
A Report to the
Citizens of Salt Lake County
The County Mayor and the
County Council

An Audit of
Salt Lake County
Justice Court



OFFICE OF THE
SALT LAKE COUNTY
AUDITOR

CHRIS HARDING
COUNTY AUDITOR

April 2022

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Salt Lake County
Justice Court

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Chris Harding, CPA, CFE, CIA
SALT LAKE COUNTY AUDITOR

Richard Jaussi
CHIEF DEPUTY AUDITOR

Shawna Ahlborn
AUDIT SERVICES DIVISION ADMINISTRATOR

AUDIT MANAGER:
Brenda Nelson, CISA, PCIP

AUDIT STAFF:
Audra Bylund
Tammy Brakey



OFFICE OF THE SALT LAKE COUNTY AUDITOR
AUDIT SERVICES DIVISION

OUR MISSION

To foster informed decision making, strengthen the internal control environment, and improve operational efficiency and effectiveness for Salt Lake County, through independent and objective audits, analysis, communication, and training.



CHRIS HARDING
CPA, CFE, CIA
Salt Lake County Auditor

**OFFICE OF THE
SALT LAKE COUNTY
AUDITOR**
2001 S State Street, N3-300
PO Box 144575
Salt Lake City, UT 84114-4575

385-468-7200 | TTY 711
866-498-4955 (fax)

April 7, 2022

Shauna Graves-Robertson, Justice Court Judge
Salt Lake County Justice Court
2001 South State Street, S4-300
Salt Lake City, Utah 84114-4575

Re: Audit of the Salt Lake County Justice Court

Honorable Judge Graves-Robertson,

The Salt Lake County Auditor's Audit Services Division has completed an audit of the Salt Lake County Justice Court. An Executive Summary of the report can be found on page 1. The purpose of the audit was to evaluate internal controls to determine whether Justice Court transactions were recorded and accounted for correctly, records were accurate and reliable, and County funds and assets were properly safeguarded against the risk of loss, theft, or misuse.

By its nature, this report focuses on issues, exceptions, findings, and recommendations for improvement. The focus should not be understood to mean that we did not find various strengths and accomplishments. We truly appreciate the time and efforts of the employees of the Justice Court throughout the audit. Our work was made possible by their cooperation.

We would be happy to answer any questions you may have about the audit or the findings and recommendations contained in this report.

Sincerely,

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

Cc: Steven Calbert, Administrative and Fiscal Manager



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Executive Summary

Why Audit Services Division Performed This Audit:

The County Auditor has statutory authority and duty to perform audits on county agencies.

The financial audit examined processes within the Justice Court to make sure policies were followed and controls existed to protect tax dollars. This audit examined accuracy of court fines and fees and if financial records were complete and accurate.

Impact on Taxpayers and Residents of Salt Lake County:

Making sure organizations and departments are following county policy with regards to tax dollars is perhaps the most important outcome from a financial audit. As the Justice Court is an enterprise fund, it reports back to its customers: the townships, unincorporated Salt Lake County, and contracted municipalities.

What Our Audit Found:

The Justice Court has room for improvement in several areas. During our audit we noted 25 findings that can be categorized into 3 areas:

- Lack of Internal Control
- Questionable Activities
- Not Following County Policy

What Audit Services Division Recommends:

The Auditor's office made specific recommendations for each of the 25 findings within the Justice Court. Additional details can be found within the audit report and the citation of county policies.

We recommend that the County ensure training is occurring for all fiscal managers. This training should cover existing countywide policies, state policies and county ordinances; as well as best practices.

We strongly recommend the Justice Court Fiscal Manager refrain from performing cashiering duties and signing checks to strengthen segregation of duties. Additionally, the Justice Court should develop additional controls, documented with written policies and procedures, for processing payments received in mail or the drop box. We recommend funds received should be deposited within three days of receipt.

The Justice Court should close accounts not in use and make sure that account custodians and bank signatories be updated when staff changes.

We recommend that the Justice Court have consistent policies on which controlled assets under \$100 are tracked. Also, the controlled asset at the Judge's home should be documented on the asset list and we recommend a plan on how that be returned to the Justice Court in the future.

State law and County policy require employees with a conflict of interest to annually file a disclosure with the County Council. The Fiscal Manager has an LLC which is selling software to the Justice Court. We recommend more controls and perhaps a competitive bidding process.

Background

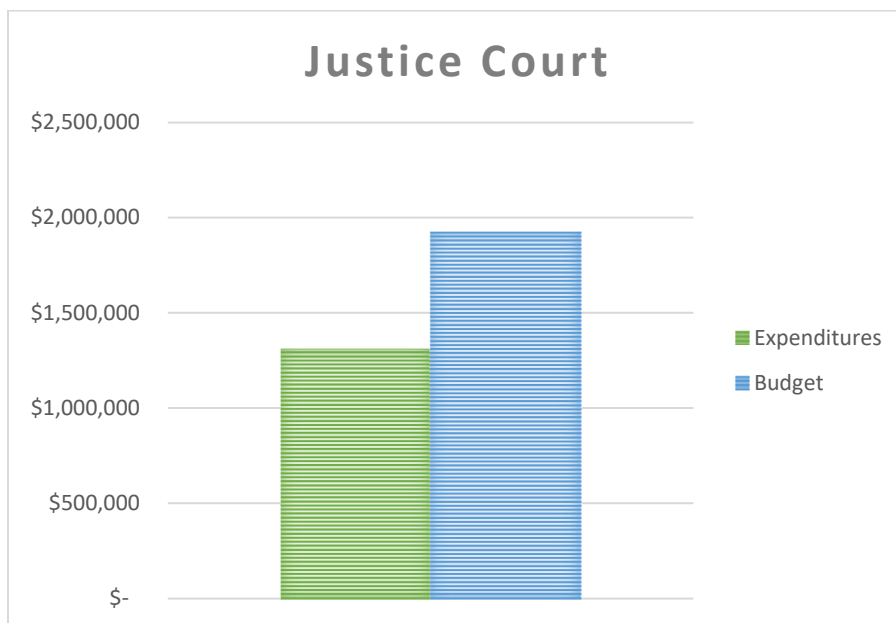
The Salt Lake County Auditor’s Office Audit Services Division recently completed an audit of the Salt Lake County Justice Court (Justice Court).

The Justice Court is presided over by Judge Shauna Graves-Robertson. The Justice Court has the authority to deal with class B and C misdemeanors, violations of ordinances, small claims, and infractions. They provide services to the Municipal Services District (MSD) and Millcreek City through interlocal agreements.

The mission statement of the Justice Court is "to provide the highest level of judicial service to the citizens of the County and the other levels of the Court at the lowest cost and in the most expeditious manner."

Justice Court collections include forfeitures, which occur when bail is forfeited from the Justice Court’s Trust Account pursuant from an order from the Judge, fines, statutory surcharges, and special fees. In 2020, the Justice Court’s budgeted expenditures were \$1,924,242. The Justice Court’s actual expenditures plus encumbrances were \$1,309,349.

Figure 1. Justice Court’s Budgeted v. Actual Expenditures in 2020. *The Justice Court’s total budgeted expenditures for 2020 were \$1.9 million. Actual expenditures plus encumbrances were less than budgeted expenditures totaling \$1.3 million.*



Source: PageCenterX – Agency Summary of Obligations vs. Budget Report for FY2020

Objectives

The objectives of our audit were to determine whether:

- Court fines and fees were collected, recorded, and accounted for correctly.
- Financial records were accurate and complete.
- Cash receipts and deposits were adequately safeguarded, and that the Justice Court's cash handling practices complied with County policy.
- Capital and controlled assets were adequately safeguarded, recorded, and tracked.
- Purchases were for a valid business need, well documented and complied with County policy.

Audit Results

Strengths and Accomplishments

Internal control strengths and accomplishments noted during our audit include:

- Well documented, accurate, and timely accounts payable.
- Well documented, appropriate interpreter payments, witness payments, and jury payments.
- 99% of all assets selected for review were located and a controlled asset list was on file.
- Dual controls were in place, requiring two individuals to gain access to the safe and payment drop box.
- Independent review and approval of all purchasing card transactions.
- Appropriately restricted user access controls.

Conclusions

The Justice Court maintained a log (Mail Log) of cash, check, and credit card payments received in the mail or through the Justice Court's drop box. Payments were retrieved by two staff members. However, the Mail Log documenting what was received was created by one staff member and was not agreed to by the second employee. In addition, because the Mail Log was maintained in Excel, payments listed could be changed or deleted without detection. There were no controls in place to ensure that all items received were deposited, or otherwise appropriately handled.

The COVID pandemic, and subsequent remote work schedules, occurred during the audit period and impacted the Justice Court's time-to-deposit. We noted that 7.7 percent of payments on the Mail Log were deposited more than 10 days after being received, with an average of 26 days to deposit.

The Justice Court maintained two checking accounts, a Trust Account containing over \$70,000, and a Jury Witness Fee Account containing \$3,000. In addition, a \$400 change fund and a \$200 petty cash fund were on hand. The Jury Witness Fees Account and the petty cash account had not been used since 2017. Both the Jury Witness Fees and Trust Accounts had stale dated checks and were not being reconciled monthly. In addition, the custodian listed for the change fund, petty cash fund, and Jury Witness Fees Account was a former employee. A former employee was also listed as a signatory for the Trust Account.

There were also areas where duties were not properly segregated. The Justice Court Fiscal Manager performed cashiering duties and signed checks, along with performing account reconciliations and financial reporting.

Finally, we noted clerical errors resulting in inaccurate fee submissions to the State of Utah and missed interpreter payments.

We recommend that the Justice Courts develop additional controls, documented in written policies and procedures, for processing payments received in the mail or drop box. Procedures should include printing the Mail Log or otherwise ensuring entries cannot be modified. We also recommend requiring two individuals to agree to the amounts received and that payments posted to CORIS as well as payments forwarded, returned, destroyed, or held be indicated on the Mail Log. Mail Log entries should be reviewed and approved to ensure all payments are appropriately handled and amounts posted reconcile to Court Records Information System (CORIS) entries. CORIS is the case management system mandated for use by all Utah justice courts.

