

WASHOE COUNTY

"Dedicated To Excellence in Public Service"

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COMMITTEE MEMBERS

Commissioner Jeanne Herman
Alt. Commissioner Alexis Hill
Barbara Kinnison
Charlene Hart
Randy Brown
Matthew Buehler
County Manager Eric Brown

INTERNAL AUDITOR MANAGER

Katelyn Kleidosty

NOTICE OF MEETING AND AGENDA

WASHOE COUNTY AUDIT COMMITTEE

Caucus Room
1001 E. 9th St.

Thursday, April 6, 2023
3:00 p.m.

NOTE: Items on the agenda may be taken out of order; combined with other items; removed from the agenda; or moved to the agenda of another meeting.

This meeting will be held at the physical location designated on this agenda, but one or more of the Committee Members and/or County staff may attend and participate by remote technology system. Members of the public wishing to attend may do so and participate as provided in the agenda at the designated physical location.

Accessibility: In compliance with the Americans with Disabilities Act, the Washoe County meeting rooms are accessible and those requiring accommodation for this meeting should notify the Internal Auditor at (775) 328-2064, 24 hours prior to the meeting.

Public Transportation: Public transportation is available to this meeting site: RTC Routes 2, 2S, 5 and 15 serve this location. For eligible RTC ACCESS reservations call (775) 348-5438.

Time Limits and Public Comment: Public comments are welcomed during the Public Comment periods for all matters, whether listed on the agenda or not, and are limited to three minutes per person. Additionally, public comment of three minutes per person will be heard during individually numbered items designated as "for possible action" on the agenda. Persons are invited to submit comments in writing on the agenda items and/or attend and make comment on that item at the meeting. Persons may not allocate unused time to other speakers. Public comment can be submitted via email to washoe311@washoecounty.us. The County will make reasonable efforts to include all comments received for public comment by email in the record. Please try to provide comments by 4:00 p.m. on Wednesday, April 5, 2023

Supporting documentation for the items on the agenda provided to Audit Committee members is available to members of the public at the County Manager's Office (1001 E. 9th Street, Bldg. A, 2nd Floor, Reno, Nevada), Katelyn Kleidosty, Internal Audit Manager (775) 830-2550.

Pursuant to NRS 241.020, the Agenda for the Washoe County Audit Committee has been electronically posted at www.washoecounty.us/mgrsoff/internal_audit.html and <https://notice.nv.gov>.

3:00 p.m.

1. Roll Call

2. Public Comment (*comment heard under this item will be limited to three minutes per person and may pertain to matters both on and off the Audit Committee agenda*)

3. Approval of minutes for January 12, 2023, meeting (for possible action)

4. Introduction and Staff Recruitment Update: (for discussion only)
 - a. Internal Audit Manager – Katelyn Kleidosty

5. Audit Update Discussion – Katelyn Kleidosty, Internal Audit Manager (for discussion only)
 - a. Completed:
 - MAS Audits
 - Sparks Justice Court
 - Second Judicial District Court
 - Reno Justice Court
 - Incline Justice Court
 - Wadsworth Justice Court

 - b. In Progress:
 - Travel Expense

 - c. Follow-Up:
 - Human Services Agency

 - d. Other:
 - Update for fiscal notes for legislative session
 - Public Administrator Audit – BCC February 28, 2023

6. Fraud Hotline (for possible action)
 - a. None

7. Calendaring of the next Audit Committee meetings – Tentative as dates/times are subject to change
 - a. Thursday, June 22, 2023 @ 3:00 PM

8. Audit Committee Member Comments – limited to announcements or issues proposed for future agendas and/or workshops

9. Public Comment (*comment heard under this item will be limited to three minutes per person and may pertain to matters both on and off the Audit Committee agenda*)

Audit Committee Meeting
Washoe County, Nevada
January 12, 2023, at 3:00 PM

Voting Members: Commissioner Alexis Hill, Randy Brown, Matthew Buehler

Non-Voting Member: County Manager Eric Brown

Absent: Commissioner Jeanne Herman, Barbara Kinnison, Charlene Hart

Other Attendees: Samantha Turner (Internal Audit Manager), Louis Martensen (Internal Auditor), Abigail Yacoben (Chief Financial Officer), Cathy Hill (Comptroller), Trenton Ross (Deputy District Attorney), Constance Lucido (Grants Administrator), Heidi Schumann and Chris Farthing from BDO, USA

Agenda Item 1 - Roll Call

The meeting was called to order at 3:00 PM and Ms. Turner performed the roll call – those listed above were present.

Agenda Item 2 - Public Comment

Janis K.: As a result of this audit she is requested an independent third party be hired within the next three months to include the registrar of voters office included but not limited to staff and a review of all policies and procedures, affidavits that were filed concerning violations in our elections in the 2020 and 2022 elections and a review of the authority and the ignoring of challenges, she and others submitted in a timely manner to the registrar of voters office in 2022. Also request a review of the procedures in response to public records requests that are consistently being unreasonably delayed preventing the requesters from receiving public information to share and review. Thank you.

Julie O.: a resident of Washoe County and pays a lot of taxes to Washoe County and she would like Washoe County to perform a third party audit as outlined and I approve you using my money in that respect so that we can all know that our government is honest. Thank you.

Nicholas St. Jon: would like all of his remarks put on the record for this meeting. This is the conclusion that all of the board members got this document and he is going to read through this conclusion which will take longer then three minutes; with the provisional report the questions that were raised have not been answered mine and dozens of other citizens have been dealing with the registrar of voters office and experiencing an internal audit and seeing their findings it is our conclusion that we are experiencing a system that is simply broken and almost every level we have now experienced a primary and general election submitted nearly 100 affidavits of violations of the ROV during the election process. Most of us in our submissions for public records requests have been delayed delayed delayed then stonewalled and given data in difficult to use formats given bad data and then flat out lied to. He was personally denied access to the logic and accuracy test post the primary election and a judge that says being forced into a glass room so far away and on the other side of the tabulator machines that could not be seen with meaningful observation. He has been a part of the LAT's before where we were

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allowed to stand next to the testers watch their input verify their input and ask questions as long as we did not interfere with the process that is the way the NRS code is written here as well after analysis of the county commissioners district one race in the general election 2020 of the case vote records he published a report that definitively demonstrates a voting pattern that could not have occurred naturally. A meeting with the sheriff was requested and he was apparently too busy for an election fraud meeting so we met with an undersheriff and assistant sheriff where they both admitted that quote something could be going on in these machines but refused to do anything about it and they also asked them to remove the machines from this election. Eventually a case was filed case number 22-5105 which they were told would be sent to the states attorney general but instead was sent to the secretary of states office for investigation a secretary of state that would not recuse himself for a conflict of interest and has no judicial power to prosecute violations, therefore we are demanding a third party perform and audit of the ROV office staff review of all policies and procedures all affidavits that have been filed concerning violations of our elections the internal auditor and the submissions prior to the general election and all public records requests and the handling of them by the ROV and district attorneys office.

Renee R.: this is regarding the 2020 election and she voted from Oregon and was living in Ecuador at the time and registered in Ecuador and went to go and vote and found that she did not trust what was going on over there at all and that also needs to be investigated as to what is going on overseas so she flew to Oregon and voted from there.

Oscar W.: there is a lot to be said for voters confidence and the officials and he has not had a chance to review this audit but is somewhat familiar with Mr. St. Jons report for what happened in Cold Springs with the provisional ballots and the bottom of it all comes down to the issue of accountability if you know the system doesn't work there's a pattern of it not working at some point who is going to be responsible who's going to stop paying for it and who is going to fix it correctly rather than just put a band aid on it, we've got to get it right, there are some things that are beyond the registrar of voters to fix because at some point they are handed a broken system and they are forced to take all the blame they are the fall guy we have strong men running a crooked system and if effects our voter confidence and that comes down to voter participation and that comes down to disenfranchisement we are paying for stuff that doesn't work people are giving up. Thank you.

