



# AUDIT REPORT

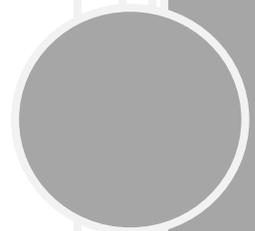
DALLAS COUNTY

FY2021 Justice of the Peace Precinct 2, Place 1 Audit

Darryl D. Thomas  
Dallas County Auditor

ISSUED: 8/19/2022

RELEASED: SEPTEMBER 26, 2022



# FY2021 Justice of the Peace Precinct 2, Place 1 Audit

## TABLE OF CONTENTS

---

MANAGEMENT LETTER .....	3
EXECUTIVE SUMMARY.....	4
INTRODUCTION .....	5
DETAILS .....	6

This report is intended for the information and use of the agency/department. While we have reviewed internal controls and financial reports, this review will not necessarily disclose all matters of a material weakness. It is the responsibility of the department to establish and maintain effective internal control over compliance with the requirements of laws, regulations, and contracts applicable to the department



**DALLAS COUNTY**  
COUNTY AUDITOR

**MANAGEMENT LETTER**

Honorable Judge Margaret O'Brien  
Justice of Peace, Precinct 2, Place 1  
Dallas, Texas

Attached is the County Auditor's final report entitled "FY2021 Justice of the Peace Precinct 2, Place 1 Audit" Report. In order to reduce paper usage, a hard copy will not be sent through in house mail except to the auditee.

In you prefer that released reports be emailed to a different (or additional) recipient, please inform me of the name and the change will be made.

Respectfully,

*Darryl D. Thomas*

Darryl D. Thomas  
County Auditor

## EXECUTIVE SUMMARY

A review was performed in accordance with statutory guidelines on the records and reports of Justice of the Peace, Precinct 2, Place 1 for fiscal year 2021. Priority areas of risk which need consideration by management are:

### **Summary of Significant Observations:**

- **Special Fund:** The Special Fund balance is \$369,922.11 of which \$368,837.46 is for cases older than 3 years were not escheated to the related parties and JPAS is \$28,898.35 less than the general ledger balance per Oracle, as a result of incomplete and unposted records. The Court Special Fund Reconciliation did not balance because check and cancellation entries were omitted and six canceled checks totaling \$1892.52 were not posted to JPAS.
- **Case Deletions:** 27 cases were deleted without segregation of duties and without supervisory review. There are no means to determine if financial activity was recorded to the deleted cases.
- **Cash Count:** During a cash count performed on May 10, 2022, two money orders totaling \$1,138.00 (dated May 9, 2011), were found inside the court's safe and had not been receipted and deposited. The money orders were made payable to the County Clerk for an appeal bond.

### **Repeat observations from Previous Audits:**

- **Special Fund:** Prior years Fund Balance over three years old remain outstanding and bank variances continue to occur due to incomplete JPAS record.
- **Case Deletion:** There is limited system functionality for assigning security roles and rights in JPAS, which allow court staff to delete cases without segregation of duties. Management does not monitor Defendant/Plaintiff Log Reports to detect case deletions.
- **Dismissed Case:** The court does not review to ensure a case is appropriately docketed, and that sufficient approval is documented on disposed cases.
- **No Judgment/Plea Cases:** Cases were disposed without documenting a plea, judgment, appeal, dismissal, or deferred adjudication date in JPAS.
- **Computer Receipts:** Management relies on staff to self-report voids and does not review the Exception Reports from JPAS.
- **Credit Card:** The court did not ensure online credit card payments were timely posted to JPAS.

**Only those weaknesses which have come to our attention as a result of the audit have been reported. It is the responsibility of the department management to establish and maintain effective internal control over compliance with the requirement of laws, regulations, and contracts applicable to the department.**

## INTRODUCTION

**Dallas County Auditor's Office mission is to provide responsible, progressive leadership by accomplishing the following:**

- Comply with applicable laws and regulations
- Safeguard and monitor the assets of the County utilizing sound fiscal policies
- Assess risk and establish and administer adequate internal controls
- Accurately record and report financial transactions of the County
- Ensure accurate and timely processing of amounts due to County employees and vendors
- Set an example of honesty, fairness and professionalism for Dallas County government
- Provide services with integrity
- Work in partnership with all departments to resolve all issues of the County
- Strive to utilize the latest efficient and effective technology in the performance of tasks
- Provide technical support and training in the development, implementation, and maintenance of information systems
- Hold ourselves accountable to the citizens of the County at all times
- Be responsive to the elected officials and department heads of Dallas County

The objectives of this audit are to:

1. Ensure compliance with statutory requirements
2. Evaluate internal controls
3. Verification of accuracy and completeness of reporting
4. Review controls over safeguarding of assets

This audit covered the period of October 1, 2020 through September 30, 2021.

