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UTAH STATE AUDITOR

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REPORT NO. 05-618

July 26, 2005

Daniel J. Becker, State Court Administrator
Administrative Office of the Courts
450 South State Street
P.O. Box 140241
Salt Lake City, Utah 84114-0241

Dear Mr. Becker:

We have reviewed the following District and Juvenile Courts in the Fourth Judicial District for the year ended December 31, 2004:

Juab County District Court – Nephi
Wasatch County District Court – Heber City
Millard County District Court – Fillmore
Millard County Juvenile Court – Fillmore

We performed the procedures enumerated below to certain accounting records and to aspects of the internal control at the courts:

1. We reviewed internal control over cash receipting and cash disbursing procedures.
2. We reviewed procedures for collecting, recording, and distributing fines, fees, bails, forfeitures, and restitutions imposed by the Courts.
3. We reviewed the outstanding accounts receivable balances.
4. We reviewed compliance with certain laws and policies and procedures regarding personnel and payroll.
5. We reviewed the age and content of funds in trust accounts.

The above procedures were performed to assist the Administrative Office of the Courts (AOC) and the individual courts in evaluating their internal controls; procedures for collecting, recording, and distributing of all court imposed funds; and compliance with State laws and the courts' accounting policies and procedures.

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

Our findings resulting from the above procedures are included in the attached findings and recommendations section of this report. We feel that Findings 1 through 3 are significant findings to the AOC due to the number of court locations that either have these weaknesses or could potentially have these weaknesses. Other findings identified as significant weaknesses on the Table of Contents are considered significant to the individual court locations. If these weaknesses are left uncorrected, an unacceptable amount of errors or misappropriations within those individual areas could occur without detection.

This report is intended solely for the information and use of the AOC and the courts we reviewed, and is not intended to be, and should not be, used by anyone other than these specified parties. However, the report is a matter of public record and its distribution is not limited. This report has been organized with findings directed to the AOC, followed by those directed to the individual courts reviewed. The findings directed to the AOC include those that are common to all or some of the courts reviewed, and those that we want to bring to the AOC's attention and that require specific action by the AOC.

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 AOC and the courts 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 (801) 538-1342.

Sincerely,

Auston G. Johnson, CPA
Utah State Auditor

cc: Heather Mackenzie-Campbell, Internal Audit Director
Fred Jayne, Finance Manager
Myron K. March, Deputy Court Administrator
D. Mark Jones, District Court Administrator
Ray Wahl, Juvenile Court Administrator
Richard H. Schwermer, Assistant State Court Administrator
Ronald L. Oldroyd, Assistant Juvenile Court Administrator
Gordon Bissegger, Administrative Services Director
Cynthia Jacquart, Assistant Clerk of Court, Juab County – Nephi District Court
Diann Burgener, Assistant Clerk of Court, Wasatch County – Heber City District Court
Norma Brunson, County Court Clerk, Millard County – Fillmore District Court
Pat Jensen, Clerk of Court, Millard County – Fillmore Juvenile Court
Lori Woffinden, Clerk of Court, Utah County – Provo

ADMINISTRATIVE OFFICE OF THE COURTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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Administrative Office of the Courts

Chief Justice Christine M. Durham
Utah Supreme Court
Chair, Utah Judicial Council

Daniel J. Becker
State Court Administrator
Myron K. March
Deputy Court Administrator

July 20, 2005

Auston G. Johnson, CPA
Utah State Auditor
Utah State Capitol Complex
East Office Building, Suite E310
P.O. Box 142310
Salt Lake City, UT 84114-2310

Re: State Audit Report No. 05-618

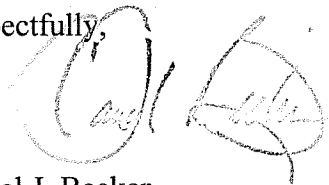
Dear Mr. Johnson:

Enclosed please find the responses to the review conducted in the Fourth Judicial District, District and Juvenile Court offices. I believe the responses will adequately address the findings and recommendations proposed.

