to ICQ</p>
<b>Condition: (Describe the current condition)</b>	<p>In response to the OCA and Senate Bill 1863 (enacted by the 79<sup>th</sup> 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 postcards sent by court collection clerk within 10 to 14 days of a missed payment based on non-system logs maintained by the court collection clerk, and a notice of show cause hearing sent by court collection clerk when a defendant defaults on a payment plan including a second call made by the collection prior to issuing a warrant.</p> <p>Warrants including alias warrants are issued by 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>Returned/recalled dates are noted for recording to the JPAS as warrants and/or capias are returned from law enforcement agencies by court clerks, but process verification is problematic. Systems are not linked, lack warnings, and when payments are made in full, defendants appear, defendants comply with orders of the court, etc., the court's employees transmits recall notices to the appropriate law enforcement. No separation of duty procedure is established for issue/recall of warrants.</p>
<b>Criteria: (Describe the optimal condition)</b>	<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 &amp; 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>

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 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.

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:

(1) the court enters judgment on the underlying offense reported to the department;

	<p>(2) <b>the underlying offense is dismissed</b>; 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>
<b>Cause:</b> (Describe the cause of the condition if possible)	<p>Warrant /capias not returned from Constable/ Sheriff offices</p> <p>Inadequate system exception reporting</p> <p>Clerical error</p>
<b>Effect:</b> (Describe or quantify any adverse effects)	<p>Liability to County for persons arrested in error.</p>
<b>Recommendation:</b> (Describe corrective action)	<p>Warrant and capias procedures should include:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Separation of duties limiting (through system security access) staff assigned to recall warrants.</li> <li>• 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.</li> <li>• 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.</li> <li>• Outstanding warrant reports periodically reviewed for accuracy.</li> </ul> <p>Continue established payment plan procedures and monitor in accordance with Code of Criminal Procedure, Art. 103.0033.</p> <p>\$30 failure to appear fee should be assessed and collected in accordance with Commissioners Court Order No. 2003-2085, dated November 11, 2003, and Transportation Code § 706.</p> <p>Pursue new system with improved features.</p>
<b>Responsible Department or Organization:</b>	Justice of the Peace 2-2
<b>Management's Response:</b>	<input type="checkbox"/> Agree <input type="checkbox"/> Disagree <b>Respondent:</b> _____ <b>Date:</b> _____
<b>Comments:</b>	
<b>Disposition:</b>	<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-JP2.2-01-05  
**Date:** November 29, 2010  
**Audit:** Justice of the Peace 2-2 FY10  
**Auditor(s) Assigned:** YA

<b>Finding:</b>	<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"> <li>• Web-timestamp functionality is not used. Clerk's time is recorded in advance to Kronos based on scheduled hours. Clerks record daily times to manual records and submit to the chief clerk. Exceptions are subsequently recorded to Kronos by the chief clerk.</li> <li>• Bi-weekly pay period 'approval' of time worked is not reflected on the Kronos time cards with system wide sign-off noted.</li> </ul>
<b>Workpaper Reference:</b> (or other method by which finding was identified)	Workpapers 11.1 thru 11.6 review of time and attendance
<b>Condition:</b> (Describe the current condition)	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.
<b>Criteria:</b> (Describe the optimal condition)	<p>According to Dallas County Code, Section 82.32, <b>Work hours scheduling:</b></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. 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.</p> <p>According to Dallas County Code Sec. 82-175, <b>Supervisory responsibilities:</b></p> <p>(a) Supervisory responsibilities fall to the elected official, department head or their designee.</p> <p>(b) 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.</p>
<b>Cause:</b> (Describe the cause of the condition if possible)	Available automated time recording methods are not used.
<b>Effect:</b> (Describe or quantify any adverse effects)	Actual times may vary from scheduled hours.
<b>Recommendation:</b> (Describe corrective action)	<p>All vacation, sick leave, comp time, holiday time, jury duty, and approved time off should be 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>Consider implementation of web-timestamp capture of non-exempt start and end times.</p> <p>Approval of time worked by the official or designee must be electronically recorded each pay</p>



	period.		
<b>Responsible Department or Organization:</b>	Justice of the Peace 2-2		
<b>Management's Response:</b>	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree	<b>Respondent:</b> _____ <b>Date:</b> _____
<b>Comments:</b>			
<b>Disposition:</b>	<input checked="" type="checkbox"/> Audit Report	<input type="checkbox"/> Oral Comment	<input type="checkbox"/> Deleted From Consideration