The audit procedures will include interviews with key process owners, observation of transactions processing, data analysis and sample testing of transactions. The main system used will also be reviewed and incorporated as part of the testing of transactions.



DETAILS

**No Judgment No Plea**

Ten disposed cases filed during FY2021 were reviewed and the following were identified:

- Four cases were disposed without a plea, judgment, appeal, dismissal, or deferred adjudication date in JPAS.
- Three cases were disposed without a plea in JPAS.

The JPAS docket screen should be updated with a plea of nolo contendere (when the defendant has not entered a prior plea) and judgment when web or mail payments are accepted by the court as full payment in accordance with Code of Criminal Procedure (CCP), Article 27.14(c). Per CCP Article 45.017 (a) the judge of each court shall keep a docket containing the judgment and sentence of the court, and the date each was given. These errors and omissions occurred due to clerical errors when entering information into JPAS and system reports were not reviewed for accuracy and completeness before disposing cases. As a result, the court's docket records may be incomplete and inaccurate.

**Recommendation**

No Judgment No Plea

Management should make the following corrective actions:

- Correct the seven docketing omissions in JPAS.
- Docket cases consistent with CCP 45 as events occur, such as pleas offered by the defendant, judgment and sentence of the court, dismissals and appeals, and the date each was taken.
- Ensure the JPAS docket screen is updated with a plea of nolo contendere and judgment when web or mail payments are accepted by the court as full payment in accordance with CCP Article 27.14 (c).
- Review case records and dockets for accuracy and completeness before disposing the case.
- Review Document Direct Reports to detect errors and omissions on disposed cases in JPAS.

**Management Action Plan**

- We will not be submitting a Management Action Plan addressing the findings outlined in the current report given the anticipated implementation of the new Odyssey system which would address and correct the very issues mentioned in the report.

**Auditors Response**

- None



- None

## Credit Cards

The court's online credit card transactions and postings to JPAS during the audit period were reviewed; seven online credit card payments were posted to the defendant's case in JPAS between six to 12 business days. The entire amount of each online credit card payment should be receipted to the defendant's case in JPAS by the following business day, but no later than the fifth day after the day money was received per Local Government Code 113.022. This occurred because management relies on staff to post online credit card payment transactions, but does not ensure they are posted timely to the defendant's case in JPAS in compliance with LGC 113.022. As a result, defendants may not receive timely credit for payments made to their cases, which increases the risk of additional fees charged or scoff law restrictions to the defendant.

### **Recommendation**

#### Credit Cards

Management should make the following corrective actions:

- Post complete and accurate payments for online credit card payments to JPAS in compliance with LGC 113.022.
- Ensure management provides oversight by reviewing JP Credit Card and Settlement Reports and verifying all payments are accurately and completely posted within five business days.

### **Management Action Plan**

- We will not be submitting a Management Action Plan addressing the findings outlined in the current report given the anticipated implementation of the new Odyssey system which would address and correct the very issues mentioned in the report.

### **Auditors Response**

- None

## Fine and Fees

Twenty cases were reviewed for the assessment and collection of court costs, fines, and fees and accuracy of postings to the Justice of the Peace Accounting System (JPAS) and the following were identified:



- One case in which the \$25 time payment fee was not assessed and collected. This caused the collection fee to be inadequately assessed.
- One case in which the paid fine of \$200 was posted to the incorrect fee type and a deferred date was erroneously posted to the JPAS docket screen.

Nineteen collection fee removals processed during the audit period were reviewed and the following were identified:

- 13 cases in which collection fees totaling \$564 were inappropriately waived by clerks when disposing the case. This includes:
  - Two cases in which the JPAS docket screen was not updated with the judgment date or deferred adjudication date.
  - One case in which the court cost was not properly assessed and collected.
  - One case in which the \$15 time payment fee was not assessed and collected.
- One case in which the collection fee was removed prior to the defendant's trial.
- One case in which collection fees assessed were forced removed from JPAS by the clerk, but the defendant paid the amount owed.