We also recommend that funds be deposited within 3 days of receipt when circumstances permit, and that funds be deposited at least weekly during extenuating circumstances, such as the COVID pandemic. Training alternate individuals to process small claims and prepare deposits may help facilitate more timely deposits.

We recommend that accounts not in use be closed and that account custodians and bank signatories be updated to staff currently responsible for those accounts. Stale dated checks should be remitted to the Treasurer's Office for submission to the State Division of Unclaimed Property and all accounts should be reconciled monthly.

Wherever possible, the Fiscal Manager should refrain from performing cashiering duties and signing checks to strengthen segregation of duties. In addition, independent review of the Monthly Report of Cash Receipts and the Revenue Distribution Reconciliation spreadsheet should be performed to ensure that amounts are not missed or entered incorrectly.

Cash Receipting and Depositing

Countywide Policy 1062, "Management of Public Funds," outlines the proper procedures for receipting, recording, and depositing public funds, and defines the functions and responsibilities to establish and monitor internal controls over those procedures.

The Justice Court accepted cash, check, or credit card payments. During 2020, due to the COVID pandemic, payments made using the Justice Court's drop box, mail, or online were the preferred payment methods. For payments placed in the secure drop box outside the Justice Court offices, an envelope was provided to document the payment amount, name, and case number or citation. Twice a week staff retrieved and logged items from the drop box for processing. Online payments were redirected to the Utah State Courts payment portal where the payment was processed and posted to CORIS. In-person payments were allowed under special circumstances.

To determine if Justice Court fines and fees were collected, recorded, and accounted for correctly and in compliance with countywide policy, we selected a random sample of 61 deposit days for review. For each day selected, we verified whether individual cashier collections matched the Daily Cash Balance

Sheet (DCBS), amounts deposited, and amounts recorded in CORIS. We also traced the entire population of payments recorded on the Mail Log through to CORIS. Adequate physical security, separation of duties, and information access controls were also reviewed.

Findings and Recommendations

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.

Two individuals were required to retrieve payments left in the drop box outside of the Justice Court Offices. Cash, check, and credit card payments received were recorded on a Mail Log maintained in Excel by the Systems Administrator. After being logged, payments were remitted to a cashier for posting. Payments not deposited on the same day were placed into the safe for later processing.

There were 686 entries on the Mail Log during 2020. The Mail Log included a column to indicate whether the payment was posted in CORIS, which was indicated with an "X". However, only 142 (21%) payments had an entry indicating posting occurred. For 11 payments, notations were made on the Mail Log indicating that payment was forwarded to another party or was sent back due to the wrong jurisdiction, wrong amount, or insufficient information. In addition, notations indicated that 3 credit card payments were declined or destroyed. We also noted 7 payments that were entered on the Mail Log twice.

We compared the remaining 665 log entries to data posted in CORIS. Initially, we were unable to find 35 (5.3%) payments in CORIS. Justice Court staff provided documentation showing nine of the payments were posted. For 25 payments, staff indicated that the cash, check, and credit card payments were returned, forwarded, or declined. No notations had been made on the Mail Log regarding these actions. One \$60 credit card payment was not resolved with Management.

Because the Mail Log was maintained electronically it could be edited at any time. It was not signed by the individuals retrieving the funds, nor the cashier posting payments. The CORIS posting date, amount, nor receipt number were recorded on the log. In turn, payments posted in CORIS did not indicate whether the payment was made using the drop box, mail, or in person, a feature that was available in the system. A Mail Log Report was also available in CORIS for reconciliation purposes.

Countywide Policy 1062, Management of Public Funds, Section III. A. 5., states:

"County Agency Management and Fiscal Managers shall establish Internal Control procedures tailored to their operational requirements. These controls should be designed to prevent payments by check through the mail from being lost, stolen, or diverted to personal use. "

Because sufficient controls were not in place to ensure that all items on the Mail Log were posted in CORIS, returned, forwarded, or destroyed, items may have been misplaced or stolen without detection. Payments received may not have been entered on the Mail Log, or they may have been deleted from the log after entry without detection.

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.

Management Response

Agree. See Agency Response in Appendix B

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

Overall, we noted an average of 3.4 days from receipt to posting for 639 payments recorded on the Mail Log that were deposited. However, we found that 49 (7.7%) of the 639 payments were processed more than 10 days after receipt, with an average of 26 days to deposit. We also noted 5 payments with a posting date in CORIS that preceded the date they were indicated as received on the log.

In addition to Mail Log testing, we selected a random sample of deposit days to review. We found that two (3.3%) of the 61 deposit dates, the date per the deposit ticket and the date posted per the bank statement exceeded ten days. Deposits received on Thursday, August 13 and 14 and were posted to the bank statement on August 25, 11 and 12 days after the funds were received. There was no note on the Mail Log indicating that the checks had been held

.Countywide Policy 1062, Management of Public Funds, Section IV. 2., states:

"As required by §51-4-2, Utah Code Annotated, all public funds shall be deposited daily whenever practicable, but not later than three banking days after receipt."

Management indicated that there were incidences when an individual pays their fee, but the funds cannot be deposited until all the necessary paperwork has been received. In addition, due to the COVID pandemic, deposits were processed twice a week, instead of daily, as staff started working remotely. The clerk processing small claims and bail bonds came into the office once per week, resulting in a lag of 10 to 14 days to deposit for those items. The Systems Administrator prepared all deposits. Therefore, deposits were delayed when the Clerk or Systems Administrator were out of the office.

Timely cash deposits decrease the risk of funds being lost or stolen while awaiting deposit. Where funds need to be held, documentation is critical to corroborate why the funds were held and to ensure they are deposited or otherwise appropriately handled.

Recommendations

1. 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.
2. We recommend that the Justice Courts consider training alternate individuals to process small claims and bail bonds and to prepare deposits.
3. We recommend that the Mail Log be used to document funds received but not included in the daily deposit. The log should include:
 - Explanation for why the deposit was held.
 - Signature or initials of the employee who processes and deposits funds.

Management Responses

1. **Agree.** See Agency Response in Appendix B
2. **Agree.** See Agency Response in Appendix B
3. **Agree.** See Agency Response in Appendix B

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

We found that there was a variance between the Cashier's Cash Count compared to the Total Revenue Cash and Checks reported on the Daily Cash Balance Sheet for five (8%) out of 61 daily deposit dates reviewed. The Cashier's Cash Count did not include the following amounts:

Checks not included on the Cashier Cash Count

Date	Amount
April 3, 2020	\$35,046.25
June 11, 2020	\$996.57
July 2, 2020	\$1,595.15
October 2, 2020	\$4,633.90
October 28, 2020	\$4,155.26

Review of the deposit documentation determined that the variances related to checks received from the State Treasurer's Office for reimbursement of fines. These checks were also not reported on the Mail Log as having been received. The checks were included on the deposit slip and posted to the bank statements.

Countywide Policy 1062, Management of Public Funds, Section H. 1., states:

“All County Agencies should balance Collections to cash register (or receipt log) totals and prepare a deposit, using MPF Form 3A, Cash Balance Sheet, or a similar form developed for and produced by the specific Agency. (See Appendix). Cash balancing reports generated automatically, if reconciled to the cash count, should provide sufficient balancing documentation. Either a manual

or an automated balancing procedure shall be performed as a step in the preparation of each deposit.”

d. An “overage/shortage” or “no-difference” amount between the cash count (cash and checks only, not payment card amounts), and recorded receipt totals shall be generated by the software application, or manually entered on the designated line of the MPF Form 3A. Payment card totals shall also be generated by the software application or manually entered on the MPF Form 3A, but not used in the calculation of the cash “over/short” or “no-difference” amount.

Section III.5, states:

County Agency Management and Fiscal Managers shall establish Internal Control procedures tailored to their operational requirements. These controls should be designed to prevent payments by check through the mail from being lost, stolen, or diverted to personal use.

The Fiscal Manager stated that it was not necessary to record the State Treasurer's checks on the Cashier's Cash Count since they were received and documented in the deposit ticket and daily cash balance sheet and posted to the bank statement.

However, by not including the State Treasurer's checks on the mail log and Cashier's Count, records, such as the date the check was received, are not accurate and complete, and chain of custody is not established. Checks received may be lost or stolen without detection. In addition, it was noted that the check from the State Treasurer's office may include balances for the Trust and Revenue account, in which case adequate documentation is needed to track where the funds are remitted to.

Recommendations

1. We recommend that all checks received in the mail or drop box be recorded on the Mail Log.
2. 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.
3. We recommend documenting the balance remitted to either the Revenue or Trust Account if the check is to be split between the two accounts.

Management Response

1. **Agree.** See Agency Response in Appendix B
2. **Agree.** See Agency Response in Appendix B
3. **Agree.** See Agency Response in Appendix B

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

The Fiscal Manager performed cashiering duties for five of the 61 (8%) deposit dates in our random sample. A primary job function of the Fiscal Manager was to maintain the accounting records, including reconciliation of deposits with bank records.

The Justice Courts staff included 10 individuals at the end of 2020. Seven employees were able to perform cashiering duties, two were involved with managing the accounting records or preparing

deposit bags, and one was exempt from performing cashiering duties and maintaining accounting records. The number of employees may help facilitate greater segregation of duties.

Countywide Policy 1062, Management of Public Funds, Policy Section, states:

"In managing public funds, basic internal controls require a clear segregation of duties between persons having custody of funds and/or performing cashiering duties and those having access to and maintaining accounting records related to those public funds."

Management explained that to ensure continuity of business operations, all Justice Court employees, including the Fiscal Manager were trained in cashiering duties. In addition, the COVID crisis decreased the number of employees in the office. We acknowledge the importance of ensuring business operations operate efficiently. However, when duties are not appropriately segregated there is an increased risk of misappropriation of funds or undetected errors.

Recommendations

1. 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.
2. We recommend that the Justice Courts consider training alternate individuals to process small claims and prepare deposits.

Management Responses

1. **Agree.** See Agency Response in Appendix B
2. **Agree.** See Agency Response in Appendix B

Finding 5- The Change Fund Transfer Ledger was missing entries

The authorized change fund balance was \$400, divided into a change fund of \$200 and two cash drawers, with \$100. Audit Services performed an unannounced count and found that amounts on hand balanced to the authorized amount and that funds were locked in the safe when not in use.

