

Fiscal Management Division
Expenditure Audit Section
Auditor: Raymond McClintock

Audit Report # 229-14-01
June 23, 2014

Post-Payment Audit of Ninth Court of Appeals



Susan Combs
Texas Comptroller of Public Accounts

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EXECUTIVE SUMMARY

Audit scope

We audited a sample of the Ninth Court of Appeals (Court) payroll and purchase transactions that processed through the Uniform Statewide Accounting System (USAS) and the Uniform Statewide Payroll/Personnel System (USPS) during the period beginning March 1, 2013, through Feb. 28, 2014, to determine compliance with applicable state laws.

The audit provides a reasonable basis for the findings set forth in this report. If necessary, the Texas Comptroller of Public Accounts (Comptroller's office) may take the actions set forth in Texas Government Code Annotated, Section 403.071(h) (Vernon 2013), to ensure that the Court's documents comply in the future. The Court must ensure that the finding discussed in this report is resolved.

Texas law requires the Comptroller's office to audit claims submitted for payment through the Comptroller's office. All payment transactions are subject to audit regardless of amount or materiality.

Payroll transactions

Payroll transactions were audited for compliance with the General Appropriations Act (GAA), [Texas Payroll/Personnel Resource](#) and other pertinent statutes.

- No issues were identified.

Purchase transactions

Purchase transactions were audited for compliance with the GAA, [eXpendit](#), the [State of Texas Procurement Manual](#) and other pertinent statutes.

- No issues were identified.

Internal control structure

The Court's internal control structure was reviewed. The review was limited to obtaining an understanding of the Court's controls sufficient to plan the audit and did not include tests of control policies and procedures.

The audit identified:

- Two employees who can process and release payments through USAS.
- Two employees who can process and release payrolls.

Based on a recommendation from the 2011 post payment audit, the Court implemented the use of a report to identify documents that the same user entered or altered and then released. However, because the risk cannot be fully eliminated unless no user has security to enter/alter and then release payments in USAS, the control weakness still exists. There is an additional preventive control available within USAS that, if activated, would further strengthen the Court's control environment.

Prior post-payment audit and current audit recurring errors

A prior post-payment audit of the Court's payroll and purchase transactions was concluded on March 31, 2011.

During the current audit, we identified one recurring finding:

- Control weakness over expenditure processing.

In prior audits, the Court acknowledged that in a small agency it is often challenging to have the staff available to maintain a complete separation of duties at all times. Along with our previous recommendation of the use of a report to identify documents that the same user entered or altered and then released, the Court has also taken additional precautions outside the accounting systems to mitigate the risk.

Contact:

Raymond McClintock
(512) 463-4859