Court costs, fines, and fees should be assessed and collected in compliance with applicable state laws including Code of Criminal Procedure (CCP) Chapter 45, CCP 102, CCP 103, Local Government Code Chapter (LGC) 133 and 134, Transportation Code (TC) 542 and 706, Commissioners Court orders, and Attorney General Opinion GA-0147. Court costs should be assessed based on offense date and offense type. A time payment fee shall be paid by a person making a payment on or after the 31st day after the date on which a judgment is entered, per CCP 102.030. Consistent with CCP Chapter 45.017, the JPAS Docket screens should be updated as cases are filed, additional court costs are added, the date judgment is rendered, the date warrants are returned, and as changes in fines or amounts are ordered by the Judge. Per Dallas County Commissioners Court Order 2004-1147, the Commissioners Court authorized the addition of the Collection Fee in the amount of thirty percent (30%) on outstanding debt or accounts receivable that is more than sixty (60) days past due and has been referred to Contractor for collection. The collection amount will not be waived in any way but continue to be outstanding until the collection amount is paid in full; except for a case dismissed by a court, any amount satisfied through time-served or community service, or if the court has determined that a defendant is indigent.

These instances occurred due to non-compliance with Commissioners Court Order 2004-1147, clerical errors and omissions from manual case entries, inadequate JPAS system functionality that requires the manual entry of assessments and payments, and because the court does not have a review process to ensure court costs were accurately assessed and collected prior to case disposition. These errors and omissions may result in the inadequate collection of court costs and fine amounts and an incorrect distribution and disbursement of funds contractually and statutorily owed to other parties.



## **Recommendation**

Fine and Fees

Management should make the following corrective actions:

- Ensure appearance, trial, and court dates are timely recorded in JPAS before referral to the collection contractor.
  - Leave referrals to the collections contractor intact when a defendant does not appear for court.
  - Remove the referral when the defendant is subsequently found not guilty by the judge or jury.
- Remove collection fees for cases dismissed by the court, amounts satisfied through time-served or community service, perfected appeals, or if the court has determined that a Defendant is indigent per Dallas County Commissioners Court Order 2004-1147.
  - Ensure management is reviewing collection removals
- Collect the time payment fee when a payment made on or after the 31st day from the judgment, per CCP 102.030.
- Docket cases as events occur, such as: the assessment of additional court costs (including administrative fees, time payment fees, etc.), judgment dates rendered by the court, and deferred disposition dates.
- Review case records, dockets, and payments for accuracy and completeness before disposing the case.
- Review Collection Reports from Document Direct to ensure cases are appropriately docketed (including hearing reset dates) before the case is referred to collections, and to detect errors and omissions.
- Ensure all court personnel consistently follow court guidelines and Texas Statutes (CCP Ch.45, 102, 103; LGC Ch.133 and 134; and TC Ch.542 and 706).

## **Management Action Plan**

- We will not be submitting a Management Action Plan addressing the findings outlined in the current report given the anticipated implementation of the new Odyssey system which would address and correct the very issues mentioned in the report.

## **Auditors Response**

- None



### Special Fund

Special Fund check disbursements, the FY2021 Special Fund reconciliation (completed by the court), and postings to JPAS were reviewed during the audit period (ending September 30, 2021) and the following was identified:

- The Special Fund balance per JPAS is \$369,922.11, of which \$368,837.46 is for cases older than three years.
  - \$2,888.76 is made up of case balances under \$100 and can be escheated to the county.
  - The \$369,922.11 Special Fund balance per JPAS is \$28,898.35 less than the \$398,820.46 general ledger balance per Oracle, as a result of incomplete and unposted JPAS records.
- The Court Special Fund Reconciliation did not balance because check and cancellation entries were omitted.
- Six canceled checks totaling \$1892.52 were not posted to JPAS.
- One disbursement check for \$10.00 was not posted to JPAS. The check is a duplicate disbursement.

In accordance with Local Government Code Section 113.008(f), an official with Special Funds shall reconcile all balances and transactions in the statement of activity against the balances of the official's records (JPAS, Oracle and case jackets) each month. Management should escheat funds per Property Code, § 72 and § 76 and cash bonds should be forfeited per Code of Criminal Procedure § 22. Management did not comply with LGC 113.008 to ensure the Special Fund accounts were reconciled and that check disbursements and cancellations were timely posted to JPAS. The Special Fund is intended to be a temporary escrow account and balances in excess of three years were not escheated. Parties entitled to funds did not receive them and may not realize they are held in escrow by the court. This also increases the risk that financial records in JPAS may be inaccurate and incomplete.