A Change Fund Transfer Ledger was used to track the chain of custody and amount of funds transferred. Due to the COVID pandemic, in-person cash transactions were discontinued after March 2020, unless there were extenuating circumstances. We reviewed all 131 ledger entries from January 1 through March 30, 2020, to determine whether the date, transferring employee, amount, verified amount (second count by the receiving employee), and receiving employee had been recorded. Additionally, we verified that the receiving employee was an authorized Justice Court cashier.

For nine (7%) of the 131 entries, we could not verify whether the cashier receiving the change fund was an employee, because there was no initial or signature entered in the receiving employee column. We found that 11 (8%) records did not identify the amount, four (3%) records did not identify the verified amount, and four (3%) records did not identify the person transferring the funds.

Countywide Policy 1062, Management of Public Funds, Section II. I. 3., states:

"Cashiers shall sign an MPF Form 7, Fund Transfer Ledger, or similar log, each time they retrieve the Change Fund from the safe or lockbox; and return the fund to the safe or lockbox."

Missing entries on the Fund Transfer form was an oversight on the part of Justice Court staff. There were no procedures in place to ensure the form was routinely reviewed by a supervisor for completeness.

Failure to complete all required entries on the transfer ledger resulted in inadequate documentation of the fund transfer, and a lack of individual accountability for funds and potential errors. Additionally, it increased the risk of misappropriation of funds.

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.

Management Response

Agree. See Agency Response in Appendix B

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

Per State statute, a portion of fines receipted by the courts for certain violations are remitted to the State for distribution to entities such as the Division of Wildlife Resources or local school district, depending on the offence committed. For all 12 months in the audit period, except April 2020, an error occurred in the calculation of fees remitted to the State.

The Fiscal Manager prepared a monthly Revenue Distribution Reconciliation spreadsheet which was linked to the Monthly Report of Cash Receipts. The Monthly Report of Cash Receipts was submitted to Mayor's Financial Administration (MFA) and indicated amounts payable to the State Treasurer.

We noted input errors on the Revenue Distribution Reconciliation spreadsheet. Errors included transposition of figures and formatting issues and resulted in inaccurate amounts remitted to the State. The most significant amounts are included below:

- In October 2020, a Security Surcharge fee was reported as \$2,222 instead of \$222. This resulted in an overpayment to the State of \$2,000.
- In May 2020, \$323 was reported instead of \$232. This resulted in an overpayment to the State of \$91.
- In March 2020, 329.51 was recorded as "329..51." This Excel formatting error resulted in an underpayment to the State of \$329.51.

We also found inconsistencies in the revenue amounts reported for Online Assistance Program Fees, Wildlife Fees, and School Bus Fees, which are included below:

- Online Assistance Program Fees- A total of \$277 were not submitted. Fees collected by the Justice Court were not included on the Monthly Report of Cash Receipts, and in turn were not remitted to the State.
- Wildlife Fees- We found \$728 in Wildlife fees that were not reported to the State. \$105 was misreported as an Overweight Fine. Overall, we noted inconsistencies from month-to-month in whether Wildlife Fees were included in the State remittance.

Utah Codes 78A-2-501, 78A-7-120, 78A-7-122 cover court payments to be remitted to the State or other payee.

Utah Code 78A-2-501, Definitions, states:

Online Court Assistance Program - Purpose of Program -- Online Court Assistance Account -- User's fee:

(4)a: "An additional \$20 shall be added to the filing fee established by Sections 78A-2-301 and 78A-2-301.5 if a person files a complaint, petition, answer or response prepared through the program. There shall be no fee for using the program or for papers filed subsequent to initial pleading. "

(b): " There is created within the General Fund a restricted account known as the Online Court Assistance Account. The fees collected under this Subsection (4) shall be deposited in the restricted account and appropriated by the Legislature to the Administrative Office of the Courts to develop, operate, and maintain the program and to support the use of the program through education of the public."

Utah Code 78A-7-120, Disposition of Fines, states:

"For violation of Title 23, Wildlife Resources Code of Utah, the court shall allocate 85% to the Division of Wildlife Resources and 15% to the general fund of the city or county government responsible for the justice court"

"(c) Fines and forfeitures collected by the court for a violation of Section 41-6a-1302 in instances where evidence of the violation was obtained by an automated traffic enforcement safety device as described in Section 41-6a-1310 shall be remitted: (i) 20% to the school district or private school that owns or contracts for the use of the school bus; and (ii) 80% in accordance with Subsection (1)."

Utah Code 78A-7-122, Security Surcharge, states:

"Application -- Deposit in restricted accounts. (1) In addition to any fine, penalty, forfeiture, or other surcharge, a security surcharge of \$60 shall be assessed on all convictions for offenses listed in the uniform bail schedule adopted by the Judicial Council and moving traffic violations. (2) The security surcharge shall be collected and distributed pro rata with any fine collected. A fine that would otherwise have been charged may not be reduced due to the imposition of the security surcharge. (3) Twenty-eight dollars of the security surcharge shall be remitted to the state treasurer and distributed to the Court Security Account created in Section 78A-2-602. (4) Thirty-two dollars of the security surcharge shall be allocated as follows: (a) the assessing court shall retain 20% of the amount collected for deposit into the general fund of the governmental entity; and (b) 80% shall be remitted to the state treasurer to be distributed as follows: (i) 62.5% to the treasurer of the county in which the justice court which remitted the

amount is located; (ii) 25% to the Court Security Account created in Section 78A-2-602; and (iii) 12.5% to the Justice Court Technology, Security, and Training Account created in Section 78A-7-301. (5) The court shall remit money collected in accordance with Title 51, Chapter 7, State Money Management Act.”

Management acknowledged input errors in the Revenue Distribution Reconciliation spreadsheet, which resulted in incorrect remittances to the State. A correction to the \$2,000 overage made in October 2020 was made to the June 2021 remittance. However, we were unable to verify the correction in MyFin.

The Revenue Distribution Reconciliation spreadsheet and Monthly Report of Cash Receipts were not reviewed by an independent party, which increased the risk of input errors and missed payments. Since the spreadsheet is linked to the Monthly Report of Cash Receipts and submitted to Mayor’s Financial Administration (MFA) for payment to the State Treasurer, the reconciliation spreadsheet should be accurate and complete.

Recommendations

1. We recommend that all fees due to the State be remitted.
2. 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.

Management Responses

1. **Agree.** See Agency Response in Appendix B
2. **Agree/ Disagree.** See Agency Response in Appendix B

Jury Witness Fees Account

Requests for jurors were submitted to the State Administrative Office of the Courts by the Judicial Assistant or Jury Clerk, using the Jury Management System in the Judicial Workspace software. The system then provided a list of potential jurors and juror numbers. Individuals listed were sent a questionnaire that could be completed online or mailed back to the Justice Court.

The Jury Management system was used to randomly select 25 jurors from the list of potential jurors and to create summons which were mailed to the selected individuals. The 25 jurors were placed on a list of jurors calendared.

The name and juror number of those that appeared on the court date were tracked on a spreadsheet sent to the Systems Administrator. The spreadsheet was sent to MFA and juror checks were processed. Jurors were paid \$18.50 for the first day and \$49 for subsequent days. Due to the COVID pandemic, there were no juror selections after February 2020.

When witnesses were needed, the District Attorney sent out subpoenas, which were presented to the court clerk at the trial. A spreadsheet was maintained containing the witness names, addresses, dates, and amounts. The spreadsheet was sent to MFA and witness payments were processed. Witnesses were

also paid \$18.50 for the first day and \$49 for each subsequent day. Mileage was reimbursed at over 50 miles. Due to the COVID pandemic, there were only 10 payments made, all in January 2020.

Findings and Recommendations

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

The Jury Witness Fee Account, a \$3,000 imprest checking account, was established for the payment of jurors and witnesses. The account was no longer being used. Instead, payments were processed through MFA. The Fiscal Manager provided a reconciliation of the account dated February 23, 2021. The reconciliation was for activity through December 31, 2020.

We reperformed the reconciliation and found a beginning bank balance of \$1446, in contrast to the \$1,464.50 beginning bank balance on the reconciliation provided. The variance corresponded to a check for \$18.50 that cleared in July 2017. The check was listed on the reconciliation as having cleared during the period being reconciled, meaning that the account had not been reconciled since 2017.

Countywide Policy 1203, Petty Cash and Imprest Fund Accounts, Section 5.1.3, states:

"In the case of Imprest Checking/Operating Accounts, the account's bank statement balance shall be reconciled at least monthly by an employee designated by Agency Management, who is not the Custodian."

Since the account was no longer being used, and Juror Witness Fees Account payments were being paid by MFA, the Justice Court did not complete monthly reconciliations. The Fiscal Manager expressed the intent to close the Imprest Account at the onset of the audit. However, this was not completed by the end of our fieldwork.

Although there was no activity in the Imprest Fund in 2020, proper maintenance of the account includes monthly reconciliations. Monthly reconciliations ensure that there is no mismanagement of the funds, and that all activity is being tracked.

Recommendations

1. We recommend that the Jury Witness Fee Account be closed through MFA.
2. We recommend that the account be reconciled monthly until account closure is complete.

Management Responses

1. **Agree.** See Agency Response in Appendix B
2. **Agree.** See Agency Response in Appendix B

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

The Jury Witness Fees Account had an outstanding check balance of \$2,266, which included checks issued during April 2013 to December 2017. The stale-dated checks had not been reported to the Treasurer's office nor remitted to the Utah Division of Unclaimed Property.

Countywide Policy 1203, Petty Cash and Other Imprest Funds, Section 5.1.4, states:

"5.1.4: Copies of Stale-Dated Checks issued from an Imprest Checking/Operating Account, shall be submitted by the Custodian to the Treasurer's Office. In addition, a copy of the MPF Form 6 documenting the original reimbursement detail shall be attached. A check issued by the Custodian for the total of the Stale-Dated-Checks shall be included with the above documentation for submission by the Treasurer to the Utah State Unclaimed Property Division."

