



An Audit of the Court of Criminal Appeals

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Executive Summary

Purpose and Scope

The objectives of this audit were to determine whether the Court of Criminal Appeals (Court):

- 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, 2020, through Aug. 31, 2021.

Background

The Court of Criminal Appeals is Texas' highest court for criminal cases. The Court consists of a [Presiding Judge and eight Judges](#). Judges are elected by Texas voters and hold office for six-year terms. The Court receives the appeals of all cases in which the death penalty has been assessed. Additionally, the Court also has sole authority to grant the writ of habeas corpus to a person who has been convicted of a felony.

Court of Criminal Appeals website
<http://www.txcourts.gov/cca>


Audit Results

The Court largely complied with the General Appropriations Act (GAA), relevant statutes and Comptroller requirements. Auditors found no issues with travel, purchase/procurement, contracts and grant transactions. However, the Court should consider making improvements to its payroll transactions and internal control structure. The Court did not purchase any fixed assets during the audit period.

The auditors reissued one finding from the previous audit related to internal control structure. Auditors originally issued this finding in July 2014. An overview of audit results is presented in the following table.



Table Summary

Area	Audit Question	Results	Rating
<u>Payroll Transactions</u>	Did payroll transactions comply with the GAA, pertinent statutes and Comptroller requirements?	Two longevity under-payments	Compliant, Findings Issued
Purchase, Payment Card and Contract Transactions	Did purchase, payment card and contract transactions comply with the GAA, pertinent statutes and Comptroller requirements?	No issues	Fully Compliant
Travel and Travel Card Transactions	Did travel and travel card transactions comply with the GAA, pertinent statutes and Comptroller requirements?	No issues	Fully Compliant
Grants	Did grant transactions comply with the GAA and state laws and regulations pertaining to grants?	No issues	Fully Compliant
<u>Internal Control Structure</u>	Are duties segregated to the extent possible to help prevent errors or detect them in a timely manner and help prevent fraud?	 One employee with overlapping security access for multiple duties	Control Weakness Issues Exist
Security	Are Court employees who are no longer employed or whose security was revoked properly communicated to the Comptroller's office?	No issues	Fully Compliant

 Repeat Finding

Key Recommendations

Auditors made recommendations to help mitigate risk arising from control weaknesses. Key recommendations for the Court include:

- Ensure required documentation to support employee's prior employment history is maintained.
- Implement additional controls over expenditure processing that segregate each accounting task to the greatest extent possible.



Detailed Findings

Payroll Transactions

Auditors developed a sample totaling \$333,212.70 from a group of 20 employees involving 94 payroll transactions to ensure the Court complied with the GAA, [Texas Payroll/Personnel Resource \(FPP F.027\)](#) and pertinent statutes. Audit tests revealed the following exception in this group of transactions.

Incorrect Longevity Payment

During the audit, auditors identified two employees who did not receive state service credit for time worked at other state agencies. This lack of service credit resulted in longevity underpayments totaling \$2,200. As a result of the audit, the Court corrected the entries in the Centralized Accounting and Payroll/Personnel System (CAPPS) to add the prior state employment dates and compensated the employees for the underpaid longevity.

[34 Texas Administrative Code Section 5.40\(c\)\(2\)](#)

Quality control measures. Each state agency must ensure that its internal operating procedures include quality control measures that will detect any underpayment of compensation to a state employee.

The Comptroller's office introduced the state employment history application in April 2018, which is a secure web-based application to assist state agency and institution of higher education personnel in researching Texas employment history. Since the employees were hired after the state employment history application was available, the Court could have used the application to assist in determining prior state service.

The Court has procedures to verify prior state service, including verifying prior state service whenever an employee lists the previous state employment in the application. At the time of hire, both employees listed the previous state employment on their applications.

For one employee, the Court contacted the university to verify prior state employment. The university informed the Court that the employee was previously employed but did not receive payment; therefore, the time worked at the university would not count toward state service credit. The Court contacted the university a second time to confirm whether the employee received payment. The university confirmed it was a paid position, so the employee was eligible for state service credit. Taking the service credit into account revealed a longevity underpayment of \$2,080. For the second employee, the Court contacted both agencies to verify the prior state employment. Both agencies confirmed prior state employment, so the employee was eligible for state service credit. Taking the service credit into account revealed a longevity underpayment of \$120.



When an agency hires an employee, the agency must research whether the employee has previous state employment. If prior state service exists, the agency must confirm the amount of lifetime service credit and properly record it or run the risk of underpaying longevity pay. See [Texas Payroll/Personnel Resource – Non-Salary Payments – Longevity Pay](#).

Recommendation/Requirement

The Court should review its controls and personnel records to ensure accuracy and completeness. [34 Texas Administrative Code Section 5.40\(c\)\(2\)](#) states that each state agency must ensure that its internal operating procedures include quality control measures that will detect and prevent any incorrect compensation to an employee.

The Court should ensure it follows its internal policies and verifies periods of employment when it is listed on an application or other applicable form. Additionally, the Court should consider revising its procedures to include the use of the state employment history application during the new hire process to ensure that employees receive state service credit for eligible periods.

Court Response

The Court of Criminal Appeals has revised the New Hire Form to include a list of all agencies and universities that would qualify for longevity payments to make sure new hires are aware of all agencies and universities that should be listed on the prior state service section of the form. A copy of our New Employee Data Form is attached. In addition, we will check the State of Texas Applications to ensure the information provided by the employee is accurate.

