



Audit Department

500 S Grand Central Pkwy Ste 5006 • PO Box 551120 • Las Vegas NV 89155-1120
(702) 455-3269 • Fax (702) 455-3893

Angela M. Darragh, CPA, CFE, CISA, Director

November 6, 2014

Mr. Don Burnette
Clark County Manager
500 South Grand Central Parkway, 6th Floor
Las Vegas, Nevada 89106

Dear Mr. Burnette:

We recently completed an audit of the Las Vegas Justice Court- Criminal Division's internal controls over cash. The audit was conducted at the request of the Court Administrator after the discovery of an employee theft within the Las Vegas Justice Court – Traffic Division. The objective of our audit was to determine whether adequate controls are in place over cash receipts and criminal cases to ensure assets are protected, funds received are correctly appropriated, and imposed fines and fees are not compromised and whether system user rights were appropriately assigned based on individual job functions. We also determined whether fines, fees and forfeiture revenue reported for May 2014 are fairly stated. Our samples were selected from transactions during the period of January 1, 2013 through May 31, 2014. Our last day of fieldwork was August 5, 2014.

Our audit identified cash control, asset safeguarding, and financial management weaknesses which also result in noncompliance with Nevada's Administrative Office of the Courts Minimum Accounting Standards. We found the following issues during our testing:

- Voided payments and adjusted or reversed criminal charges with no explanation in the case management system;
- Payments voided by employees who did not have authority to perform that function based on their job duties;
- Restitution payments that were not disbursed to victims;
- Deposit variances with no documented investigation;
- Incorrect user access to the case management system;
- Underreported revenue for May 2014;
- Imposed administrative assessment fees not in compliance with statutory requirements; and
- A case missing the supplemental administrative assessment fee.

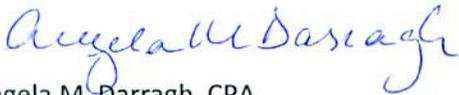
We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.

Mr. Don Burnette
Page 2
November 6, 2014

We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

A draft report was provided to the Court Administrator for comment and her response is included. We appreciate the cooperation and assistance provided by the Las Vegas Justice Court.

Sincerely,



Angela M. Darragh, CPA
Audit Director



AUDIT DEPARTMENT

Audit Report

Las Vegas Justice Court - Criminal Division Cash Controls

November 2014

Angela M. Darragh, CPA, CISA, CFE
Audit Director

AUDIT COMMITTEE:

Commissioner Steve Sisolak

Commissioner Chris Giunchigliani

Commissioner Lawrence Weekly

TABLE OF CONTENTS

BACKGROUND	1
OBJECTIVES, SCOPE, AND METHODOLOGY	1
RESULTS IN BRIEF	3
DETAILED RESULTS	4
No Comments for Voided Payments or Adjustments to Amounts Owed (MEDIUM)	4
Restitution Funds Not Disbursed (MEDIUM).....	5
No Documented Investigation for Drawer Overages/Shortages (MEDIUM)	5
Additional Verification Needed for Cash (MEDIUM)	6
No Review of Deleted Cases (MEDIUM)	7
Revised Policies and Procedures Needed (MEDIUM)	7
No Password Change Requirements (MEDIUM).....	8
Employees Able to Void Transactions When Not Needed for Job Role (MEDIUM)	9
Odyssey System Malfunction Needs to be Repaired and Fine Schedules Should be Periodically Reviewed (MEDIUM)	9
Checks Received in Courtrooms Not Immediately Endorsed (LOW).....	10
Need for Locking Safeguards for Cash and Safe Combination and Key Logs (LOW)	11
Inaccurate Collection of Administrative Assessment Fees (LOW).....	12
MANAGEMENT RESPONSE LETTER	14

BACKGROUND The Las Vegas Township Justice Court (LVJC) is a court of limited jurisdiction that presides over criminal, civil and traffic matters within the Las Vegas Township. The Las Vegas Justice Court is located in the Regional Justice Center. The court currently has 14 elected Justices of the Peace serving 6-year terms. The Court’s Criminal Division administers probable cause reviews, felony and misdemeanor arraignments and preliminary hearings, and trials for misdemeanor cases.