Mayor's Finance Accounting Procedures Manual, Section 3.2.2, Unclaimed Property, states:

"According to the Utah Unclaimed Property Act (Section 67-4 et seq), stale dated checks must be submitted to State of Utah Treasurer's Office, Unclaimed Property Division... On a yearly basis, these checks must be sent to the State of Utah as unclaimed property. All unclaimed property is due on November 1st for all stale dated checks that are greater than 16 months. "

The Fiscal Manager indicated that he is in the process of turning over items to the State Division of Unclaimed Property. He stated that they will also send a letter to the last known address of the payee prior to the submission. In February 2021, the Justice Court contacted MFA for instructions on how to close the account. However, as of June 2021, outstanding checks had not yet been submitted to the Treasurer's Office and the account had not been closed.

By not reporting stale-dated checks outstanding more than 16 months, the agency was not adhering to Countywide Policy 1203, or State Statute, and may be subject to fines. To ensure proper management of the Imprest Fund, outstanding check balances should be tracked and reported timely.

Recommendations

1. We recommend that Justice Court Management make efforts to contact the individuals regarding their uncashed checks.
2. We recommend that Justice Court Management submit a reporting of uncleared checks greater than 16 months old to the County Treasurer's office.
3. We recommend that a check be issued to clear the Authorized Imprest Fund Balance through MFA and close the account.

Management Responses

1. **Agree.** See Agency Response in Appendix B
2. **Agree.** See Agency Response in Appendix B
3. **Agree.** See Agency Response in Appendix B

Trust Account

Bail, restitution, and attorney fees are held in the Justice Court Trust Checking Account (Trust Account). Trust Account activity was tracked using QuickBooks online. Payments from the Trust Account were issued using checks printed from QuickBooks. Activity was also tracked in CORIS by case number. The Trust Account had a bank balance of over \$70,000 as of December 2020.

Unused Trust Account checks were secured in a safe equipped with a key and combination lock. A key lockbox was located next to the safe which stores the keys that access the safe.

The safe could only be accessed using dual controls, with one employee accessing the top portion with one assigned key and a second employee accessing the bottom section with different assigned key. Keys were kept with the persons responsible for them.

Checks taken from the safe were recorded on a Check Audit Log (Check Log) along with the date, a description of the check use, and the name of the person taking possession of the check. After checks were created, they were matched against supporting documentation by a different clerk. The clerk also verified the beginning and ending check numbers on the Check Log. Checks were typically signed by the Systems Administrator or designated Court Clerks.

All case activity was tracked in CORIS, including the login ID of the person entering transactions. All adjustments, amounts due, and transfers from the Trust Account required a judge's order.

Findings and Recommendations

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

Trust Account checks required two signatures to be considered legal tender. Typically checks were signed by the Systems Administrator, Court Clerk, or Fiscal Manager. However, they could also have been signed by any two individuals listed as authorized Trust Account signatories.

We found that the individuals on record with the County Treasurer's Office as authorized Trust Account signatories included an employee who retired several years prior to the audit. In addition, signatories contained two different first name spellings for the same court clerk.

Countywide Policy 1203, Petty Cash and Other Imprest Funds, Section 3.4.4, states:

"Adding or removing authorized account signatories is accomplished by Agency Management submitting a revised Certificate of Authority to the Treasurer for submission to the bank. These certificates are obtained at the Agency's authorized bank."

The Fiscal Manager stated that he requested that the retired employee's name be removed as a signatory since she had retired years ago, but that it was not done. The Fiscal Manager did not have documentation supporting the request.

When signatories are not up-to-date, unauthorized transactions are more likely to occur.

Recommendation

We recommend that Justice Court Management work with the Salt Lake County Treasurer's Office to correct and update Trust Account signatories.

Management Response

Agree. See Agency Response in Appendix B

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

As of December 31, 2020, there were 45 uncleared Trust Account checks dated between March 2013 and December 2019, totaling \$11,020.

Countywide Policy 1203, Petty Cash and Other Imprest Funds, Section 5.1.4, states:

"Copies of Stale-Dated Checks issued from an Imprest Checking/Operating Account, shall be submitted by the Custodian to the Treasurer's Office. In addition, a copy of the MPF Form 6 documenting the original reimbursement detail shall be attached. A check issued by the Custodian for the total of the Stale-Dated-Checks shall be included with the above documentation for submission by the Treasurer to the Utah State Unclaimed Property Division."

Mayor's Finance Accounting Procedures Manual, Section 3.2.2, Unclaimed Property, states:

"According to the Utah Unclaimed Property Act (Section 67-4 et seq), stale dated checks must be submitted to State of Utah Treasurer's Office, Unclaimed Property Division." ... "On a yearly basis, these checks must be sent to the State of Utah as unclaimed property. All unclaimed property is due on November 1st for all stale dated checks that are greater than 16 months. "

The Fiscal Manager indicated that he is in the process of turning over items to the State Division of Unclaimed Property. He further stated that a letter will be sent to the last known address of the payee prior to the submission.

By not reporting stale-dated checks outstanding more than 16 months, the agency was not adhering to Countywide Policy 1203, or State Statute, and may be subject to fines. To ensure proper management of the Trust Account, outstanding check balances should be tracked and reported timely.

Recommendations

1. We recommend that Justice Court Management make efforts to contact the individuals regarding their uncashed checks.
2. We recommend that Justice Court Management submit a reporting of uncleared checks greater than 16 months old to the County Treasurer's office.

Management Responses

1. **Agree.** See Agency Response in Appendix B
2. **Agree.** See Agency Response in Appendix B

Finding 11- Trust Account was not reconciled monthly.

We reviewed reconciliation documentation and noted that for the months of February through December of 2020, all eleven months were reconciled in February 2021.

Countywide Policy 1062, Management of Public Funds, Section III. A. 1., states:

“All checking accounts used for disbursements shall be reconciled to the bank statement at least monthly. Disbursements out of and receipts into the account shall be recorded, and a running balance shall be maintained. The reconciliation shall be performed by a County Agency Management designated Employee, rather than the individual(s) who prepares or signs the checks or maintains the record of the running account balance.”

The Fiscal Manager explained that he reviews the bank accounts monthly and tries to reconcile them monthly. He explained that during 2020 there were some lapses in performing the reconciliations.

Reconciliations ensure that there was no mismanagement of the funds, and that all activity was tracked. When accounts are not reconciled monthly, errors and omissions are more likely to occur undetected.

Recommendation

We recommend that management perform a monthly Trust Account reconciliation and sign off the reconciliation as the preparer.

Management Response

Agree. See Agency Response in Appendix B

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

We examined 154 checks issued from the Trust Account during 2020 for chronological check number sequencing, gaps, and duplicates. There were no instances of duplicate check numbers, or duplicate checks detected. However, per QuickBooks records, we found that:

- 10 (7%) checks were issued out of sequence, and one was incorrectly dated as 2020 instead of 2021.
- Six (4%) gaps, or expected check numbers based on numerical sequencing, were not found in QuickBooks.
- Six (4%) transactions did not have a check number.

Five of the six gaps in sequence were determined to be the result of voided checks that were not recorded in QuickBooks. For three of the checks, a notation was made on the Check Log regarding the void. For the other two transactions, no notation was made, and the Fiscal Manager placed a stopped payment after of our inquiry.

Four of six transactions with no check number were determined to be duplicate entries, and the Fiscal Manager removed them from QuickBooks after our inquiry. For the other two transactions, one was a voided check, and one was identified as check number 9314. The check number was updated in Quickbooks.

Overall, 16 checks were voided in 2020. We verified that a copy, marked void, was on file. 10 (63%) of the voided checks did not have a copy of the voided check uploaded to QuickBooks, nor was a hard copy of the voided check retained on file.

In addition to check sequencing, we reviewed the Check Log, QuickBooks, CORIS, and the bank statements for consistency and accuracy. We found that:

- One check was found twice in CORIS reporting, to different individuals and for different amounts (\$185 and \$450). Management determined that this was likely a clerical error, and that one defendant was not paid the \$450 due.
- One check recorded in QuickBooks for \$150 could not be found in CORIS.
- One check for \$200 was reissued as a replacement check; however, no notation was made in the CORIS case file.
- One check for \$90 cleared the bank but was listed as outstanding on the reconciliation.

Finally, we noted one check that listed the defendant as the payee but was deposited into the Justice Court's Revenue account. The check should have been made out to the Justice Court Revenue account. Although the net effect was in accordance with the Judge's order, the check was not legally endorsed by the payee named on it.

Countywide Policy 1062, Management of Public Funds, Section II. F. 1., states:

"Each Agency shall acquire and maintain systems and equipment necessary for the accurate receipting, recording, accounting, and safekeeping of public money."

Section VIII. A. 2., states:

"Checks shall be voided where errors have occurred, and whiteout shall not be used to alter a check under any circumstances. "VOID" shall be stamped or written across the check portion of the voucher. If a voided check/voucher has been signed, the signature portion of the check must be torn off. A voided check/voucher should be filed numerically with all other checks/vouchers."

The Fiscal Manager indicated that one of the clerks was found to make frequent errors in QuickBooks. He explained that the employee no longer works in QuickBooks. The ability to issue to checks with the same number may have been the result of two clerks in CORIS at the same time, in which case the system may have generated the same check number for both clerks. Differences between CORIS, QuickBooks, and the Bank Reconciliation may not have been detected because reconciliations were not consistently performed.

Because reconciliations of QuickBooks, the check log, and CORIS were not performed, errors and omissions were not detected. In addition, unauthorized transactions may be more likely. When voided checks are not retained and marked void, they may be converted to personal use.

Recommendation

We recommend that Justice Courts Management create a written policy and procedure regarding reconciliation of QuickBooks, CORIS, and bank records to verify the following:

- All entries include a check number.
- All voided checks are listed as voided in QuickBooks, and that a copy of the voided check, marked void be retained on file and/or in QuickBooks.
- The Check Log, QuickBooks, CORIS are reconciled and that the payee, amount and check number match.

Management Response

Agree. See Agency Response in Appendix B

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

We sampled 30 Trust Account transactions and reviewed case documentation to verify payee name and amounts were accurate and payments were made timely. We also reviewed Trust Account checks to ensure they were signed by individuals with appropriate authority.

We found that five (17%) of the payments were made more than 30 days after the Judge's final order. All five instances were for refunds due to defendants. Payments were processed on average 111 days after the Judge's order and ranged from 57 to 177 days from the Judge's order.