#### **Recommendation**

Special Fund

Management should make the following corrective actions:

- Post the six cancelled checks totaling \$1,892.52 and one disbursement check totaling \$10.00 to JPAS.
- Complete the Special Fund 554 reconciliation monthly and ensure it balances.
- Escheat \$2,888.76 in case balances under \$100 to the county.
- Obtain or seek reimbursement for the \$10.00 duplicate check.



- Ensure Special Fund check disbursements and cancellations are accurately and completely posted to cases in JPAS after the completion of monthly reconciliations.
- Review Special Fund reports and routinely escheat Special Funds in accordance with unclaimed property statutes, Property Code, § 72 and § 76.

### **Management Action Plan**

- We will not be submitting a Management Action Plan addressing the findings outlined in the current report given the anticipated implementation of the new Odyssey system which would address and correct the very issues mentioned in the report.

### **Auditors Response**

- None

## **Manual Receipts**

Forty-four of 68 manual receipts issued in FY2021 were reviewed and the following were identified:

- Manual receipts are being issued in the bookkeeper's absence rather than when the JPAS System is non-operational.
- Two voided manual receipts did not have an explanation for voiding or the supervisor's approval.

One manual receipt pink carbon copy was not attached to the corresponding computer receipt.

One manual receipt (issued for two cases) in which the total amount paid did not agree to the total of two computer receipts, causing a \$0.70 shortage to JPAS. The manual receipt was issued to the customer with an error but was not voided.

The court's manual receipting procedure is for management to review manual receipt book for errors, to ensure receipts are present (not removed), voids are authorized, and payments are accurately posted to JPAS. Manual receipts should only be issued when the JPAS System is non-operational, with all fields accurately completed, and not altered once written. Receipts containing an error should be labeled "Void" with management's approval and an explanation written on the receipt. Manual receipt preparer and approval/ reviewer responsibilities should be appropriately segregated. When manual receipts are issued to customers, the white receipt copy should be given to the customer, the pink copy should be attached to the court's computer receipt after payment is receipted in JPAS, and the yellow copy should remain within the manual receipt book attached to the second computer receipt. The court's manual receipting procedure as stated by management in a response to the Internal Control Questionnaire, was not followed. The court's manual receipting procedure is not formally documented



by the court. This resulted in an error in the manual receipting process that was not detected by management. A lack of oversight and management review may result in potential revenue losses, misappropriation of assets, and risk of a delay in the detection of errors to manual receipts.

### **Recommendation**

#### Manual Receipts

Management should make the following corrective actions:

- Issue manual receipts when JPAS is nonoperational.
- Ensure the bookkeeper obtains management's approval prior to voiding any transaction and that an explanation for voiding is written on the receipt.
- Review manual receipts for accuracy including the total amount, tender/payment type, case number, transaction date, and payer name fields on the receipt.
  - Compare the details written on manual receipts to computer receipts generated from JPAS.
- Void manual receipts with errors, including incorrect amounts written. Receipts should not be altered once written.
- Formally document and follow the court's manual receipt procedures.

### **Management Action Plan**

- We will not be submitting a Management Action Plan addressing the findings outlined in the current report given the anticipated implementation of the new Odyssey system which would address and correct the very issues mentioned in the report.

### **Auditors Response**

- None

## **Computer Receipts**

All sixteen voided computer receipts were reviewed and in two receipts the initial plaintiffs' payments were voided and both case numbers were re-used for different plaintiffs & defendants.

In order to maintain complete financial records within JPAS, case numbers should not be reused for different cases or deleted. The court's voiding procedure is to mark receipts "Void", document a reason for voiding, ensure all receipt copies are retained by the court, void the full amount of the receipt, and segregate the duties of void preparer and reviewer. As a best practice, management should review and approve all voided receipts. JPAS reporting through Document Direct provides the JP courts with the capability to review exception reports, voided transactions and transaction logs (especially with respect to receipt deletions, lowered amounts, payment type changes, and agreeing the daily closeout), and to



ensure that errors and omissions are detected. These instances occurred because the court's voiding procedures were not followed. Management did not prevent and detect case numbers being reused for new cases. The court's voiding procedure was stated by management in a response to the Internal Control Questionnaire, but the procedure is not formally documented by the court. A lack of management oversight and segregation of duties may result in inaccuracies, an incomplete audit trail, and present opportunities for misappropriation. Errors and omissions not detected by management may result in deposit delays and losses.

