



An Audit of the Comptroller Judiciary Section

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Glenn Hegar
Texas Comptroller of Public Accounts





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Executive Summary

Purpose and Scope

The objectives of this audit were to determine whether the Comptroller Judiciary Section (Section):

- Procured contracts according to applicable state laws and Comptroller requirements.
- Processed payments according to applicable state laws, Comptroller requirements and statewide automated system guidelines.
- Maintained documentation to support those payments.
- Properly recorded capital and high-risk assets.
- Implemented appropriate security over payments.

This audit was conducted by the Texas Comptroller of Public Accounts (Comptroller's office), and covers the period from Sept. 1, 2019, through Aug. 31, 2020.

Background

The Comptroller's Judiciary Section coordinates the payment of salaries and expenses for all state district judges, district attorneys and other prosecutors in Texas.

Comptroller Judiciary Section website

<https://comptroller.texas.gov/programs/support/judiciary/>

Audit Results

The Section generally complied with the General Appropriations Act (GAA), relevant statutes and Comptroller requirements. Auditors found no issues with payroll, purchase, travel, or security and internal control processes. However, the Section should consider making improvements to its payment processes. The Section had no recent active or inactive contracts or fixed asset purchases to review during the audit. Auditors did not reissue any findings from the prior audit, which was issued in April 2017. An overview of audit results is presented in the following table.

Table Summary

Area	Audit Question	Results	Rating
Payroll Transactions	Did payroll transactions comply with the GAA, pertinent statutes and Comptroller requirements?	No issues	Fully Compliant
Purchase and Grant Transactions	Did purchase and grant transactions comply with the GAA, pertinent statutes and Comptroller requirements?	No issues	Fully Compliant
Witness Fee Transactions	Did witness fee transactions comply with the GAA, pertinent statutes and Comptroller requirements?	No issues	Fully Compliant
Grant Transactions	Did grant transactions comply with the GAA, pertinent statutes and Comptroller requirements?	No issues	Fully Compliant
Travel Transactions	Did travel transactions comply with the GAA, pertinent statutes and Comptroller requirements?	No issues	Fully Compliant
Internal Control Structure	Are duties segregated to the extent possible to help prevent errors or detect them in a timely manner and help prevent fraud?	No issues	Fully Compliant
Security	Are Section employees who are no longer employed or whose security was revoked properly communicated to the Comptroller's office?	No issues	Fully Compliant
Target Analysis	Did the Section comply with policies and procedures to ensure duplicate payments were not issued?	Duplicate payments identified	Compliant, Findings Issued

Key Recommendations

Auditors made several recommendations to help mitigate risk arising from control weaknesses. Key recommendations include:

- The Section should strengthen its current procedures for identifying duplicate payments.
- The Section should maintain proper supporting documentation for all payments and recoup any remaining overpayments identified in the sample or during its own investigations, unless it determines it is not cost effective to do so.



Detailed Findings

Payroll Transactions

Auditors developed a sample of 30 employees with 100 transactions totaling \$476,208.95 to ensure the Section complied with the GAA, [Texas Payroll/Personnel Resource \(FPP F.027\)](#) and pertinent statutes. Audit tests revealed no exceptions in this group of transactions. Additionally, auditors reviewed a limited sample of two voluntary contributions transactions with no exceptions identified.

Purchase Transactions

Auditors developed a sample of 10 purchase transactions totaling \$567,910.07 to ensure the Section complied with the GAA, [eXpendit \(FPP I.005\)](#) and pertinent statutes. Audit tests revealed no exceptions in these transactions.

Witness Fee Transactions

Auditors developed a sample of 10 witness fee transactions totaling \$260,262.09 to ensure the Section complied with the GAA, [eXpendit \(FPP I.005\)](#) and pertinent statutes. Audit tests revealed no exceptions in these transactions.

Grant Transactions

Auditors developed a sample of 10 grant transactions totaling \$1,774,921.59 to ensure the Section complied with the GAA, [eXpendit \(FPP I.005\)](#) and pertinent statutes. Audit tests revealed no exceptions in these transactions.

Travel Transactions

Auditors developed a sample of 30 travel transactions totaling \$14,064.55 to ensure the Section complied with the GAA, [Textravel \(FPP G.005\)](#) and pertinent statutes. Audit tests revealed no exceptions in these transactions.

Target Analysis

Auditors generated several target analysis reports to determine compliance with a variety of policies and procedures for payments processed by the Section during the audit period. Audit tests revealed the following exception.



Duplicate Payments

Auditors identified two duplicate payments in the amounts of \$455.40 and \$178.00. The Section agreed that the transactions were duplicate payments for reimbursement of travel expenses paid to counties. The Section stated that the duplicate payments occurred as a result of a previous employee's inability to properly correct erroneous entries. The Section initiated efforts to recoup the duplicate payments from the counties.

Recommendation/Requirement

The Section must strengthen its procedures to identify duplicate invoices or reimbursements to ensure it avoids making duplicate payments. Additionally, the Section should ensure that its accounting staff reconciles invoices and reimbursements to prevent duplicate payments.