Salt Lake County Accounting Procedures Manual, Section 3.1.7, states:

"Salt Lake County's goal is to pay all invoices according to the due date on the invoice or as close to the due date as possible. Invoices should be submitted timely to AP to minimize any potential delays in getting the invoices paid. Accounts Payable's goal is to enter the invoices within a week of receiving the request and, at the latest, within two weeks."

Utah Court's Accounting Manual, Section 06-01 00, Trust Check Writing, section 11, states:

"Trust account records should be reviewed for amounts available for disbursement at least once every two weeks by the check writer or alternate. Per UCA 77-38a-404, restitution shall be released within 60 days if the amount of the check is \$5 or greater. If the check amount is less than \$5, disbursement checks should not be printed unless it is the final payment."

We noted that all five instances were during the COVID pandemic, a period when staff time in the office was limited.

When payments are not made timely, the Justice Court may be subject to fines and penalties. In addition, court clients are not served in an efficient manner.

Recommendations

1. 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.
2. We recommend that payments are made within 30 days of a judge's order and no later than 60 days.

Management Response

1. **Agree.** See Agency Response in Appendix B
2. **Agree.** See Agency Response in Appendix B

Finding 14- Trust Account duties were not properly segregated.

We reviewed a total of 16 Trust Account checks to assess whether duties were properly segregated. We found that all 16 checks were signed by two authorized signatories. However, 9 (56%) of the checks were signed by the Fiscal Manager. We found the Fiscal Manager signed the Trust Account checks and reconciled the Trust Account bank statements.

Countywide Policy 1062, Management of Public Funds, Section VIII. A. 1., states:

“All checking accounts used for disbursements shall be reconciled to the bank statement at least monthly. Disbursements out of and receipts into the account shall be recorded, and a running balance shall be maintained. The reconciliation shall be performed by a County Agency Management designated Employee, rather than the individual(s) who prepares or signs the checks or maintains the record of the running account balance.”

The Fiscal Manager was not aware of the policy requirements. In addition, the number of staff in the office was reduced due to COVID. When duties are not appropriately segregated, there is an increased risk of errors or misappropriation of funds.

Recommendation

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

Management Response

Agree. See Agency Response in Appendix B.

Finding 15- Trust reimbursement requests contained inaccuracies.

If funds were deposited into the Justice Court revenue account that should have been paid to the Trust Account, a reimbursement request form was prepared by the Systems Administrator and approved by the Fiscal Manager. The form was submitted to MFA as an invoice. MFA then issued a check to reimburse the Trust Account.

We reviewed a total of 8 Trust Account reimbursement requests completed in 2020. We found that 3 (38%) had requested amounts that did not match the amount paid by MFA. For 1, the amount of the difference was not material. We confirmed that for the other 2 requests, the amount paid was correct, despite the errors on the request forms. We also noted 1 (13%) request form did not contain the approver's signature.

Mayor's Finance Accounting Procedures Manual, Section 3.1.3, states:

"...Accounts Payable ensures that all invoices are duly authorized. These invoices should have two approvals. The requestor, fiscal manager, department director or designee may approve."

Accounting Best Practices:

Keeping and maintaining accurate records.

The Systems Administrator indicated that one of the errors was due to not changing the form from its previous use, and another error was due to recording an incorrect amount based on multiple payments to the same case. No indication was made as to why one request was missing an approver's signature.

When reimbursements are not reviewed for accuracy and completeness errors and misappropriation of funds are more likely to occur and be undetected.

Recommendations

1. We recommend that management verify that reimbursement requests forms are accurate and complete.

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

Management Responses

1. **Agree.** See Agency Response in Appendix B
2. **Agree.** See Agency Response in Appendix B

Purchasing Cards

The Justice Courts had three purchase cards issued to the Fiscal Manager, the Systems Administrator, and the Justice Court Judge. Purchase cards were kept with the individuals they were issued to and were not shared with other staff members.

Before making a purchase, staff were required to obtain an authorization. Typically, authorizations were verbal. After purchases were made, approvals were entered into PCard Place, the system used by Salt Lake County to manage the purchase card program. The Systems Administrator approved the Fiscal Manager's transactions as well as some of the Judge's transactions. The Fiscal Manager approved the Systems Administrator's transactions as well as some of the Judge's.

Staff indicated that prior to July 2020, copies of original receipts were stored on a Justice Court shared drive. Thereafter, original receipts were scanned and uploaded to PCard Place, and at that time usually shredded.

Countywide Policy 7035, "Purchasing Cards Authorization and Use," established guidelines for the acquisition and proper use of purchasing cards, including ensuring proper segregation of duties, allowable and unallowable purchases, establishing credit limits, record keeping requirements, reconciliations, and what to do if the card was lost or stolen.

In addition to purchasing cards, the Justice Court made use of the County's Amazon Business account. The Fiscal Manager was the group administrator and requisitioner. The Systems Administrator was also a requisitioner.

Findings and Recommendations

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

We tested all 2020 purchase card transactions for appropriate documentation, including detailed receipts and completed meal and travel forms, where applicable. We found that 4 (3%) out of the 145 transactions could not be verified because no receipt was on file. An additional 2 transactions for meals did not have attached approval forms. Finally, one transaction for travel was not accompanied by a Travel Allowance Form.

Countywide Policy 7035, Purchasing Cards Authorization and Use, Section 4.1.3, states:

"Use of a P-Card for personal purchases and non-business items are prohibited."

Section 6.1, states:

"Original itemized receipts showing the detail of the goods or services purchased shall be retained and maintained by the agency."

Countywide Policy 1019, Travel - Authorization and Payment of Travel Related Expenses, Section 2.6 Maintenance of Travel Records, states:

"Agencies will be responsible for maintaining records of the reconciliations of monthly payment-card issuer statements with individual Requests for Travel Allowance, including credit memos for cancelled trips and airfare fees."

Countywide Policy 1020, County Meals, Section 6.1, states:

"All requests for payment... shall be submitted with the Meals Approval Form and related documentation with each payment method."

Justice Court Management was not retaining a local file of all purchase card receipts and approval forms necessary to substantiate that purchase card transactions were of a valid business purpose. When purchases are not properly documented and approved there is an increased risk of errors or inappropriate purchases.

Recommendations

1. 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.
2. 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.

Management Response

1. **Agree.** See Agency Response in Appendix B
2. **Agree.** See Agency Response in Appendix B

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

We found that 8 (5.5%) out of the 145 purchase card transactions included payment of sales tax. Receipts indicated that the Justice Courts paid \$275 in unrefunded sales tax paid.

Countywide Policy 7035, Purchasing Cards Authorization and Use, Section 4.1.1, states:

"Sales Tax on P-Card Purchases. County purchases are exempt from sales tax. Therefore, if sales tax is mistakenly paid and the tax to recover is worth the cost of the recovery effort, the cardholder shall take actions to obtain a credit to the PCard account for the tax paid."

Justice Courts Management was not verifying that purchase card transactions were tax exempt, nor making efforts to receive a refund of sales tax paid in error. Payment of sales tax by County agencies is an unnecessary expenditure of funds that could be used for other purposes.

Recommendations

1. We recommend that management reconcile purchase card transactions to itemized receipts and verify that no sales tax was paid.
2. We recommend that management make and document efforts to get reimbursed for sales tax paid in error.

Management Responses

1. **Agree.** See Agency Response in Appendix B
2. **Agree.** See Agency Response in Appendix B

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

During a review of purchase card transactions, we noted two invoices from Deseret Breeze Accounting Services, LLC. An email address and website were listed on the invoice, but there was no vendor address. One invoice was dated June 2, 2020, for January to June 2020 QuickBooks online in the amount of \$270. A second invoice was dated January 6, 2021, for January to December QuickBooks online in the amount of \$540. An internet search revealed that Deseret Breeze Accounting Services was registered to the Fiscal Manager. Both invoices were paid using a Salt Lake County purchasing card.

Countywide Policy 1430, Professional Ethics and Conflict of Interest, Section 2.1, states:

"Conflicts of Interest - County Officers, Employees and Volunteers shall not... 2.1.10 Participate in an official capacity or receive compensation in respect to any transaction between the County and any business entity in which the officer, employee, volunteer or a member of their household is also an officer, director, employee or owns a substantial interest, as defined under financial interest, in the company without first filing a conflict of interest disclosure statement as outlined in 2.1.11 Have personal investments in any business entity which will create a substantial conflict between their private interests and public duties."

Section 5.0, states:

"Disclosure Statement - A disclosure statement as required by the 'County Officers and Employees Disclosure Act,' Utah Code Annotated, Title 17, Chapter 16a, and the 'Utah Public Officers' and Employees' Ethics Act,' Utah Code Annotated, Title 67, Chapter 16, is a written and sworn document filed with the County Legislative body and is designated a public document. The disclosure statement shall provide the name and business address of the officer, the name and business address of the person or business entity being assisted and a brief description of the transaction or service provided, or the name and business address of the business in which the County officer, employee or volunteer has a substantial interest, the position held and the precise nature and value of any interest. The disclosure statement shall be made upon first assisting the person or business, or upon becoming an officer or employee and in January of each year

thereafter during which he or she continues to be an officer, director, agent, owner, volunteer or employee."

The Fiscal Manager explained that he purchased QuickBooks through his business to obtain a wholesale rate, which was less than what the Justice Court would otherwise pay. He explained that he did not mark up the cost of the license and passed through the charge.

When purchases are not independent, the County may not receive the best value. In addition, there is a perceived conflict of interest.

Recommendation

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

Management Response

Agree. See Agency Response in Appendix B

Petty Cash

Petty cash funds are used by County agencies to purchase small-cost items that are of such a nature that the normal purchase order method is not cost effective. Countywide policy currently limits disbursements from petty cash to no more than \$200 per transaction. Countywide Policy 1203, "Petty Cash and Other Imprest Funds," outlines the proper use and management of petty cash funds for all County agencies.

The Justice Court maintains a petty cash account of \$200. During our visit on March 11, 2021, we counted \$96 on hand, along with a request for reimbursement of \$104.15, for a combined total of \$200.15. The amount matched the balance recorded on the Daily Cash Count Sheet found in the Petty Cash Bag.

Petty Cash was stored inside a safe in the Systems Administrator's office. A key lockbox was located next to the safe which stores the keys that access the safe. The key lockbox required two keys to open, which were assigned to different staff.