The Las Vegas Justice Court has designated twelve Judicial Departments to oversee the criminal case load for the Court. When the Court orders that a defendant pay fines, fees, and/or bail forfeitures, payments made to satisfy those requirements are processed by the Criminal Customer Support staff in person at the Clerk’s office located on the second floor of the Regional Justice Center or through mail. Defendants are also able to make payments in court during case hearings. Payments can be in the form of cash, money orders, personal checks, wire service checks and credit cards. The Las Vegas Township Justice Court Finance Division is responsible for fiscal affairs and financial management.

In Fiscal Year 2013, 50,115 criminal cases were filed and 46,612 were disposed. The Las Vegas Justice Court - Criminal Division reported approximately \$6,698,470 in revenue for Fiscal Year ended June 30, 2013; of this total amount, \$4,700,158, or 70%, is general fund revenue.

Due to the amount of funds received by the Las Vegas Justice Court-Criminal Division, strong cash controls are important to protect County funds.

OBJECTIVES, SCOPE, AND METHODOLOGY This engagement was performed at the request of the Las Vegas Justice Court after an apparent cash misappropriation was discovered in the Traffic Division.

The objective of this audit is determine whether:

- Adequate controls are in place over cash receipts and criminal cases to ensure assets are protected, funds received are correctly appropriated, and imposed fines and fees are not compromised.

- Case management system user rights are adequately assigned based on individual job functions.
- Fines, fees and forfeiture revenue reported for May 2014 are fairly stated.

To accomplish our objectives, we conducted a preliminary survey that included reviewing applicable policies, procedures, and statutes, interviewing management staff, observing criminal court hearings, and performing walkthrough observations of the various facets of the Las Vegas Justice Court- Criminal Division.

Based on the risks noted during our preliminary survey, we developed an audit program. To establish additional criteria, we reviewed Nevada's Administrative Office of the Courts Minimum Accounting Standards (MAS) and selected criteria related to cash controls, payment handling, financial management, asset safeguarding, and system access.

The following procedures were performed:

- We judgmentally sampled 500 charge reversals and adjustments to amounts owed to the Court to ensure proper documentation, reasonableness, and justification.
- We reviewed all voided payments from January 1, 2013 to March 31, 2014 to determine soundness, documentation, and approval.
- We randomly selected and independently reconciled 12 daily deposits to ensure funds were appropriately collected, balanced, deposited, and recorded in SAP (the County's enterprise resource software used to manage all aspects of operations).
- We judgmentally sampled 308 disposed cases to ensure dispositions were done in accordance with a court order and all financial obligations were met, if applicable.
- We reviewed all documented clerk deposit overages/shortages from January 1, 2013 to March 31, 2014 to determine the level of management oversight as well as any recurring or unusual patterns.
- We judgmentally sampled 200 deleted criminal cases to determine justification and approval.

- We reviewed all Criminal Division personnel who had elevated access in the case management system to determine if rights were reasonably assigned based on job function.
- We reviewed inactive Court employees to determine if access in the case management system was deactivated.
- We reviewed the Court’s monthly revenue statement for May 2014 to determine if amounts reported were fairly stated.
- We reviewed 197 payments to determine if court ordered fines were recorded correctly in the case management system and whether imposed administrative assessments were in accordance with Nevada Revised Statutes (NRS).

While the samples selected were not statistically relevant, we believe they are sufficient to provide findings for the population as a whole. The last day of fieldwork was August 5, 2014.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

RESULTS IN BRIEF Our audit identified cash control, asset safeguarding, and financial management weaknesses which also result in noncompliance with Nevada’s Administrative Office of the Courts Minimum Accounting Standards.

We found the following issues during our testing:

- Voided payments and adjusted or reversed criminal charges with no explanation in the case management system;
- Payments voided by employees who did not have authority to perform that function based on their job duties;
- Restitution payments that were not disbursed to victims;
- Deposit variances with no documented investigation;
- Incorrect user access to the case management system;
- Underreported revenue for May 2014;
- Imposed administrative assessment fees not in compliance with statutory requirements; and

- A case missing the supplemental administrative assessment fee.

Each finding includes a ranking of risk based on the risk assessment that takes into consideration the circumstances of the current condition, including compensating controls, and the potential impact on reputation and customer confidence, safety and health, finances, productivity, and the possibility of fines or legal penalties.

