



AUDIT DEPARTMENT

**CLARK COUNTY DISTRICT COURT
JURY SERVICES**

for the period January 1, 2005, through December 31, 2006

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Audit Director



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September 10, 2007

Virginia Valentine
Clark County Manager
500 South Grand Central Parkway, 6th Floor
Las Vegas, Nevada 89106

Dear Ms. Valentine:

As provided by our annual audit plan, we have conducted an audit of the Clark County District Court Jury Services. Our procedures considered transactions for the period January 1, 2005, through December 31, 2006.

The objectives of our procedures were to determine if managerial and accounting internal controls are in place to protect and safeguard assets, if payments to jurors and witnesses are accurate and expended to the proper periods, and if records and documentation of the witness and juror change fund are accurate and complete.

Based on the audit procedures performed and the results of testing, it appears that the payments made to jurors and witnesses for the audit period are accurate and expended to the proper periods. Additionally, controls are in place to protect and safeguard County assets and the records and documentation associated with the change funds are accurate and complete. It was noted that the mileage reimbursement rate was programmed at 37 cents a mile, not 36.5 cents as directed by the Nevada Revised Statutes. The correct rate is now used for mileage reimbursements. Additionally, reports that contain sensitive information were discarded rather than being shredded. This has been corrected as well.

A copy of this report has been provided to District Court and their response is included. The assistance and cooperation of District Court staff is recognized and sincerely appreciated.

Sincerely,

/s/ Jeremiah P. Carroll II, CPA

Jeremiah P. Carroll II, CPA
Audit Director

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CLARK COUNTY DISTRICT COURT
JURY SERVICES
for the period January 1, 2005, through December 31, 2006

BACKGROUND

This audit report covers two areas, District Court Jury Services and the District Attorney Victim Witness Assistance Center. Payments made to jurors and witnesses are paid from the Witness and Juror Change Fund which is controlled and managed by District Court.

The Eighth Judicial District Court of Clark County, Nevada is the largest general jurisdiction court in Nevada. This jurisdiction encompasses all municipalities and outlying communities of Clark County. District Court has the responsibility to provide a panel of qualified jurors for trials. As allowed by the rule of the court, Clark County has a jury commissioner that has been selected to handle the administrative duties in connection with trial juries and jurors as the court finds necessary for efficient administration. It is imperative that proper procedures and controls are in place in the jury selection process. A basic constitutional right guaranteed by the sixth amendment of the United States Constitution is that an individual charged with a crime has the right to be tried by a jury of their peers in determining guilt or innocence. In all criminal proceedings, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed.

Individuals who serve on a jury panel are paid a daily fee and a mileage allowance for travel as compensation for each day of service. Such fees are payable in accordance with Nevada Revised Statutes (NRS) 6.150 "Fees and expenses of jurors". All fees and mileage allowance are paid in cash at the end of the trial. Jury Services will print, initial, and deliver the vouchers to Voucher Redemption, located next door to Jury Services. At the end of the trial, the jury is directed to Voucher Redemption to receive payment. The payment voucher is in two parts. The juror must sign the voucher and present identification. Voucher Redemption keeps one copy. The transaction is rung up on the register; a sales receipt is printed, stapled to the second copy of the voucher and given to the juror along with the cash. The second copy is used to reconcile to the cash register.

The Victim Witness Assistance Center issues payment vouchers to individuals who have either been sworn as a witness or subpoenaed to appear as a witness before the court. The witnesses are paid a mileage allowance for travel to the court and a fee for appearing in court. Such fees are payable in accordance with NRS 50.225 "Fees of witnesses". The payment voucher, a two part form, is completed by the Victim Witness Center. The witness is given the form who takes it across the hallway to Voucher Redemption. The witness must sign the voucher and provide picture identification. Voucher Redemption keeps one copy. The transaction is rung up on the register; a sales receipt is printed, stapled to the second copy of the voucher and given to the witness along with the cash. The second copy is used to reconcile to the cash register.

