AUDIT REPORT

DALLAS COUNTY

FY2023 JUSTICE OF THE PEACE PRECINCT 2, PLACE 2 AUDIT

Timothy J. Hicks, CPA
County Auditor

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FY2023 Justice of the Peace Precinct 2, Place 2 Audit

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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 KaTina Whitfield
Justice of the Peace, Precinct 2, Place 2
Dallas, Texas

Attached is the County Auditor's final report entitled "**FY2023 Justice of the Peace Precinct 2, Place 2 Audit**" Report. In order to reduce paper usage, a hard copy will not be sent through in-house mail.

If 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,

Timothy J. Hicks

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EXECUTIVE SUMMARY

A review was performed in accordance with statutory guidelines on the records and reports of Justice of the Peace, Precinct 2, Place 2 for the fiscal year ending 2023. During the fiscal year 2023, the Justice of Peace court started using the Odyssey case management system, which was implemented on October 31, 2022.

Summary of Significant Observations:

- **Special Fund Reconciliation:** The department's special funds account reconciliation for fiscal year 2023 was requested. The following was identified:
    - The special fund account was not reconciled for fiscal year 2023; as a result, we were unable to verify the accuracy of the special fund balance.

Repeat observations from Previous Audits:

- **Special Fund Reconciliation:** The court does not reconcile the special fund to detect posting errors timely.

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 covers the period of October 1, 2022, through September 30, 2023.

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

DA Dismissed

Criteria

Per the "Dismissal - State's Motion to Dismiss Granted" Odyssey quick reference guide, entering the Dismissed by Prosecution Prior to Court Appearance event in Odyssey will add a case status of 'Dismissed', add a judgment of 'Dismissed by Prosecution', will clear out all fees on the case that are outstanding, and will report to the OCA report the manner of dismissed by prosecution prior to court appearance. If charges are added after the event is created, then the charges eligible for clearing will not be reduced.

Per Transportation Code 706.006 "a person who fails to appear for a complaint or citation for an offense...shall be required to pay a reimbursement fee...unless the charges on which the person failed to appear were dismissed with prejudice by motion of the appropriate prosecuting attorney for lack of evidence." When a defendant's case is dismissed due to lack of evidence the OMNI fee should be reduced and hold removed pursuant to TRC 706.006.

Review

A sample review was performed for 20 out of 27 (74.07%) DA dismissal cases for the fiscal year ending on September 30, 2023. The following issues were identified:

- One case in which the dismissal event was added to the case before the charges were converted, leaving a financial balance on the case.
- Five cases in which the OMNI hold was released but no credit was entered to reduce the financial balance in Odyssey.
- Five cases in which the OMNI hold was not removed even though the defendant is eligible for release due to the case being dismissed for lack of evidence.

Cause/Effect

These instances occurred due to clerical error, management oversight, and the staff adapting to the new court management system.

Financial records may not accurately reflect case balances and OMNI holds are being held for defendants who are otherwise eligible for the hold to be released.

Recommendation

DA Dismissed

Management should:

- Review the Dismissal - State's Motion to Dismiss and Required Update - Converted Criminal Case quick reference guides.
- Release holds and OMNI fees for defendants whose cases are dismissed due to lack of evidence by the District Attorney.

Management Action Plan

- Discussed findings with the Traffic Clerk that were missed in error. All cases were corrected in Odyssey.

Auditor's Response

- None

Disposed Cases

Criteria

Per the "Record Request for Credit for Time Spent in Jail, Community Service or Waiver of Fine and or Cost" quick reference guide, a Request Community Service event and corresponding order granting community service is to be created in Odyssey in order to record a defendant's request for credit.

Per the "Add a Financial Credit After Approval (Fine and or Costs)" quick reference guide, once a credit for community service is approved the credit is to be entered on the financial section of Odyssey to offset the appropriate court costs, fines, and fees.

Standard control procedure requires the court docket fine waivers, community service, time served, judgements, DA motions (requests) to dismiss, and dismissals authorized by the Judge with a signature and date, consistent with CCP Chapter 42.01 and 45.

Review

A sample review was performed on 19 out of 23 (82.61%) disposed cases without a payment for the fiscal year ending September 30, 2023. The following issues were identified:

- Four cases that were disposed in which a Request for Community Service and an Order Granting Community Service were not docketed in Odyssey.
- Two case files requested for audit review were not provided; therefore, internal audit was unable to verify whether credit for community service was approved by the Judge, or supporting documentation obtained.
- Two cases in which the case was disposed but the defendant did not receive financial credit for community service performed leaving a balance on the case.

