



Judicial Operations Division

Internal Audit

December 2013

Bernalillo County Internal Audit Judicial Operations Division

Executive Summary

SUMMARY OF PROCEDURES

REDW performed an internal audit over selected areas within the Judicial Operations Division. Our internal audit focused on testing internal controls over the process to collect, record, deposit and reconcile the funds related to judgments as well as the process to track court documents.

The procedures performed include:

- Obtaining an understanding of the Judicial Operations Division procedures through reading relevant State Statutes, and other regulations, and through interviewing various Judicial Operations Division personnel.
- Testing a sample of cash transactions to determine if cash collections and deposits were made in compliance with policies and procedures and State Statutes.
- Testing a sample of court documents to ensure that civil process documents handled by the Judicial Operations Division were properly completed and tracked in compliance with State Statutes.

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

There were no observations identified during this audit.

All court documents tested contained all information required by State Statute. All cash and check transactions tested were properly deposited and reconciled.

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Further detail of our purpose, objectives, scope, and procedures are included in the internal audit report.

We received excellent cooperation and assistance from the department during the course of our interviews and testing. We sincerely appreciate the courtesy extended to our personnel.

REDW LLC

Albuquerque, New Mexico
January 16, 2014

Bernalillo County Internal Audit Judicial Operations Division

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Bernalillo County Internal Audit Judicial Operations Division Report

INTRODUCTION

We performed the internal audit services described below solely to assist Bernalillo County in evaluating the internal controls over selected processes within the Judicial Operations Division. Our services were conducted in accordance with the Consulting Standards issued by the American Institute of Certified Public Accountants, Generally Accepted Government Auditing Standards, and the terms of our contract agreement for internal audit services. Since our procedures were applied to samples of transactions and processes, it is possible that significant issues related to the areas tested may not have been identified.

An entrance conference was held on December 16, 2013, and fieldwork also began that week. An exit conference was held on January 16, 2014.

PURPOSE AND OBJECTIVES

Our internal audit focused on evaluating the process to collect, record, deposit and reconcile funds related to judgments as well as the process to track court documents to determine if these processes were in compliance with policies and procedures (P/Ps), applicable laws and regulations, State Statutes and sound internal controls. We evaluated the adequacy and reasonableness of the internal controls surrounding these processes.

SCOPE AND PROCEDURES PERFORMED

In order to gain an understanding of the processes and internal controls surrounding Judicial Operations Division, we interviewed the following personnel:

- Lenore Buffington, Budget Grant Accountant; and
- Annie Regan, Administrative Officer.

In order to understand Judicial Operations Division policies and procedures we read relevant portions of:

- Judicial Operations Division policies and procedures;
- Federal Rules of Civil Procedure Title II Rule 6; and
- NMSA 39: Judgments, Costs, Appeals.

We performed the following testwork:

Court Documents: We obtained a list of Civil Log Numbers from June 1, 2013 through November 30, 2013, and selected a sample of 60 log numbers. For each Civil Log Number selected, we obtained the related documentation to determine if they included, when applicable:

- Docket coversheet;
- Name and contact information for plaintiff/petitioner, attorney, and defendant/respondent;
- Number and nature of the case;
- The court in which judgment was rendered;
- Court related documentation has some kind of verification (i.e. raised seal, stamped endorsement, notarization, authorized court personnel signature);
- A Return of Service Affidavit or other documentation evidencing document delivery;
- A hearing/trial date, time and location;
- Date of judgment;
- Amount of damages, amount of costs, total amount of judgment;
- Satisfaction of judgment was documented in the CourtTrack system; and
- Daily logs are complete including initials of the assigned deputy.

Cash Collections: We selected a sample of 25 business days from January 1, 2013 through November 30, 2013. For each business day selected, we obtained the documentation supporting the deposit for that day and tested to determine if each collection included:

- Deposit log, including “verified by” initials;
- Docket sheet, including case number;
- Cash desk form, including credit card slip information;
- Deposit ticket, including reconciliation key number and bag number;
- Cashiers report, including case number and supervisor initials;
- Coding in the SAP system, including GL account number, cost center, and fund number.
- County finance spreadsheet if applicable;
- Internal payment sheet, including Taxpayer Identification Number (TIN) check date, if applicable;
- Accounts payable (AP) payment request form, including date emailed to AP if applicable; and
- CourtTrack system showing that the judgment was satisfied and that the creditor was formally notified of the satisfaction of the judgment, if applicable.

We selected one payment received through auction and tested to determine whether:

- Notice was published in newspaper for 4 consecutive weeks prior to the auction; and
- For any funds received from the auction that were greater than the judgment amount, the excess funds were returned to the defendant.

Cash Safety: We also observed the safe procedures and ensured it was kept locked.

OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

We identified no reportable observations during our testwork.

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This report is intended for the information and use of Bernalillo County management, the audit committee, members of the Board of Commissioner of Bernalillo County and others within the organization. However, this report is a matter of public record, and once accepted its distribution is not limited.

We discussed and resolved other minor issues with management and received excellent cooperation and assistance from the various departments during the course of our interviews and testing. We sincerely appreciate the courtesy extended to our personnel.

REDW LLC

Albuquerque, New Mexico
January 16, 2014