Stewart A.: He would like to speak to the elected officials on this meeting. You can see all the people in this room who have had enough this is called we the people not we the government or we the agencies we the people of this country and these people are in here because they are mad and angry about what has taken place here. He was a victim of election fraud and the secretary of state and attorney general did not even want to investigate it at the time the dominion ballot system in 2014 the actual electronic machine was zeroed out and the paper ballot was taken out of that machine because of a malfunction. They don't want to stand for this anymore we are good common sense people in this room and he has lived in this community for 47 years and he has had enough of the corruption and the fraud and he wants to be up front to take these people down and anyone standing in the way, see all these people in the room there will be a lot more

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of us, we demand responses we demand answers, Nicholas has done an excellent job, put people's feet to the fire and I hope everyone is listening who is an elected official cause we ain't stopping. Thank you.

Ms. Turner noted public comment was also completed through the Washoe 311 systems. No emails or voicemails were received for this meeting.

Agenda Item 3 – Approval of minutes for November 10, 2022, meeting

Mr. Buehler moved to approve the minutes. Mr. Randy Brown seconded the motion, which carried unanimously.

Agenda Item 4 – Presentation of the FY22 Comprehensive Annual Financial Report and audit results for the year ending June 30, 2022

Ms. Turner introduced both Heidi and Chris, the representatives from BDO, USA who presented the following audit results to the committee.

The audit was performed in accordance with the generally accepted accounting procedures for the United States of America. The audit does not relieve management of their responsibilities. The objective of the audit is to obtain reasonable but not absolute assurance and the scope of the work was substantially the same as the audit plan and can be found under communications. An unmodified opinion was issued which is a clean opinion on the financial statements and on the single audit, including the County's expenditures of Federal awards. When planning the audit, the County's internal controls are considered but they are not audited. All records requested were freely available for inspection and managements cooperation was excellent during the process. There were two uncorrected misstatements: entry one related to the county's participation in the Nevada public employee benefit program which was simply a reclassification of funds that will be corrected in FY23, entry two was related to grant receivable which was deemed immaterial to the County's overall financial position and will also be corrected in FY23. One significant deficiency was determined during the audit for the internal control related to the emergency rental assistance program, the County did not have adequate controls in place to monitor sub-recipients, however no errors were found in the testing of that.

No questions from the members, Mr. Randy Brown did want to point out that this was the first year for this firm to conduct the audit and was pleased that it went smoothly. Ms. Turner thanked both Heidi and Chris for attending and providing the report to the committee.

Agenda Item 5 – Introduction and Staff Recruitment Update

Ms. Turner introduced the new auditor who was hired into the additional position approved in the budget for this fiscal year, Louis Martensen who was in attendance for the meeting.

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Ms. Turner also let the members know she had accepted another position within the County and the recruitment for her replacement had been completed and the new internal audit manager would be starting soon and leading the next meeting.

Agenda Item 6 – Audit Update Discussion

Part A) Ms. Turner gave a presentation on the completed audit of the Public Administrator's Office which was added to the three-year schedule by the committee during the last update. The original intent of the audit was to review case files to determine if the proper documentation was there for the disbursement of the decedents property and that we followed all the appropriate laws, also when conducting the audit she always looks at anything else that might come up. She explained that the Public Administrator is responsible for securing the decedents property until the next of kin can be located and the debts of the estate are paid through the probate process which means there is judicial oversight of this process. During the review all the sampled casefiles had the proper documentation and were appropriately disbursed to either next of kin or creditors against the estate. There were three areas of recommendations due to other items observed during the audit; upgrade technology with laptops instead of desktops and equip the investigators with mobile phones for safety and ease of taking pictures/videos, also to update their policy to follow the record retention schedule and move toward an electronic file storage, lastly to update the organizational structure to better handle the increase in caseload. The office is an elected position within the County with a total of twelve staff and they are not located at the main County office because they needed a warehouse to store the property. Ms. Turner explained the different levels of administration for the estates. Caseloads were reviewed at the time of the audit and the amount of cases were growing year of year and they are not quickly resolved because of the nature of the process it could take 18-24 months. The office is split into two sides, one side for the investigators and the physical assets and heir research, the other side for the specialists handled the paperwork and creditors. The office maintains a separate bank account because this is not the County's money and at the time of the audit it had a balance of approximately six million dollars. Ms. Turner did meet with management, and they agreed with all the recommendations and moving forward with making the changes. The retention schedule was provided as an exhibit as well as a news article on the outgoing Public Administrator who had served 32 years in that office. Mr. Buehler asked for clarification on who pays for the expenses, for example the hiring of an attorney. Ms. Turner explained all expenses are paid for by the estate, even small items like paying for a copy of a death certificate. Commissioner Hill expressed that the audit was very enlightening and was excited for the Commission to be able to review the staff requests to support the office.

Part B) Ms. Turner explained the audits currently in progress were the Minimum Accounting Standards for the four Justice Courts and District Court. Field work for Sparks and District Court has been completed with Reno, Wadsworth and Incline were all scheduled to start with the start date of the new internal auditor and all will be brought to the committee at the next meeting because they are due to the AOC in March.

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Part C) Ms. Turner stated the first one was follow-up to the November 10th meeting which requested to bring the audit for the 2020 General Election Concerns back to be discussed after the members had a little more time to review. The packet from Mr. St. Jon was provided to the member for this meeting and Ms. Turner provided an update that the office of the county manager had gone out to find a third party vendor who specializes in elections to do a review of the 2022 process. While the contract will be run through the managers office it will be publicly going to the Board of County Commissioners as well. Mr. Buehler asked if this was a one-time audit and Ms. Turner explained that she would not call it an audit as it is more of a consulting contract of the office with explanations on how to fix it which is not typical of an audit. Mr. Randy Brown appreciated the update and the proactiveness of the County Manager to start this process. The other audit that was in follow-up status was the Human Services Agency audit from a few years ago and Ms. Turner explained she had reached out to the agency and will be passing that off to the new internal audit manager.

Part D) Ms. Turner stated she provided the publication she received just to keep the committee current with the trends happening with the profession.

Agenda Item 7 – Fraud Hotline

No complaints were received.
No action taken.

Agenda Item 8 - Calendaring of meetings

The following dates were tentatively scheduled for the audit committee quarterly meetings for the fiscal year.
This was a non-action item therefore no motion was given.

Thursday, April 6, 2023 @ 3:00 PM
Thursday, June 22, 2023 @ 3:00 PM

Agenda Item 9 - Audit Committee Member Comments

Commissioner Hill, just wanted to say thank you so much to Ms. Turner for the work and that she had done an excellent job and had really added so much to the auditor position, especially the work done during COVID, just a big thank you and wishing well and glad she is staying with the County and looking forward to meeting the new person.

Mr. Randy Brown echoed Commission Hill and added that it had been a pleasure working with Ms. Turner and she had done a great job, particularly as a one-person unit with the large County operation and wishes her well in her new position.

Mr. Buehler also thanks Ms. Turner for all the work she had completed and wished her good luck in the future and he was looking forward to working with the new auditors. Mr. Buehler also wanted to bring to a future agenda the idea of forming a new committee that would be an oversight to the election process that could take specific complaints from the citizens and investigate them and the findings could go directly to the BCC. Ms. Turner explained that she believed that this should be passed along to the BCC because

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it would be the Commissioners who would create that committee because the this committee does not have that authority.

Agenda Item 10 - Public Comment

Ms. Turner recalled all that had spoken during the first public comment because she had not differentiated between them on the sign-in sheet. The following people provided public comment during this item.

Betsy S: was an ex-BDO consulting director and member of various audit committee she was wondering what the process was for the management response and what is the timeframe.