### **Recommendation**

Computer Receipts

Management should make the following corrective actions:

- Ensure cases with voided payments are not re-used for other plaintiffs and defendants or deleted.
- Formally document and follow the court's receipting procedures for voiding transactions.
- Ensure management periodically reviews Exception Reports from JPAS to monitor voided computer receipts and ensure the timely detection of errors and omissions.

Also, reviewing voided transactions and JPAS Exception reports should not be appropriated segregated and not performed by the same person completing receipting activities.

### **Management Action Plan**

- We will not be submitting a Management Action Plan addressing the findings outlined in the current report given the anticipated implementation of the new Odyssey system which would address and correct the very issues mentioned in the report.

### **Auditors Response**

- None

## **Appealed Cases**

One appealed case processed during the audit period was reviewed and the JP Court did not obtain or request the complaint from DPS before transferring the file to the Criminal Court of Appeals (JT2030487D). The case was returned to the JP court due to the missing complaint, but the case was not reactivated for further processing. The JP Court also misfiled the letter from the Criminal Court of Appeals in another case file and placed a Dismissal Order from another case in the sampled case file.

Per a Standing order from the County Criminal Court of Appeals, if the justice of the peace court is unable to supplement the record because the itemized documents are missing from its record, it is



incumbent upon the justice of the peace court's clerk and staff to obtain the missing documents to complete the record. See Tex. R. App. P. 34.5(e). The County Criminal Court of Appeals No. One obtained assurance from the Dallas County Sheriff's Department's traffic division that duplicate tickets and/or complaints will be provided to any Justice of the Peace who requests these items. Per CCP Art 45.017(a) the judge of each court shall keep a docket containing the date the examination or trial was held, judgment and sentence of the court, and the date each was given. Per CCP Article 32.02, no case shall be dismissed without the consent of the presiding judge. Appeals from a justice court shall be heard by the county court in accordance with CCP Article 45.042(a). The CCP Article 44.18 states that in appeals from justice courts, the record in the case shall be forwarded without delay to the clerk of the court to which the appeal is taken. Per the Code of Criminal procedure Article 45.0426. (b) If an appeal bond is not timely filed, the appellate court does not have jurisdiction over the case and shall remand the case to the justice or municipal court for execution of the sentence. Management did not follow CCP Article 32, 44, 45, and the Standing order from the County Criminal Court of Appeals by transferring the case to the Criminal Court of Appeals without the complaint. As a result, the court's docket records may be inaccurate. Misfiled records increase the risk that cases are erroneously dismissed, potential revenue losses to the County, and an incomplete audit trail of the court's records.

### **Recommendation**

#### Appealed Cases

Management should make the following corrective actions:

- Re-activate and process the appealed case that was returned by the County Court. This includes requesting complete records from the agency that filed the complaint.
- Review records in the appealed case and ensure misfiled documents are placed in the appropriate case file.
- When processing new criminal misdemeanor complaints, review for all required records and documentation and report missing records to the appropriate agency.
- Use checklists to ensure required documents are obtained by the court.
- Perform a quality control review of appealed case files before transferring to the Court of Appeals.
- Ensure management complies with CCP Article 32, 44, 45, and the standing order from the County Criminal Court of Appeals.

### **Management Action Plan**

- We will not be submitting a Management Action Plan addressing the findings outlined in the current report given the anticipated implementation of the new Odyssey system which would address and correct the very issues mentioned in the report.

### **Auditors Response**

- None



## Dismissed Cases

Sixteen dismissed cases were reviewed during the audit period and one case in which the defendant presented auto insurance that was not valid at the time of the offense.

Transportation Code (TC) 601.053 and 601.193 states the operator of the vehicle charged shall provide a liability insurance policy covering the vehicle to the court that was valid at the time the offense is alleged to have occurred. The court's procedure for verifying "proof of liability" is not formally documented in written procedures; there is no management oversight over the process. Granting compliance dismissals inconsistent with TC 601 may result in revenue loss to the County and increase the risk that assets may be misappropriated when not detected by management.

