

# FOLLOW-UP REPORT

# *Salt Lake County Justice Court*

OCTOBER 2022



Chris Harding, CPA, CFE, CIA  
County Auditor

Office of the Auditor  
Salt Lake County

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# Salt Lake County Auditor



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## AUDITOR'S LETTER

We conducted a follow-up audit of the Justice Court related to our initial audit issued in April 2022. During this follow-up audit, we evaluated the progress made by the Justice Court in implementing our recommendations from the prior audit. The Justice Court made significant changes, fully implementing the recommendations from 13 of our 25 recommendations. We encourage them to fully implement the remainder of our recommendations before we complete our final follow-up audit.

This audit is authorized pursuant to Utah Code Ann. 17-19a-204 "Auditing Services." We conducted this audit in accordance with generally accepted government auditing standards (GAGAS), except for the requirement in GAGAS 3.18, which states, "In all matters relating to the GAGAS engagement, auditors and audit organizations must be independent from an audited entity." GAGAS states in 3.21, "Independence comprises the following:

- a. Independence of mind: The state of mind that permits the conduct of an engagement without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity and exercise objectivity and professional skepticism.
- b. Independence in appearance: The absence of circumstances that would cause a reasonable and informed third party to reasonably conclude that the integrity, objectivity, or professional skepticism of an audit organization or member of the engagement team had been compromised.**

Our state statute, 17-19a-206 Performance audit services, reads:

- (1) A county auditor shall, under the direction and supervision of the county legislative body or county executive and subject to Subsections (1)(b) and (2), provide performance audit services for a county office, department, division, or other county entity. A county auditor may not conduct a performance audit of the auditor's own office.
- (2) The county legislative body or county executive shall establish the goals and nature of a performance audit and related services.

Although this audit is not a performance audit, GAGAS 3.19 states: "auditors and audit organizations should avoid situations that could lead reasonable and informed third parties to conclude that the auditors and audit organizations are not independent and thus are not capable of exercising objective and impartial judgment on all issues

associated with conducting the engagement and reporting on the work.”

A reasonable and informed third party is defined by GAGAS: “As evaluated by a hypothetical person, a person who possesses skills, knowledge, and experience to objectively evaluate the appropriateness of the auditor’s judgments and conclusions. This evaluation entails weighing all the relevant facts and circumstances, including any safeguards applied, that the auditor knows, or could reasonably be expected to know, at the time that the evaluation is made.”

Although we are working with the State Legislature, County Council and Mayor, Utah Association of Counties, Utah Association of CPAs, to change this statute, we currently have no control or ability to change this statute. As such there is a risk that readers of our report would conclude that we are not capable of exercising objective and impartial judgment on the audit subject matter.

GAGAS 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. Except for the independence issues above, we believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.”

We appreciate the leaders and team members at the various agencies and departments who shared their time and knowledge with us during the audit.

Please contact me at 385-468-7200 with any questions.

A handwritten signature in black ink that reads "Chris Harding". The signature is written in a cursive, flowing style.

Chris Harding, CPA, CFE, CIA  
Salt Lake County Auditor

# Action Since Audit Report

## Salt Lake County Justice Court

**25** findings with 46 recommendations found in April 2022.

The Salt Lake County Justice Court has fully implemented 27 of the recommendations, 2 were closed because of changes made by management as a response to the audit, and 17 are in progress or not fully implemented.



FULLY  
IMPLEMENTED

**13**



IMPLEMENTATION IN  
PROGRESS

**11**



NOT  
IMPLEMENTED

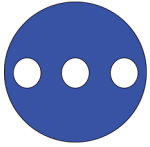
\*One finding was “Closed” because of changes made by management in no longer having a check-in list.

# Remaining Risks

## Salt Lake County Justice Court

The Salt Lake County Auditor’s Office will conduct an additional follow-up around January.