Nicholas St. Jon: He wishes he was as thrilled about the way the audits have been concluded. He has had a number of questions as which none of them have been answered yet and he does not know how we keep putting this thing on the agenda and he turned in about a 65 page document to all of the various board members for them to look at and not one single questions was asked not one single question was raised nothing about completing the thing impartial data and he has been asking for polling books since August 28th and it was extended out to September 30th then December then January and he just got a thing that it will be February 6th before they will get him the polling books. He has Sam (Internal Auditor) about the polling books in their first meeting and he has not heard back from any about the polling books other than it's a lot of week and theres a whole bunch of different files and we don't know how to put them together apparently and and and so he is not satisfied at all the audit and the report and finding out that there was some sort of glitch between early voting and election day polling books one registered where they were and the other one did not, no one has answered why there would be two different systems but can accept the one on election day except when he asked for the data on how they figured out where the votes were he only received partial data, you cannot complete an audit with partial data but we started the audit partial data, the data was supposed to come from the secretary of the state but we conclusion it did not and no one seems to know where that was. Why was there no discipline for giving the public records request bad data. He thinks this should be put back on the next agenda because his questions were not answered. He has not been asked to be involved in the third party information and you would think that the guy who brought this up would be asked. Thank you.

Renee R: Today she got to speak with Mark and ask him some questions and when he was speaking today at the RWR meeting he mentioned several things just generally that were going to be discussed about the process. Every time she hears something that sounds like it is going to be good it really isn't. He had mentioned more legislation to protect the county workers and not one mention about the poll observers and she asked him that it sounds like he has met with several groups and got their input but he did not ask them the poll watchers because things happen to them too. She was an observer and she was not treated good and when she listed them he was very surprised and she told him that he needs to invite them so he can tell them what they endured.

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All places handled the mailed in ballots that were not being used differently so she contacted clark county to see what the statute was that should be followed and she had it in her hand and it said that the ballot had to be stamped cancelled not the envelope. They were not doing it at all at the first location, mark said they can do whatever they want because it was not a statute.

Stewart A: Wanted to commend everyone who came today and took time out of their day to be here. Washoe County need to realize that this group is just going to keep getting bigger and bigger and as a law enforcement officer for 30 years you have to take care of people so start doing it. Things are not so good right now and he hopes we understand.

Adjournment

At 4:02 PM the meeting was adjourned

Incline Justice Court
Instances of Noncompliance Reported to Management by Independent Auditor
Year Ended June 30, 2022

To the Judge(s) of Incline Justice Court:

We have performed the procedures enumerated below, which are required by the Minimum Accounting Standards Guide for External Audits, solely to assist the Court and the Nevada Supreme Court in evaluating the Incline Justice Court's compliance with the requirements of Minimum Accounting Standards (MAS) during the year ended June 30, 2022. The court's judges and staff are responsible for the Incline Justice Court's compliance with the applicable Minimum Accounting Standards issued by the Nevada Supreme Court.

The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings are as follows:

1. We obtained from the judge(s) and staff a copy of the Incline Justice Court's submitted written procedures, as required to be maintained by Supreme Court Order which the judge(s) and staff informed us was submitted to the Nevada Supreme Court and was in effect during the year ended June 30, 2022. These written procedures were used for the section 1 review and also audit fieldwork. Version 7.0 was active when performing fieldwork and MAS 3.1 was used for audit testing for the year ended June 30, 2022.
2. We obtained from a copy of MAS Version 3.1 published by the Administrative Office of the Courts dated January 2018 and was used for the audit period, July 1, 2021 through June 30, 2022.
3. We compared the detailed controls and procedures, provided in the Minimum Accounting Standards, obtained in procedure 2, to the detailed controls and procedures described in the written procedures, obtained in procedure 1, to determine whether the required controls and procedures specified in the MAS were included in the written procedures.

We noted zero instances where the required MAS controls and procedures were not included in the written procedures or the written procedures did not comply with the MAS.

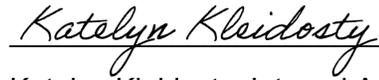
4. In accordance with the Minimum Accounting Standards Guide for External Audits effective January 2018, we completed all testing procedures. We noted zero instances of noncompliance.

The prior audit, completed in 2018, was also reviewed for non-compliance and it was determined the court had made all necessary process improvements to correct the findings.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Incline Justice Court's compliance with the applicable MAS. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Incline Justice Court
Instances of Noncompliance Reported to Management by Independent Auditor
Year Ended June 30, 2022

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

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Katelyn Kleidosty, Internal Audit Manager – Washoe County

February 13, 2023

Incline Justice Court
Instances of Noncompliance Reported to Management by Independent Auditor
Year Ended June 30, 2022

Findings Report

Written Procedure Review:

MAS 1.1; MAS 1.2

Compare the detailed controls and procedures provided in the Minimum Accounting Standards (MAS) to the court's operations and established written procedures addressing MAS.

Exception

A review of the detailed controls and procedures provided by the court and a discussion with the judge's administrative assistant on January 31, 2023, disclosed the written procedures need to be updated regarding the restructuring after the elimination of the Constable position.

Management Response

The procedures will be updated to reflect the appropriate minimum accounting standards.

Payment Handling and Receipting

There were no instances of non-compliance in this section of the audit.

Disbursements – Cash and Check Disbursements:

There were no instances of non-compliance in this section of the audit.

Conversion of Monetary Penalties Imposed by the Court to Alternative Sentencing and Modification of Sentencing:

There were no instances of non-compliance in this section of the audit.

Trust Accounts and Bonds:

There were no instances of non-compliance in this section of the audit.

Bank Accounts:

There were no instances of non-compliance in this section of the audit.

Financial Management:

There were no instances of non-compliance in this section of the audit.

Incline Justice Court

Instances of Noncompliance Reported to Management by Independent Auditor

Year Ended June 30, 2022

Computer Access and Security:

MAS 8.12

If the court accepts credit and debit cards in person, via telephone, or through other methods, review appropriate documentation to determine if the court is complying with PCI-DSS audit and reporting standards.

Determine if the court or local government has provided court staff annual training on the security standards policy.

Exception

A discussion with the judge's administrative assistant on January 31, 2023, disclosed that staff annual training on PCI-DSS security standards policy is not being performed nor documented.

Management Response

Staff is required to take the Payment Card Industry (PCI) Data Security Standards class that is offered on Washoe County Bridge yearly. Documentation of completion is maintained until the next annual on-site MAS Audit is completed. Training for this Fiscal Year's Audit will be provided to the Auditors on completion.

General Administrative Security and Key Controls:

There were no instances of non-compliance in this section of the audit.

Record Retention:

There were no instances of non-compliance in this section of the audit.

Reno Justice Court

Instances of Noncompliance Reported to Management by Independent Auditor

Year Ended June 30, 2022

To the Judge(s) of Reno Justice Court:

We have performed the procedures enumerated below, which are required by the Minimum Accounting Standards Guide for External Audits, solely to assist the Court and the Nevada Supreme Court in evaluating the Reno Justice Court's compliance with the requirements of Minimum Accounting Standards (MAS) during the year ended June 30, 2022. The court's judges and staff are responsible for the Reno Justice Court's compliance with the applicable Minimum Accounting Standards issued by the Nevada Supreme Court.

The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings are as follows:

1. We obtained from the judge(s) and staff a copy of the Reno Justice Court's submitted written procedures, as required to be maintained by Supreme Court Order which the judge(s) and staff informed us was submitted to the Nevada Supreme Court and was in effect during the year ended June 30, 2022. These written procedures were used for the section 1 review and also audit fieldwork. Version 7.0 was active when performing fieldwork and MAS 3.1 was used for audit testing for the year ended June 30, 2022.
2. We obtained from a copy of MAS Version 3.1 published by the Administrative Office of the Courts dated January 2018 and was used for the audit period, July 1, 2021 through June 30, 2022.
3. We compared the detailed controls and procedures, provided in the Minimum Accounting Standards, obtained in procedure 2, to the detailed controls and procedures described in the written procedures, obtained in procedure 1, to determine whether the required controls and procedures specified in the MAS were included in the written procedures.