Cause/Effect

These instances resulted due to inconsistent application of procedures related to docketing court activities.

As a result, the case management system may not reflect accurate and complete information. In addition, the court may not collect the correct amount of court costs and fines if credits are being given without judicial approval.

Recommendation

Disposed Cases

Management should:

- Ensure the community service hours and the date they are to be completed are specified on an order, signed by the judge, and hours are completed prior to case disposition in compliance with CCP 45.049.
  - Obtain proof of completion of community service.
- Locate the three missing case files or supporting community service and dismissal documentation for examination by the County Auditor per LGC 115. Have these files scanned into Odyssey.
- Review case records and dockets for accuracy and completeness before disposing the case.
- Retain court files and records for the five-year minimum required retention period for criminal cases per Local Schedule LC of the Texas State Library and Archives Commission.
  - Communicate records management issues to the Records Management Officer.
- Docket cases as events occur in Odyssey, such as dismissal, DA motions for dismissal, disposed cases, and judgments rendered by the court.

Management Action Plan

- All case errors listed were completed by the same clerk who is no longer employed by Dallas County.

Auditor's Response

- None

Receipt Deposit Delays

Criteria

Local Government Code (LGC) § 113.022: "A county officer or other person who receives money shall deposit the money with the county treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the officer must deposit

the money, without exception, on or before the fifth business day after the day on which the money is received."

As a best accounting practice, one person should open all the mail, record the check information received, restrictively endorse the checks, while another person posts, voids or adjusts the payment.

Review
A review was performed for all the Odyssey Till reports and Justice of the Peace Receipt Analysis to verify delays and discrepancies for the fiscal year ending September 30, 2023. The following was identified:

- Two resets totaling $4,062 were deposited six or more days after the Odyssey receipt date.
  - One check was submitted for deposit with the year missing on the check date.
  - One out-of-balance deposit submitted November 30, 2022 was not corrected until December 12, 2022.

Cause/Effect
These instances occurred due to clerical errors, inconsistent management oversight, and inadequate training related to Odyssey depositing.

As a result, delays in revenue recognition and collection occurred.

Recommendation
Receipt Deposit Delays

Management should:

- Ensure tills are closed and deposits are sent to the treasurer on time.
- Review pending deposit reports and resolve any issues holding up the deposit promptly.

Management Action Plan
- None

Auditor's Response
- None

Special Fund Reconciliation

Criteria
Per Local Government Code Section 113.008, " an official with special funds shall reconcile all balances and transactions in the statement of activity against the balances of the official's records

(Odyssey, case jackets, and bank statement) each month. Management should escheat funds per Property Code, § 72 and § 76 and cash bonds should be forfeited per Code of Criminal Procedure § 22.

Review

The department's fiscal year 2023 special fund reconciliation was requested for review. The following were identified:

- The special fund balance for fiscal year 2023 was not reconciled.
- Prior special fund reports were no longer available due to the implementation of a new case management system in October 2023.
  - A comparable report was not available in the new case management system.
  - The department's reconciliation of the special fund is pending until report becomes available and staff is trained on its usage.

Status: We were unable to verify the status of the special fund balance of $30,566, of which $18,811 is for cases balance eligible for escheatment (older than three years as of 3/1/2022 reporting date). These amounts were identified during the fiscal year 2022 audit.

A sample review of 20 out of 53 checks disbursed for the fiscal year 2023 was performed. The following was identified:

- Six special fund disbursement checks totaling $808 were posted to the Odyssey system between 14 and 236 days after date of issuance.

Cause/Effect

These instances occurred due to non-compliance with Local Government Code § 113.008(f) and 117.121 and the lack of special fund reporting capabilities after the implementation of a new case management system.

This may result in disbursement checks being sent to the incorrect payee and financial records in Odyssey may be incomplete or posted with errors.

Recommendation

Special Fund reconciliation

Management should:

- Review Special Fund reports and routinely escheat Special Funds in accordance with unclaimed property statutes, Property Code, § 72 and § 76.

- Ensure management reviews each monthly Special Fund reconciliation, guide staff to complete their functions and ensure the reconciliation balances to the general ledger per LGC 113.008(f).
- Ensure Special Fund check disbursements and cancellations are accurately, completely, and timely posted to cases after the completion of monthly reconciliations.

Management Action Plan

- Unable to complete special fund reconciliation due to not having an Odyssey process at this time to retrieve the necessary reports.

Auditor's Response

- None

cc: Darryl Martin, Commissioners Court Administrator