



DALLAS COUNTY COUNTY AUDITOR

Memorandum

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

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

Subject: Review Performed for Fiscal Year 2010

Date: Issued January 21, 2011
Released March 2, 2011

Scope

A review was performed in accordance with statutory guidelines on the records and reports of Justice of the Peace, Precinct 4, Place 1 for fiscal year 2010 during which the Honorable Michael Petty 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 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:

- 20,962 computer receipts totaling \$2,855,633
- 21,279 class C misdemeanors (includes traffic, IBC, Parks & Wildlife, etc.)
- 1,450 civil/small claims
- 3,670 eviction cases

FINDINGS

Cash Management

Cash Counts – A review of cash handling procedures, cash counts performed and comparison of total receipts deposited to form 98 revealed: four instances in which funds did not balance to the control totals and/or deposit 98 totals including shortages totaling \$197.70. Separate cash drawers are not maintained when other staff assist or relieve the bookkeeper.

Receipts Computer/Manual – A review of receipts including 223 manual receipts and 107 voided computer receipts and a sample review of 20,962 computer receipts and corresponding daily receipt transaction logs revealed lapses in following proper accounting procedures for receipt voiding. Five voided computer receipts missing the original copy were either partially reissued or not reissued for amounts totaling \$692 cash less than the original receipt amount.

Assessment/Distribution – Review of 38 computer receipts (293 fee code entries) for compliance with statutorily required court costs and fine revealed material compliance. However, responses to the Internal Control Questionnaire (ICQ) indicate court employees do not update court costs and fine fields on the Docket screen when case dismissals occur.

Disbursement / Special Fund Reconciliation - A review of special fund activity revealed: erroneous refunds, un-posted disbursement, cancellations or stale dated checks, cancellations on the JPAS without support documentation or corresponding approval by the County Treasurer, and old (over three years old as of September 30, 2010) case balances totaling approximately \$313,300 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: 74 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:** 29 of the 74 warrants or capias returned to the court thirty or more days after the corresponding case was disposed with one warrant/capias not returned for four 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.

Activity Reports - Comparison of activity reports filed by the court with OCA to mainframe JPAS case records revealed FY2010 civil case counts were under-reported by 17.8% (176 cases).

Credit Card Processing and Financial Activity – A review of financial activity associated with credit card transactions and procedures revealed: show cause hearings are not consistently held when

defendants do not comply with Driver's Safety Course requirements; 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.

Birth/Death/Marriage Certificates – birth, death and marriage applications and security paper is not retained in a secure location. Procedures regarding issuance and reporting appear appropriate.

Contractual

Driver's License (DL) Renewal Block – Review of 30 cases referred to DPS through OmniBase for DL renewal block revealed material compliance.

Other/Miscellaneous

Time and Attendance – Employees take one hour for lunch with no breaks. The clerks use web-stamp functionality in the Kronos time and attendance system to sign in and out on most days. The chief clerk's time is recorded in advance by schedule with only one exception to start or end times recorded during a twelve month period. Biweekly department sign-off is generally completed by the chief clerk. Employees take leave not recorded in the Kronos time & attendance system including instances of clerks' out times recorded in advance by the chief clerk. The court closes its doors to the public at 4:00 PM.

Status: Chief clerk submitted a historical edit request on January 7, 2011 to the Payroll Hotline to correct 8 days in December 2010 recorded as regular time worked to vacation time.

RECOMMENDATIONS

Cash Management

Cash Count / Receipts – Separate cash drawers should be maintained for all clerks receipting payments including balancing of receipted funds prior to combining with other receipted funds. Receipts should be verified for accuracy of amount before issuing to a customer. At the end of the each business day, receipts should be totaled and balanced to the funds on hand and system control totals. The receipts and deposit total should be verified by the back-up bookkeeper or chief clerk prior to submitting to the Treasurer's office. 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. All copies of a void receipt should be retained, clearly marked "void", and affixed with a reason for the void. A funding source should be identified for all missing 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. Update court costs and fine fields on dismissed cases. Document and communicate automated traffic case filing court costs errors to IT Services.

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

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

Credit Card Processing and Financial Activity – Document and communicate automated traffic case filing court costs errors to IT Services. Adjust fine or transaction fee receipt amounts when automated posting of credit card Internet payments exclude statutorily required court costs.

Birth/Death/Marriage Certificates – A procedure should be developed and implemented to periodically review the security implication for issuing and voiding certificates. Documents should be retained in a secure location with restricted access.

Contractual

Driver's License Renewal Block – Monitor compliance with \$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.

Other/Miscellaneous

Time and Attendance – All hours worked including compensatory time earned/taken and overtime, vacation time, sick time, holiday time, jury duty, ATO, etc. should be recorded in the Kronos time & attendance system. Historical edits should be submitted to the Payroll Hotline to reflect time taken on Kronos. The court should remain open to the public from 8:00 AM – 4:30 PM in accordance with Dallas County policy.

CURRENT FINDINGS/OBSERVATION AND RECOMMENDATIONS

Finding templates numbered 10-JP4.1-01-01, 03 thru 06, and 08 thru 11 are attached.

Status Prior Year Finding

Delinquent Collection Contract – 30% add-on fee, for cases more than 60 days past due and referred to a law firm for delinquent collection services, continues to be waived when defendants completed an "Affidavit of Insufficient Resources and Income".