Jury Services, Victim Witness Assistance Center, and Voucher Redemption are all on the third floor of the Regional Justice Center located at 200 Lewis Street in Las Vegas. Total Jury

Services and Witness fees paid out during the two year audit period are \$1,563,939 and \$1,395,615 respectively.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of the audit are to determine whether:

- managerial and accounting internal controls are in place to protect and safeguard assets,
- payments to jurors and witnesses are accurate and expended to the proper periods, and
- the records and documentation of the witness and juror change fund are accurate and complete.

To accomplish our objectives, we conducted interviews with key personnel and observed the jury orientation process to develop an understanding of jury services. The NRS relating to juries and witnesses were reviewed to gain an understanding of the rules and policies governing these two areas. We examined the various reports generated by the computerized system to track, record, and pay potential jurors. We reviewed controls over the Witness and Juror Change Fund to verify that cash payouts are proper. Finally, we examined a sample of judgmentally selected vendor claim vouchers, jury expenditures, and witness expenditures to ensure payments are appropriate and that adequate records and documentation are maintained.

Procedures for the Victim Witness Assistance Center were limited to a review of controls over the vouchers and a sample selection of vouchers to verify payments were proper.

Our audit was conducted in accordance with generally accepted governmental auditing standards.

Our procedures considered the period January 1, 2005, through December 31, 2006, and the last day of fieldwork was April 3, 2007.

RESULTS IN BRIEF

Based on the audit procedures performed and the results of testing, it appears that the payments made to jurors and witnesses for the period January 1, 2005, through December 31, 2006, are accurate and expended to the proper periods. Additionally, managerial and accounting internal controls are in place to protect and safeguard assets. Finally, the records and documentation associated with the witness and juror change fund are accurate and complete. Additional details are noted below.



DETAIL OF FINDINGS

Internal Controls

Voucher Redemption Security Access

Voucher Redemption is located on the 3rd floor of the Regional Justice Center just outside of the orientation room. To gain access to the Voucher Redemption area requires that the employee swipe their badge. This access is based on the employee's job title and is granted by the District Court Badging Office. The safe is also located within Voucher Redemption; however, to gain access to the safe requires a second swipe of the employee's badge to gain access to the safe room. A review of the user access report dated February 5, 2007, for the District Court Voucher Redemption office disclosed two badges that are still active even though one individual resigned effective December 1, 2006. The second badge is for a contractor called Manpower. Access to the Voucher Redemption Office should be controlled at all times since cash is maintained and kept in this office.

We recommend that any access to the Voucher Redemption office be changed to inactive status immediately upon the resignation or termination of any employee who has this access. Additionally, generic badges should not be issued.

Other Findings

Computerized System Mileage Rate

NRS 6.150 (4) states that each individual summoned to attend as a grand juror or a trial juror in the District Court or Justice Court is entitled to receive 36.5 cents a mile for each mile necessarily and actually traveled if the home of the person summoned or serving as a juror is 65 miles or more from the place of the trial. A review of various system reports generated by the ACS computerized system used by Jury Services disclosed that the mileage rate that is programmed into the system to calculate the dollar amount to reimburse jurors for mileage is set at 37 cents a mile, not 36.5 cents as directed by the NRS. The effect of this programming error results in a mileage overpayment of \$920.76 for the audit period. This mileage overpayment money has been paid and is not recoverable.

As of March 2007, the computerized mileage rate has been change from 37 cents a mile to 36.5 cents a mile as allowed by the NRS.

IRS Annual Forms

Detailed testing disclosed that for the year 2006, there were 69 individuals that received jury service payments of \$600 or more. Of the 69 individuals, 14 or 20 percent had an incorrect 1099 or did not receive a 1099 from the County. IRS Regulations requires companies that pay \$600 or more to individuals to issue a 1099. A copy of the 1099 must be sent to the IRS. Failure to provide a correct 1099 or not providing a 1099 at all, can result in penalties from the IRS ranging from \$15 to \$50 per return. The 1099 information was properly sent via e-mail to the



Comptroller's office by Jury Services. The e-mail consisted of several files representing the various judicial departments that required the filing of 1099's. One of these files containing information for Department 21B was overlooked by the Comptroller's office resulting in the 1099's not being issued for the department.