Section Response

To reconcile witness fee claims and monitor duplicate payments, a tracking spreadsheet has been developed to assist in identifying possible duplicate vouchers. The spreadsheet can be sorted by county name and witness name. Also, the spreadsheet includes witness voucher numbers, payment status, county amounts, witness amounts, witness payee IDs, trial dates and total amounts. The new procedure was implemented on Aug. 19, 2021.

Security

The audit included a security review to identify any of the Section's employees with security in the Uniform Statewide Accounting System (USAS) or on the voucher signature cards who were no longer employed or whose security had been revoked. Upon termination or revocation, certain deadlines must be met so that security can be revoked in a timely manner. Audit tests revealed no exceptions.

Internal Control Structure

The review of the Section's internal control structure was limited to obtaining reports identifying current user access. The review did not include tests of existing mitigating controls. The audit tests conducted revealed no exceptions in user access.



Appendices

Appendix 1 — Objectives, Scope, Methodology, Authority and Team

Audit Objectives

The objectives of this audit were to:

- Ensure payments are documented so a proper audit can be conducted.
- Ensure payment vouchers are processed according to the requirements of any of the following:
 - Uniform Statewide Accounting System (USAS),
 - Uniform Statewide Payroll/Personnel System (USPS),
 - Standardized Payroll/Personnel Reporting System (SPRS),
 - Human Resource Information System (HRIS) or
 - Centralized Accounting and Payroll/Personnel System (CAPPS).
- Verify payments are made in accordance with certain applicable state laws.
- Verify assets are in their intended locations.
- Verify assets are properly recorded for agencies and institutions of higher education that use the State Property Accounting (SPA) system.
- Verify voucher signature cards and systems security during the audit period are consistent with applicable laws, rules and other requirements.

Audit Scope

Auditors reviewed a sample of the Comptroller Judiciary Section (Section) payroll, purchase and travel transactions that processed through CAPPS, USAS and SPRS from Sept. 1, 2019, through Aug. 31, 2020, to determine compliance with applicable state laws.

The Section received appendices with the full report, including a list of the identified errors. Copies of the appendices may be requested through a [Public Information Act](#) inquiry.

Texas law requires the Texas Comptroller of Public Accounts (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.

The audit provides a reasonable basis for the findings set forth in this report. The Section should implement the recommendations listed in the Detailed Findings of this report. It is the Section's responsibility to seek refunds for all overpayments unless it determines it is not cost effective to do so. If necessary, the Comptroller's office may take the actions set forth in Texas Government Code, Section 403.071(h), to ensure that the Section's documents comply in the future. The Section must ensure the findings discussed in this report are resolved.



Audit Methodology

The Expenditure Audit section uses limited sampling to conduct a post-payment audit, and relies on professional judgment to select areas the auditor considers high risk.

Fieldwork

Each auditor in the Expenditure Audit section approaches each audit with an appropriate level of professional skepticism based on the results of the initial planning procedures.

If an auditor suspects during an audit that fraud, defalcation or intentional misstatement of the facts has occurred, the auditor will meet with his or her supervisor, the Statewide Fiscal Oversight manager, or both, to decide what action or additional procedures would be appropriate.

Audit Authority

State law prohibits the Comptroller's office from paying a claim against a state agency unless the Comptroller's office audits the corresponding voucher.

- Texas Government Code, Sections 403.071(a), 403.078, 2103.004(a)(3).

State law allows the Comptroller's office to audit a payment voucher before or after the Comptroller's office makes a payment in response to that voucher.

- Texas Government Code, Section 403.071(g)-(h).

In addition, state law authorizes the Comptroller's office to conduct pre-payment or post-payment audits on a sample basis.

- Texas Government Code, Sections 403.011(a)(13), 403.079, 2155.324.

Audit Team

Melissa A. Hernandez, CTCD, CTCM, Lead

Jack Lee, CPA

Jesse Ayala



Appendix 2 — Definition of Ratings

Compliance Areas

Definition	Rating
Agency complied with applicable state requirements and no significant control issues existed.	Fully Compliant
Agency generally complied with applicable state requirements; however, control issues existed that impact the agency's compliance, or minor compliance issues existed.	Compliant, Findings Issued
Agency failed to comply with applicable state requirements.	Noncompliant
Restrictions on auditor's ability to obtain sufficient evidence to complete all aspects of the audit process. Causes of restriction include but are not limited to: <ul style="list-style-type: none">• Lack of appropriate and sufficient evidentiary matter.• Restrictions on information provided to auditor.• Destruction of records.	Scope Limitation

Internal Control Structure/Security Areas

Definition	Rating
Agency maintained effective controls over payments.	Fully Compliant
Agency generally maintained effective controls over payments; however, some controls were ineffective or not implemented. These issues are unlikely to interfere with preventing, detecting, or correcting errors or mitigating fraudulent transactions.	Control Weakness Issues Exist
Agency failed to effectively create or implement controls over payments.	Noncompliant

Repeat Finding Icon Definition



This issue was identified during the previous post-payment audit of the agency.