



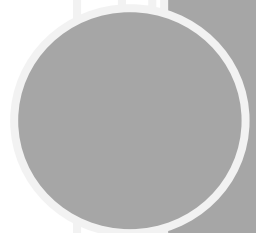
# AUDIT REPORT

DALLAS COUNTY

County Clerk Criminal / Bond Forfeiture - FY2020

Darryl D. Thomas  
Dallas County Auditor

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# County Clerk Criminal / Bond Forfeiture - FY2020

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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 John Warren  
County Clerk  
Dallas, Texas

Attached is the County Auditor's final report entitled "County Clerk Criminal / Bond Forfeiture - FY2020" 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 of County Clerk Criminal for fiscal year 2020 revealed the significant observations listed below:

### **Summary of Significant Observations**

Several fee schedules routinely under/over-assessed statutorily approved fee amounts:

- 1,869 cases on Misdemeanor Class C Appeals (MD) schedule with over-assessments totaling \$9,345 for the State Electronic Filing Fee.
- 376 cases on Misdemeanor Class C Appeals (MD) schedule with over-assessments totaling \$5,640 for the Judicial Salary Court Cost fee.
- 455 cases on Misdemeanor Class C Appeals (MD) schedule with over-assessments totaling \$9,100 for the Specialty Court fee.
- 487 cases on the Moving Violations (MV) schedule with over-assessments totaling \$2,435 for the State Electronic Filing Fee.
- 1,176 cases on the Misdemeanor Traffic - Rules of the Road (MAR) schedule with over-assessments totaling \$5,880 for the State Electronic Filing fee.
- 471 cases on the Misdemeanor Traffic - Rules of the Road (MAR) schedule with over-assessments totaling \$9,420 for the Specialty Court fee.
- 244 cases on the Misdemeanor Traffic - Rules of the Road (MAR) schedule with over-assessments totaling \$3,660 for the Judicial Salary Court Cost fee.

### **Repeat Observations from Previous Audits:**

- Disbursement posting errors.
- Inaccurate/incomplete fee assessments.
- Voided receipts without explanation noted.
- All copies of voided receipts not retained.

**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, 2019 through September 30, 2020.

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****Special Fund Disbursements**

A comparison of the mainframe CR60 report to Oracle for 39 County Clerk Criminal Special Fund 501 disbursements issued during fiscal year 2020 revealed one disbursement posted to the CRIN system with an incorrect check number; one disbursement was not posted to the CRIN system; and two cancelled disbursements were not voided in the CRIN system. All Special Fund disbursements should be accounted for, issued to the proper payee for the correct amount in a timely manner, and reference the relevant case information. Additionally, all Special Fund disbursements, voids, cancellation, and stale dated checks should be timely and accurately posted to the Criminal mainframe system to maintain accurate financial records. Lack of management oversight over the reconciliation of non-integrated financial system to timely identify and resolve clerical errors has resulted in inaccurate case balances and increased the potential that duplicate disbursements may be issued.

**Recommendation**

Special Fund Disbursements

Management should:

- Develop written procedures for the disbursement process.
- Review case balances on a periodic basis and disburse amounts to the appropriate parties in a timely manner.
- Verify available funds prior to processing disbursement requests.

**Management Action Plan**

- The Cashier Section has a disbursement process in place where all requests come from the Courts and management makes every effort to disburse on a timely basis (check requests are done once per week). The mainframe system limitation that restricts disbursement entries should be corrected upon changeover to Odyssey.

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**Auditors Response**

- None

**Computer Receipts and Deposits**

A review of 35 computer receipts voided during fiscal year 2020 revealed three voided computer receipts did not have all copies attached and a reason noted. Best practices regarding the receipt process indicate that all voids should be reviewed daily by supervisory personnel at least one level above employee that voided the payment and all computer receipt voids should indicate the reason for the void. Inconsistent management oversight over voiding procedures increased the potential that funds may be misappropriated.



A comparison of computer receipt dates to deposit dates during fiscal year 2020 revealed eight deposits processed in excess of three business days after the computer receipt date. All monies received should be promptly receipted and deposited properly, and timely in accordance with Local Government Code (L.G.C.), § 113.022. Drawers should be reconciled daily and included in deposit. Inconsistent management oversight over depositing procedures may result in delayed revenue recognition.