**FINDING 1 - The Mail Log was not created using dual controls and procedures were not adequate to ensure that all payments were posted, returned, destroyed, or forwarded to the appropriate party.**



## **IMPLEMENTATION IN PROGRESS**

### **RECOMMENDATION:**

We recommend that Management create a written policy and procedure on how to process payments received in the mail or the drop box.

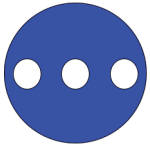
Procedures should include the following:

- Requiring two individuals to retrieve payments, log the items retrieved, and agree to the amounts received using signatures.
- Ensuring the Mail Log is completed in full.
- Noting on the Mail Log payments that were not processed that day, were forwarded, returned, or destroyed, and approval of the action taken.
- Selecting the Mail/Drop-Box option in the CORIS Payment Screen when receipting payments, recording the CORIS transaction number and date on the Mail Log, and reconciling CORIS to the log using the CORIS Mail Log Report. The cashier posting payment should initial the log entry.
- Maintaining a copy of the Mail Log with the daily deposit records, including prior day's payments that have not yet been processed, and ensuring items on the log were not removed.

### **AGENCY ACTION:**

The Salt Lake County Justice Court has begun implemented some of the recommendations listed above, but has not fully implemented every recommendation. Additional testing is required as some of the new procedures by the Justice Court were not implemented until May of 2022.

## FINDING 2 - Not all funds were deposited on a timely basis.



### IMPLEMENTATION IN PROGRESS

**RECOMMENDATION:** We recommend that funds be deposited within 3 days of receipt when conditions permit, and that funds be deposited at least weekly during extenuating circumstances, such as the COVID pandemic.

**AGENCY ACTION:** 2 deposits exceeded 7 days from cash receipt to deposit bag (exceeding the at least weekly deposits due to extenuating circumstances from the COVID pandemic). Timing of deposits will be tested again during the second follow up.

**RECOMMENDATION:** We recommend that the Justice Courts consider training alternate individuals to process small claims and bail bonds and to prepare deposits.

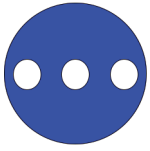
**AGENCY ACTION:** Management has not implemented the alternative training for deposits yet due to pending dissolution of Justice Court per Council passing the intent for dissolution. System Coordinator remains responsible for preparing deposits. Management did state they no longer have Nickelos Coates processing small claims and bail bonds but the cashiers. Auditors will inquire about any changes during the second follow up.

**RECOMMENDATION:** We recommend that the Mail Log be used to document funds received but not included in the daily deposit.

**AGENCY ACTION:** Management has not implemented this recommendation fully.



## FINDING 3 - Checks received from the State Treasurer were not recorded on the Mail Log nor Cashier's Cash Count.



### IMPLEMENTATION IN PROGRESS

**RECOMMENDATION:** We recommend that all checks received in the mail or drop box be recorded on the Mail Log.

**AGENCY ACTION:** In progress - follow up audit needed as it was not fully implemented at time of preliminary follow up. Will need to confirm State Treasurer's checks are included in the Mail Log. Management agrees to record the checks on the Mail Log and should document the balance to go to Trust and Revenue. Implementation of documenting on Mail log not yet in place per workpaper with sample from 03/11/2022. Auditors will revisit during the second follow up.

**RECOMMENDATION:** We recommend that all checks, including those from the State Treasurer's office, be documented in a Cashier's Cash Count to show who, when, and amount processed.

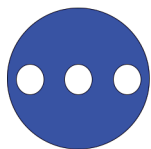
**AGENCY ACTION:** Closed - Preliminary Follow up (July 2022) - Management stated that they can record the State Revenue checks on the Mail log, but that recording them on the Cashier's Cash Count would impact the Daily Cash Revenue report and the balance that is remitted to the State treasurer. Therefore, close recommendation to document on Cashier's Cash Count.

**RECOMMENDATION:** We recommend documenting the balance remitted to either the Revenue or Trust Account if the check is to be split between the two accounts.