### **Recommendation**

#### Dismissed Cases

Management should make the following corrective actions:

- Comply with TC 601 by obtaining a liability insurance policy covering the defendant's vehicle that was valid at the time that the offense is alleged to have occurred.
- Document formal written procedures for staff to process compliance dismissals and for management's review.
- Ensure management reviews case records, dockets, and payments for accuracy and completeness before disposing the case.

### **Management Action Plan**

- We will not be submitting a Management Action Plan addressing the findings outlined in the current report given the anticipated implementation of the new Odyssey system which would address and correct the very issues mentioned in the report.

### **Auditors Response**

- None

## Civil Fees

Twenty civil cases (brought by a non-government entity from the Justice Fee Exception List) in which filing fees were not paid at the time of filing were reviewed and the following identified:

Four cases in which the court did not post in JPAS the date the judge approved the Pauper's Affidavit.



Two cases in which filing fees were posted to the wrong case in JPAS.

One case file was missing the signature page of the Inability to Afford Cost form.

Per Rule 145 of the Texas Rules of Civil Procedure (TRCP), a party who cannot afford payment of court costs must file the Statement of Inability to Afford Payment of Court Costs. The clerk must, on the filing of a sworn Statement, docket the case, issue citation, and provide any other service that is ordinarily provided to a party. A "sworn" Statement is one that is signed before a notary. Each clerk shall keep a file docket which shall show in convenient form the number of the suit, the names of the attorneys, the names of the parties to the suit, and the nature thereof, and in brief form, the officer's return on the process, and all subsequent proceedings had in the case with the dates thereof, consistent with Rules 25 and 524 of the TRCP. Filing fees should be collected and applied to the initiating party's case in compliance with Local Government Code (LGC) 118.121, 118.122, and 118.123 and 118.131. This occurred due to clerical errors made in the manual process of setting up new civil cases, non-compliance with Rule 145 of the TRCP, and management not reviewing the Justice Fee Exception List to detect errors and inconsistencies. Omissions to JPAS may result in an incomplete audit trail and difficulty in determining whether money is owed to the county.

Additionally, revenue losses may occur when the payment of civil case filing fees are not reviewed by management for accuracy and completeness.

**Recommendation**

Civil Fees

Management should make the following corrective actions:

- Update the four cases in JPAS with the Pauper's Affidavit dates.
- "Drag and transfer" payments to correct two filing fees posted to the wrong case in JPAS.
- Obtain the signature page on sworn Statement of Inability to Afford Payment forms consistent with Rule 145 of the TRCP
- Update case comments in JPAS with an explanation for not collecting filing fees, when applicable.
- Ensure managements reviews the Justice Fee Exception List from Document Direct for civil cases filed without a payment and for posting errors.
- Ensure case records are accurate and reflect a complete account of case activities.

**Management Action Plan**

- We will not be submitting a Management Action Plan addressing the findings outlined in the current report given the anticipated implementation of the new Odyssey system which would address and correct the very issues mentioned in the report.



## **Auditors Response**

- None

## **Case Deletions**

Twenty-seven of 27 cases (100%) identified from Defendant/Plaintiff (D/P) Logs were deleted without segregation of duties and without supervisory review. This includes four cases deleted outside of the court's business hours.

There are no means to determine if financial activity was recorded to the deleted cases. There are no means to determine if financial activity was recorded to the deleted cases. As a best practice, management should not permit the deletion of cases and should periodically review D/P Log Reports to ensure that case deletions do not occur. There is limited system functionality for assigning security roles and rights in JPAS, which allow court staff to delete cases without segregation of duties and approval. Additionally, management does not review D/P Log reports to effectively detect and monitor case deletions. Deleting cases in JPAS increases the risk that assets may be misappropriated and not detected by management. Deleting cases can also result in the loss of receipt records, case notes, docketing information, and other actions posted by the court without an audit trail.

## **Recommendation**

### Case Deletions

Management should make the following corrective actions:

- Not permit staff to delete cases.
- Write a comment in JPAS explaining errors that occur on cases rather than deleting cases to keep a complete audit trail of cases.
- Ensure management, rather than staff, routinely monitor Defendant/Plaintiff Log Reports for case deletions and communicating with staff when they occur.
- Review circumstances surrounding each case deletion to understand the effect, impact, and reduce likelihood of reoccurrence.
- Work with Dallas County IT to limit system rights and roles based on the user's core job duties.