Recommendation for Prior Year Finding

A defendant's claim of indigence should be determined prior to the waiver of the 30% add-on delinquent collection fee in accordance with Code of Criminal Procedure, § 103.0031 and contract revision on Commissioners Court Order No. 2005-234.

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: establishing proper receipt controls including retention of all voided receipts; clearing of old Special Fund balances totaling approximately \$313,300; coordinating with the constable's office to clear inappropriate active warrants; evaluating defendant's indigence claims prior to waiver of delinquent collection fees; and recording of all time worked and taken by staff.

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 Mike Petty
Honorable Judge Martin Lowy, LADJ



Finding Number: 10-JP4.1-01-01
Date: 11/26/10
Audit: Justice of the Peace 4-1 Audit FY10
Auditor(s) Assigned: VO

<p>Finding:</p>	<p>Review of cash counts and out of balance conditions revealed:</p> <ul style="list-style-type: none"> • Four instances in which funds did not balance to the control totals and/or deposit 98 totals including shortages totaling \$197.70 <p>Responses to the Internal Control Questionnaire (ICQ) revealed:</p> <ul style="list-style-type: none"> • Separate cash drawers are not maintained when other staff assist or relieve the bookkeeper • Funds receipted by other staff are not balanced prior to combining with the bookkeeper's cash drawer
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpaper 5B.2 Phone calls from the court Random cash counts performed by Auditor's Office Follow-up cash counts of deposit variances noted at Treasurer's Office 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 is provided to the bookkeeper or back-up bookkeeper for receipting. 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. Computer receipts and any change from cash payments are provided to the customers.</p> <p>At the end of the business day prior to closeout, the computer receipts are totaled, compared to the funds on hand and system control totals by the bookkeeper. Adjustments are processed to the JPAS when the payment type is incorrectly recorded, the check amount is not correctly receipted, or other errors are identified.</p> <p>The ending computer receipt number to include in the overnight closeout process is entered into the JPAS. Computer receipts issued after the cut-off are included with the next business day's deposit. The following business day funds on hand are confirmed as balancing to the JK98 totals with deposits submitted to the County Treasurer.</p>
<p>Criteria: (Describe the optimal condition)</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>Receipts should be promptly issued for the amount of funds tendered, correct change given to customers, and all funds received properly secured, 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.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Incomplete, improper or inaccurate application of accounting controls and cash handling procedures. Occasional procedural exception.</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Delayed revenue recognition and lost interest earnings to the County and State. Inherent risks for delayed deposits include non-recovery of funds, checks or cash could be lost or stolen before being receipted. Inability to affix responsibility in the event shortages occur.</p>
<p>Recommendation: (Describe corrective action)</p>	<p>Cash handling procedures should include:</p> <ul style="list-style-type: none"> • 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.



	<ul style="list-style-type: none"> • 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. • At the end of each business day, receipts should be totaled and balanced to the funds on hand and system control totals. • The receipt and deposit totals should be verified by the back-up bookkeeper or chief clerk. The deposit 98 should be initialed as evidence of the verification. • Deposit records should include control sheets listing currency and coin by denomination and quantity which tie to deposit control totals.
Responsible Department or Organization:	Justice of the Peace 4-1
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-JP4.1-01-03
Date: 11/30/10
Audit: Justice of the Peace 4-1 Audit FY10
Auditor(s) Assigned: VO

<p>Finding:</p>	<p>Review of 20,962 computer-generated receipts including 107 voided computer receipts, receipt continuity and voiding procedures revealed:</p> <ul style="list-style-type: none"> • Six computer receipts were not marked “void” and did not contain an explanation for voiding noted on the receipt. • Nine voids (8.4%) without retention of the original copy including one not marked “void”. <ul style="list-style-type: none"> • Six of the nine reissued for the same amount and payment type • Three of the nine reissued for \$202 less cash (\$248 to \$46) than the original receipt <p>Status: One defendant responded to a confirmation request indicating \$204 cash was paid. Bookkeeper had deleted a receipt entered by the back-up for \$204 and reentered to the JPAS for only \$22 cash.</p> <ul style="list-style-type: none"> • Two voided (deleted from the JPAS) computer receipts missing both the original receipt and carbon copy. One cash receipt for \$367 not replaced and one cash receipt for \$145 replaced for \$22 cash.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpaper 5B and 5B.1</p>
<p>Condition: (Describe the current condition)</p>	<p>Cash payments received by the counter clerks are counted in the presence of the payer. Payments made over the counter and supporting 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 inconsistently 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 back-up bookkeeper. Corrections are made when the payment type is incorrectly recorded, the check amount is not correctly receipted, or other errors are identified. Customers will not receive a copy of “closeout” voids / corrections. 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 should be accounted for and properly used in order to affix responsibility, enhance cash control and prevent potential assertion that monies were paid and refund due.