**AGENCY ACTION:** In progress - not fully implemented.



FINDING 4 - The Fiscal Manager performed cashiering duties and maintained accounting records, resulting in poor segregation of duties.



## IMPLEMENTATION IN PROGRESS

**RECOMMENDATION:** We recommend that the Fiscal Manager and any employee with job duties that includes access rights to change or maintain accounting records be exempt from handling cash funds and performing cashiering duties.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

**RECOMMENDATION:** We recommend that the Justice Courts consider training alternate individuals to process small claims and prepare deposits.

**AGENCY ACTION:** In progress - not fully implemented.

FINDING 5 - There were missing entries on the Change Fund Transfer Ledger.

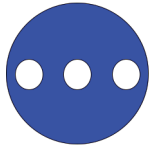


## FULLY IMPLEMENTED.

**RECOMMENDATION:** We recommend that a designated employee review the Change Fund Transfer Ledger at the end of the day to ensure all required sections of the log are complete. Any changes to the ledger should be reviewed and approved by a supervisor.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

## FINDING 6 - Not all fees due to the State Treasurer were remitted.



### IMPLEMENTATION IN PROGRESS

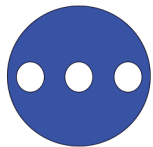
**RECOMMENDATION:** We recommend that all fees due to the State be remitted.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

**RECOMMENDATION:** We recommend that the Revenue Distribution Reconciliation and Monthly Report of Cash Receipts be initialed by the preparer and reviewed by a designated employee prior to being submitted to MFA for remittance to the State. The reviewer should use the CORIS Revenue Distribution Summary to ensure all payments are accounted for.

**AGENCY ACTION:** Partially implemented. The Revenue Distribution Reconciliation spreadsheet identified the preparer and reviewer, but the Monthly Cash Receipt document attached with the Warrant Pull Request did not identify a reviewer, therefore follow up needed. Audit will revisit during the second follow up.

## FINDING 7 - Monthly reconciliation of the Jury Witness Fee Account was not performed, and the account was no longer being used.



### IMPLEMENTATION IN PROGRESS

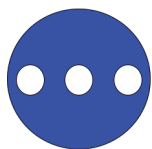
**RECOMMENDATION:** We recommend that the Jury Witness Fee Account be closed through MFA.

**AGENCY ACTION:** In progress, not fully implemented as of 07-13-2022 during preliminary follow up. Audit will revisit during the second follow up.

**RECOMMENDATION:** We recommend that the account be reconciled monthly until account closure is complete.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary

## FINDING 8 - Stale dated checks were not reported to the Treasurer's Office and were not remitted to the State Division of Unclaimed Property.



### IMPLEMENTATION IN PROGRESS

**RECOMMENDATION:** We recommend that Justice Court Management make efforts to contact the individuals regarding their uncashed checks.

**AGENCY ACTION:** Management had drafted the letter template and letters for the individuals with outstanding checks. Management was in the process of sending out the letters (starting June 15, 2022), submitting a report to the Treasurer's Office of uncleared checks and closing the Imprest Fund account. Their target deadline is 12/31/2022. Due to this, follow up audit necessary. Audit will revisit during the second follow up.

**RECOMMENDATION:** We recommend that Justice Court Management submit a reporting of uncleared checks greater than 16 months old to the County Treasurer's office.

**AGENCY ACTION:** Management had drafted the letter template and letters for the individuals with outstanding checks. Management was in the process of sending out the letters (starting June 15, 2022), submitting a report to the Treasurer's Office of uncleared checks and closing the Imprest Fund account. Their target deadline is 12/31/2022. Due to this, follow up audit necessary. Audit will revisit during the second follow up.

**RECOMMENDATION:** We recommend that a check be issued to clear the Authorized Imprest Fund Balance through MFA and close the account.

**AGENCY ACTION:** Management had drafted the letter template and letters for the individuals with outstanding checks. Management was in the process of sending out the letters (starting June 15, 2022), submitting a report to the Treasurer's Office of uncleared checks and closing the Imprest Fund account. Their target deadline is 12/31/2022. Due to this, follow up audit necessary. Audit will revisit during the second follow up.