We noted zero instances where the required MAS controls and procedures were not included in the written procedures or the written procedures did not comply with the MAS.

4. In accordance with the Minimum Accounting Standards Guide for External Audits effective January 2018, we completed all testing procedures. We noted zero instances of noncompliance.

The prior audit, completed in 2018, was also reviewed for non-compliance and it was determined the court had made all necessary process improvements to correct the findings.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Reno Justice Court's compliance with the applicable MAS. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Reno Justice Court
Instances of Noncompliance Reported to Management by Independent Auditor
Year Ended June 30, 2022

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



Samantha Turner, Internal Audit Manager – Washoe County
February 24, 2023



Katelyn Kleidosty, Internal Audit Manager – Washoe County
February 24, 2023

Reno Justice Court
Instances of Noncompliance Reported to Management by Independent Auditor
Year Ended June 30, 2022

Findings Report

Written Procedure Review:

There were no instances of non-compliance in this section of the audit.

Payment Handling and Receipting

There were no instances of non-compliance in this section of the audit.

Disbursements – Cash and Check Disbursements:

There were no instances of non-compliance in this section of the audit.

Conversion of Monetary Penalties Imposed by the Court to Alternative Sentencing and Modification of Sentencing:

There were no instances of non-compliance in this section of the audit.

Trust Accounts and Bonds:

There were no instances of non-compliance in this section of the audit.

Bank Accounts:

There were no instances of non-compliance in this section of the audit.

Financial Management:

There were no instances of non-compliance in this section of the audit.

Computer Access and Security:

There were no instances of non-compliance in this section of the audit.

General Administrative Security and Key Controls:

There were no instances of non-compliance in this section of the audit.

Record Retention:

There were no instances of non-compliance in this section of the audit.

Wadsworth Justice Court

Instances of Noncompliance Reported to Management by Independent Auditor

Year Ended June 30, 2022

To the Judge(s) of Wadsworth Justice Court:

We have performed the procedures enumerated below, which are required by the Minimum Accounting Standards Guide for External Audits, solely to assist the Court and the Nevada Supreme Court in evaluating the Wadsworth Justice Court's compliance with the requirements of Minimum Accounting Standards (MAS) during the year ended June 30, 2022. The court's judges and staff are responsible for the Wadsworth Justice Court's compliance with the applicable Minimum Accounting Standards issued by the Nevada Supreme Court.

The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings are as follows:

1. We obtained from the judge(s) and staff a copy of the Wadsworth Justice Court's submitted written procedures, as required to be maintained by Supreme Court Order which the judge(s) and staff informed us was submitted to the Nevada Supreme Court and was in effect during the year ended June 30, 2022. These written procedures were used for the section 1 review and also audit fieldwork. Version 7.0 was active when performing fieldwork and MAS 3.1 was used for audit testing for the year ended June 30, 2022.
2. We obtained from a copy of MAS Version 3.1 published by the Administrative Office of the Courts dated January 2018 and was used for the audit period, July 1, 2021 through June 30, 2022.
3. We compared the detailed controls and procedures, provided in the Minimum Accounting Standards, obtained in procedure 2, to the detailed controls and procedures described in the written procedures, obtained in procedure 1, to determine whether the required controls and procedures specified in the MAS were included in the written procedures.

We noted zero instances where the required MAS controls and procedures were not included in the written procedures or the written procedures did not comply with the MAS.

4. In accordance with the Minimum Accounting Standards Guide for External Audits effective January 2018, we completed all testing procedures. We noted zero instances of noncompliance.

The prior audit, completed in 2018, was also reviewed for non-compliance and it was determined the court had made all necessary process improvements to correct the findings.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Wadsworth Justice Court's compliance with the applicable MAS. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Wadsworth Justice Court
Instances of Noncompliance Reported to Management by Independent Auditor
Year Ended June 30, 2022

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

Katelyn Kleidosty

Katelyn Kleidosty, Internal Audit Manager – Washoe County

February 13, 2023

Wadsworth Justice Court

Instances of Noncompliance Reported to Management by Independent Auditor

Year Ended June 30, 2022

Findings Report

Written Procedure Review:

MAS 1.1; MAS 1.2

Compare the detailed controls and procedures provided in the Minimum Accounting Standards (MAS) to the court's operations and established written procedures addressing MAS.

Exception

A review of the detailed controls and procedures provided by the court, disclosed the written procedures need to be updated regarding unclaimed property (MAS 6.21). The "no less than 30 days" portion needs to be changed to "no less than 60 days".

Management Response

The procedures will be updated to reflect the appropriate minimum accounting standards.

Payment Handling and Receipting:

MAS 2.53

Monthly, two separate court staff members should reconcile petty cash to ensure integrity of funds. Any discrepancies should be documented and investigated in a timely manner. Evidence of the count and verification must be maintained.

Exception

A discussion with the Judge on February 6, 2023, the court clerk II on February 8, 2023, and a review of the petty cash reconciliation log, disclosed that the petty cash fund is only counted and reconciled by one person.

Management Response

Going forward, the petty cash fund will be counted and reconciled by two people, the Judge and either the Deputy Clerk II or the Court Clerk II.

Disbursements – Cash and Check Disbursements:

There were no instances of non-compliance in this section of the audit.

Conversion of Monetary Penalties Imposed by the Court to Alternative Sentencing and Modification of Sentencing:

There were no instances of non-compliance in this section of the audit.

Trust Accounts and Bonds:

There were no instances of non-compliance in this section of the audit.

Wadsworth Justice Court
Instances of Noncompliance Reported to Management by Independent Auditor
Year Ended June 30, 2022

Bank Accounts:

There were no instances of non-compliance in this section of the audit.

Financial Management:

There were no instances of non-compliance in this section of the audit.

Computer Access and Security:

There were no instances of non-compliance in this section of the audit.

General Administrative Security and Key Controls:

There were no instances of non-compliance in this section of the audit.

Record Retention:

There were no instances of non-compliance in this section of the audit.

Second Judicial District Court

Instances of Noncompliance Reported to Management by Independent Auditor

Year Ended June 30, 2022

To the Judge(s) of Second Judicial District Court:

We have performed the procedures enumerated below, which are required by the Minimum Accounting Standards Guide for External Audits, solely to assist the Court and the Nevada Supreme Court in evaluating the Second Judicial District Court's compliance with the requirements of Minimum Accounting Standards (MAS) during the year ended June 30, 2022. The court's judges and staff are responsible for the Second Judicial District Court's compliance with the applicable Minimum Accounting Standards issued by the Nevada Supreme Court.

The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings are as follows:

1. We obtained from the judge(s) and staff a copy of the Second Judicial District Court's submitted written procedures, as required to be maintained by Supreme Court Order with various dates for revision which the judge(s) and staff informed us was submitted to the Nevada Supreme Court and was in effect during the year ended June 30, 2022. These written procedures were used for the section 1 review and also audit fieldwork was used throughout the audit process.
2. We obtained from a copy of MAS Version 3.1 published by the Administrative Office of the Courts dated January 2018 used for the audit period, July 1, 2021 through June 30, 2022.
3. We compared the detailed controls and procedures, provided in the Minimum Accounting Standards, obtained in procedure 2, to the detailed controls and procedures described in the written procedures, obtained in procedure 1, to determine whether the required controls and procedures specified in the MAS were included in the written procedures.

We noted zero instances where the required MAS controls and procedures were not included in the written procedures or the written procedures did not comply with the MAS.

4. In accordance with the Minimum Accounting Standards Guide for External Audits effective January 2018, we completed all testing procedures. We noted zero instances of noncompliance.

The prior audit, completed in 2018, was also reviewed for non-compliance and it was determined the court had made all necessary process improvements to correct the findings.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Second Judicial District Court's compliance with the applicable MAS. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Second Judicial District Court

Instances of Noncompliance Reported to Management by Independent Auditor

Year Ended June 30, 2022

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



Samantha Turner, Internal Audit Manager – Washoe County

February 13, 2023

Second Judicial District Court

Instances of Noncompliance Reported to Management by Independent Auditor

Year Ended June 30, 2022

List of Findings

Written Procedure Review:

There were no instances of non-compliance in this section of the audit.