	<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 ensure that the explanation for the deletions is documented and reasonable. • Corrections are reviewed and approved by the chief clerk. <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>
Cause: (Describe the cause of the condition if possible)	Temporary lapse in following accounting procedures for receipt voiding. Inconsistent practice of requiring two initials (one being chief clerk) for voids / corrections.
Effect: (Describe or quantify any adverse effects)	Prevents potential assertion that monies were paid and refund due. Loss of revenue for Dallas County and the State of Texas.
Recommendation: (Describe corrective action)	Receipt procedures should include: <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.
Responsible Department or Organization:	Justice of the Peace 4-1
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-JP4.1-01-04
Date: 11/30/10
Audit: Justice of the Peace 4-1 Audit FY10
Auditor(s) Assigned: VO

<p>Finding:</p>	<p>Review of 38 computer receipts (293 fee code entries) for appropriate collection of court costs, fines, and fees, and accurate posting to the Justice of the Peace Accounting System revealed assessments materially accurate except for:</p> <ul style="list-style-type: none"> • One time payment fee assessed and collected prior to the 31st day after judgment • One Texas Parks and Wildlife fine not allocated 85% to the State <p>Responses to the Internal Control Questionnaire (ICQ) indicate staff does not update court costs and fine fields on the Docket screen when case dismissals occur.</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpaper 5E review of fees assessed and receipted JP Court Assessment Grid Review of ICQ</p>
<p>Condition: (Describe the current condition)</p>	<p>The Justice of Peace Accounting System lacks automated assessment and partial payment distribution functions. Pre-assessed court costs and fine amounts are posted at the time of filing 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 back-up bookkeeper 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 and due to system limitations, the bookkeeper or back-up bookkeeper must perform a modified manual cost allocation process to record payments to each fee type. Court costs grids are used by the bookkeeping staff at the point of receipting to provide a guide for the fee type breakdown in the JPAS.</p>
<p>Criteria:</p>	<p>Court costs, fines, and fees should be assessed/collected/prorated in compliance with applicable</p>



<p>(Describe the optimal condition)</p>	<p>state laws including Code of Criminal Procedure Chapters 45 and 102 and Local Government Code Chapter 133, Commissioners Court orders, and Attorney General Opinion No. GA-0147. Court costs should be assessed based on offense date and offense type for criminal offenses and file date for civil type cases.</p> <p>JPAS Docket screens should be updated as cases are filed and additional case activity occurs including, but not limited to, the assessment of additional court costs and/or changes in fines or special expense amounts as ordered by the judge in accordance with Vernon's Ann., CCrP., § 45.017.</p> <p>In accordance with Texas Parks and Wildlife, Section 12.107. REMISSION OF FINES. (a) A justice of the peace, clerk of any court, or any other officer of the state who receives a fine imposed by a court for a violation of this code or a regulation of the commission adopted under this code shall send the fine to the department within 10 days after the date of collection. A statement containing the docket number of the case, the name of the person fined, and the section of this code or the regulation violated must accompany the remission of the fine.</p> <p>(b) The amount of the fine to be remitted to the department is 80 percent in county court or higher court cases and 85 percent in justice court cases.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Inadequate JPAS system functionality Clerical error</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Incorrect distribution/disbursement of funds to the State of Texas and/or Dallas County requiring additional time to correct posting.</p>
<p>Recommendation: (Describe corrective action)</p>	<p>Continue monitoring assessment, collection, and prorating of court costs fines, and fees in compliance with applicable state laws including Code of Criminal Procedure Chapter 102 and Local Government Code Chapter 133 or Commissioners court orders and applicable fee schedules based on the offense date and offense type for criminal offenses and file date for civil type cases.</p> <p>JPAS Docket screen posting procedures should include:</p> <ul style="list-style-type: none"> • Updating Docket screens as: cases are filed; warrants or capiases are issued; pleas are entered; court dates are set; cases are dismissed, judgments or deferred adjudications are ordered; defensive driving is authorized; time payment plans are authorized; cases are disposed; etc. • Completing electronic Dockets in compliance with Vernon's Ann., CCrP, § 45.017. <p>Pursue new system with improved features.</p>
<p>Responsible Department or Organization:</p>	<p>Justice of the Peace 4-1</p>
<p>Management's Response:</p>	<p><input type="checkbox"/> Agree <input type="checkbox"/> Disagree Respondent: _____ Date: _____</p>
<p>Comments:</p>	<p> </p>
<p>Disposition:</p>	<p><input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration</p>



Finding Number: 10-JP4.1-01-05
Date: 11/30/10
Audit: Justice of the Peace 4-1 Audit FY10
Auditor(s) Assigned: VO

<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 \$313,300 of \$382,500 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. • Ten checks on multiple cases were issued for the wrong amount by the court. Corresponding cancellations were not posted including one case with a stop payment notice placed. • Multiple instances of incorrect check numbers posted to the JPAS • Two duplicate bond forfeiture disbursements payable back to the JP court without posting to JPAS • One partial check cancellation was incorrectly posted to the JPAS on a paid check issued to reapply bond funds to court costs and fines on approximately 50 cases. The bookkeeper incorrectly receipted a portion of the check to an unrelated defendant's case. The bookkeeper subsequently transferred funds that were not available on the original case to various court costs. • One cancellation posted to the JPAS with the wrong paper type • One cancellation posted to the JPAS for a check paid by the bank • Two checks posted to the wrong case
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpapers 6A-6F</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. Errors in amounts disbursed result in frequent cancellations. 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. <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>Cause: (Describe the cause of the condition if possible)</p>	<p>Clerical errors. Insufficient supervisory review of preliminary check registers prior to final authorization and check printing. Limited staff time to research old items.</p>



