



Salt Lake County
Auditor's Office

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Audit of the Salt Lake County Justice Court

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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.
- **P-Card** purchases were for a valid business need, well documented and complied with County policy.

Findings

24 Findings that can be categorized into 3 areas:

1. Lack of Internal Control
2. Questionable Activities
3. Not Following County Policy

Lack of Internal Controls

- The Fiscal Manager performed cashiering duties and maintained accounting records, resulting in poor segregation of duties.
- Trust Account duties were not properly segregated.
- Interpreter payments via direct deposit were not reviewed and approved by the Fiscal Manager.
- 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.
- Checks received from the State Treasurer were not recorded on the Mail Log nor Cashier's Cash Count.

Questionable Activities

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

Not Following County Policy

- Monthly reconciliation of the Jury Witness Fee Account was not performed, and the account was no longer being used.
- Stale dated checks were not reported to the Treasurer's Office and were not remitted to the State Division of Unclaimed Property
- Trust Account was not reconciled monthly.
- Payments from the Trust Account were not made on a timely basis.
- Receipts and forms required for meals and travel expenditure were not always on file.
- The Petty Cash fund has not been used since 2017, and the custodian of record had retired.
- Controlled Asset forms did not include required information and some newly acquired assets were missing from the Controlled Assets list.
- Purchase card transactions included unrefunded sales tax.

Not Following County Policy

- Not all funds were deposited on a timely basis.
- The Change Fund Transfer Ledger was missing entries
- Not all fees due to the State Treasurer were remitted.
- Trust Account bank signatories were not up to date.
- Records of Trust Account activity were not always accurate and complete.
- Trust reimbursement requests contained inaccuracies.
- The Interpreter Check-in List was missing information for certain entries.
- Payments to interpreters were not always timely and three payments due had not been made.
- An annual Controlled Asset Inventory was not completed, and not all assets were tagged.
- Purchase card transactions included unrefunded sales tax paid.

Policies to support findings:

1. Countywide Policy 1062 Management of Public Funds:
 - Addresses adequate segregation of duties, sufficient internal controls for cash handling, recording, accounting, timely deposits and deposit documentation, Fund Transfer Ledger, timely reconciliations.
2. Countywide Policy 1203, Petty Cash and Other Imprest Funds:
 - Addresses stale dated checks, Custodians/account signatories, adequate operating funds.
3. Countywide Policy 7035, Purchasing Card Authorization and Use:
 - Prohibited purchases, necessary documentation and sales tax exemptions.
4. Mayor's Finance Accounting Procedures Manual:
 - Addresses Accounts Payable invoices being approved
5. Utah Codes 78A-2-501, 78A-7-120, 78A-7-122:
 - Addresses court payments to be remitted to the State or other payee.

Policies to support findings continued:

6. Countywide Policy 1430, Professional Ethics and Conflicts of Interest:

- Addresses conflicts of interests and disclosure statements

7. Countywide Policy 7010, Procurement:

- Addresses having sufficient documentation for reconstruction of a decision later

8. Countywide Policy 1125, Safeguarding Property/Assets:

- Maintaining controlled and capital assets inventory records

Questions?