Findings and Recommendations

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

The petty cash had not been used since 2017. The receipt for the last expenditure from the fund was dated September 12, 2017 and was for refreshments at a retirement party. We also noted that the custodian listed for the account no longer worked for Salt Lake County.

Countywide Policy 1203, Petty Cash and Other Imprest Funds, Section 3.1.4, states:

"The requested imprest amount should be sufficient to provide adequate operating funds for 2 months."

Section 8.1.1, states:

“When Agency Management designates a new Custodian, all funds under the control of the current Custodian shall be transferred to the new Custodian. Items transferred include all cash, checks, and petty cash vouchers with supporting documentation. The transfer is accomplished by completing and signing MPF Form 7A, ‘Transfer of Funds Receipt.’ Agency Management or the Fiscal Manager should conduct the transfer with both the outgoing and newly designated Custodians present, if possible...8.3.1 To protect the current custodian from future personal liability, the following steps shall be completed: 8.3.1.1 The current Custodian, Agency Management, or Fiscal Manager shall reconcile the Petty Cash and/or Imprest Fund and submit a final reimbursement request on MPF Form 6 to the Auditor. The Agency Management or Fiscal Manager shall review and sign the completed MPF Form 6. 8.3.1.2 The general warrant, triggered by the submission of a final MPF Form 6 from the current Custodian, shall be issued in the name of and cashed or deposited by the new Custodian. 8.3.2 Responsibility remains with the current Custodian until the final MPF Form 6 is completed and submitted with the signed MPF Form 2 to the Auditor. Only when these steps are accomplished will responsibility transfer to the new Custodian. In the absence of the current Custodian, Agency Management designee or the Fiscal Manager shall be responsible, as determined by Agency Management.”

The Fiscal Manager explained that he planned to close this fund as it was no longer needed, since the agency now relies on Purchase Cards. County agencies, including the Justice Court, are encouraged to use Purchase Cards for small dollar purchases, in part due to the rebate the County receives through the program.

Excess funds retained in petty cash are more susceptible to diversion to personal use. In addition, due to the age of the receipt, the printed information had faded to the point it was difficult to read. Without timely reimbursement and account closure, documentation substantiating use of funds may be lost or damaged.

Recommendations

1. We recommend that Management submit the necessary information and funds to MFA and close the petty cash fund.
2. We recommend that Management ensure that the custodian of record is updated whenever custodians leave or change job duties.

Management Response

1. **Agree.** See Agency Response in Appendix B
2. **Agree.** See Agency Response in Appendix B

Interpreter Fees

Requests for court interpreters were made through the Court, by the individual on trial. Interpreters were selected from a list of Certified, Approved and Registered interpreters maintained by the Utah State Courts.

Once the interpreters arrived at court, a check-in sheet was used to document the date, language, hearing type, case number, defendant, and the interpreter's name. The Justice Court clerk initialed and the interpreter signed the check-in sheet. The time in and out were also recorded.

Some interpreters used by the Justice Court were independent contractors. Others worked for state contracted companies. To pay independent interpreters, the Justice Court Systems Administrator generated an invoice. The invoice was signed by the interpreter, the payment clerk (the System Administrator), and the scheduling clerk. The invoice was sent to MFA to process their payment via direct deposit. Services rendered by one of the state contracted companies were invoiced by the company and paid using the Systems Administrator's purchase card.

Findings and Recommendations

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

During the audit period, in-person interpreter sessions occurred through April 6, 2020, when the Government Center closed due to the COVID pandemic. As court resumed, interpreter sessions were performed over video or phone. As a result, the Check-In List was not used for 36 of 73 payments made by MFA through direct deposit and 17 of 32 payments made by the Justice Court using a purchasing card.

For interpreter services performed in-person, we found that five (10%) of the applicable 52 payments did not have the interpreter's initials, eight (15%) entries did not have the clerk's initials for either the check-in, check-out, or both, and five (10%) entries did not have the check-in or check-out time .

Countywide Policy 7010, Procurement, Section 16, states:

"Sufficient records should be kept to allow reconstruction of a decision at a later date. Good records are valuable for efficient operation of the division."

Failure to sign or enter the necessary information to ensure complete records was an oversight on the part of staff.

When controls designed by management to ensure accuracy and completeness of payments are not executed, errors and misappropriation of funds are more likely to occur and be undetected.

Recommendation

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

Management Response

Agree. See Agency Response in Appendix B

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

We reviewed 21 payments for interpreter services obtained through a contracted agency and compared the date of the vendor invoice to the date of payment. Invoices were not date stamped when received. However, using the invoice date, 13 (62%) payments were made between 3 and 30 days, and 7 (33%) payments were made between 30 and 60 days, in compliance with the State contracts.

We found 1 (4%) payment was processed 98 days after invoicing. We did not note penalties or interest due on the invoice. In addition, 3 (5%) payments had not been made. The invoice dates of the missing payments were October 20, October 22, and November 2 and were for amounts ranging from \$68 to \$119. Each of the invoices were signed by the interpreter. Two of the invoice numbers were present on the interpreter spreadsheet sent to MFA for payment processing and one was not included.

State of Utah Cooperative Contracts, Section 22, states:

***"Payments:** Payments are to be made within thirty (30) days after a correct invoice is received. All payments to Contractor will be remitted by mail, electronic funds transfer, or by a Purchasing Card (major credit card). If payment has not been made after sixty (60) days from the date a correct invoice is received by the Eligible User, then interest may be added by Contractor as prescribed in the Utah Prompt Payment Act..."*

Salt Lake County Mayor's Finance Accounting Procedures Manual, Section 3.1.7, states:

"Salt Lake County's goal is to pay all invoices according to the due date on the invoice or as close to the due date as possible."

There were no written policies and procedures, nor set timeframe in place for processing payments. Management acknowledged that they may have been distracted when inputting the invoice information for the direct deposits and did not fully complete the process. Payments sent to MFA were likely missed due to the use of duplicate invoice numbers, although differentiation was attempted using a dash, or hyphen.

The lack of formal, documented policies, led to inconsistencies in processing times for deposits and allowed the use of duplicate invoice numbers and missed payments.

Recommendations

1. 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.
2. 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.
3. We recommend discontinuing the use of duplicate invoice numbers.

Management Response

1. **Agree.** See Agency Response in Appendix B
2. **Agree.** See Agency Response in Appendix B

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

The Justice Courts documented who scheduled interpreters and processed the payments. They also obtained interpreter signatures on invoices prior to payments being processed to document that services were performed. In addition, all 21 interpreter payments made using a purchasing card were reviewed and approved by the Fiscal Manager.

However, the 73 payments to interpreters made via direct deposit were submitted to MFA using a supporting spreadsheet which was not reviewed and approved by the Fiscal Manager or other independent party.

Countywide Policy 1062, Management of Public Funds, Policy Section, states:

“. . .Effective internal controls provide reasonable assurance that daily transactions are executed in accordance with applicable statutes, ordinances, and policies, and that errors, irregularities, and omissions are effectively minimized or detected.”

Because payments are not reviewed against supporting documentation and approved by an independent party, there is an increased risk of errors, irregularities, and omissions in the interpreter payment process. There is also an increased risk of misappropriation of funds, in that names may be added to the payment request without detection.

We inquired with MFA on payment approvals in MyFin, the software program used to process and track payments. As of April 2021 MyFin has an Accounts Payable Invoice worklist that is starting to be used, but not mandatory for agencies to use. The worklist will allow for review of who the payment approval is in MyFin once it is 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.

Management Response

Agree. See Agency Response in Appendix B

Capital and Controlled Assets

Our audit included an examination of capital and controlled asset management. Countywide Policy 1125, “Safeguarding Property/Assets,” establishes the policies and procedures for the proper

management of County capital (or “fixed”) and controlled (or “expensed”) assets, including procedures for safeguarding, accounting for, and disposing of those assets.

Policy 1125 states that a capital asset is an item with an estimated useful life of greater than one year and a cost equal to or greater than the capitalization rate, which is currently \$5,000. Capital assets are recorded in the County financial system by the MFA. A controlled asset is defined as personal property items having a cost of \$100 or greater, but less than the current capitalization rate. Due to their nature, controlled assets are more susceptible to theft or conversion to personal use.

The Justice Court provided a controlled asset inventory which listed 426 assets, including computers, furniture, printers, and other equipment. We haphazardly selected 105 items from the list, plus an additional 60 pieces of furniture, for a total of 165 assets. Of those, 164 (99%) assets were located. One side table was not found.

Findings and Recommendations

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.

During our review of purchase card transactions, we noted an invoice from November 2020, for a desk costing \$4,665 and storage credenza costing \$1,199, both shipped to an employee’s home. The invoice totaled \$6,961, which included charges for fabric and installation. We requested copies of the 3 quotes normally required prior to making purchases over the small cost limit of \$5,000. The Fiscal Manager explained that the purchase was made under a State contract, therefore quotes were not required. The contract was not referenced on the invoice or other purchase documentation. However, we verified that a current State contract was on file for the vendor.

While the purchase did not violate countywide policy, we noted that less expensive alternatives may have been available. A search of the vendor Office Depot’s website revealed the most expensive desk available to be \$3,210 including a hutch, storage, and installation. In addition, there were 46 desks available costing between \$500 and \$1,000.

When we reviewed the controlled asset list provided by the Justice Court, the furniture was not listed.

Countywide Policy 1125, Safeguarding Property/Assets, Section 4.3, states:

“The Property Manager shall maintain records to manage controlled assets using the following forms (or forms that contain substantially the same information) and procedures. 4.3.1 Exhibit 3 -“Controlled Assets Inventory Form -Employee” is used for those assets that due to their nature, are used by and therefore readily assignable to an individual. 4.3.2 Exhibit 4 - “Controlled Assets Inventory Form - Organization” is used for property not readily assignable to an individual employee or which is shared by more than one employee.”

When assets are not tracked on the controlled asset list, they are more likely to be converted to personal use or lost without detection.

Recommendations

1. We recommend that the Property Manager add new controlled assets to the inventory immediately upon receipt of such items.
2. We recommend that contract information be referenced on purchase documentation.
3. We recommend that multiple vendors be reviewed to ensure prices are competitive.