The detailed findings and recommendations will be used to improve court accounting and operational controls. The Administrative Office of the Courts (AOC) will provide the results of the review to court managers statewide. In particular, we will focus on the AOC audit findings and recommendations to address the possibility that other courts could have the same weaknesses.

We appreciate the professional and courteous manner in which your staff conducted the review.

Respectfully,



Daniel J. Becker
State Court Administrator

cc: Chief Justice Christine M. Durham
Myron K. March, Deputy Court Administrator
Fred Jayne, Finance Manager
Heather Mackenzie-Campbell, Internal Audit Director

The mission of the Utah judiciary is to provide the people an open, fair,
efficient, and independent system for the advancement of justice under the law.

ADMINISTRATIVE OFFICE OF THE COURTS

ADMINISTRATIVE OFFICE OF THE COURTS

FINDINGS AND RECOMMENDATIONS FOR THE YEAR ENDED DECEMBER 31, 2004

1. INADEQUATE SEPARATION OF DUTIES (Significant Weakness)

We commend the courts for their efforts and improvement in separating duties related to cash receipting, cash disbursing, and record keeping. Two of the courts reviewed (Wasatch County District Court in Heber and the Millard County Juvenile Court in Fillmore) had implemented independent review procedures as a compensating control for duties that could not be adequately separated.

The other two courts reviewed (Juab County District Court in Nephi and the Millard County District Court in Fillmore) have some weaknesses related to inadequate separation of cash receipting, cash disbursing, and record-keeping duties. These courts have not fully implemented the Administrative Office of the Courts' (AOC) Accounting Model.

Recommendation:

We recommend that the AOC work with the Juab County District Court in Nephi and the Millard County District Court in Fillmore to ensure that duties are properly separated or, when necessary, that effective compensating controls are implemented.

Response:

The AOC will work with managers responsible for ensuring the AOC Accounting Model is implemented in the Juab County and Millard County District Courts. The separation of duties weaknesses will be corrected by either requiring duties to be performed by an employee independent of the court office or performing External Review procedures.

2. ACCOUNTS RECEIVABLE WEAKNESSES (Significant Weakness)

We noted the following weaknesses during our review of outstanding accounts receivable:

a. Inaccurate Accounts Receivable Listings

Three of the four courts reviewed (Juab County District Court in Nephi, Wasatch County District Court in Heber, and Millard County District Court in Fillmore) had inaccurate accounts receivable listings. The errors at the courts that resulted in the inaccurate listings were caused by failing to remove receivable balances for cases that were transferred to the Office of State Debt Collection (OSDC), failing to remove receivable balances for cases that were transferred to Adult Probation and Parole, and inappropriately creating receivables. All noted inaccuracies were communicated to the appropriate courts during our review.

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An accurate accounts receivable listing is a control statement that documents the total of all outstanding accounts. This listing can be used to ensure that all accounts receivable are reviewed for timely payment. Inaccurate accounts receivable balances on the listing prevent the courts from using the listing to ensure that adequate collection efforts have been made.

b. Inadequate Collection Efforts

Three of the four courts reviewed (Juab County District Court in Nephi, Wasatch County District Court in Heber, and Millard County District Court in Fillmore) have not performed adequate collection efforts on accounts receivable. According to *Utah Code* Section 78-7-33(2), the district courts are responsible for collecting accounts receivable prior to transferring the responsibility for collecting the receivables to the OSDC. Insufficient pursuit and collection of receivables results in lost revenue to the State. Also, as delinquent accounts age, their collection becomes more difficult.

c. Failure to Send Balances More than 90 Days Past Due to the OSDC

Three of the four courts reviewed (Juab County District Court in Nephi, Wasatch County District Court in Heber, and Millard County District Court in Fillmore) are not complying with *Utah Code*, Section 76-3-201.1(8)(c), which requires district courts to transfer the unpaid balance of judgments more than 90 days past due to the OSDC. This prevents collection efforts on delinquent accounts to continue by the OSDC as required by law.