## **Management Action Plan**

- We will not be submitting a Management Action Plan addressing the findings outlined in the current report given the anticipated implementation of the new Odyssey system which would address and correct the very issues mentioned in the report.

## **Auditors Response**

- None

**Cash Count**

During a cash count performed on May 10, 2022, two money orders totaling \$1,138.00 (dated May 9, 2011), were found inside the court's safe and had not been receipted and deposited. The money orders were made payable to the County Clerk for an appeal bond.

Per Local Government Code (LGC) § 113.022 a county officer or other person who receives money must deposit the money, without exception, on or before the fifth business day after the day on which the money is received. Management is responsible for designing, implementing, and supervising cash handling and receipting procedures. As a best practice checks and money orders received via mail should be recorded on a check log before providing to the bookkeeper for posting. Daily receipts and check log should be reconciled and reviewed by a supervisor other than the bookkeeper. Management should escheat funds per Property Code, § 72 and § 76 and cash bonds should be forfeited per Code of Criminal Procedure § 22. Under LGC Sec. 115.001, the county auditor shall have continual access to and shall examine and investigate the correctness of: the books, accounts, reports, vouchers, and other records of any officer. Management did not ensure the money orders were returned to the payer, receipted to the Special Fund for escheatment, or communicated to the Treasurer and County Auditor for resolution. Management also stated in a response to the Internal Control Questionnaire there were no un-deposited money orders at the court. As a result, the defendant's money orders remained in the court's custody for 11 years while the issuer's monthly fee continue to reduce their value.

**Recommendation**

Cash Count

Management should make the following corrective actions:

- Locate and return the money orders to the defendant or escheat the money in compliance with Property Code, § 72 and § 76.
- Log check and money order payments received via mail on a check log before providing to the bookkeeper for posting.
- Segregate the duties of opening mail and posting payments to JPAS.
- Restrictively endorse checks made payable to the court when opening the mail.
- Ensure daily receipts and the check log are reconciled and reviewed by a supervisor other than the bookkeeper.

Comply with LGC Sec. 115.001, by providing the county auditor continual access to examine and investigate the books, accounts, reports, vouchers, and other records of the court.

**Management Action Plan**

- We will not be submitting a Management Action Plan addressing the findings outlined in the current report given the anticipated implementation of the new Odyssey system which would address and correct the very issues mentioned in the report.



## **Auditors Response**

- None

## **Cash Handing Walkthrough**

A walkthrough of cash handling procedures was performed on May 10, 2022 and it was observed that the Bookkeeper prepares one calculator tape for the numeric amount, but does not create a separate tape for the total written amount (the dollar amount represented by the words written on the check). The bookkeeper re-keys numbers from the first calculated tape to create the second tape. Additionally, in a response to the Internal Control Questionnaire stated the court does not change the combination to the safe when an employee with the combination terminates employment with the court.

The court's procedure for detecting check errors during deposit preparation is for the bookkeeper to make two separate calculator tapes, one for the numeric amount and one for the written amount. Then the bookkeeper compares the total of the first tape (the total of the numeric amounts of each check) to the total of the second tape (the total of the written amounts of each check) to ensure that the numeric and written amounts of checks are the same and consistent. The Uniform Commercial Code Section 3.114, if an instrument contains contradictory terms, typewritten terms prevail over printed terms, handwritten terms prevail over both, and words prevail over numbers. The court's process for deposit preparation was not followed. This subverts the control of detecting when the written amount and numeric amount of a check do not agree and increases the risk of possible JPAS revenue errors. The combination to the court's safe should be changed whenever an employee that knows the combination no longer works for the court. Additionally, physical access vulnerabilities may increase the risk of loss and potential misappropriation of money.

## **Recommendation**

Cash Handing Walkthrough

Management should make the following corrective actions:

- The bookkeeper should prepare separate calculator tapes for the numeric amounts and for the written amounts on checks.
- Enforce the court's process for deposit preparation.
- Ensure management thoroughly reviews checks in the deposit.
- Contact Facilities to change the safe combination when an employee leaves the department.

## **Management Action Plan**

- We will not be submitting a Management Action Plan addressing the findings outlined in the current report given the anticipated implementation of the new Odyssey system which would address and correct the very issues mentioned in the report.

**DALLAS COUNTY**



**COUNTY AUDITOR**

**Auditors Response**

- None

cc: Darryl Martin, Commissioners Court Administrator