Action Taken

The Property Manager provided a new controlled asset inventory list dated July 6, 2021. The new list included the furniture at the employee's home office.

Management Response

1. **Agree.** See Agency Response in Appendix B
2. **Agree.** See Agency Response in Appendix B
3. **Agree.** See Agency Response in Appendix B

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

The Justice Court provided a controlled asset inventory which listed 426 assets. Overall, 268 assets were pieces of furniture, and 157 were computers, printers, monitors, and other electronic items. Of the 157 assets, 17 (11%) did not have a serial number or model listed and 2 (1.3%) did not indicate their location.

To further assess the accuracy of the list, we reviewed 2020 purchasing to determine if all newly purchased assets had been added. We identified 21 purchases that were possibly controlled assets. In addition to the furniture discussed in Finding 23, 3 purchases were confirmed to meet the criteria for controlled assets but could not be found on the controlled asset.

We were also provided 10 documents titled "Court Issued Equipment." The documents listed 30 items assigned to individual Justice Court staff for telecommuting, including laptops, headsets, and laptop bags. Invoices reviewed indicated 3 additional items that were purchased for telecommuting but were not yet issued to an employee, bringing the total to 33 items.

None of the lists were on forms "Controlled Assets Inventory Form-Employee" or "Controlled Assets Inventory Form-Organization" and did not have the employees' and property manager's signatures.

Countywide Policy 1125, Safeguarding Property/Assets, Section 4.3, states:

"The Property Manager shall maintain records to manage controlled assets using the following forms (or forms that contain substantially the same information) and procedures. 4.3.1 Exhibit 3 - "Controlled Assets Inventory Form -Employee" is used for those assets that due to their nature, are used by and therefore readily assignable to an individual. 4.3.2 Exhibit 4 - "Controlled Assets Inventory Form - Organization" is used for property not readily assignable to an individual employee or which is shared by more than one employee."

Countywide Policy 1125, Safeguarding Property/Assets, Section 2.3.4, states:

"Upon termination, transfer, or at least annually, employees assigned fixed or controlled assets shall review the list of assigned assets and provide verification by his/her signature to the Property Manager as to the accuracy and completeness of the list."

Countywide Policy 1125, Safeguarding Property/Assets, Section 2.2.8, states:

"Coordinate with the organization's Purchasing Clerk to ensure all newly acquired property is identified and accountability is appropriately established, and fixed assets are tagged and capitalized. Assist the Auditor's Office as requested in capitalizing fixed assets, etc."

The Property Manager used a customized form for tracking Controlled Assets. The forms cited by CWP 1125 include areas for purchasing information, an employee attestation that they agree to the items listed and are accountable for them, and an employee signature line. Justice Court staff stated that the forms "Court Issued Equipment" were signed prior to the audit, but they could not locate the signed copies. Controlled asset purchases were not added to the controlled asset list due to an oversight by the Property Manager.

When assets are not included on the inventory, they are more likely to be lost or stolen without detection. In addition, when forms are not signed and stored either physical or electronically, accountability for lost, stolen, or damaged assets may not be clear.

Recommendations

1. 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.
2. We recommend that the Property Manager use and sign the "Controlled Assets Inventory Form - Organization" or equivalent for all assets not assigned to specific employees at the Justice Courts.
3. We recommend that the Property Manager add new controlled assets to the inventory immediately upon receipt of such items.

Action Taken

1. The Property Manager provided a new controlled asset inventory list dated July 6, 2021. The new list had the 3 assets identified above, plus the furniture at the employee's home.
2. Court Issued Equipment forms for 7 of the 10 original employees, containing digital signatures, were provided.

Management Response

1. **Agree.** See Agency Response in Appendix B
2. **Agree.** See Agency Response in Appendix B

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

The Justice Court Property Manager stated that physical inventories were only conducted every other year. In addition, we noted that 85 (51%) out of the 165 assets selected for testing did not have identification tags applied.

Countywide Policy 1125, Safeguarding Property Assets, Section 2.2.11, states:

"At least annually, conduct physical inventory of fixed assets and controlled assets, to ensure complete accountability for all property owned by, or assigned to the organization."

Countywide Policy 1125, Safeguarding Property/Assets, Section 2.3.4, states:

"Upon termination, transfer, or at least annually, employees assigned fixed or controlled assets shall review the list of assigned assets and provide verification by his/her signature to the Property Manager as to the accuracy and completeness of the list."

Countywide Policy 1125, Safeguarding Property/Assets, Section 2.2.8, states:

"Coordinate with the organization's Purchasing Clerk to ensure all newly acquired property is identified and accountability is appropriately established..."

Management expressed a lack of training regarding their responsibility to track inventory assets that cost over \$100 or that are easily converted to personal use. The Property Manager stated that they had ran out of inventory tags.

When controlled asset inventories are not conducted, items may be lost or stolen without detection. Items that are not tagged maybe more difficult to identify and track. For example, it was difficult to verify the correct location for some furniture items because they were not tagged.

Recommendations

1. 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.
2. We recommend that the Property Manager keep a supply of asset identification tags on hand to assure proper identification of newly acquired items.

Management Responses

1. **Agree.** See Agency Response in Appendix B
2. **Agree.** See Agency Response in Appendix B

Accounts Payable

Invoices for the Justice Court were received by, or forwarded to, the Systems Administrator for processing. Approvals to pay the invoices were obtained from the Fiscal Manager through the County's Accounts Payable system.

We reviewed Justice Court invoices to verify that they were approved for payment by person(s) with proper authority, invoices were accurate and complete, payment matched the invoice amount, sales tax was not paid, payment was on time, items purchased were for a valid business purpose, invoices were not paid more than once, and segregation of duties were in place.

There were 30 payments to outside vendors in 2020. All but two invoices were found to be without exceptions. Two invoices from a single supplier lacked terms and payments were made in an untimely manner. Both payments were part of a larger purchase order that was being paid under Facilities management, therefore, these payments were not in scope. There were no findings with regards to Accounts Payable.

Appendix A: Additional Information

Appendix A: Additional Information	
Scope & Methodology	<p>Our audit period was limited to January 1, 2020, through December 31, 2020. Our work included a review of the internal controls over cash receipting and depositing, Imprest checking, and Trust Account operations, purchasing, and capital and controlled assets.</p> <p>To accomplish the audit objectives:</p> <ul style="list-style-type: none"> • We reviewed controls in place over cash receipting and depositing and to ensure adequate segregation of duties and compliance with Countywide Policies. • We reviewed Trust Account transactions to ensure they were adequately documented, accounted for appropriately, and supported by Judge’s orders. • We reviewed Jury Witness Fee payments matched corresponding invoices, court scheduling records, and were reviewed and approved. • We reviewed controls in place over capital and controlled assets to ensure they were adequately safeguarded and tracked and in compliance with County policy.
Exclusions	We did not review Justice Court payroll or billing to contracted agencies.
Follow-Up Audit Process	An initial follow-up review to determine the implementation status of open recommendations will be conducted six months after the final audit report date. A final follow-up review will be conducted 12 months after the final audit report date. Results of the final follow-up audit will be reported to management and other stakeholders. Additional follow-up audits may be scheduled based on the severity of the risks, or the lack of corrective action to address significant issues noted during the initial audit.

Appendix B: Agency Response

Agency Response Justice Court

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

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
<p>1. 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:</p> <ul style="list-style-type: none"> • 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 	Agree	This will be done	12/31/2022

items on the log were not removed.

Finding 2 – Not all funds were deposited on a timely basis.

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
<p>1. 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.</p> <ul style="list-style-type: none"> • Signature or initials of the employee who processes and deposits funds. • Signature or initials of the employee who processes and deposits funds. 	Agree	This will be resolved, and deposit will be done no less than twice a week	04/30/22
<p>2. We recommend that the Justice Courts consider training alternate individuals to process small claims and bail bonds and to prepare deposits.</p>	Agree	We will get others trained to handle all deposits.	06/30/22
<p>3. We recommend that the Mail Log be used to document funds received but not included in the daily deposit. The log should include:</p> <ul style="list-style-type: none"> • Explanation for why the deposit was held. • Signature or initials of the employee who processes and deposits funds 	Agree	The court will create a new mail log with all new categories to make sure that the court document the reason a deposit is held and who processed the deposit.	06/30/22

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

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
<p>1. We recommend that all checks received in the mail or drop box be recorded on the Mail Log.</p>	Agree	The mail log will be used for all checks by mail, inter office mail, and drop box	06/30/22
<p>2. We recommend that all checks, including those from the</p>	Agree	The Court will make sure all checks will be placed on the mail log.	06/30/22

State Treasurer's office, be documented in a Cashier's Cash Count to show who, when, and amount processed.

<p>3. We recommend documenting the balance remitted to either the Revenue or Trust Account if the check is to be split between the two accounts</p>	<p>Agree</p>	<p>That is done in coris when the amount is posted. This can be a training issues and we are working to correct it. This mostly happen when training a new cashier and it can become somewhat confusing when that cashier has to do it by themselves the first time.</p>
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Finding 4 – Checks received from the State Treasurer were not recorded on the Mail Log nor Cashier’s Cash Count.

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
<p>1. 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.</p>	<p>Agree</p>	<p>The Court will follow this recommendation, but there may be times when the Court is shorthanded, and these staff members may have to step in to get this handled.</p>	<p>06/30/22</p>
<p>2. We recommend that the Justice Courts consider training alternate individuals to process small claims and prepare deposits.</p>	<p>Agree</p>	<p>The Court will get more people trained to handle this process.</p>	<p>06/30/22</p>

Finding 5 – There were missing entries on the Change Fund Transfer Ledger.

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
<p>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.</p>	<p>Agree</p>	<p>The Court will take every step to have two people review the change fund. Then the supervisor will approve it within 24 hours.</p>	<p>06/30/22</p>

Finding 6 – Not all fees due to the State Treasurer were remitted.