DETAILED RESULTS

No Comments for Voided Payments or Adjustments to Amounts Owed (MEDIUM)

During our testing we found 20 out 246 (8.13%) voided payments that did not have an explanation noted in the comment box. We also found 1,547 out of 1,745 (88.65%) charge reversals and adjustments to amounts owed that did not contain an explanation in the comment field dialog box of the case management system.

A comment box is displayed in the case management system when voiding a payment, adjusting a charge, or reversing a charge. The intention of the comment box is to have an area where the user can explain, in writing, the reason for the transaction.

Without an explanation for voids, adjustments, and charge reversals, an independent reviewer may be unable to validate the reasonableness of the transaction or verify the purpose. Explanations are also helpful to Court staff when reviewing the financial history of a case in preparation for a hearing. Furthermore, Minimum Accounting Standard #2.26 prescribed by the State of Nevada Administrative Office of the Courts requires that *“the reason for a void must also be documented in the automated case management system.”* MAS #2.59 requires that *“adjustments to money owed to the court be documented, either on the manual docket or in the automated case management system. Explanations providing adjustment reasons should also be documented.”*

Recommendation

1. Conduct training for all staff that all voids, adjustments and charge reversals must be explained in the case management system.
2. Periodically review compliance with the procedure to include comments on voids, adjustments and charge reversals.

3. Implement a routine review of voids, adjustments and charge reversals for reasonableness.

**Restitution Funds Not
Disbursed (MEDIUM)**

While reviewing transactions as part of our adjustment testing, we found two restitution payments that were collected by the LVJC that were not immediately disbursed to victims until being notified of the issue by Audit; one payment was disbursed a year later and the other payment was disbursed 11 months later. We also found one restitution disbursement that was short by \$300. Full and timely restitution disbursement is required by MAS #5.15, which states *“In accordance with Nevada Revised Statutes, all restitution payments collected by the court, should be documented, and immediately distributed to victims.”*

Recommendation

1. Amend existing policies and procedures to identify staff responsible for distributing restitution payments and include specific steps to process the disbursement in Odyssey. Review the policy with staff members responsible for restitution disbursements.

**No Documented
Investigation for Drawer
Overages/Shortages
(MEDIUM)**

Each clerk that takes payments is assigned a cash bank. At the end of their shift, the clerks reconcile and balance their banks and prepare a deposit. For the audit period, we found 11 out of 23 (48%) clerk deposit overages/shortages that did not have a documented explanation or investigation on file. Furthermore, there is no corrective action or reporting policy for deposit shortages. According to MAS #7.2, *“an independent, court staff member should verify and reconcile the daily deposit with the cash receipts journal. Any variances noted must be documented and investigated timely”*. All clerk deposit overages/shortages should be reviewed and investigated to identify trends for training needs or theft. A corrective action policy for deposit shortages allows management to hold staff accountable should daily deposits be short, whether on a regular basis or for high dollar amounts.

Recommendation

1. Establish a threshold and investigate any clerk deposit overage or shortage over the threshold. Document any investigation and report material shortages to the County

Comptroller.

2. Create and implement a corrective action policy for clerk deposit shortages.

**Additional Verification
Needed for Cash
(MEDIUM)**

When Clerks pick up their morning cash banks from the Finance office, only one party (the Finance employee) signs a checkout sheet acknowledging the change in custody. By not having both parties acknowledge the change in cash custody when banks are picked up, it reduces accountability should one employee blame the other for a shortage. MAS #7.2(C) requires that *“each court staff responsible for operating funds should count their cash drawer after each shift or when staff responsible for the operating funds change, and document the count on a checkout sheet.”*

We also found that if an employee from Finance is unavailable at the end of the day, verification of the clerk’s end of day deposit does not occur until the following day. We believe that a second count of the clerk’s end of day deposit will increase accountability should there be a discrepancy in the deposit or error in the preparer’s totals.

Finally, we found there is no independent verification of the monthly reconciliation on the operating and imprest bank accounts. The Finance Office Manager performs a monthly reconciliation of both bank accounts. Further, the Court’s financial policies (#7.7) state that verifications of bank reconciliations are performed by the County Audit Department and County Comptroller, which is incorrect. Although the Audit Department verifies one month of the imprest account’s reconciliation as part of the County wide cash in custody audit, it does not actively verify each of the LVJC bank reconciliations. By not having an independent verification of monthly bank reconciliations, errors done by the preparer may not be caught in a timely fashion. This is also a violation of MAS #7.7, which states *“The court must ensure an independent verification of monthly reconciliations [e.g., bank reconciliations] are performed and documented to ensure accuracy of the court’s financial records.”*

Recommendation

1. Require the issuing and receiving employee to verify and sign the morning cash bank checkout sheet.
2. Implement a second verifier for clerks’ end of day deposits.