**Recommendation**

Computer Receipts and Deposits

Management should:

- Establish written procedures for voiding receipts in order to strengthen the office's internal control and improve efficiency. These procedures and the employees' adherence to them in the performance of their work should be periodically reviewed by the appropriate supervisory staff in order to maintain internal controls.
- Retain all logs and receipts, including voided receipts, until the latter of the Records Retention period or audit completion date.
- Continually review all voided transactions.

**Management Action Plan**

- The void process in the Section is for each void receipt to be reviewed and initial by the supervisor. We make sure all the receipts are accounted for and in properly use in order to affix responsibility and all monies are paid and refund due with request from the cashier.

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**Auditors Response**

- None

**Fee Assessments - MAR Schedules and MV Schedule**

A 100% review of the ACL analysis extract of cases with assessments created during fiscal year 2020 using the MAR (Misdemeanor Traffic - Rules of the Road) schedule revealed 244 cases were over-assessed the Judicial Salary Fee (fee code #08) for a total of \$1,317.60; 717 cases were assessed the Clerk's Fee (fee code #31) with an incorrect amount, assessment should have been \$40 and not \$40.60; 717 cases were assessed the District Attorney Court Cost (fee code #32) with an incorrect amount, assessment should have been \$20 and not \$25; 244 cases were over-assessed the Indigent Defense Court Cost (fee code #38) for a total of \$488; 244 cases were assessed the Court House Security Court Cost (fee code #65) with an incorrect amount, assessment should have been \$4.90 and not \$3; 717 cases were assessed the Records Management and Preservation Court Cost (fee code #66) with an incorrect amount, assessment should have been \$25 and not \$22.50; 244 cases were assessed the Consolidated State Court Cost (fee code #77) with an incorrect amount, assessment should have been \$62 and not \$40; 244 cases were assessed the Transportation Court Cost (fee code #92) with an incorrect amount, assessment should have been \$50 and not



\$30; 244 cases were over-assessed the Judicial Salary Court Cost (fee code #96) for a total of \$3,660; 244 cases were over-assessed the County Records Management Court Cost (fee code #98) for a total of \$610; 244 cases were over-assessed the State Jury Court Cost (fee code #99) for a total of \$976; 1,176 cases were assessed the State Electronic Filing Court Cost (fee code #100) for a total of \$5,880; and 471 cases were over-assessed the Specialty Court (fee code #106) for a total of \$9,420.

A 100% review of the ACL analysis extract of cases with assessments created during fiscal year 2020 using the MV (Class C Misdemeanor Moving Violations) schedule revealed 487 cases were over-assessed the State Electronic Filing Court Cost (fee code #100) for a total of \$2,435 and 100 cases were assessed the Truancy Prevention Diversion Court Cost (fee code #113) with an incorrect amount, assessment should have been \$5 and not \$2.

Court costs, fines, and fees should be assessed in compliance with applicable state laws, Judge's orders, Commissioners Court orders, Attorney General Opinions, etc. and quality control processes should be implemented with ongoing review by management. Lack of management oversight, clerical error, and inadequate quality assurance controls resulted in over-assessment and under-assessment of court costs to defendants. The incorrect or incomplete fee assessments could result in revenue loss for Dallas County.

**Recommendation**

Fee Assessments - MAR Schedules and MV Schedule

Management should:

- Periodically review assessments for appropriateness, timeliness, and completeness.
- Emphasize accuracy in recording all elements of the assessments and receipt.
- Process corrections (within statutory guidelines) for assessment errors and adjustments reported to the County Treasurer for inclusion on the next State Quarterly Report.

**Management Action Plan**

- Staff will be retrained to assess fees on the correct fee code. Procedures will be put in place to monitor discrepancies. Fees will be monitored to ensure they follow all applicable state laws and fee schedules. Alternatives have been considered to improve this issue with the introduction of a case management system.
- Quality control processes have been implemented with the assignment of Quality Assurance staff reviewing assessments for accuracy.
- Work in conjunction with IT to ensure all fee schedules are updated accurately

**Auditors Response**

- None





**Waived & Community Service Credits**

A sample review of 30 cases with waived and community service credits applied during fiscal year 2020 revealed two cases with a waive credit applied incorrectly in mainframe, credit should have been jail time served and probated; and one case with a community service credit amount entered into mainframe incorrectly resulting in a negative balance.