Recommendation:

We recommend that the AOC work with the individual courts to:

- a. **Correct the inaccurate accounts receivable listings.**
- b. **Ensure proper collection efforts are made.**
- c. **Ensure that unpaid balances more than 90 days past due are transferred to the OSDC.**

Response:

The AOC will direct court managers to ensure each court maintains an accurate accounts receivable listing, performs adequate collection efforts, and transfers unpaid balances more than 90 days past due to OSDC.

ADMINISTRATIVE OFFICE OF THE COURTS

FINDINGS AND RECOMMENDATIONS FOR THE YEAR ENDED DECEMBER 31, 2004

3. INADEQUATE REVIEW OF TRUST FUND CASES (Significant Weakness)

Three of the four courts reviewed (the Juab County District Court in Nephi, the Wasatch County District Court in Heber, and the Millard County District Court in Fillmore) are not performing a quarterly review of cases for which trust money is being held as required by the Trust section of the AOC Accounting Policies and Procedures Manual. A quarterly review of trust balances should be performed to ensure that funds held in trust are being held appropriately and that trust balances held in excess of 12 months should be remitted to the State Treasurer's Division of Unclaimed Property if the payee cannot be located. This review should also include a reconciliation between the CORIS system and the list of trust balances received by the county treasurer's office. Not performing a quarterly review to identify and track trust payments and not disbursing trust balances in a timely manner increases the risk that trust receipts will be held by the Court inappropriately and that errors and/or misappropriations will occur without detection.

Recommendation:

We recommend that the AOC remind the courts of the importance of performing a quarterly review of trust balances, disbursing trust balances in a timely manner, and remitting all unclaimed trust amounts held in excess of 12 months to the State Treasurer's Division of Unclaimed Property.

Response:

The AOC will direct court managers to ensure each court reviews the trust account balances at least quarterly, issues trust checks timely, and remits trust funds unclaimed for over 12 months, to the Division of Unclaimed Property.

FOURTH JUDICIAL DISTRICT COURTS

ADMINISTRATIVE OFFICE OF THE COURTS

FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2004

JUAB COUNTY DISTRICT COURT – NEPHI

4. **INADEQUATE SEPARATION OF DUTIES** (Significant Weakness)

The Juab County District Court in Nephi does not have adequate separation of duties. The Assistant Court Clerk and the Deputy Court Clerk both have access to checks and cash received at the Court, review the accounts receivable, and prepare and send billings. Inadequate separation of duties exists when the same individual has custody of assets and has recording and/or reconciling duties. Without adequate separation of duties, misappropriation, errors, and/or fraud could occur without detection. In situations where it is not possible to separate conflicting duties, compensating controls such as independent reviews should be implemented.

The AOC's Accounting Model for the Court identifies various reviews and reconciliations performed by the Fourth District Support Services Coordinator as the compensating control for the separation of duties weaknesses at the Court. The Fourth District Support Services Coordinator performs some of the compensating controls for the separation of duties weaknesses at the Court; however, the Court does not have someone independent of cash receipting perform the accounts receivable reviews or prepare/send billings.

Recommendation:

We recommend that the Juab County District Court in Nephi separate conflicting duties or implement effective compensating controls.

Response:

A clerk, from the Fourth District Court Collections Department, is assigned to monitor case account receivables in Nephi. The clerk will be required to run the Accounts Receivable Detail report on a quarterly basis and review the report. The clerk will also be required to travel to the Nephi court quarterly to personally review and prepare cases for transferring the unpaid balances to OSDC.

5. **ACCOUNTS RECEIVABLE WEAKNESSES** (Significant Weakness)

We reviewed 25 outstanding accounts receivable at the Juab County District Court in Nephi and noted the following weaknesses:

- a. The Court had one invalid receivable balance. The docket indicated that the receivable was sent to the Office of State Debt Collection (OSDC) on October 15, 1999; but, the receivable balance remained on the Court's records at the time of our testwork. Invalid receivables

ADMINISTRATIVE OFFICE OF THE COURTS

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results in an overstatement of the Court's assets and may increase the risk of misappropriation of funds.

