

Fiscal Management Division
Expenditure Audit Section
Auditor: Ben Strauser

Audit Report # 212-14-01
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Post-Payment Audit of Office of Court Administration



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EXECUTIVE SUMMARY

Audit scope

We audited a sample of the Office of Court Administration (Office) payroll, purchase, grant and travel transactions that processed through the Uniform Statewide Accounting System (USAS) and the Uniform Statewide Payroll/Personnel System (USPS) during the period beginning Dec. 1, 2012, through Nov. 30, 2013, to determine compliance with applicable state laws.

The Office received appendices with its full report that included a list of the identified errors. Copies of the appendices may be requested through a [Public Information Act](#) inquiry.

The audit provides a reasonable basis for the findings set forth in this report. The Office should implement the recommendations listed in the Detailed Findings of 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 Office's documents comply in the future. The Office must ensure that the findings discussed in this report are 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 and payroll deductions

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

The audit identified:

- Incorrect longevity payment amounts.

A sample of voluntary contributions was also audited.

- 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.

Travel transactions

Travel transactions were audited for compliance with the GAA, [Textravel](#) and other pertinent statutes.

- No issues were identified.

Grant transactions

The audit included a limited review of the Office's transactions relating to grant payments. This review consisted of verifying that payments did not exceed authorized amounts. The review of these payments did not include an investigation of the Office's procedures for awarding the grants or monitoring payments made to the grantees; therefore, no opinion is being offered on those procedures.

- No issues were identified.

Fixed assets

The audit included a limited review of fixed assets acquired by expenditures during our audit period to test for accurate reporting in the State Property Accounting (SPA) System and to verify existence of the assets. The Office reported one missing asset during the audit period.

- All assets tested were in their intended location and properly recorded in SPA.

Prior post-payment audit and current audit recurring errors

A prior post-payment audit of the Office's payroll, purchase and travel transactions was concluded on Aug. 23, 2010.

During the current audit, the following recurring error was identified:

- Incorrect longevity payment amounts.

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DETAILED FINDINGS — PAYROLL

Incorrect Longevity Payment Amounts

Finding

We identified three employees at the Office who had incorrect state effective service dates in USPS. The improper dates resulted in incorrect payments of longevity pay to the employees. The total amount of incorrect longevity underpayments for the three employees was \$1,080.00.

One error occurred because the prior state service listed on the application was not verified. Another error occurred because the Office failed to follow through on verifying the actual termination date for a period the employee was employed at a university. Finally, the third employee was a direct transfer from a state agency and the agency he transferred from incorrectly coded the employee as being on leave without pay (LWOP) for a period the employee was in dock status. The employee was in dock status for a period that started in the middle of one month and ended in the middle of the following month. For the purposes of longevity, LWOP is defined as a calendar month for a period from the first day of a month through the last day of a month. Because of this, the employee did not receive state service credit for one month.

The proper calculation of the state effective service date is derived by subtracting the correct total days of lifetime service credit from the most recent employment date. That date is used to determine when the longevity pay is to be increased.

See [Texas Payroll/Personnel Resource – Longevity Pay](#).

We provided the Office with the schedule and calculations of the incorrect longevity amounts during fieldwork. It is not included with this report due to confidentiality issues.

Recommendation/Requirement

The Office must ensure that prior state service is properly verified and documented for its employees. The Office must compensate the employees who were underpaid longevity pay. The Office must ensure that its internal operating procedures include quality control measures that will detect any underpayments of compensation to a state employee. The Office shall promptly correct the underpayment through a supplemental payroll. See 34 Texas Administrative Code, Section 5.40(c)(2013).

Office Response

OCA has reviewed the longevity issues that were identified in this audit and updated information, as needed, in USPS. We have processed reimbursements to the identified employees for years that are open in USAS, and begun processing paperwork necessary to make payments for longevity owed in prior periods that are closed in USAS.