Payment Handling and Receipting Review Procedures – General Payment Procedures:

There were no instances of non-compliance in this section of the audit.

Disbursements – Cash and Check Disbursements:

There were no instances of non-compliance in this section of the audit.

Conversion of Monetary Penalties Imposed by the Court to Alternative Sentencing and Modification of Sentencing:

There were no instances of non-compliance in this section of the audit.

Trust Accounts and Bonds:

There were no instances of non-compliance in this section of the audit.

Bank Accounts:

There were no instances of non-compliance in this section of the audit.

Financial Management:

There were no instances of non-compliance in this section of the audit.

Computer Access and Security:

There were no instances of non-compliance in this section of the audit.

General Administrative Security and Key Controls:

There were no instances of non-compliance in this section of the audit.

Record Retention:

There were no instances of non-compliance in this section of the audit.

Sparks Justice Court

Instances of Noncompliance Reported to Management by Independent Auditor

Year Ended June 30, 2022

To the Judge(s) of Sparks Justice Court:

We have performed the procedures enumerated below, which are required by the Minimum Accounting Standards Guide for External Audits, solely to assist the Court and the Nevada Supreme Court in evaluating the Sparks Justice Court's compliance with the requirements of Minimum Accounting Standards (MAS) during the year ended June 30, 2022. The court's judges and staff are responsible for the Sparks Justice Court's compliance with the applicable Minimum Accounting Standards issued by the Nevada Supreme Court.

The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings are as follows:

1. We obtained from the judge(s) and staff a copy of the Sparks Justice Court's submitted written procedures, as required to be maintained by Supreme Court Order which the judge(s) and staff informed us was submitted to the Nevada Supreme Court and was in effect during the year ended June 30, 2022. These written procedures were used for the section 1 review and also audit fieldwork. Version 7.0 was active when performing fieldwork and MAS 3.1 was used for audit testing for the year ended June 30, 2022.
2. We obtained from a copy of MAS Version 3.1 published by the Administrative Office of the Courts dated January 2018 and was used for the audit period, July 1, 2021 through June 30, 2022.
3. We compared the detailed controls and procedures, provided in the Minimum Accounting Standards, obtained in procedure 2, to the detailed controls and procedures described in the written procedures, obtained in procedure 1, to determine whether the required controls and procedures specified in the MAS were included in the written procedures.

We noted zero instances where the required MAS controls and procedures were not included in the written procedures or the written procedures did not comply with the MAS.

4. In accordance with the Minimum Accounting Standards Guide for External Audits effective January 2018, we completed all testing procedures. We noted zero instances of noncompliance.

The prior audit, completed in 2018, was also reviewed for non-compliance and it was determined the court had made all necessary process improvements to correct the findings.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Sparks Justice Court's compliance with the applicable MAS. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Sparks Justice Court

Instances of Noncompliance Reported to Management by Independent Auditor

Year Ended June 30, 2022

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



Samantha Turner, Internal Audit Manager – Washoe County

February 13, 2023

Sparks Justice Court

Instances of Noncompliance Reported to Management by Independent Auditor

Year Ended June 30, 2022

Findings Report

Written Procedure Review:

There were no instances of non-compliance in this section of the audit.

Disbursements – Cash and Check Disbursements:

There were no instances of non-compliance in this section of the audit.

Conversion of Monetary Penalties Imposed by the Court to Alternative Sentencing and Modification of Sentencing:

There were no instances of non-compliance in this section of the audit.

Trust Accounts and Bonds:

There were no instances of non-compliance in this section of the audit.

Bank Accounts:

There were no instances of non-compliance in this section of the audit.

Financial Management:

There were no instances of non-compliance in this section of the audit.

Computer Access and Security:

There were no instances of non-compliance in this section of the audit.

General Administrative Security and Key Controls:

There were no instances of non-compliance in this section of the audit.

Record Retention:

There were no instances of non-compliance in this section of the audit.

**NEVADA COURTS
MINIMUM ACCOUNTING STANDARDS
GUIDE FOR EXTERNAL AUDITS**



**Version 1.1
January 2018**

**Administrative Office of the Courts
Administration Division
Audit Unit**

www.nvcourts.gov

Supreme Court of Nevada
ADMINISTRATIVE OFFICE OF THE COURTS

MINIMUM ACCOUNTING STANDARDS GUIDE FOR EXTERNAL AUDITS

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Background

For purposes of this document, the term “court” refers to any district, justice, and municipal court, and the Supreme Court in the State of Nevada, including the administrative and clerical staff therein. County clerks and/or their employees who perform administrative duties on behalf of the court including but not limited to payment receipting, filing of cases, and/or disbursements of payments are considered part of the court and are required to comply with Minimum Accounting Standards.

Per NRS 3.250, the county clerk shall be clerk of the district court of his or her county. This is applicable unless court rule indicates they maintain a separate office of the court clerk from the office of the county clerk.

Instructions

1. The four-year independent audit shall be performed in accordance with the American Institute of Certified Public Accountants, Statements on Standards for Attestation Engagements, Agreed-Upon Procedures Engagements.
2. All contracted practitioners (external and internal auditors) engaged to perform the four-year independent audits shall review the Minimum Accounting Standards (MAS) and attend training provided by the Nevada Supreme Court, Administrative Office of the Courts before commencing any MAS four-year independent audit. Evidence of training attendance shall be provided to the court under audit.
3. The contracted practitioner shall follow at a minimum all procedures identified and published in this document. Unless otherwise stated, the period under review for document testing is the most recent complete fiscal year. Additionally, the Minimum Accounting Standards are not intended to limit the contracted practitioner to the performance of only the specified procedures in the guide. If additional agreed-upon procedures are performed, the agreed-upon procedures performed and the results obtained should be included in the practitioner’s agreed-upon procedures report.
4. The court shall provide the contracted practitioner open access to all records, physical properties, and personnel relevant to the performance of an audit. If necessary, these items shall be produced at the offices of the practitioner upon request.
5. Upon completion of the audit procedures, the contracted practitioner shall prepare and present a final report to the court within 90 days, and the contracting entity (if different) that contains the elements including the report format described Appendix A.

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Application of Standards

The standards contained in the Minimum Accounting Standards and the processes, which are being reviewed and tested in this document, are the basis for the courts internal control systems. Alternative procedures are encouraged and can be utilized by the courts as long as the court is meeting the intent of the standard and appropriate internal controls are in practice by the court.

Several of the terms used in the external audit guide are generic court/accounting terms. The contracted practitioner should consult with the court under audit to determine specific language used for processes and reports.

Any questions concerning the requirements contained in this document should be addressed to the Administrative Office of the Court's Audit Unit at (775) 684-1700 or via email at auditor@nvcourts.nv.gov.

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Section 1 – Written Procedure Review

1. Compare the detailed controls and procedures provided in the Minimum Accounting Standards (MAS) to the court's operations and established written procedures addressing MAS. [**Document any missing areas including internal control weaknesses. Also, document identified alternative procedures and the adequacy of the alternative procedures.**] (MAS 1.1; MAS 1.2)
2. Review personnel documentation for evidence that written procedures have been provided to all court/local government staff (as applicable). [**Document evidence.**] (NOTE: Acceptable evidence would be: (a) copies of emails evidencing the distribution of information, and (b) written acknowledgement forms signed by court staff evidencing they have received and read the written procedures.) (MAS 1.3; MAS 1.4)

Section 2 – Payment Handling and Receipting Review Procedures

3. Determine if the court has posted payment handling and receipting procedures that are applicable to customers in a conspicuous location. (MAS 2.1)
4. Determine if the court's posted payment handling and receipting procedures contain the following information: (MAS 2.2)
 - a. Types of payment accepted (e.g., cash, credit/debit card, personal check, cashier's check, money order, traveler's check, or third party checks).
 - b. The court's policy for issuing payment receipts (e.g., a receipt should be issued for every payment made in person; all mail payments will be issued a receipt upon request).
 - c. The receipt issued by the court is proof of payment.
 - d. Verbiage concerning the court's returned check policies (if checks are accepted).
 - e. Procedures concerning the acceptance of personal checks and debit/credit card payments (e.g., valid identification shall be presented with all personal check and debit/credit cards presented for payment).
5. Determine through observation of court operations if upon receipt court staff is following their established procedure for identifying and handling counterfeit bills. (MAS 2.3)

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6. If the court accepts checks, determine through interviews with court staff and observations of court operations if all check payments contain the following information: (MAS 2.4)
 - a. Date.
 - b. Payable to the court or local government (as applicable).
 - c. US Dollar amount of payment both numeric and written.
 - d. Signature of the presenter on the face of the instrument.