Effect: (Describe or quantify any adverse effects)	Deferred research: <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. Limited reconciliation: <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. • Chief clerk verification of preliminary check registers prior to final approval. <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 4-1
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-JP4.1-01-06
Date: 11/30/10
Audit: Justice of the Peace 4-1 Audit FY10
Auditor(s) Assigned: VO

<p>Finding:</p>	<p>Review of 10 cases from the Justice of the Peace 4-1 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 10 cases with final judgment, review of 20 disposed cases, and review of 40 cases from the active warrants list (approximately 27,000 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"> • All court clerks are authorized to recall warrants • 74 active warrants and/or capias on WX50 or WRWI for cases without balances due and/or inactive (marked with Dispose flag 'X') as of 8/26/2010 <p>Status: 29 of the 74 warrants or capias returned by the constable thirty or more days after the corresponding case was disposed with one warrant/capias not returned for four 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 7A, 7A.1, 7B-7F, and 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 and delinquent collection letters sent by court collection clerk within 10 to 14 days of a missed payment, 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. When payments are made in full, defendants appear, defendants comply with orders of the court, etc., the court's staff transmits recall notices to the appropriate law enforcement.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>In accordance with state statutes and at judge's discretion, warrants/capias should be issued within a reasonable time frame to further enhance the court's collections process. All warrants should be recalled when a defendant makes proper disposition of court costs & fines by payments made, jail time served, community service or other disposition such as appeal of the case.</p> <p>Best practices for internal control require separation of assigned duties for personnel authorized to issue and/or recall warrants.</p> <p>Docket screen procedures recommended by the County Auditor in document titled 'Standard Procedures for Recording Misdemeanor Information to the Docket Screen' should be followed when recording entries to the court's official electronic docket which is governed by Code of</p>

	<p>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.</p> <p>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.</p> <p>In accordance with Code of Criminal Procedure, Art. 103.0033 (c) Unless granted a waiver under Subsection (h), each county and municipality shall develop and implement a program that complies with the prioritized implementation schedule under Subsection (h). A county program must include district, county, and justice courts.</p> <p>(d) The program must consist of:</p> <p>(1) a component that conforms with a model developed by the office and designed to improve in-house collections through application of best practices; and</p> <p>(2) a component designed to improve collection of balances more than 60 days past due, which may be implemented by entering into a contract with a private attorney or public or private vendor in accordance with Article 103.0031.</p> <p>(e) Not later than June 1 of each year, the office shall identify those counties and municipalities that:</p> <p>(1) have not implemented a program; and</p> <p>(2) are able to implement a program before April 1 of the following year.</p> <p>(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.</p> <p>(g) The office shall:</p> <p>(1) make available on the office's Internet website requirements for a program; and</p> <p>(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.</p> <p>(h) The office, in consultation with the comptroller, may:</p> <p>(1) use case dispositions, population, revenue data, or other appropriate measures to develop a prioritized implementation schedule for programs; and</p> <p>(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.</p> <p>(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.</p> <p>(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.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Warrant /capias not returned from Constable/ Sheriff offices. Inadequate system exception reporting for recall of warrants and follow-up. Clerical error</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Liability to County for persons arrested in error.</p>
<p>Recommendation: (Describe corrective action)</p>	<p>Warrant and capias procedures should include:</p> <ul style="list-style-type: none"> • Warrants or capiases issued timely when defendants do not appear, do not comply with conditions of release, or default on payment terms. Show cause hearings should be set when

	<p>defendants default on payment plans.</p> <ul style="list-style-type: none"> • 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. • A tracking list of recalled, but unreturned warrants or capias should be maintained with weekly follow-up communications to the constable or sheriff until returned. • Outstanding warrant reports periodically reviewed for accuracy. <p>Continue established payment plan procedures and monitor in accordance with Code of Criminal Procedure, Art. 103.0033.</p> <p>Pursue new system with improved features.</p>
Responsible Department or Organization:	Justice of the Peace 4-1
Management's Response:	<input type="checkbox"/> Agree <input 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-JP4.1-01-08
Date: 12/01/10
Audit: Justice of the Peace 4-1 Audit FY10
Auditor(s) Assigned: VO