3. Implement verification for bank reconciliations and document the work performed.

No Review of Deleted Cases (MEDIUM)

We reviewed 200 cases (out of 577) that were deleted from the Court's criminal database and found the deletions appear reasonable. However, there is no review process in place for deleted cases. Deleted cases should be reviewed to ensure the removal was done in accordance with Court policies and by an approved user. By not having a formal review process in place for deleted cases, fraud or contravention of policy may go undetected.

Recommendation

1. Implement a review process for deleted cases. Include persons or positions responsible for deleting cases in written policies and procedures.

Revised Policies and Procedures Needed (MEDIUM)

The Las Vegas Justice Court has established financial policies and procedures. However, the financial policies and procedures do not include, in detail, the following information as required by Administrative Office of the Courts Minimum Accounting Standards #1.1:

- Individuals/positions responsible for bank account reconciliations. The court's policies state that the reconciliations are done, but policies do not state the individual/position responsible for the performing the work.
- Password character requirements and change intervals for Odyssey, the case management system.
- Storage and access to duplicate keys.
- Specific procedures followed when court staff separate from employment with the court, including deactivation of Odyssey access.
- Daily limit for the amount of operating funds kept in each cash drawer, locking cash bag, and safe.
- Explanation requirements in Odyssey for adjustments to amounts owed to the Courts.

Policies and procedures are essential for all financial operations, as they provide guidelines for good internal controls, ensure consistency in operations, provide a resource for new and current employees, and

help to minimize the risk of loss of funds and theft of Court assets. Written policies and procedures should be detailed enough for an individual not associated with Court functions to be able to fully understand daily operations.

Further, we could not find evidence that policies and procedures were distributed to staff. In accordance with MAS #1.4 *“The court must maintain evidence that written MAS procedures are provided to its staff/local government, as applicable.”* Policies and procedures should be distributed to Court staff and a record of the distribution should be kept on file. This will increase accountability should staff fail to comply with established policies and procedures.

Recommendation

1. Create policies and procedures to address the missing areas identified above.
2. Distribute the revised financial policies and procedures to all staff.
3. Require staff to sign an acknowledgement form as evidence that they have received/read written procedures.
4. File copies of the acknowledgments in the staff personnel files or other location where they can be accessed and reviewed.

No Password Change Requirements (MEDIUM)

There is currently no password change requirement in Odyssey, the Court’s case management system. A user may change a password if an account is locked out, but there is no systemic requirement that passwords be periodically changed. In accordance with MAS #8.3 *“authorization passwords must be changed on a quarterly basis unless the court’s local government requires stricter password change requirements.”* Having a less stringent password policy weakens controls over access to computer applications and increases the risk that unauthorized transactions could occur. In addition, weak password practices decrease accountability should a password be compromised.

Recommendation

1. Develop and enforce a password policy with special character requirements and 90 day expiration.

Employees Able to Void Transactions When Not Needed for Job Role (MEDIUM)

During our testing, we found 6 users out of 55 (10.91%) with elevated system access through lead clerk access rights who should not have had this access. A user with lead clerk rights is able to void payments for other employees.

From January 1, 2013 through March 31, 2014, 139 out of 246 (56.50%) payments were voided by employees who did not have authority based on their position. The ability to void a payment should be reserved for individuals who do not accept payments on a regular basis to avoid theft.

Recommendation

1. Periodically review and monitor existing user access to ensure system access correlates with job functions.
2. Retain documentation noting justification whenever a user is granted elevated system access.
3. Correct the system access for the individuals with inappropriate access based on their job function.

Odyssey System Malfunction Needs to be Repaired and Fine Schedules Should be Periodically Reviewed (MEDIUM)

The report of fines, fees, and forfeitures (revenue) of the Las Vegas Justice Court is prepared monthly. This report outlines all revenue generated by the Las Vegas Justice Court broken down by fine/fee category (i.e. County forfeitures, County administrative assessments, State fines, County fines, etc.). The report is sent to the Clark County Comptroller who then records the amounts in SAP and remits the State's portion of collected funds.