7. If the court accepts third party checks, determine through interviews and observations of court operations if they are properly completed and contain the following information: (MAS 2.5)
 - a. Date.
 - b. Payable to the court.
 - c. US Dollar amount of payment both numeric and written.
 - d. Signature on the face of the instrument.
 - e. Signature of the individual presenting the check.

8. Determine through interviews with court staff and observations of court operations, if upon receipt, the check payment is immediately endorsed with the court's bank endorsement stamp: (MAS 2.6)
 - a. If the court does not immediately endorse the check, determine if at a minimum, endorsement occurs before checks are counted and remitted to the local government treasurer or bank.
 - b. If the court electronically scans instruments as required by their local government, determine if the court ensures instruments are properly handled to prevent the potential for misappropriation.

9. *Reserved for Future Reference*

10. If the court takes debit and/or credit card payments, determine through interviews with court staff and observations of court operations if: (MAS 2.8)
 - a. The court takes debit/credit card payments through an electronic credit card-processing system/reader (i.e., point of sale system) and
 - i. Court staff process the customer's credit card payment with that automated system/reader.
 - b. If an electronic credit card-processing system/reader (point of sale system) is not used determine if:
 - i. Court staff manually documents the credit card information using a carbon copy, manual credit card processing machine.

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11. Determine if the court completes and submits, pursuant to the instructions, an IRS Form 8300 for cash bail received greater than \$10,000 for the following offenses: any federal offense involving a controlled substance, racketeering, money laundering, or any state offense substantially similar to the aforementioned offenses. (MAS 2.9)

[Pursuant to the IRS regulations cash is defined as: “1) The coins and currency of the United States (and any other country), and 2) a cashier’s check, bank draft, traveler’s check, or money order you receive, if it has a face value of \$10,000 or less and you receive it in: a) a designated reporting transaction, or b) any transaction in which you know the payer is trying to avoid the reporting on Form 8300.” (Reporting Cash Payments of Over \$10,000 (IRS Publication No. 1544), March 2009, p. 2.)]

Mail Payments

12. If the court accepts payments for fees and fines by mail, determine through interviews and observation if:
- a. All payments received through the mail are immediately opened and endorsed by court staff with the court’s bank endorsement stamp. (MAS 2.10)
 - b. Upon receipt, court staff is processing and recording mail payments within the same business day. (MAS 2.11)
 - i. If court workload is such that payments cannot be recorded within the same business day, verify that mail payments are recorded no later than five business days.
 - c. If mail payments received are not recorded immediately, determine if they are properly secured in a manner that precludes unauthorized access prior to entry based upon established receipting procedures. **[Document the timeframe for processing transactions based upon the court’s established procedures; and document the method for securing unprocessed receipts.]** (MAS 2.12)
 - d. The court maintains appropriate segregation of duties with regard to the receiving and subsequent processing of mail payments. Proper segregation of duties should include at a minimum: **[Document the methods employed by the court to ensure proper segregation of duties and evaluate established procedures for weaknesses.]** (MAS 2.13)
 - i. The involvement of two separate court employees with one staff opening and endorsing the checks received.
 - ii. The second staff member recording payments in the manner prescribed in the established receipting procedures.

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Manual and Computerized Receipting

13. Determine through interviews, observations, a review of the court management system's computerized financial transaction log (or equivalent manual record), and by performing an inventory of the court's manual receipt stock if:
 - a. The manual and computerized payment receipts contain different numbering schemes. [**Document each numbering scheme.**] (MAS 2.14)
 - b. The court utilizes the manual receipts only when the automated case management system is inoperable. (If the court does not utilize an automated case management system, this procedure is not applicable.) (MAS 2.15)
 - c. All manual receipt payment information is entered in the cash receipts journal and case file, and/or automated case management system no later than the next business day after receipt. (MAS 2.16)
 - d. Manual receipts issued by the court in the event the automated case management system is inoperable are documented (i.e., cross-referenced) in the automated case management system when operable. (MAS 2.17)

Manual Payment Receipts

(NOTE: The standards in this section are applicable to the court if manual receipts are used for any purpose.)

14. Determine if manual payment receipts utilized by the court are at least two-part, carbon copy receipts and contain the following information: (MAS 2.18)
 - a. Name of the court stamped or pre-printed.
 - b. Pre-printed, unique receipt number.
 - c. Date received.
 - d. Case number (if applicable).
 - e. Name of defendant.
 - f. Dollar amount.
 - g. Other case-related data as necessary.
15. Determine if all manual receipts are utilized in sequential order and secured when not in use. (MAS 2.19)
16. Determine if the court maintains a manual receipt inventory log to record all blank manual receipt number sequences kept in inventory, as well as the manual receipt number sequences issued to each court staff member. (MAS 2.20)

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17. Review the manual receipt inventory log mentioned in step 16 and determine if the following information is captured: (MAS 2.21)
 - a. All blank manual receipt inventory numbers.
 - b. Date of issuance of manual receipt inventory to court staff members.
 - c. Manual receipt numbers issued to individual court staff members, including their initial or signature evidencing the distribution.
 - d. Used manual receipt numbers, including voided/reversed manual receipt copies.
 - e. Initials or signature of the court staff member attesting to the accuracy of the inventory.

18. Perform and document the results of an inventory of the court's unissued manual receipts.
 - a. Determine if manual receipts are secured in a manner that prevents unauthorized access. (MAS 2.22)
 - b. In addition to the inventory procedures, review the court's documentation to determine if on at least a quarterly basis, the court is performing an inventory of unissued manual receipts. (MAS 2.23)

Computerized Payment Receipts

19. Review the court's automated case management system and determine if payment receipts processed and generated contain the following information: (MAS 2.24)
 - a. Name of the court.
 - b. Computer generated unique receipt number or pre-printed, unique receipt number.
 - c. Date received.
 - d. Case number (if applicable).
 - e. Name of defendant.
 - f. Dollar amount.
 - g. Other case-related data as necessary.

Payment Receipt Voids/Reversals

(NOTE: The standards in this section are applicable to the court for both manual and computerized receipts.)