<p>Finding:</p>	<p>Observation of office schedules, review of responses to the Internal Control Questionnaire (ICQ), and review of manual attendance records and Kronos time and attendance system postings revealed:</p> <ul style="list-style-type: none"> • Five partial or full day absences by the chief clerk not deducted against leave balances were noted during fieldwork. Follow-up phone calls to the court revealed additional partial or full day absences by the chief clerk not deducted against leave balances after fieldwork. • Chief clerk's time was recorded in advance based on scheduled hours rather than actual hours. <p>Status: Chief clerk submitted a historical edit request on January 7, 2011 to the Payroll Hotline to correct 8 days in December 2010 recorded as regular time worked to vacation time.</p> <ul style="list-style-type: none"> • One partial sick day recorded as 4 hours sick leave when 5 hours sick leave taken by clerical employee. • Full-time regular employees take one hour for lunch with no breaks. Lunch is recorded as 30 minutes on the Kronos time and attendance system. • Patrons calling and appearing at the court are routinely told the court closes at 4:00 PM. Court signage indicates business hours are 8:00 AM-4:00 PM. • Instances of staff taking extended lunches and/or leaving early recorded as regular time worked without postings recorded to Kronos or deductions against leave balances. Reportedly, compensatory time or overtime was worked to offset the work days less than 8 hours. • Instances were noted where clerks' out times were recorded in advance by the chief clerk with bi-weekly 'approval by manager' recorded on the last day of the pay period either late morning or early afternoon rather than at the end of the day.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpapers 9D.1 -9D.7 review of time and attendance and Internal Control Questionnaire.</p>
<p>Condition: (Describe the current condition)</p>	<p>The clerks use web-time stamp functionality in Kronos to sign in and out with exceptions noted where the chief clerk entered out times in advance with 'approval by manager' completed prior to the end of the work day. The clerks also enter in their time for the pay period on a manual time sheet and provide the sheet to the chief clerk at the end of each pay period for verification on Kronos. When the clerks need to take time off, they complete a request for leave form indicating the days being requested. The chief clerk approves or disapproves the request. The chief clerk enters the vacation or sick time used in Kronos for the specified day and formally approves and signs off time worked. Chief clerk's time is recorded in advance based on scheduled hours without adjustments made to reflect leave taken. Kronos time cards are marked with 'approval' by the Chief clerk with limited instances of bi-weekly pay period 'sign off' defaulting to system-wide sign-off.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>According to Dallas County Code, Section 82.32, Work hours scheduling: (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>



(c) *Breaks and lunch periods.* An elected official/department head may also establish breaks and lunch periods for their employees. Employees may be granted one break of ten minutes for each four hours worked. Employees are paid while on break. A lunch period may be 30 minutes or an hour depending on the work schedule approved by the elected/appointed official/department head. Lunch periods are in addition to the regular eight-hour work period. Employees are not paid during their lunch period; therefore, they should be completely relieved of all duties and be free to leave their post of duty.

(f) *Hours worked less 40.* 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.

(g) *Other.* 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.

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."

According to Dallas County Code Sec. 82-175, **Supervisory responsibilities:**

(a) Supervisory responsibilities fall to the elected official, department head or their designee.

(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.

(c) Supervisors are responsible for ensuring employee time records are accurate and that no abuses occur.

(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.

(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.

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.

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.

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



	<p>appropriate leave is unavailable, the employee's salary shall be docked. 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>Cause: (Describe the cause of the condition if possible)</p>	<p>Inaccurate application of county time and attendance policies. Management override of automated time recording controls.</p>						
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Official time and attendance records do not accurately reflect time worked and taken. Employees may be over-compensated for leave time already taken. Actual times 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. Train and update staff on county leave policies and annual holiday schedules. Historical edits should be submitted to the Payroll Hotline to reflect correct leave types and time taken on Kronos.</p>						
<p>Responsible Department or Organization:</p>	<p>Justice of the Peace 4-1</p>						
<p>Management's Response:</p>	<table border="1"> <tr> <td><input type="checkbox"/> Agree</td> <td><input type="checkbox"/> Disagree</td> <td>Respondent:</td> <td></td> <td>Date:</td> <td></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></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			
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Finding Number: 10-JP4.1-01-09
Date: 12/01/10
Audit: Justice of the Peace 4-1 Audit FY10
Auditor(s) Assigned: VO

<p>Finding:</p>	<p>Review of birth, death, and marriage certificate logs/applications and a selection of JPAS receipts revealed:</p> <ul style="list-style-type: none"> • Voided birth certificates shredded instead of sent to Vital Statistics • Destruction log not maintained of shredded death certificates • Birth, death and marriage applications not kept in a secure locked location • Birth, death and marriage applications sent to Archives instead of being destroyed after expiration of 3 year retention period • Birth, death and marriage security paper not kept in secure location • Fees not assessed for birth record searches <p>Status: Court began charging for birth record searches after notification was received from the County Clerk</p>
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpapers 9E.A -9E.D1</p>
<p>Condition: (Describe the current condition)</p>	<p>Requestor completes an application with applicable information, provides proof of identity and relationship to party for which the birth certificate pertains, and pays the required fee (Payment tender type should be cash or money order). The County Clerk has cross deputized JP clerks authorizing JP issuance of <u>birth certificates</u>. JP clerk counts the fee paid, reviews the application, verifies eligibility of requestor, and accesses (only one employee logs in at time due to BVS system instability) the Bureau of Vital Statistics system. The birth certificate information is printed using security paper through a designated printer and embossed with the County seal. The certificate and required fee are taken to the bookkeeper for receipting. The bookkeeper verifies the fee corresponds to the number of certificates requested. The JPAS is accessed by the bookkeeper and the payment for the certificate(s) is receipted. The original receipt, any change due, and certificates are provided to the requestor. An issuance log is maintained by the court and updated by the issuing clerk with the certificate number(s) being used and initials of clerk issuing certificate. Any voids are marked void on certificate and issuance log by the issuing clerk. Voided certificates are <u>not</u> submitted to the Texas Department of Health Vital Statistics on a regular basis with a request to remove for the lifetime count. However, the birth certificates are shredded, periodically.</p> <p>State Bureau of Vital Statistics submits one monthly bill to the County Clerk for all Dallas County locations. Billing reflects activity by user id and location. All searches to the state system reflect as a charge on the monthly billing.</p> <p>The County Clerk has cross deputized JP clerks authorizing JP issuance of <u>death certificates</u> (Funeral homes can request death certificates at the JP court. Individuals submit certificate requests to the County Clerk). \$20.00 is charged for the first certified copy of a death certificate. \$4 is charged for each additional copy of the same certificate issued with the first request. A funeral home brings the court an application(s) for a death certificate(s). JP clerk counts the fee paid, reviews the application. The clerk enters the deceased's information into the AiLIS system. Death certificate information is printed from the AiLIS system and copied to security paper using a photo-static copier and is embossed with the County seal. The certificates and check are given to the bookkeeper for receipting. The bookkeeper verifies the fee corresponds to the</p>