The financial data needed for the monthly revenue report can be systematically maintained and generated by Odyssey, the court's case management system. However, due to a system malfunction that's been ongoing since approximately early 2008, the revenue report sent to the County Comptroller is manually computed using alternative reports generated by Odyssey. Based on discussions with the Court's Finance Division, it takes approximately 3-4 working days and two staff members to formulate the monthly revenue report. If the Odyssey group disbursement function was working properly, collected fine and fee payments would be systematically allocated to their appropriate account at the end of day and financial statements would be maintained through Odyssey, resulting in a streamlined revenue reporting process. Manual processes can increase the risk of

human error and inaccurate reporting of revenue. As an example, we found \$675 in underreported revenue in May 2014 due to an incorrect date range selection. Manual processes also typically require more human resources in comparison to an automated process.

The judicial fine and fee distribution schedule is programmed into Odyssey so that fine and fee amounts are automatically calculated based on statutory requirements under NRS 176.059. According to Finance staff, a review of the schedule is done periodically by the Finance Office Manager. However, the review is not documented. Therefore, we could not verify that the review is conducted. It is important that the fee/fine and distribution schedule be accurate so that funds are properly appropriated to their respective accounts and monthly disbursements to third parties, such as the State are accurate. In accordance with MAS #8.6 *“the court should audit its fee codes and fee schedules [e.g., distribution schedule/breakout table] to ensure the accuracy of funds being distributed to fines, fees, and other accounts in accordance with NRS at least every six months. This must be performed for both manual breakdowns and breakdowns performed by the automated case management system.”*

Recommendation

1. Contact Court IT and notify them of the error in the Escrow Group Disbursement function in Odyssey. If internal resources cannot correct the error, contact the vendor to correct the function.
2. Review the fee and distribution schedule at least every six months. Document and retain evidence of the review.

Checks Received in Courtrooms Not Immediately Endorsed (LOW)

During our observation of payments in the courtrooms, we found that checks received by clerks were not immediately endorsed. Instead, the endorsement is made by the Finance Office when preparing the daily deposit. A restrictive endorsement places a limitation on the use of a check or other negotiable instrument so that it is no longer a negotiable instrument that can be passed from the stated payee to a third party. In accordance with MAS #2.6 *“Court staff should immediately endorse all checks received with the court’s bank endorsement stamp”*. Checks that are not immediately endorsed may be subject to employee theft.

Recommendation

1. Implement a policy that requires clerks to immediately endorse all checks received in the courtrooms by using the court's bank stamp.
2. Train employees on the new policy and monitor for compliance.

Need for Locking Safeguards for Cash and Safe Combination and Key Logs (LOW)

Daily deposits and operating funds are kept in a safe inside a room within the Finance Division's Office. Badge access is required to enter the Finance office. The Finance office houses six employees along with any visitors who are allowed inside. We observed periods where the safe, with operating funds inside, was left open and unattended while the room door was open. According to Finance employees, it is customary to leave the safe and safe room door open throughout the day. An overflow safe is in use that does not close due to a broken lock mechanism. We observed several instances of courtroom clerks picking up their daily cash banks and transporting the funds with no form of safeguard (i.e. a locking cash security bag). Strong asset safeguarding measures mitigate the risk of cash being stolen. In accordance with MAS #2.36, *"the court should be capable of locking safeguard methods and locations where operating funds are stored. Each of these methods/locations must be locked when unattended and not in use."*

We also reviewed the badge access report for the Finance office. We found one employee who had badge access that should not have access based on their job function and work area. The Finance office houses court operating funds and funds awaiting bank deposit; badge access should be controlled to avoid unauthorized entry.