- b. The Court is not following the State's policy for making adequate collection efforts. Although the Court performs bi-monthly reviews of cases, the reviews are not detailed enough to provide information regarding all cases where collection efforts need to be performed.
 - 1) For 4 of the 25 cases reviewed, the Court has not made any efforts to collect on the accounts.
 - 2) For 1 of the 25 cases reviewed, the Court issued an Order of Notice to Show Cause and a bench warrant. However, the bench warrant was rescinded when the defendant appeared and made a payment on November 15, 2002, and the Court has not made any effort to collect the remaining balance since that time.

The Court should attempt to collect all outstanding receivables as soon as they become past due. Insufficient pursuit and collection of receivables results in lost revenues to the State and noncompliance with State law. Furthermore, as delinquent accounts age, collection becomes more difficult.

- c. The Court is not complying with *Utah Code*, Section 76-3-201.1(8)(c), which requires district courts to transfer the unpaid balance of judgments more than 90 days past due to the OSDC. Of the 25 accounts receivable we reviewed, 24 had balances ranging from 110 days to over 9 years past due; however, none of them were sent to the OSDC as required by State law.

Recommendation:

We recommend that the Juab County District Court in Nephi:

- a. **Eliminate invalid accounts receivable balances.**
- b. **Perform more detailed reviews of accounts receivable balances and make appropriate collection efforts for cases that are less than 90 days past due.**
- c. **Transfer all accounts that are 90 days or more past due to the OSDC, as required by State law.**

ADMINISTRATIVE OFFICE OF THE COURTS

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Response:

A clerk from the Collections Department will be assigned to run the Accounts Receivable Detail report for Nephi, review the past due cases, correct any accounts receivable inaccuracies and/or send cases to OSDC. This will be completed by September 15, 2005.

A new clerk is being hired in the Collections Department and will be assigned to monitor the cases in Nephi regularly and travel to the Nephi Court at least quarterly, and more if the need arises, to review files and keep the accounts receivable current.

6. INADEQUATE REVIEW OF TRUST FUND CASES (Significant Weakness)

The Juab County District Court in Nephi is not performing a quarterly review of cases for which trust money is being held as required by the Trust section of the AOC Accounting Policies and Procedures Manual. In 1 of 5 cases reviewed, we noted that the Court had been holding \$300 in the trust for over 3 years after the resolution of the case, and they were not actively pursuing the payee during the period that the cash was held. A quarterly review of trust balances should be performed to ensure that funds held in trust are being held appropriately and that trust balances held in excess of 12 months should be remitted to the State Treasurer's Division of Unclaimed Property if the payee cannot be located. Not performing a quarterly review to identify and track trust payments and not disbursing trust balances in a timely manner increases the risk that trust funds will be held by the Court inappropriately and that errors and/or misappropriations will occur without detection.

Recommendation:

We recommend that the Juab County District Court in Nephi perform a quarterly review of trust balances, disburse trust balances in a timely manner, and remit all unclaimed trust amounts held in excess of 12 months to the State Treasurer's Division of Unclaimed Property.

Response:

The clerk of court is having all assistant clerks of court and accounting clerks trained on the procedures to review trust fund cases. This will be completed by July 27, 2005.

The Utah State Courts Accounting Manual requires a quarterly review of trust funds. The assistant clerk of court in Nephi will perform this review at least quarterly.

The assistant clerk of court has submitted all eligible outstanding checks to Unclaimed Property. This will be completed by May 31st of each year.