	<p>number of certificates requested. The JPAS is accessed by the bookkeeper and the payment for the certificate(s) is received. Once received, the certificates and receipt are placed in a tray awaiting pick up from the funeral home personnel. An issuance log is maintained by the court and updated by the issuing clerk with the certificate numbers being used. File number, date issued, and initials of clerk issuing certificate are recorded in that log. However, a log is not maintained of voided death certificates which are shredded.</p> <p>When applicants come to the court for <u>marriage licenses</u>, they are directed to apply for the license on the Kiosk computer located in the hallway of the court. Once the applicant fills out the application online and receives a reference number, the applicant will give the reference number to the deputized clerk. The clerk will search the AiLis computer system for the reference number and print a copy of the application for the applicants to verify the correctness of the information. The marriage license is printed from the AiLis computer system on special paper for marriage licenses and a gold County seal is embossed on the license. The license and required fee (Payment tender type should be cash or money order) accepted by the clerk are taken to the bookkeeper for receipting. The bookkeeper verifies the fee corresponds to the type of marriage license. The JPAS is accessed by the bookkeeper and the payment for the license is received to specially assigned case numbers under the MC case type. The marriage license log is filled out by the issuing clerk with the applicants name, certificate number, receipt number, case number, date, and initials of clerk issuing the license. The original receipt, any change due, and license are provided to the requestor.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>According to V.T.C.A., Health and Safety Code § 191.0045, “..... (d) A local registrar or county clerk who issues a certified copy of a birth or death certificate shall charge the same fees as charged by the bureau of vital statistics.....”</p> <p>“(h) A fee under this section shall be collected by the registrar or county clerk on the issuance of a vital statistics record, including a record issued through a Remote Birth Access site.”</p> <p>According to Texas Administrative Code, RULE §181.24, (a) Abused birth record.</p> <p>(1) Any birth record that has had 10 certifications issued since the original date of filing shall be considered as an abused record. Such a notation shall be made on the birth record.</p> <p>(2) Local registrars shall notify the Bureau of any abused record. Requests for additional certifications shall be made to the bureau.</p> <p>(3) When the state registrar receives a request for an abused birth record, he/she shall refuse to issue any additional certifications until the registrant, minor registrant's parent who is not excluded by law, or registrant's guardian has satisfactorily explained the reason for the additional request(s).</p> <p>All voided certificates should be accounted for and marked “void” in order to affix responsibility, enhance cash control and prevent potential assertion that monies were paid and refund due. Notification of voided certificates related to records accessed through Remote Birth Access site should be reported to BVS for proper credit to the customer’s life time issuance count and adjustment to monthly billing statement.</p> <p>According to Texas Administrative Code, RULE §181.28, (e) Record retention. A record of the date issued, document number, name and address and form of identification to whom issued shall be made and maintained for a period of three years from the date issued. The application form, with the document number inserted, used to apply for a record will fulfill this requirement. Documents should be retained in a secure location.</p> <p>According to Texas Administrative Code, RULE §181.25:</p> <p>a) The bureau shall furnish application forms for a marriage license to each county clerk in the format as prescribed by the State Registrar.</p> <p>(b) The application form shall contain at a minimum the items and information prescribed in the</p>



	Texas Family Code, §2.004. (c) When reproduced locally by the county clerk, the form shall be identical in content, format, and size as prescribed by the bureau.		
Cause: (Describe the cause of the condition if possible)	Unknown		
Effect: (Describe or quantify any adverse effects)	Logs with inaccurate and incomplete information. Potential misuse of official documents County liability for improper storage and destruction of confidential information		
Recommendation: (Describe corrective action)	Birth and death certificate and marriage license application procedures should be updated to include: <ul style="list-style-type: none"> • Written procedures, periodic review by chief clerk for compliance, and staff training • Issuance logs updated with voided certificate data • Voided certificates clearly marked "void" and affixed with a reason for void • Voided birth certificates forwarded to Texas Department of State Health Services • The receipt comment field in the JPAS should document the file number of the certificate issued • Documents retained in a secure location with restricted access and retained in accordance with records retention requirements. 		
Responsible Department or Organization:	Justice of the Peace 4-1		
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-JP4.1-01-10
Date: 12/01/10
Audit: Justice of the Peace 4-1 Audit FY10
Auditor(s) Assigned: VO