We recommend that the twelve missing forms be completed and sent to the IRS by the Comptroller's office. Additionally, the two incorrect forms need to be corrected and sent as well. Finally, the Comptroller's office should compare the printed 1099's to the information sent by Jury Services to verify that all judicial departments requiring 1099's have been completed.

Document Shredding and Computer Security

The front counter in the Jury Services orientation room has a computer that is used to check in jurors and print reports for the judges and record keeping purposes. The room is open and unsecured throughout the day. The front counter worker will log on to the computer in the morning and use the computer to perform various tasks. It was noted that the computer remains logged in even when the counter worker is not present. This leaves the computer and the information on the system open to misuse and/or abuse by unauthorized individuals. Additionally, it was noted that the reports printed from the computer contain sensitive information such as names, addresses, phone numbers, social security numbers, and other information of prospective jurors. NRS 603A.040 defines this type of information as personal information. At times, reports have to be reprinted and the old reports are improperly discarded. Reports or other documentation that contains personal information and is no longer needed should be shredded as required by NRS 603A.200. With the rise in identify theft; every precaution needs to be taken to protect sensitive information such as names, addresses, phone numbers, and social security numbers. Clark County Jury Services has a responsibility to ensure that any such information is properly protected and disposed as required by NRS 603A – "Security of Personal Information".

We recommend that when the computer is left unattended, the operator use the lock computer function of the Windows XP operating system. Additionally, the time out function should be set up on the computer so that after a period of non-use, the computer requires a password entry to access the computer. Additionally, any old or unnecessary reports or documents containing sensitive information should be properly shredded.

Upon notification of these two findings, a memo was issued by the Juror Commissioner to all staff members instructing them that the computer is to be locked at all times when not in use and all documents containing sensitive information needs to be shredded.

District Court Website

A review of the Clark County District Court Juror Information website on April 3, 2007, under general instructions directs prospective jurors to report to the Clark County Courthouse, main entrance, located at 200 South Third Street in Las Vegas. As of October 2005, all County courthouse business is conducted in the Regional Justice Center located at 200 Lewis Avenue.



We recommend that the website be updated to reflect the correct location of Jury Services.



APPENDIX

CLARK COUNTY COURTS
200 Lewis Avenue
Las Vegas, Nevada 89155

Eighth Judicial District Court
(702) 671-4528

Las Vegas Justice Court
(702) 671-3100

TO: CHARLES W. KENDALL, AUDIT MANAGER
FROM: CHARLES J. SHORT, CHIEF EXECUTIVE OFFICER
SUBJECT: RESPONSE TO DISTRICT COURT JURY SERVICES AUDIT
DATE: Aug 8, 2007

The Eighth Judicial District Court's response to District Court Jury Services Audit:

Voucher Redemption Security Access

We concur with this finding and have changed our procedure. We now deactivate access of any employee to the voucher redemption office immediately upon their resignation or termination. Generic badges are no longer issued.

Computerized System Mileage Rate

The computerized mileage rate was changed in March, 2007.

IRS Annual Forms

We concur with this finding -- the Comptroller's office should process all 1099s correctly.

Document Shredding and Computer Security

Upon notification of these findings, a memo was issued by the Jury Commissioner to all staff members instructing them that the computer is to be locked at all times when not in use and all documents containing sensitive information needs to be shredded.

District Court Website

The website has been updated.

cc: Ed Friedland, Assistant Court Administrator
LaDeana Gamble, Assistant Court Administrator
Tim Davis, Assistant Court Administrator
Steve Grierson, Acting Assistant Clerk of the Court

Charles J. Short
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Asst. Court Administrator
District Court
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District Court
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Justice Court

Tim Davis
Asst. Court Administrator
Justice Court