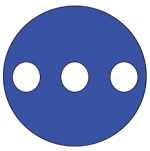
## FINDING 9 - Trust Account bank signatories were not up to date.



### FULLY IMPLEMENTED.

- RECOMMENDATION:** We recommend that Justice Court Management work with the Salt Lake Treasurer's office to correct and update Trust Account signatories.
- AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

## FINDING 10 - Stale dated checks were not reported to Treasurer's Office and were not remitted to the State Division of Unclaimed Property.



### IMPLEMENTATION IN PROGRESS

- RECOMMENDATION:** We recommend that Justice Court Management make efforts to contact the individuals regarding their uncashed checks.
- AGENCY ACTION:** Recommendations are implemented - No follow up necessary
- RECOMMENDATION:** We recommend that Justice Court Management submit a reporting of uncleared checks greater than 16 months old to the County Treasurer's office.
- AGENCY ACTION:** Additional review required to verify recommendation completed - Management's target date of 11/30/2022.

## FINDING 11 - Trust Account was not reconciled monthly.

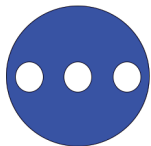


### FULLY IMPLEMENTED.

**RECOMMENDATION:** We recommend that management perform and sign a monthly Trust Account reconciliation.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

## FINDING 12 - Records of Trust Account activity were not always accurate and complete.

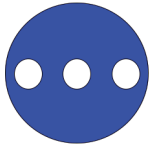


### IMPLEMENTATION IN PROGRESS

**RECOMMENDATION:** We recommend that Justice Courts Management create a written policy and procedure regarding reconciliation of QuickBooks, CORIS, and bank records.

**AGENCY ACTION:** Additional review required to verify recommendation completed - Management's target date of 12/31/2022.

FINDING 13 - Payments from the Trust Account were not made on a timely basis.



## IMPLEMENTATION IN PROGRESS

**RECOMMENDATION:** We recommend that management create a written policy regarding the timing of trust payments once a Judge's order is received, as well as the documentation and approval process.

**AGENCY ACTION:** Additional review required to verify recommendation completed - Management's target date of 12/31/2022.

**RECOMMENDATION:** We recommend that payments are made within 30 days of a judge's order and no later than 60 days.

**AGENCY ACTION:** Additional review required to verify recommendation completed - Management's target date of 06/30/2022.

FINDING 14 - Trust Account duties were not properly segregated.



## FULLY IMPLEMENTED.

**RECOMMENDATION:** We recommend that the same person that reconciles the account does not also sign the checks.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

## FINDING 15 - Trust reimbursement requests contained inaccuracies.



### FULLY IMPLEMENTED.

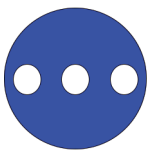
**RECOMMENDATION:** We recommend that management verify that reimbursement requests forms are accurate and complete.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

**RECOMMENDATION:** We recommend all requests be approved and signed prior to being sent to MFA for payment.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

## FINDING 16 - Receipts and forms required for meals and travel expenditure were not always on file.



### IMPLEMENTATION IN PROGRESS

**RECOMMENDATION:** We recommend that all purchase card receipts be retained and accessible to management, either in hard or electronic copy. Additionally, receipts may be uploaded to PCard Place for easy storage and access.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

**RECOMMENDATION:** We recommend that Justice Court Management verify that all purchase card transactions are for a valid business purpose by using the appropriate Travel and Meal request forms.

**AGENCY ACTION:** Additional testing required - First follow-up testing found 2 meal forms without SOD in signatures: Both the 01/20/2022 and 03/02/2022 meal purchases were on the Pcard assigned to SCalbert. Neither meal request form was signed in the "Signature of Employee Certifying Request" line and both were signed by SCalbert on the "Signature of Elected Official/ Department/Division Director or Designee" line. Audit will revisit during the second follow up.