Credits should be timely, accurately, and properly recorded to CRIN in accordance with Judge’s orders. Relevant information should be entered into Onbase to show the type of credits authorized given and per whom. Due to clerical errors, inadequate quality assurance controls, and lack of management oversight can result in misappropriation of funds and requires addition staff time used for corrections

**Recommendation**

Waived & Community Service Credits

Management should:

- Emphasize that employees accurately record all elements of the credits, assessments, and receipts to the proper accounts and categories (court cost and fine).
- Periodically review credits and assessments for appropriateness, timeliness, and completeness.
- Continually monitor and update processing controls to ensure that transactions completed through computerized applications are valid, authorized, complete, and accurate.

**Management Action Plan**

- The Collections Division will implement the Audit Recommendations and periodically review credits and assessments for appropriateness and completeness.

**Auditors Response**

- None

**Bond Forfeiture - MB Schedule**

A sample review of 10 bonds with a NISI status prior to 270 days from audit date and a sample review of bond forfeiture cases for appropriate court actions on AIS and CRIN revealed seven bond forfeiture cases older than 270 days with a NISI judgment issued have no activity to either set aside the NISI judgment or proceed with forfeiture and one bond forfeiture case was not discharged in AIS. Assessment and collection of court costs, bond forfeiture fines, and fees should be assessed against the defendant/surety and collected in compliance with applicable state laws including Code of Criminal Procedure, Chapters 17 and 22, and Occupations Code Chapter 1704, Commissioners Court Orders, Attorney General Opinions,



District Attorney Opinions, and other statutorily enforceable court orders. Quality control processes should be implemented with ongoing review by management and information processing controls must be continually updated and monitored to help ensure that transactions completed through computerized applications are valid, authorized, complete, and accurate. Lack of management oversight, inadequate quality assurance controls, and clerical errors could result in a potential loss of County revenue.

### **Recommendation**

Bond Forfeiture - MB Schedule

Management should:

- Develop a process to identify and take action on bonds with a NISI status of 270 days or greater that have not been forfeited or set aside after 270 days.
- Periodically review credits and assessments for appropriateness, timeliness, and completeness. Review should also include forfeiture assessments on CRIN (for validity and accuracy) and corresponding bond documentation including a forfeiture status on AIS of: Judgment Against State (JGAS), Final Judgment Against State, Final Judgment Against State (No Cost), Bill of Review (BORG), Motion for New Trial Granted, etc.

### **Management Action Plan**

- Staff will be retrained to assess fees on the correct fee code. Procedures will be put in place to monitor discrepancies. Fees will be monitored to ensure they follow all applicable state laws and fee schedules. Alternatives have been considered to improve this issue with the introduction of a case management system.
- Quality control processes have been implemented with the assignment of Quality Assurance staff reviewing assessments for accuracy.
- Ensure that a process is created within the new case management system to identify NISIs that that have had no action taken on them within a designated time.

### **Auditors Response**

- None

## **Fee Assessments - MD Schedule**

A 100% review of ACL analysis extract of cases with assessments created during fiscal year 2020 using the MD (Misdemeanor Class C Appeals from Municipalities or Justice of Peace Courts) schedule revealed 376 cases were over-assessed the Judicial Salary Fee (fee code #08) for a total of \$2,030.40 in error; 1,103 cases were assessed the Clerk's Fee (fee code #31) with an incorrect amount, assessment should have been \$40 and not \$40.60; 1,103 cases were assessed the District Attorney Court Cost (fee code #32) with an incorrect amount, assessment should have been \$20 and



not \$25; 376 cases were over-assessed the Indigent Defense Court Cost (fee code #38) for a total of \$752; 376 cases were assessed the Court House Security Court Cost (fee code #65) with an incorrect amount, assessment should have been \$4.90 and not \$3; 1,103 cases were assessed the Records Management and Preservation Court Cost (fee code #66) with an incorrect amount, assessment should have been \$25 and not \$22.50; 376 cases were assessed the Consolidated State Court Cost (fee code #77) with an incorrect amount, assessment should have been \$62 and not \$40; 376 cases were over-assessed the Judicial Salary Court Cost (fee code #96) for a total of \$5,640; 376 cases were over-assessed the County Records Management Court Cost (fee code #98) for a total of \$940; 410 cases were assessed the State Jury Court Cost (fee code #99) for \$4 in error; 1,869 cases were over-assessed the State Electronic Filing Court Cost (fee code #100) for a total of \$9,345; and 455 cases were over-assessed the Specialty Account Court Cost (fee code #106) for a total of \$9,100.