<p>Finding:</p>	<p>Review of financial activity associated with 20 credit card transactions and the associated JPAS postings revealed:</p> <ul style="list-style-type: none"> • Show cause hearings <u>not</u> held when defendants did <u>not</u> comply with Driver's Safety Course dismissal requirements • Two special expense fees on deferred adjudication cases recorded as fine, Fee Type '03' • One case posted with the record ID of a voided transaction • Two .10¢ TCLEOSE fees (fee type 36) not assessed/receipted during automated posting of credit card Internet payments (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). • Two credit card web payment channels for paying by credit card. <ul style="list-style-type: none"> • One for automated traffic tickets only • One for all misdemeanor case types • Limited integration of automated JPAS payment posting functionality requiring additional staff time to review, reconcile, and research/post exceptions. <ul style="list-style-type: none"> • Two daily settlement reports • One automated receipt posting report for payments submitted through the automated traffic ticket payment channel with activity limited to amounts that match predefined court costs tables. Instances of incorrect matches noted. • One automated payment rejection report for payment amounts not matching the predefined court costs tables.
<p>Workpaper Reference: (or other method by which finding was identified)</p>	<p>Workpaper 10ABC Desk Review</p>
<p>Condition: (Describe the current condition)</p>	<p>Credit card payments are submitted for processing either by defendant directly over the Internet or by court clerks for mail in or over the counter transactions (data is entered manually by clerks – swipe card reader is not available). There are two web portals that can be used: an 'auto citation' payment channel and a 'JP Court' precinct payment channel.</p> <p>Defendants paying with a credit card in person are required to complete a Electronic Payment Consent form and provide a government issued photo ID. Defendants paying with credit card via mail are required to provide cardholders name and address, credit card number and expiration date, check the case(s) to be paid, record the amount to be paid, sign and date, and enter a plea on the citation provided at the time of offense. A copy of the ID, completed slips, and credit/debit cards or mailed in credit card payment data are submitted to the bookkeeper for processing through the County's Intranet portal. A confirmation number is generated by the system for successful transactions and the confirmation will be printed by the bookkeeper. A copy of the confirmation will be provided to defendants paying in person. Credit card payments processed through the 'auto citation' payment channel by 10:59:59 PM are not consistently included in the next day business closeout (processing is dependent on IT parameters not JP court clerk).</p> <p>Each business morning, the chief clerk or bookkeeper will print the credit card transaction reports from both credit card payment channels and the mainframe automated posting/reject reports. Accepted transactions (completed prior to 11 PM) processed through the 'auto citation' payment channel create a computer receipt in the overnight batch process without data entry required except for amounts that do not match the limited allocation table. The bookkeeper reviews the 'auto citation' payment channel accepted (titled Settlement Report) report and compares to the JPAS for accuracy in fee code distribution. There are limited tables available for the automated posting of credit card payments so some items appear on a mainframe reject (amounts do not match table) report and require research and manual posting for generation of a computer receipt.</p> <p>Valid transactions from the 'JP Court' precinct payment channel accepted (titled Settlement Report) report and the rejected 'auto citation' transaction mainframe report will be receipted by the</p>



	<p>bookkeeper to the JPAS as payment type 'check' due to JPAS limitations. Daily balancing of receipt activity will include credit card payments that appear on the accepted/settlement (previous day's activity prior to 11 PM) reports generated by court staff from the County's Intranet site. Cash will be counted and balanced to JPAS control cash totals. Checks will be totaled and added together with both accepted/settlement report totals and balanced to JPAS control check totals. The ending receipt for the balanced funds will be input to the JPAS and will not include new computer receipt numbers that will be generated during the current day's overnight batch process for system generated computer receipts for credit card payments. Cash, checks, and other supporting documentation will be placed in the safe overnight. The following business day the safe is opened and the bookkeeper will confirm cash and checks (including computer receipts for credit card transactions) are still in balance with JPAS control totals. Cash, coin and check totals are entered to the JPAS deposit file. If entered amounts match system control totals, the JK98 process will allow the court to print the deposit form 98's by cash and check payment types. The funds and deposit totals are verified by a second court employee (Chief Clerk or back-up bookkeeper). Dual sign-off will be indicated on both deposit forms. Closed-out receipting of credit card payments will be reflected on the check deposit with a manual notation on the deposit form 98 with the amount from the accepted/settlement reports as 'ACH'.</p> <p>A copy of the two accepted/settlement ('auto citation' and 'JP Court') reports will be sent to the County Treasurer with the check deposit. The cash and check (including closed out / computer receipted credit card payments) deposits will be placed in separate clear plastic deposit envelope bags. Relevant information will be written on the clear plastic bags. Bag control numbers, payment type, and amount will be notated in the courier receipt book and signed by court staff. The deposits will be locked in the safe pending the arrival of the courier. The courier will sign for the deposits and deliver to the County Treasurer.</p>
<p>Criteria: (Describe the optimal condition)</p>	<p>Court costs, fines, and fees should be assessed/collected/prorated in compliance with applicable state laws including Code of Criminal Procedure Chapter 102 and Local Government Code Chapter 133 or Commissioners Court orders.</p> <p>Standard accounting and system control procedures require daily reconciliation and balancing of collected funds with receipts promptly issued for the amount of funds tendered, all funds received properly secured, and deposited consistent with state law including V.T.C.A., L.G.C., § 113.022 and Vernon's Ann., C.C.P., § 103.004</p> <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>According to V.T.C.A., L.G.C., § Sec. 130.003. PAYMENT CONDITIONAL. (a) The acceptance of a check or credit card invoice for the payment of a fee or tax does not constitute payment of the fee or tax. The fee or tax is not considered paid until the check is honored by the bank on which the check is drawn or the credit card invoice is honored by the issuer.</p> <p>According to Vernon's Ann., C.C.P., § Art. 45.051. SUSPENSION OF SENTENCE AND DEFERRAL OF FINAL DISPOSITION. (a) On a plea of guilty or nolo contendere by a defendant or on a finding of guilt in a misdemeanor case punishable by fine only and payment of all court costs, the judge may defer further proceedings without entering an adjudication of guilt and place the defendant on probation for a period not to exceed 180 days. In issuing the order of deferral, the judge may impose a special expense fee on the defendant in an amount not to exceed the amount of the fine that could be imposed on the defendant as punishment for the offense. The special expense fee may be collected at any time before the date on which the period of probation ends. The judge may elect not to impose the special expense fee for good cause shown by the defendant. If the judge orders the collection of a special expense fee, the judge shall require that the amount of the special expense fee be credited toward the payment of the amount of the fine imposed by the judge. An order of deferral under this subsection terminates any liability under a bail bond or an appearance bond given for the charge.</p>