20. Determine through interviews and observation of court operations if court staff are prohibited from altering receipts and: (NOTE: Correcting name spellings or case numbers is not considered altering a receipt.) (MAS 2.25)
 - a. Determine if an error is made on a receipt, "VOID" or "REVERSAL" is written on all copies of the receipt and a new receipt is issued (if necessary). (MAS 2.26)

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- b. The reason for the void/reversal is documented on the receipt and the transaction is documented appropriately in the cash receipts journal, the automated case management system, and/or on a designated log. **[Document the court's procedures.]** (MAS 2.26)
 - c. A secondary court staff member (if available, a supervisor or higher) approves the void/reversal at the time of occurrence and evidence of the approval is documented. **[If this is not possible, determine if the court has implemented a compensating control that provides reasonable assurance over the control and recording of receipts.]** (MAS 2.27)
21. Determine through interviews and observation of court operations, if voided/reversed receipts, both manual and computerized, are retained. (MAS 2.28)

Payments Received by Other Government Entities and Independent Contractors on the Court's Behalf

22. If other independent entities (government or independent contractor) receive payments on the court's behalf, determine if: **[Document what other entities can receipt payments, the frequency of reporting to the court, and the average monthly amount from the most complete fiscal year of payments received by each entity.]**
- a. The court receives at least monthly reports that includes the following information: (MAS 2.30)
 - i. Date payment was received.
 - ii. Name of defendant.
 - iii. Payment amount.
 - iv. Case number(s) (if known).
 - v. Name of the individual/business that made payment (if different from the defendant).
 - vi. Total amount of payments accepted on the court's behalf.
 - b. All funds received by other entities are reconciled and verified to the payment receipt copies and/or the detailed payment list by court staff before they are recorded in the case management system. (MAS 2.31)
 - c. The court acknowledges that payments were remitted by performing one or all of the following depending on the court's operations. **[Document how the court accomplishes this.]** (MAS 2.32)
 - i. A printed list of payments received on behalf of the court is provided with funds accepted on the court's behalf, and;
 - a. The court staff verifies dollar amounts remitted to the court to the printed list.
 - b. Court staff receiving the amounts initial the list as evidence of verification.

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- c. The other government entity or independent contractor is provided a photocopy of the verified list.
 - ii. Confirm the funds collected by the other government entity or independent contractor were transferred into the court's bank account by verifying the ACH records agree to the payments remitted by the 3rd party collection agency.
 - iii. A receipt evidencing the court's acceptance of the payments is issued to the other government entity or independent contractor providing the funds.
- 23. Determine if payments received from other government entities and independent contractors are recorded in the cash receipts journal, case file, and/or the automated case management system immediately upon receipt. (MAS 2.33)
 - a. If the court has minimal staff and/or experiences large fluctuations in workload which prevents recording payments of this type immediately, determine that: (MAS 2.34)
 - i. The court secures payments received until they can be recorded. ***[If applicable, document how the court secures these types of payments.]***
 - ii. All payments are recorded no later than the end of the next business day after receipt.

Safeguarding Operating Funds, Payments, and Payment Receipt Records

Determine through interviews, observations and by taking an inventory of the contents of the safe, if the court safeguards payments received by the court as follows:

- 24. Funds are stored in a secure location from the moment they are received until they are deposited with the bank or local treasurer. Acceptable secured locations are as follows: (MAS 2.35)
 - a. Lock box.
 - b. Cash drawer.
 - c. Cash bag.
 - d. Safe/vault.
 - e. A combination of any of these methods.
- 25. The methods of safeguarding operating funds when unattended and/or not in use. (MAS 2.36)

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26. The court provides individual operating banks to each staff member receipting payments. (MAS 2.37)
 - a. If individual banks are not used, determine if the court is able to identify transactions recorded by each court staff member for the purpose of identifying variances. (*NOTE: This could include using separate manual receipt books, a separate coding key, and/or separate user identification codes in an automated case management system.*)
27. Receipts are handled in a manner that precludes the comingling of accepted funds until verification procedures have been performed. (MAS 2.38)
28. All funds are retained, counted, and otherwise handled in a secure location that is not accessible by the public and unauthorized employees (i.e., access should be limited to court staff members who receipt payment or who are designated by local court policy). (MAS 2.39)
29. The court has established a daily limit for the amount of operating funds that may be maintained in each individual staff member's drawer or equivalent. (MAS 2.40)
30. The court has established a limit for the amount of funds that may be maintained on-hand. This must include procedures that trigger an unscheduled bank/local government deposit. (*NOTE: This is not required for courts that deposit funds daily.*) (MAS 2.41)
31. The court prohibits the following practices: (MAS 2.42)
 - a. Loaning of money to court staff or other governmental departments.
 - b. Cashing personal checks.
 - c. Using operating funds (to include all funds not specifically maintained as petty cash) as petty cash.

Change Fund

(*NOTE: A change fund is a separate amount of funds used to make change for individual court staff lock boxes, cash drawers, locking cash bags, safe/vaults, which are used during daily court operations (e.g., operating funds). Some courts rely on their local governments for change and therefore do not maintain a change fund. If the court does not maintain a change fund, this section's requirements are not applicable.*)

32. If the court uses a change fund determine the following:
 - a. The fund is only used to exchange bills and coins for court staff daily operating funds. (MAS 2.43)
 - b. If the fund is secured at all times when not in use. (MAS 2.44)
 - c. *Reserved for Future Reference*

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- d. If the replenishment of the change fund is occurring in compliance with the local government's policies and procedures, if applicable. **[Document the local government's policies and procedures.]** (MAS 2.46)
- e. If the court is balancing the change fund on at least a monthly basis and using or employing the following procedures at a minimum. (MAS 2.48; MAS 7.3)
 - i. The count is being performed by at least two separate court staff members.
 - ii. The count is documented on a fund balance sheet and if applicable, all variances are identified and resolved in a timely manner. **[Review the court's fund balance sheet documentation for consistent adherence to the established procedures.]**
- f. If the following practices are prohibited. (MAS 2.47)
 - i. Loaning money to court staff or other governmental departments.
 - ii. Cashing personal checks.
 - iii. Using the fund as petty cash.

Petty Cash

- 33. If the court uses a petty cash fund determine if:
 - a. The fund is maintained separately from the daily operating funds. (MAS 2.49)
 - i. The court maintains petty cash funds in a manner that precludes unauthorized access. **[Document how the court secures petty cash funds.]**
 - b. A petty cash log is maintained that documents removals and additions of cash. **[Review the petty cash log for consistent adherence to established policy. Additionally, review and document the court's compliance with the local government's policy concerning petty cash disbursements.]** (MAS 2.50)
 - c. On at least a monthly basis, two or more separate staff members are reconciling the funds and evidence of the reconciliation is maintained. (MAS 2.53)
 - d. If the court is following the local government's policies and procedures with regard to the replenishment of petty cash funds. **[Document the local government's policy regarding petty cash replenishments.]** (MAS 2.52)
- 34. Document what expenses are paid using petty cash and determine if: (MAS 2.51)
 - a. The court has established a dollar limit for petty cash purchases. **[Document the established dollar limit.]**
 - b. The use of the petty cash fund as a change fund or a fund for other cash drawers in the court is strictly prohibited.

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Insufficient Funds

35. If the court accepts checks, determine if:
- a. All payments received, and then returned by the bank for non-sufficient funds are properly recorded in the cash receipts journal, case file, and/or automated case management system. (MAS 2.55)
 - i. If the court assesses a fee for insufficient funds, a separate docket entry is made documenting the assessment of such a fee. (MAS 2.56)

Determining What Is Owed the Court and Authority to Adjust Amounts Owed to the Court

36. Determine if the court has published their fees schedules as required by statute or pursuant to statute. (MAS 2.57)
- a. *Reserved for future reference.*
 - b. Determine if the judge is the only individual with authority to adjust money owed to the court. (MAS 2.58)
 - c. If the judge authorizes court staff or independent contractors to adjust money owed to the court, determine if the positions and entities, and the type of adjustments, which can be performed, is explicitly stated in the court's written procedures.
 - d. Determine if adjustment reasons are documented in the manual dockets or in the automated case management system when money owed to the court is adjusted by the judge or an authorized court staff member. (MAS 2.59)

Recording Payments

37. Determine if all payments are: (MAS 2.60)
- a. Immediately upon receipt, recorded in at least one of the following:
 - i. Cash receipts journal.
 - ii. Applicable case file(s).
 - iii. The automated case management system.
 - b. If the court has minimal staff and/or experiences large fluctuations in workload, which prevents recording payments immediately, determine if: (MAS 2.61)
 - i. Payments are secured until they can be recorded.
 - ii. All payments are recorded no later than the end of the following business day after receipt.
38. When the court receives overpayments, determine if the payment is receipted as an overpayment and not as a fine, fee, bond, or restitution. (MAS 2.62)
39. Determine if the court produces a monthly cash receipts journal identifying the amounts and types of payments received. (MAS 2.63)