Court costs, fines, and fees should be assessed in compliance with applicable state laws, Judge's orders, Commissioners Court orders, and Attorney General Opinions. Best practices indicate Information processing controls must be continually updated and monitored to help ensure that transactions completed through computerized applications are valid, authorized, complete, and accurate. Lack of management oversight, clerical error and system limitations resulted in inaccurate or incomplete fee assessments and potential revenue loss for Dallas County.

### **Recommendation**

Fee Assessments - MD Schedule

Management should:

- Periodically review assessments for appropriateness, timeliness, and completeness.
- Emphasize accuracy in recording all elements of the assessments and receipt.
- Process corrections (within statutory guidelines) for assessment errors and adjustments reported to the County Treasurer for inclusion on the next State Quarterly Report.

### **Management Action Plan**

- Staff will be retrained to assess fees on the correct fee code. Procedures will be put in place to monitor discrepancies. Fees will be monitored to ensure they follow all applicable state laws and fee schedules. Alternatives have been considered to improve this issue with the introduction of a case management system.
- Quality control processes have been implemented with the assignment of Quality Assurance staff reviewing assessments for accuracy.
- Work in conjunction with IT to ensure all fee schedules are updated accurately.

### **Auditors Response**

- None



### Fee Assessments - M Schedule

A 100% review of ACL analysis/extract of cases with assessments created during fiscal years 2020 using the M- (Misdemeanor Regular) revealed 104 cases were over-assessed the DR & IN State Court Cost (fee code #13) for a total of \$6,240.

A 100% ACL analysis/extract with case assessments created during fiscal year 2020 using the M- Reduced schedule (Misdemeanor Class C) revealed 11 cases were over-assessed the Judicial Salary Fee (fee code #08) for a total of \$54.90; 13 cases were assessed the Clerk's Fee (fee code #31) with an incorrect amount, assessment should have been \$40 and not \$40.60; 13 cases were assessed the District Attorney Fee (fee code #32) with an incorrect amount, assessment should have been \$20 and not \$25; 11 cases were over-assessed the Indigent Defense Court Cost (fee code #38) for a total amount of \$22; 11 cases were assessed the Court House Security Court Cost (fee code #65) with an incorrect amount, assessment should have been \$4.90 and not \$3; 13 cases were assessed the Records Management and Preservation Court Cost (fee code #66) with an incorrect amount, assessment should have been \$25 and not \$22.50; 10 cases were assessed the Consolidated State Court Cost (fee code #77) with an incorrect amount, assessment should have been \$62 and not \$40; 12 cases were assessed the Consolidated State Court Cost (fee code #77) with an incorrect amount, assessment should have been \$40 and not \$83. (2019 Schedule); 11 cases were over-assessed the Judicial Salary Court Cost (fee code #96) for a total of \$165; 11 cases were assessed the County Records Management Court Cost (fee code #98) for \$2.50 in error; 11 cases were assessed the State Jury Court Cost (fee code #99) for \$4 in error; and 23 cases were assessed the State Electronic Filing Court Cost (fee code #100) for \$5 in error.

Court costs, fines, and fees should be assessed in compliance with applicable state laws, Judge's orders, Commissioners Court orders, Attorney General Opinions, etc. Information processing controls must be continually updated and monitored to help ensure that transactions completed through computerized applications are valid, authorized, complete, and accurate. Lack of management oversight and clerical errors resulted in inaccurate assessments of court costs to defendants and potential revenue loss for Dallas County.

#### **Recommendation**

Fee Assessments - M Schedule

Management should:

- Periodically review assessments for appropriateness, timeliness, and completeness.
- Emphasize accuracy in recording all elements of the assessments and receipt.
- Process corrections (within statutory guidelines) for assessment errors and adjustments reported to the County Treasurer for inclusion on the next State Quarterly Report.



### **Management Action Plan**

- Staff will be retrained to assess fees on the correct fee code. Procedures will be put in place to monitor discrepancies. Fees will be
- monitored to ensure they follow all applicable state laws and fee schedules. Alternatives have been considered to improve this issue with the introduction of a case management system. fee schedules. Alternatives have been considered to improve this issue with the introduction of a case management system.
- Quality control processes have been implemented with the assignment of Quality Assurance staff reviewing assessments for accuracy.
- Work in conjunction with IT to ensure all fee schedules are updated accurately

### **Auditors Response**

- None
  
- cc: Darryl Martin, Commissioners Court Administrator