Although there is a badge access report for the Finance office, there is no safe combination access log. A safe combination access log allows for accountability for persons who have access to the Court's safes. In accordance with MAS #9.3 *"the court must maintain a key/combination log listing court staff members with access to locking devices/areas in which payments, disbursements, and operating funds are stored."*

Duplicate keys for cash registers are kept in a manila folder in the storage room of the Finance office. Duplicate keys for cash security

bags are kept on top of a desk in the Finance office. Duplicate keys should be kept in a controlled environment when not in use to avoid misplacement and /or unauthorized usage. In accordance with MAS #9.4 *“duplicate keys to secured areas and locking devices should be stored in a key box equipped with two locks, which requires dual-access by two separate court staff members. Any override keys for cash registers (if used) must be stored in the key box.”*

Recommendation

1. Keep all operating funds in a safe when not in use or awaiting deposit. Ensure the safe is closed and locked when not in use.
2. Fix or replace the overflow safe in the Finance office.
3. Require courtroom clerks to use lock bags when picking up and dropping off cash banks.
4. Implement a safe combination access log.
5. Implement a key box. Override and duplicate keys should be stored in the key box.
6. Store duplicate keys for cash security bags in the safe after the morning cash banks are prepared.
7. Remove Finance office badge access for the unauthorized employee. Periodically review the Finance Office badge access report and ensure only authorized employees have access.

Inaccurate Collection of Administrative Assessment Fees (LOW)

We reviewed 197 transactions and found 3 instances (1.52%) where an imposed fine and administrative assessment fee did not coincide with the schedule prescribed under NRS 176.059. This results in a net effect of \$20 in under collected and thereby under reported administrative assessment fees.

When a defendant pleads guilty or is found guilty, NRS 176.059 requires that the Court add an administrative assessment fee in addition to any imposed fines. Administrative assessments fees are imposed on a sliding scale in correlation with the imposed fine. In addition, there are supplemental administrative assessments required by NRS to cover specialty court programs, facilities and other court programs. The Court has programmed a schedule into Odyssey that results proper total fine and fee amounts per NRS 176.059. The error is a result of a feature in Odyssey that allows users to independently adjust a fine without impacting the administrative assessment,

thereby circumventing statutory requirements and the system programmed fee schedule. Although the net financial impact of our findings is immaterial, the impact could be greater based on the case load processed by the Court. Imposed fines and administrative assessments should coincide with the schedule prescribed under NRS 176.059. Administrative assessments support various court programs, by not imposing the correct administrative assessment, the County and/or State may be receiving less/more funds than entitled.

We also found one case where the defendant was found guilty of domestic battery, but the imposed sentence did not contain a battery domestic violence administrative assessment as required by NRS 200.485.

Recommendation

1. Adjust user rights in Odyssey so that only supervisory staff can adjust fines in the sentencing module.
2. Require courtroom staff to follow the established fine and fee schedule.
3. Research the impact and materiality of any fines adjusted in the sentencing module of Odyssey.
4. Advise staff to add supplemental administrative assessments when applicable.

MANAGEMENT RESPONSE LETTER



LAS VEGAS JUSTICE COURT
REGIONAL JUSTICE CENTER
200 LEWIS AVENUE
LAS VEGAS, NEVADA 89103

LaDEANA GAMBLE
COURT ADMINISTRATOR

(702) 671-3100
FAX: (702) 671-2612

TO: Angela M. Darragh, CPA, CISA, CFE

C: Chief Judge Karen Bennett-Haron
Vice Chief Judge Joe Bonaventure

FROM: LaDeana Gamble, Court Administrator *lg*

SUBJECT: Management Response & Action Plan for Criminal Division Cash Controls Audit

DATE: October 30, 2014

Las Vegas Justice Court has participated in the Internal Audit of the Criminal Division. Areas of improvement that have been noted and recommendations are incorporated in the responses below. As stated in the prior audit of the Traffic Division, Las Vegas Justice Court is appreciative of the assistance, guidance, and recommendations that have been provided by your team. Las Vegas Justice Court strives to develop the best practices for cash handling. If you have any questions, please feel free to give me a call.

The responses below include established timelines to address the current audit.

1. No Comments for Voided Payments or Adjustment to Amount Owed

Management Response & Action Plan:

- In April of 2014, LVJC implemented a new procedure for voided payments in the Odyssey case management system. Employees now provide a written comment for voided payments. The Finance Division created a voided-payment report that is reviewed and researched daily by the Court Compliance Supervisor and the Criminal Division Supervisors.

2. Restitution Funds Not Disbursed

Management Response & Action Plan:

- LVJC is in the process of amending the existing policies and procedures for restitution. Upon completion of the policies and procedures, all staff will be trained and will sign an acknowledgement form. The Restitution policies and procedures will be implemented by 1/5/2015.