ADMINISTRATIVE OFFICE OF THE COURTS

FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2004

WASATCH COUNTY DISTRICT COURT – HEBER

7. **ACCOUNTS RECEIVABLE WEAKNESSES** (Significant Weakness)

We reviewed 37 cases that either had outstanding accounts receivable balances or had adjustments to the accounts receivable balance at the Wasatch County District Court in Heber and noted the following weaknesses:

a. The Court had two invalid outstanding receivables:

- 1) For 1 of the 37 cases, the defendants were sent to Adult Probation and Parole (AP&P). In accordance with AOC policy, the Court should not have recorded the receivable on the Court's records. Rather, AP&P should record and collect the receivable. However, the Court maintained the receivable on its records.
- 2) For 1 of the 37 cases, AP&P was assigned to monitor the defendant. The receivable should have been recorded by AP&P when the judgment was made; however the case wasn't sent to AP&P until one year later. After the defendant failed to meet the terms of his probation, AP&P transferred the case back to the Court with a recommendation that the Court transfer the receivable to the OSDC. The Court never sent the receivable to the OSDC and a year later the receivable was again transferred back to AP&P. The Court should not have entered this receivable on their books at any time. Rather AP&P should have sent the receivable directly to the OSDC, in accordance with *Utah Code* 76-3-201.1(8)(a).

Invalid receivables result in an overstatement of the Court's assets and may increase the risk of misappropriation of funds.

- b. The Court is not following the State's policy for making adequate collection efforts and does not conduct detailed reviews of outstanding accounts receivable. Of the 37 cases we reviewed, 9 of the accounts receivable were between 110 days and nearly 2 years past due. The Court should attempt to collect all outstanding receivables as soon as they become past due. Insufficient pursuit and collection of receivables results in lost revenues to the State and is not in compliance with State law. Furthermore, as delinquent accounts age, collection becomes more difficult.
- c. The Court is not complying with *Utah Code*, Section 76-3-201.1(8)(c), which requires district courts to transfer the unpaid balance of judgments more than 90 days past due to OSDC. Two of the 9 past due cases mentioned in b. were sent to the OSDC; however, the receivables were approximately 145 and 256 days old before the transfer to the OSDC was made. The remaining 7 of the 9 past due cases mentioned in b. above have not yet been sent to the OSDC.

ADMINISTRATIVE OFFICE OF THE COURTS

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Recommendation:

We recommend that the Wasatch County District Court in Heber:

- a. Eliminate invalid accounts receivable balances.**
- b. Perform detailed reviews of accounts receivable balances and make appropriate collection efforts for cases that are less than 90 days past due.**
- c. Transfer all accounts that are 90 days or more past due to the OSDC, as required by state law.**

Response:

A clerk from the Collections Department will be assigned to run the Accounts Receivable Detail report for Wasatch, review the past due cases, correct any accounts receivable inaccuracies and/or send cases to OSDC. This will be completed by September 15, 2005.

The Collections Department clerk assigned to the Wasatch District Court will maintain a current accounts receivable report. On a quarterly basis this report will be reviewed and, when appropriate, collection letters will be sent, accounts receivable inaccuracies corrected, or sent to OSDC as required by state law. Case number 021500246 was sent to OSDC on May 31, 2005.

8. **INADEQUATE REVIEW OF TRUST FUND CASES** (Significant Weakness)

The Wasatch County District Court in Heber is not performing a quarterly review of cases for which trust money is being held as required by the Trust section of the AOC Accounting Policies and Procedures Manual. In 1 of 5 cases reviewed, the Court had been holding \$600 in the trust for over 3 years after the resolution of the case and was not actively pursuing the payee during the period that the cash was held. A quarterly review of trust balances should be performed to ensure that funds held in trust are being held appropriately and that trust balances held in excess of 12 months should be remitted to the State Treasurer's Division of Unclaimed Property if the payee cannot be located. Not performing a quarterly review to identify and track trust payments and not disbursing trust balances in a timely manner increases the risk that trust receipts will be held by the Court inappropriately and that errors and/or misappropriations will occur without detection.

ADMINISTRATIVE OFFICE OF THE COURTS

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Recommendation:

We recommend that the Wasatch County District Court in Heber perform a quarterly review of trust balances, disburse trust balances in a timely manner, and remit all unclaimed trust amounts held in excess of 12 months to the State Treasurer's Division of Unclaimed Property.

Response:

The clerk of court is having all assistant clerks of court and accounting clerks trained on the procedures to review trust fund cases. This will be completed by July 27, 2005.

