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**REPORT NO. 02-619-N**

August 7, 2002

Mayor Phillip Barker and Alpine City Council  
20 North Main  
Alpine, UT 84004

Dear Mayor Barker and City Council:

We have performed a review of certain aspects of the internal control and compliance at the Highland Justice Court (the Court) for the period January 1, 2001 through December 31, 2001. Alpine City has contracted with Highland City to handle the paperwork, collection, and hearing of cases for citations issued within Alpine City. Therefore, in conjunction with our procedures performed at Highland Justice Court, we reviewed Alpine City's procedures for remitting the required portion of fines and fees to the State of Utah and tested a sample of remittances.

Our procedures were more limited than would be necessary to express an audit opinion on compliance or on the effectiveness of the Court's internal control or any part thereof. Accordingly, we do not express such opinions. Alternatively, we have identified the procedures we performed and the finding resulting from those procedures. Had we performed additional procedures or had we made an audit of the effectiveness of the Court's internal control, other matters might have come to our attention that would have been reported to you.

Our finding resulting from the above procedures is as follows:

**WEAKNESSES IN SURCHARGE REMITTANCE PROCEDURES** (Significant Weakness)

We noted the following weaknesses in the surcharge remittance procedures:

- a. Alpine City issues monthly surcharge remittance checks to the State Treasurer without receiving adequate supporting documentation for the amounts. The only information Alpine City currently receives is a monthly memo from Highland City showing the total surcharge amounts to be remitted. Alpine City should request that Highland City send them the Caselle surcharge reports for Alpine Justice Court which are used to determine the monthly surcharge amounts to be remitted to the State. Without this report, Alpine City cannot be certain they are remitting the proper surcharge amount to the State each month.
- b. The City does not verify that the surcharge remittance was received by the State Treasurer. The City should ensure that the surcharge remittance was properly remitted by either scanning

the cancelled/processed check to ensure it was received by the State Treasurer, or the City should have an independent person (someone who did not mail the check) reconcile the validated copy of the surcharge report that is sent back from the State Treasurer to the Surcharge Collections Report to ensure that the remittance was proper and/or not misdirected.

**Recommendation:**

**We recommend that Alpine City:**

- a. Obtain the surcharge remittance reports from Highland City to use as supporting documentation for preparing the monthly surcharge remittance to the State Treasurer.**
- b. Ensure the surcharge check was properly remitted by scanning the cancelled/processed check or by reconciling the validated copy of the surcharge report to the Surcharge Collections Report.**

**Agency's Response:**

- a. The Court will remit to Alpine City a copy of the monthly collections report that is run at the end of each reporting month. This report indicates the surcharges collected during the month and what should be remitted to the State.*
- b. The Alpine City Treasurer will verify the surcharge remittance received by the State Treasurer by reviewing the validated copy of the surcharge report sent back from the State and reconcile that the remittance was proper and not misdirected and also that the remittance agrees with the surcharge report generated by the surcharge collections report.*

We feel that the above finding is a significant weakness to the Court. If this weakness is left uncorrected, an unacceptable amount of errors or misappropriations could occur without detection.

This report is intended solely for the information and use of the City and the Court and is not intended to be and should not be used by anyone other than these specified parties.

By its nature, this report focuses on exceptions, weaknesses, and problems. This focus should not be understood to mean there are not also various strengths and accomplishments. We appreciate the courtesy and assistance extended to us by the personnel of the Court during the course of the engagement, and we look forward to a continuing professional relationship. If you have any questions, please call Debbie Empey, Audit Director, at 538-1342.

Sincerely,

Auston G. Johnson, CPA  
Utah State Auditor

cc: Judge Darwin Poulsen  
Ted Stillman, Alpine City Administrator  
Richard Schwermer, Assistant Court Administrator, Administrative Office of the Courts  
Heather Mackenzie-Campbell, Audit Manager, Administrative Office of the Courts