3. No Documented Investigation for Drawer Overages/Shortages

Management Response & Action Plan:

- LVJC is developing policies and procedures to establish a variance threshold for employees who handle cash. In addition, the County Comptroller's Office has been contacted so that LVJC can incorporate a process for reporting material shortages to the Comptroller. The policies and procedures for overages/shortages will be implemented by 1/5/2015.

4. Additional Verification Needed for Cash

Management Response & Action Plan:

- In June 2014, the Finance Division implemented a procedure for the issuing and receiving of a cash bank. The employee must verify and sign the morning cash bank checkout sheet. The Finance Division is in the process of developing the procedures for the second verifier for the Clerk's end of the day deposits. The Finance Division Administrator will perform all initial verifications of bank reconciliations and will document the work performed. The policies and procedures for secondary verification of cash will be implemented by 1/5/2015.

5. No Review of Deleted Cases

Management Response & Action Plan:

- The IT Division is developing a review process for deleted cases. IT is developing a process in the case management system to add the event for duplicate cases before closing. IT is also developing a process to add a case note with a reason for deletion for reasons other than duplicate cases. Reports will be set up automatically and e-mailed to supervisors, notifying them of duplicate cases and requiring them to conduct spot check reviews. The review process for deleted cases will be implemented by 1/5/2015.

6. Revised Policies and Procedures Needed

Management Response & Action Plan:

- The Finance Division is developing detailed policies and procedures to address the missing areas identified. The Finance Division Administrator will conduct the initial bank reconciliations. The Court Compliance Supervisor will conduct the secondary reconciliation verification. Each will document the verification work performed. The Finance Division policies and procedures will be distributed to employees, and each employee will sign an acknowledgement form. The

acknowledgement forms will be maintained in the employees' LVJC personnel file. The detailed policies and procedures for the Finance Division will be completed by 2/2/2015.

7. No Password Change Requirements

Management Response & Action Plan:

- On 11/14/14, the IT Division will implement an authentication with Active Directory (AD). AD passwords are complex, and require changing every 90 days, and will not allow repetition of passwords based upon the last 10 passwords.

8. Employees Able to Void Transactions When Not Needed for Job Role

Management Response & Action Plan:

- Reports are already generated and reviewed by the Finance Division for all voids. All Clerk level rights to void payments will be removed by December 1, 2014. New roles will be developed for each job function by 1/5/2015. Roles will be programmatically applied to all users by 1/5/2015. Roles will be programmatically reapplied every 3 months to remove any unnecessary additional right(s) given to a user.

9. Odyssey System Malfunction Needs to be Repaired and Fine Schedules Should be Periodically Reviewed

Management Response & Action Plan:

- Odyssey version 2014 will be put into production with Escrow Group Disbursement functionality by 2/2/2015. Every 6 months, the Finance Division Administrator will review the fine schedules and will document and retain evidence of the review.

10. Checks Received in Courtrooms Not Immediately Endorsed

Management Response & Action Plan:

- Endorsement stamps have been ordered for the Courtroom Clerks. A policy and procedure will be implemented by 12/1/2014 that requires Courtroom Clerks to immediately endorse all checks received in the courtroom by using the Court's bank stamp. Employees will be trained and will sign an acknowledgement form. Employees will be monitored for compliance on the new policy and procedures.

11. Need for Locking Safeguards for Cash and Safe Combination and Key Logs

Management Response & Action Plan:

- LVJC ensures that all operating funds are in the safe when not in use or awaiting deposit. The safe is closed and locked when not in use. LVJC is working with Real Property Management on the construction of the area that will house the new safe. Courtroom clerks are required to use locked bags when picking up and dropping off cash banks. The Finance Division has implemented a new safe

combination access log. The safe combination will be updated every 90 days. LVJC is in the process of obtaining a key box for the storage of override and duplicate keys. Badge access to the Finance Office is only provided to Finance Division employees, the Court Administrator, and the Marshal's Division. Badge access to the Finance Office will be periodically reviewed by the Finance Division, and a log of who can access will be maintained in Court Administration. The projected completion of the construction for the new safe is 2/2/2015.

12. Inaccurate Collection of Administrative Assessment Fees

Management Response & Action Plan:

- The administrative assessment fees schedule is being reviewed by the staff attorney. A new spreadsheet will be developed for employees that will have all the established fines and fees. This spreadsheet will be reviewed every six months. The development of the spreadsheet will be completed by 2/2/2015.