The Utah State Courts Accounting Manual requires a quarterly review of trust funds. The assistant clerk of court in Heber City will perform this review at least quarterly. This will be completed by October 5, 2005.

The assistant clerk of court has submitted all eligible outstanding checks to Unclaimed Property. This will be completed by May 31st of each year.

MILLARD COUNTY DISTRICT COURT – FILLMORE

9. **INADEQUATE SEPARATION OF DUTIES** (Significant Weakness)

We noted the following separation of duties weaknesses at the Millard County District Court in Fillmore:

- a. The Court Clerk has access to cash and checks received at the Court, records cash receipting transactions for the Court, and initiates or approves write-offs of accounts receivable.
- b. One Deputy Clerk has access to cash and checks received at the Court, reconciles receipt records to the amounts deposited, initiates or approves write-offs of accounts receivable, reviews accounts receivable, and records cash receipting transactions for the Court.
- c. Another Deputy Clerk has access to cash and checks received at the Court, initiates or approves write-offs of accounts receivable, and records cash receipting transactions for the Court.

Inadequate separation of duties exists when the same individual has custody of assets and has recording and/or reconciling duties. Without adequate separation of duties, misappropriation, errors, and/or fraud could occur without detection. In situations where it is not possible to

ADMINISTRATIVE OFFICE OF THE COURTS

FINDINGS AND RECOMMENDATIONS FOR THE YEAR ENDED DECEMBER 31, 2004

separate conflicting duties, compensating controls such as independent reviews of the mail log computer input, accounts receivable, and adjustments to accounts receivable should be implemented.

The AOC's Accounting Model for the Court identifies various reviews and reconciliations performed by the Fourth District Support Services Coordinator as the compensating control for the separation of duties weaknesses at the Court. However, the Court is not having the Support Services Coordinator perform these procedures and, thus, there are no compensating controls for the various separation of duties weaknesses at the Court.

Recommendation:

We recommend that the Millard County District Court in Fillmore separate conflicting duties or implement effective compensating controls.

Response:

The Support Services Coordinator will perform External Review procedures detailed in the manual at the Millard County District Court quarterly, beginning September 2005.

10. **ACCOUNTS RECEIVABLE WEAKNESSES** (Significant Weakness)

We reviewed 12 outstanding accounts receivable at the Millard County District Court in Fillmore and noted the following weaknesses:

- a. Three of the 12 receivables listed on CORIS were not valid receivables. Invalid receivables results in an overstatement of the Court's assets and may increase the risk of misappropriation of funds.
- b. The Court is not following the State's policy for making adequate collection efforts. For 5 of the 12 cases reviewed inadequate collection efforts were made. For one additional case no collection efforts have been made. The Court should attempt to collect all outstanding receivables as soon as they become past due. Insufficient pursuit and collection of receivables results in lost revenues to the State and is not in compliance with State law. Furthermore, as delinquent accounts age, collection becomes more difficult.
- c. The Court is not complying with *Utah Code*, Section 76-3-201.1(8)(c), which requires district courts to transfer the unpaid balance of judgments more than 90 days past due to the OSDC. Of the 12 cases reviewed, 9 were between 214 days and over 7 years past due but had not been sent to the OSDC as required by State law.

ADMINISTRATIVE OFFICE OF THE COURTS

FINDINGS AND RECOMMENDATIONS FOR THE YEAR ENDED DECEMBER 31, 2004

Recommendation:

We recommend that the Millard County District Court in Fillmore:

- a. Eliminate invalid accounts receivable balances.**
- b. Actively pursue and collect on receivables in a timely manner.**
- c. Transfer all accounts that are 90 days or more past due to the OSDC, as required by state law.**

Response:

A clerk from the Collections Department will be assigned to run the Accounts Receivable Detail report for Millard, review the past due cases, correct any accounts receivable inaccuracies and/or send cases to OSDC. This will be completed by September 15, 2005.