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
1. We recommend that all fees due to the State be remitted.	Agree	The court will make sure that all funds due to the state be remitted. The Court has corrected the two over payments and remitted the report.	
2. 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.	Agree/Disagree	We agree to have another staff member look at the report before remitting it to the state. We disagree only about sending it to the state. Because now we have to do the whole report and then remitted it to MFA payables for payment. The court will double check that report for errors.	6/30/2022

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

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
1. We recommend that the Jury Witness Fee Account be closed through MFA.	Agree	The Court will make sure that this account is closed by year end.	12/31/2022
2. We recommend that the account be reconciled monthly until account closure is complete.	Agree	The Court will reconcile this account every month until closed.	06/30/2022

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

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
1. We recommend that Justice Court Management make efforts to contact the individuals regarding their uncashed checks.	Agree	The Court will get this resolved this year and going forward.	10/31/2022
2. We recommend that Justice Court Management submit a reporting of uncleared checks greater than 16 months old to the County Treasurer's office.	Agree	The Court will submit all uncleared checks to the treasurer's office the are 16 months and older. The Court will get with the treasurer's office to develop a process on how this will be handled.	12/31/2022

3. We recommend that a check be issued to clear the Authorized Imprest Fund Balance through MFA and close the account.	Agree	This will be done this year and the account will be closed.	12/31/2022
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Finding 9 – Trust Account bank signatories were not up to date.

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
We recommend that Justice Court Management work with the Salt Lake Treasurer's office to correct and update Trust Account signatories.	Agree	The Court will get this handle asap.	06/30/2022

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

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
1. We recommend that Justice Court Management make efforts to contact the individuals regarding their uncashed checks.	Agree	July 1, 2022, the Court will send out letters of those stale-dated checks. Then in Nov. we will send all the required information to the State Treasure office.	11/30/2022
2. We recommend that Justice Court Management submit a reporting of uncleared checks greater than 16 months old to the County Treasurer's office.	Agree	The Court will get with the Treasurer office to get this process handled. The Court will make sure going forward the this is handled on all checks greater than 16 months old.	11/30/2022

Finding 11 – Trust Account was not reconciled monthly.

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
We recommend that management perform and sign a monthly Trust Account reconciliation.	Agree	The trust account will be reconciled by the following month of the closing month.	06/30/2022

Finding 12 – Records of Trust Account activity were not always accurate and complete.

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
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<p>1. We recommend that Justice Courts Management create a written policy and procedure regarding reconciliation of QuickBooks, CORIS, and bank records to verify the following:</p> <ul style="list-style-type: none"> • All entries include a check number. • All voided checks are listed as voided in QuickBooks, and that a copy of the voided check, marked void be retained on file and/or in QuickBooks. • The Check Log, QuickBooks, CORIS are reconciled and that the payee, amount and check number match. 	<p>Agree</p>	<p>We have been taking this very seriously. When I started these books were so far out of balance. This would have been better to trash the whole system and start over. But I knew it was going to take some time to get it in line and to balance it. There was also a learning curve for the staff who didn't understand accounting and on top of that to put a new accounting system in front of them and the training. We had to set up the books in a way to make work with trust accounting. The staff hit the ground running to make it happen. The Court will get this in line, and it will improve.</p>	<p>12/31/22</p>
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Finding 13 – Payments from the Trust Account were not made on a timely basis.

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
<p>1. 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.</p>	<p>Agree</p>	<p>The Court will make sure that all trust payments will be made within the seven days of the Judge's order. With standing vacation or illnesses.</p>	<p>12/31/2022</p>
<p>2. We recommend that payments are made within 30 days of a judge's order and no later than 60 days.</p>	<p>Agree</p>	<p>The court will ensure that payments are made no later than the 60 days of the Judge's order.</p>	<p>06/30/2022</p>

Finding 14 – Trust Account duties were not properly segregated.

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
<p>We recommend that the same person that reconciles the account does not also sign the checks.</p>	<p>Agree</p>	<p>The Court will make sure that this is policy in the court going forward.</p>	<p>6/30/2022</p>

Finding 15 – Trust reimbursement requests contained inaccuracies.

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
1. We recommend that management verify that reimbursement requests forms are accurate and complete.	Agree	The court has now put into place a new payment process for payments. They now must enter into MYFIN and then approved by the Fiscal Manager before payment can be sent.	06/01/2022
2. We recommend all requests be approved and signed prior to being sent to MFA for payment.	Agree	We have address this in the above on number 1.	06/01/2022

Finding 16 Receipts and forms required for meals and travel expenditure were not always on file.

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
1. 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.	Agree	This has been correct and will be done going forward.	6/30/2022
2. 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.	Agree	The Court will make sure that all purchases are reviewed and approved.	6/01/2022

Finding 17 – Purchase card transactions included unrefunded sales tax paid.

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
1. We recommend that management reconcile purchase card transactions to itemized receipts and verify that no sales tax was paid.	Agree	The Court will make every effort to verify that no sales tax is charge and or get the sales tax refunded.	6/30/22
2. We recommend that management make and document efforts to get	Agree	The Court will make every effort to verify that no sales tax is charge and or get the sales tax refunded.	6/30/22

reimbursed for sales tax paid in error.

Finding 18 – QuickBooks was purchased through the Fiscal Manager’s personal business practice.

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
We recommend that purchases be made from independent vendors, or that a disclosure form be completed and maintained on file.	Agree	I will move it from my wholesale account and the Court will now be paying the 960.00 fee a year. I will not bill the court for the last year or Jan - April 30, 2022, for the use of the Quikbooks online. This will keep the arm’s length distance.	04/30/2022

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

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
1. We recommend that Management submit the necessary information and funds to MFA and close the petty cash fund.	Agree	The Court will close the petty cash by June 30, 2022	6/30/2022
2. We recommend that Management ensure that the custodian of record is updated whenever custodians leave or change job duties.	Agree	We have sent the form to MFA	03/24/2022

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

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
We recommend that the Interpreter Check-in List be completed in full and regularly reviewed for completeness, when in person Court resumes.	Agree	We have changed the process to do it all electronically	07/31/2022

Finding 21 – Payments to interpreters were not always timely and three payments due had not been made.

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
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1. 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.	Agree	All invoice for interpreters is now process in adobe sign and then inputted in MYfin when we get the returned signed invoice. Then it is sent to the Fiscal Manager for review and approval. Then it goes to MFA automatically for payment to be issued.	06/30/22
2. 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.	Agree	The court will process all signed return invoices every Friday by EOD.	04/30/2022
3. We recommend discontinuing the use of duplicate invoice numbers.	Agree	This has been corrected.	06/30/22

Finding 22 – Interpreter payments via direct deposit were not reviewed and approved by the Fiscal Manager.

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
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.	Agree	This will be done to ensure accurate payments and timely payments.	06/30/22

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.

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
1. We recommend that the Property Manager add new controlled assets to the inventory immediately upon receipt of such items.	Agree	This is about buying a desk that Auditors accused the Court of overspending. This is not true. I worked as a Controller for a commercial furniture company for over five years. I learn a lot about furniture and Office Depot furniture doesn't stand up to the	6/30/22

day-to-day heavy use like middle of the road commercial furniture does. Also, as I will show that a desk like what the auditors recommended that the Court should buy lasted only 6 month and it was almost 3,500.00. This is what the customer stated.

“ Happiness turns to disappointment

Reviewed in the United States on
November 27, 2021

Verified Purchase

We loved this desk; the size is wonderful...and its beautiful in our office space. Sadly, after six months, it has a crack down the center of the desk. Never moved...contacted the seller and no luck with any solutions for repair/replacement.” This has been the experience with this type of product, and I didn’t want to spend another almost 3,500.00 to replace it. The Court purchased a cabinet for recording equipment, and you don’t want to even touch it for fear it will fall apart. This cabinet leans and looks unprofessional but remember it was cheap. Something to think about order what you want and pay for what you get. But this is the standard the Auditor are forcing us to buy. When they purchase Haworth furniture and here is an example of just a chair Fern Executive Chair for 2,122.47 because it’s on the state contract. The County also buys Steelcase and just Gesture chair cost 1,217.00. I purchased within the guidelines of the policy. The Desk was 4,660.00 this price met the guidelines, and the desk had a sit stand. The lateral file cabinet was 1161.00 was not the same product as the desk so this is two different items. This item was under the purchase guidelines for a total of

5,822.00 not the almost seven thousand that the auditors so well pointed out in this report again to be narrowness toward the Justice Court. The reason it was not added to the list as I had made phone calls to other departments to figure out the best way to handles these issues. They told us to have your asset list ready because the auditors are hitting everyone in this area. So, the court worked as fast as we could to put this list together with all the information need it. These items were to be put on, but the auditors wanted the list now and it just got overlooked and it was not on purpose, but when read this finding they make it sound like we were trying to hide it.

We needed a desk that going to meet the purpose and stand up the day-to-day use. To have a warrant if something went wrong with the desk. This desk needs to be able to be used to stand or sit without looking unprofessional. The Court hold almost 65 cases a day for video court. We need a desk to look professional.

2. We recommend that contract information be referenced on purchase documentation.	Agree	The Court will make sure that on all invoices have the contract number on invoices.	6/30/2022
3. We recommend that multiple vendors be reviewed to ensure prices are competitive.	Agree	The Court will now look at multiple vendors to ensure transparentness in all purchases going forward.	6/30/2022

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

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
1. We recommend that the Property Manager use and have employees sign the "Controlled Assets Inventory Form - Employee" or equivalent for all	Agree	The Court will follow the County policy as to how small asset are tracked.	06/30/2022

current and newly obtained assets assigned to specific employees at the Justice Court to establish individual accountability over assets.

2. We recommend that the Property Manager add new controlled assets to the inventory immediately upon receipt of such items	Agree	When items are received, they will be put on the asset list by the month of which the asset is received.	06/30/2022
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Finding 25 – An annual Controlled Asset Inventory was not completed, and not all assets were tagged.

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
1. 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.	Agree	<p>Please look at finding 24.</p> <p>A lot of the finding are due to lack of training to understand what the policies are here at the County and outdated policys. How do you hold someone accountable for outdated policies? This is unfair and unjust by the Auditors because they want to hold us to an outdated standard.</p> <p>Internal Auditors have a responsibility to make sure what they are auditing is within the scope and not outdated policies to make the audit fair and equitable. When this is not done it makes poor auditing practices and create basis toward the county departments.</p>	
2. We recommend that the Property Manager keep a supply of asset identification tags on hand to assure proper identification of newly acquired items.	Agree	This is being done. We had the inventory control labels but we had to order more and when we didn't have them the day they came to the court we got hit with a finding.	6/30/2022