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FINDING 17 - Purchase card transactions included unrefunded sales tax paid.



**FULLY IMPLEMENTED.**

**RECOMMENDATION:** We recommend that management reconcile purchase card transactions to itemized receipts and verify that no sales tax was paid.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

**RECOMMENDATION:** We recommend that management make and document efforts to get reimbursed for sales tax paid in error.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

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FINDING 18 - QuickBooks was purchased through the Fiscal Manager's personal business practice.



**FULLY IMPLEMENTED.**

**RECOMMENDATION:** We recommend that purchases be made from independent vendors, or that a disclosure form be completed and maintained on file.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

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FINDING 19 - The Petty Cash fund has not been used since 2017, and the custodian of record had retired.



### FULLY IMPLEMENTED.

**RECOMMENDATION:** We recommend that Management submit the necessary information and funds to MFA and close the petty cash fund.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

**RECOMMENDATION:** We recommend that Management ensure that the custodian of record is updated whenever custodians leave or change job duties.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

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FINDING 20 - The Interpreter Check-in List was missing information for certain entries.

### FINDING CLOSED.

**RECOMMENDATION:** We recommend that the Interpreter Check-in List be completed in full and regularly reviewed for completeness, when in person Court resumes.

**AGENCY ACTION:** Closed - Circumstances changed, check in list is no longer in use by Management. Management adjusted their procedures. No follow up necessary.

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**FINDING 21 - Payments to interpreters were not always timely and three payments due had not been made.**



**FULLY IMPLEMENTED.**

**RECOMMENDATION:** We recommend documenting when interpreter invoices are received, such as using a time stamp on the invoice, and ensuring that payments are processed within 30 days and no later than 60 days after receipt.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

**RECOMMENDATION:** We recommend that a regular monthly payment schedule be set up to process interpreter payments. Payment should be processed regularly for both purchasing card transactions and submission to MFA for direct deposit.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

**RECOMMENDATION:** We recommend discontinuing the use of duplicate invoice numbers.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

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**FINDING 22 - Interpreter payments via direct deposit were not reviewed and approved by the Fiscal Manager.**



**FULLY IMPLEMENTED.**

**RECOMMENDATION:** We recommend that the Justice Court develop and implement policies and procedures documenting the interpreter payment process, including review and approval of payment against supporting documentation, and approved by the Fiscal Manager or other independent party.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

FINDING 23 - A desk and credenza costing almost \$7,000 purchased for home use were not added to the Capital or Controlled Asset list and were not competitively priced.



## FULLY IMPLEMENTED.

**RECOMMENDATION:** We recommend that the Property Manager add new controlled assets to the inventory immediately upon receipt of such items.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

**RECOMMENDATION:** We recommend that contract information be referenced on purchase documentation.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

**RECOMMENDATION:** We recommend that multiple vendors be reviewed to ensure prices are competitive.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

FINDING 24 - Controlled Asset forms did not include required information and some newly acquired assets were missing from the Controlled Assets list.



### FULLY IMPLEMENTED.

**RECOMMENDATION:** We recommend that the Property Manager use and have employees sign the "Controlled Assets Inventory Form - Employee" or equivalent for all current and newly obtained assets assigned to specific employees at the Justice Court to establish individual accountability over assets.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

**RECOMMENDATION:** We recommend that the Property Manager add new controlled assets to the inventory immediately upon receipt of such items.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

FINDING 25 - An annual Controlled Asset Inventory was not completed, and not all assets were tagged.



### FULLY IMPLEMENTED.

**RECOMMENDATION:** We recommend that the Property Manager perform, document, sign, and date an annual physical inventory of controlled assets that verifies their existence for both on-site and telecommuting assets.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.

**RECOMMENDATION:** We recommend that the Property Manager keep a supply of asset identification tags on hand to assure proper identification of newly acquired items.

**AGENCY ACTION:** Recommendations are implemented - No follow up necessary.