The Collections Department clerk assigned to the Millard District Court will maintain a current accounts receivable report. On a quarterly basis this report will be reviewed and when appropriate collection letters will be sent and cases disposed of or sent to OSDC as required by state law.

11. **INADEQUATE RECONCILIATION OF TRUST ACCOUNT** (Significant Weakness)

During our review of internal controls over the Trust Account at the Millard County District Court in Fillmore, we noted that the Court performs an undocumented monthly review of the trust account balances to ensure that the individual balances should still be held in trust. However, this review does not involve a reconciliation between the Trust Account Summary report generated from the CORIS system and the list of trust balances received by the County Treasurer's Office. As a result, 1 of the Court's 20 trust accounts was not on the County Treasurer's listing, and 1 of the 20 trust accounts was on the listing but should not have been because the account was closed per the county records. The Trust Section of the AOC Accounting Policies and Procedures requires that a documented quarterly review of trust balances be performed to ensure that funds held in trust are being held appropriately. This review should include a proper reconciliation between the CORIS system and the county records which will reduce the risk of misappropriations of funds and misstatements on the financial statements.

ADMINISTRATIVE OFFICE OF THE COURTS

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Recommendation:

We recommend that the Millard County District Court in Fillmore perform and document a quarterly review of outstanding trust accounts, which includes a reconciliation between the CORIS system and the county records.

Response:

The Millard County Clerk will reconcile and document the outstanding trust accounts between the CORIS system and the county records. This detailed reconciliation will be implemented within 90 days and be completed quarterly as required by the Utah State Courts Accounting Manual.

12. **UNTIMELY DEPOSITS**

The Millard County District Court in Fillmore does not always deposit cash receipts with the County Treasurer within three business days of receipt as required by *Utah Code*, Section 51-4-2. Of 25 cash receipts tested, 9 were deposited from 1 to 8 business days late. In other testwork, we noted two payments that were being held until the proper paperwork was sent in order to record the amount in the proper account. Delays in depositing cash receipts causes noncompliance with State law and increases the risk of loss or misappropriation.

Recommendation:

We recommend that the Millard County District Court in Fillmore deposit all cash receipts with the County Treasurer within three working days of receipt in accordance with *Utah Code*, Section 51-4-2.

Response:

*The Millard County Clerk will ensure that all cash receipts are deposited within three business days of receipt as required by *Utah Code*, Section 51-4-2. This has been implemented.*

MILLARD COUNTY JUVENILE COURT – FILLMORE

13. **UNTIMELY DEPOSITS**

The Millard County Juvenile Court in Fillmore does not always deposit cash receipts in a timely manner in accordance with State law. *Utah Code*, Section 51-4-1 requires the Court to deposit all collections of state money and other funds in a qualified depository no later than once every

ADMINISTRATIVE OFFICE OF THE COURTS

FINDINGS AND RECOMMENDATIONS FOR THE YEAR ENDED DECEMBER 31, 2004

three business days. Of 25 cash receipts tested, 4 were deposited from 1 to 9 business days late. According to the deputy court clerk, this occurs only when a probation officer is unable to get funds turned in to the clerk on a timely basis. Delays in depositing cash receipts causes noncompliance with State law and increases the risk of loss or misappropriation.

Recommendation:

We recommend that the Millard County Juvenile Court in Fillmore deposit all cash receipts with the State Treasurer within three working days of receipt in accordance with Utah Code, Section 51-4-1.

Response:

The clerk will ensure that all cash receipts are deposited within three business days of receipt as required by Utah Code, Section 51-4-1. A procedure for getting the money from the Delta Office to the Fillmore Juvenile Court has been implemented. Due to the distance involved, when clients come into the Delta Office to pay on an account, they are asked to mail their payment to the Fillmore Office and are given an envelope addressed to the Fillmore Juvenile Court. If they insist on paying at the Delta Office, a hand receipt will be issued to the client and the payment will be delivered to the Fillmore Juvenile Court by the probation officer who lives in Fillmore. This procedure was implemented after the audit and we have had good success with it.