Purchase, Payment Card and Contract Transactions

Auditors developed a sample of 20 purchase transactions totaling \$55,075.45, 10 payment card transactions totaling \$2,464.84, and three contracts totaling \$180,469.00 to ensure the Court complied with the GAA, [eXpendit \(FPP I.005\)](#) and pertinent statutes. Audit tests revealed no exceptions in these transactions.

Contract	Amount	Type of Service	Procurement Cycle				
			Planning	Procurement Method Determination	Vendor Selection	Contract Formation/Award	Contract Management
Contract A	\$120,760.20	Subscription services	No exceptions	No exceptions	No exceptions	No exceptions	No exceptions
Contract B	\$12,448.08	Subscription services	No exceptions	No exceptions	No exceptions	No exceptions	No exceptions
Contract C	\$47,260.56	Subscription services	No exceptions	No exceptions	No exceptions	No exceptions	No exceptions



Grants

Auditors developed a sample of three transactions totaling \$1,500,000 to ensure the Court complied with the GAA and state laws and regulations pertaining to grants. Audit tests revealed no exceptions in these transactions.

Travel Transactions

Auditors developed a representative sample of 20 travel transactions totaling \$4,586.64 to ensure the Court complied with the GAA, [Textravel \(FPP G.005\)](#), pertinent statutes and Comptroller requirements. Audit tests revealed no exceptions in these transactions.

Security

The audit included a security review to identify Court 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 security can be revoked in a timely manner. Audit tests revealed no security exceptions.

Internal Control Structure

Auditors reviewed employee access to various Comptroller systems to determine if any individuals had multiple security abilities allowing the employee to process payments through the systems without oversight by any other individual. Audit tests revealed the following exceptions:

Controls Weakness over Expenditure Processing

Auditors reviewed certain limitations that the Court placed on its staff's ability to process expenditures. Auditors reviewed the Court's security in USAS, the Standardized Payroll/Personnel Reporting System (SPRS), the Texas Identification Number System (TINS) and the voucher signature cards in effect on Feb. 22, 2022.

The Court had one employee with multiple security capabilities. The employee could:

- Enter/edit payment vouchers and payrolls in USAS and release/approve payment vouchers and payrolls in USAS.
- Enter/edit and release/approve payment vouchers in USAS and create/edit a vendor profile/direct deposit information and change the vendor's warrant hold status in TINS.
- Approve a paper voucher for expedite and is on the Court's Authorization for Warrant Pickup list.
- Edit/update a vendor or employee profile/direct deposit information and change the warrant hold status in TINS and approve a paper voucher for expedite and pick up the resulting warrant.



To reduce risk to state funds, agencies should have controls over expenditure processing that segregate each accounting task to the greatest extent possible. Ideally, no individual should be able to process transactions within the statewide systems without another person's involvement. Auditors ran reports to see whether any of the Court's payment documents were processed through the systems during the audit period because of the actions of one employee; no issues were identified.

Recommendation/Requirement

To reduce risk to state funds, the Court should continue to review the controls over expenditure processing and segregate each accounting task to the maximum extent possible. Ideally, no individual should be able to process transactions without another person's involvement.

The Court should consider implementing the following recommendations:

- Limit user access to either enter/change vouchers or release/approve batches in USAS. If the Court cannot separate the functions and/or does not have other internal mitigating controls in place, the Court should elect to have the document tracking control edit on the Agency Profile (D02) set to either prevent a user from releasing a batch that the same user entered or altered, or set to warn the user when the same user attempts to release his or her own entries or changes. See [***USAS Accounting and Payment Control \(FPP B.005\)***](#).
- Review the preventive and detective controls over expenditure processing discussed in FPP B.005, such as the requesting Risky Document Report (DAFR9840), which identifies documents that the same user entered or altered and then released for processing.
- Work with the Comptroller's Statewide Fiscal Systems security staff to set up user profiles that separate the entry and approval of payroll transactions in USAS and SPRS.
- Limit user access of employees who can enter/change vouchers or release/approve batches in USAS to view-only access in TINS (PTINS02). An individual should not be able to create and approve a payment and create or change a vendor profile/direct deposit information or change a vendor's warrant hold status.
- Limit user access by removing the user from the signature card or by removing the user from the Authorization for Warrant Pickup list.
- Limit user access of employees who can approve paper vouchers (being on the signature card) to view-only access in TINS (PTINS02). An individual should not be able to create or change a vendor/employee profile or direct deposit information or change the warrant hold status of a vendor and approve a payment.



Court Response

The Court of Criminal Appeals is a small agency with limited staff in the Accounting/Finance section. The Clerk needs these functions to ensure the work of the court can continue in an extenuating circumstance. The Accountant will run the DAFR 9840 - Risky Documents Report regularly to ensure that any instances where the Clerk has entered and released a document are documented with an explanation of the extenuating circumstances.



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
 - The 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 Court of Criminal Appeals (Court) payroll, purchase and travel transactions that processed through USAS and SPRS from Sept. 1, 2020, through Aug. 31, 2021, to determine compliance with applicable state laws.

The Court 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.

The audit provides a reasonable basis for the findings set forth in this report. The Court should implement the recommendations listed in the Detailed Findings of this report. It is the Court'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 the Court's documents comply in the future. The Court must ensure the findings discussed in this report are resolved.

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.



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

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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.