	<p>(c-1) If the defendant fails to present within the deferral period satisfactory evidence of compliance with the requirements imposed by the judge under this article, the court shall:</p> <p>(1) notify the defendant in writing, mailed to the address on file with the court or appearing on the notice to appear, of that failure; and</p> <p>(2) require the defendant to appear at the time and place stated in the notice to show cause why the order of deferral should not be revoked.</p> <p>(c-2) On the defendant's showing of good cause for failure to present satisfactory evidence of compliance with the requirements imposed by the judge under this article, the court may allow an additional period during which the defendant may present evidence of the defendant's compliance with the requirements.</p> <p>(d) If on the date of a show cause hearing under Subsection (c-1) or, if applicable, by the conclusion of an additional period provided under Subsection (c-2) the defendant does not present satisfactory evidence that the defendant complied with the requirements imposed, the judge may impose the fine assessed or impose a lesser fine. The imposition of the fine or lesser fine constitutes a final conviction of the defendant. This subsection does not apply to a defendant required under Subsection (b-1) to complete a driving safety course approved under Chapter 1001, Education Code, or an examination under Section 521.161(b)(2), Transportation Code.</p> <p>According to Vernon's Ann., C.C.P., § Art. 45.0511. DRIVING SAFETY COURSE OR MOTORCYCLE OPERATOR COURSE DISMISSAL PROCEDURES.</p> <p>(i) If a defendant requesting a course under this article fails to comply with Subsection (c), the court shall:</p> <p>(1) notify the defendant in writing, mailed to the address on file with the court or appearing on the notice to appear, of that failure; and</p> <p>(2) require the defendant to appear at the time and place stated in the notice to show cause why the evidence was not timely submitted to the court.</p> <p>(j) If the defendant fails to appear at the time and place stated in the notice under Subsection (i), or appears at the time and place stated in the notice but does not show good cause for the defendant's failure to comply with Subsection (c), the court shall enter an adjudication of guilt and impose sentence.</p>
<p>Cause: (Describe the cause of the condition if possible)</p>	<p>Non-integrated financial systems for e-commerce requiring manual intervention. Multiple credit card reports and payment channels. Inconsistent application of statutes. Statutory changes in court costs and fines not consistently/timely updated by the vendor providing the handheld devices.</p>
<p>Effect: (Describe or quantify any adverse effects)</p>	<p>Non-collection of statutorily required fees.</p>
<p>Recommendation: (Describe corrective action)</p>	<p>Payment posting procedures should include:</p> <ul style="list-style-type: none"> • Continue review of reports for card acceptance posting & rejection to properly & timely account for payments. Valid payments not auto-posted should be receipted to the JPAS when appearing on the settlement report. • Adjust fine amounts when automated traffic case filing court costs are incomplete or inaccurate. <p>Record special expense fee assessments on deferred cases to Fee Code '00', justice fees.</p>
<p>Responsible Department or Organization:</p>	<p>Justice of the Peace 4-1</p>
<p>Management's Response:</p>	<p><input type="checkbox"/> Agree <input type="checkbox"/> Disagree Respondent: _____ Date: _____</p>
<p>Comments:</p>	
<p>Disposition:</p>	<p><input checked="" type="checkbox"/> Audit Report <input type="checkbox"/> Oral Comment <input type="checkbox"/> Deleted From Consideration</p>

County Auditor



Dallas County, Texas

Finding Number: 10-JP4.1-01-11
Date: 12/01/10
Audit: Justice of the Peace 4-1 FY10
Auditor(s) Assigned: VO

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: <u>JPAS to OCA</u> <ul style="list-style-type: none"> Civil (JC) case counts were under-reported by 17.80% (176 cases) in FY2010 <u>JPAS to OBE</u> <ul style="list-style-type: none"> Civil (JC) cases were over-reported by 8.29% (82 cases) in FY2010 		
Workpaper Reference: (or other method by which finding was identified)	Workpaper No. 9C 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 manually capture case activity, disposition and payment information on a daily basis. Oversight or mathematical errors result in monthly data provided by the court clerks to the chief clerk to not accurately reflect case activity as recorded to the Justice of Peace Accounting system. 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)	Unknown		
Effect: (Describe or quantify any adverse effects)	Mathematical errors or cross reference errors in manual tabulation of monthly summaries. 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 4-1		
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