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Payment Handling and Receipt Testing

40. Randomly select 1% of each type of payment receipt transaction processed by the court (e.g., cash, credit cards, checks, etc.) not to exceed 100 transactions for each type of payment receipt transaction processed during the audit period. If the 1% calculated sample for each type of payment receipt transaction is less than 100 transactions; test 100% of the transactions. From the sample selected, determine if the following information is recorded in the manual and/or automated case management system: **[Document each type of payment transaction receipted by the court. Additionally, document the total number of each type of payment receipt transactions during the audit period and the sample selection calculation. The sample should be calculated for each type of payment receipt transaction.]**
- a. Date payment is received. (MAS 2.18; MAS 2.24)
 - b. Amount of payment received. (MAS 2.18; MAS 2.24)
 - c. Type of payment (i.e., Cash, Check, Credit Card, etc.).
 - d. Receipt/transaction number (computer generated unique number or pre-printed, unique receipt number). (MAS 2.18; MAS 2.24)
 - e. Case number (if applicable). (MAS 2.18; MAS 2.24)
 - f. Name of defendant. (MAS 2.18; MAS 2.24)
 - g. Other case related data as necessary. (MAS 2.18; MAS 2.24)
 - h. Any adjustments to the money owed and the explanation (if applicable). (MAS 2.59)
 - i. If the receipt was manually processed due to the computerized system being non-operational at the time of transaction, determine if the receipt was appropriately recorded in the case management system [i.e., cross-referenced]. (MAS 2.17)
41. From the sample selections in step 40, recalculate the financial transaction based upon the fine, fee, or bail schedule and document the results. (*NOTE: If the financial transaction originated as an order of conviction, verify that the financial component is appropriately documented in the order of conviction.*)
- a. During this step, determine if the funds collected are appropriately applied based upon applicable Nevada Revised Statutes and local ordinances.
42. Review 1% of voided/reversed payment receipt transactions or if the court has less than 25 voided/reversed payment receipt transactions during the audit period, review 100% of all voided/reversed payment receipt transactions from all payment types. From the sample selected, determine if: **[Document the total number of voided/reversed payment receipt transactions during the audit period and the sample selection calculation. Additionally, select an additional sample if the randomly selected sample from step 40 does not include the minimum number of voided/reversed payment receipt transactions.]**

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- a. "VOID" or "REVERSAL" marking is written across the face of the document. (MAS 2.25)
 - b. The voided/reversed transaction is initialed by at least two staff members (if available, a supervisor or higher should be reviewing/approving the void receipt). (MAS 2.27)
 - i. If a second person is not available at the time of the void/reversal, does a second court staff member (if available, a supervisor or higher) review all voids/reversals for reasonableness as a compensating control.
 - c. A reason for the void/reversal is included on the face of the document. (MAS 2.26)
 - d. The transaction is voided/reversed in the system and a new transaction is entered. (MAS 2.29)
 - e. The receipt is voided/reversed in the automated case management system (if applicable). (MAS 2.29)
43. If the court allows other independent entities to receive payments as reviewed in steps 22 and 23, randomly select one month per quarter in the audit period in which at least one such transaction has been recorded and trace 50% of the transactions not to exceed 25 processed by each individual entity into the case management system or other similar method either computerized or manual used to record receipts and determine if: (NOTE: If the court uses more than one entity, a separate sample should be calculated for each independent entity.) **[Document the months chosen for testing during the audit period and the associated results.]**
- a. Designated court staff verified the funds remitted to the court for accuracy and completeness pursuant to established court operating procedures. (MAS 2.32)
 - b. All payment information is applied to each affected case file. (MAS 2.33)
 - c. Any discrepancy noted during the review and recording process is fully investigated with the results documented.

Section 3 – Disbursements

(NOTE: The court must clearly identify who is responsible for check disbursements: the court and/or the local government. Check disbursement requirements pertain to checks issued by the court, not the local government that processes checks on the court's behalf.)

Cash and Check Disbursements

44. Determine through interviews and observation if the court prohibits or limits cash disbursements to a pre-determined minimal amount. (MAS 3.1)
- a. If the court performs cash disbursements, these are allowed under only extenuating circumstances. **[Document the circumstances and allowable amount.]**

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45. Determine through interviews and observation if the court's operating procedures concerning cash and check disbursements ensure that:
- a. Cash disbursements (if permitted) are properly authorized and documented. (MAS 3.2)
 - b. No one individual has access to create, authorize, and issue/distribute cash or check. (MAS 3.2; MAS 3.3)
 - c. Access to checks is limited to judge(s) and/or court staff members who are authorized to process payments. **[Document which positions have access to checks.]** (MAS 3.9)
 - d. All checks contain: (MAS 3.4)
 - i. Pre-printed numbers. *[Computer generated checks are acceptable; however, they should also contain a printed check number and the name of the court. Local government information should be contained on checks issued by the local government on the court's behalf.]*
 - ii. The name of the court. *[Computer generated checks are acceptable; however, they should also contain a printed check number and the name of the court. Local government information should be contained on checks issued by the local government on the court's behalf.]*
 - e. The court issues all checks in sequential order. (MAS 3.5)
 - f. The court maintains an inventory record of used and unused checks. (MAS 3.6)
 - g. All blank, non-issued court checks are secured in a locked vault/safe or another secured location. **[Document the location.]** (MAS 3.9)
46. Review the court's month-end, pre-numbered check inventory for all months in the audit period and determine if: (MAS 3.7)
- a. All missing checks are investigated by the court.
 - b. Stop payments are requested for missing checks within 24 hours of identification.

Voucher Requests

[NOTE: Voucher request terminology may be different at the court or local government. Check requisitions, warrant requests, accounts payable requests, and similar language all qualify as voucher requests under this section of the standards. Voucher requests used for court expenses including employee travel claims are applicable under this section.]

47. If the court utilizes vouchers to process disbursements, determine through interviews, observation, and an inventory of unused vouchers if: (MAS 3.10)
- a. A voucher request with supporting backup (e.g., invoice copies) is prepared by the judge or court staff member/designated authorizer(s). **[Document the individual(s) who is/are the designated authorizer(s).]**

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- b. All voucher requests are approved by someone independent of the preparer(s) (e.g., usually the judge or an independent court staff member/designated authorizer(s)). **[Document the designated approver(s).]**
 - c. The approved voucher request and supporting backup are provided to the judge, court staff member, and/or the local government treasurer preparing the disbursement.
 - d. Copies of voucher requests and supporting backup are retained by the court or easily identifiable in a computerized system to allow for future reconciliations.
48. When voucher requests are pre-numbered, determine if they are used in sequential order. (MAS 3.11)
49. Determine through interviews, observation, and an inventory of all unissued vouchers if all blank, non-issued vouchers are secured in a locked vault/safe or another secured location that prevents misappropriation. **[Document the results of the inventory and location.]** (MAS 3.12)
50. Determine if the court performs a random voucher inventory at least monthly during the bank reconciliation in which: (MAS 3.13)
- a. All missing vouchers identified are investigated by the court.
 - i. If investigations reveal the disappearance of vouchers, the court notifies their local government of the missing documents pursuant to the local government's procedures.
51. Determine if only authorized signers designated by the court and/or its local government can sign voucher requests. (MAS 3.14)
- a. If digital signatures created by a computerized system are used, determine if controls exist that preclude unauthorized individuals from generating requests with authorized signatures.
52. If voucher requests are processed through the local government's computerized system, determine through interviews and observation if the court follows appropriate separation of duties for the creation and approval processes. This should include the judge or court staff member either, approving manual voucher requests entered into the system, or the judge or court staff member providing appropriate authorization in the computerized system to document approval of the request. **[Document the method of ensuring appropriate segregation of duties.]** (MAS 3.15)

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Voiding and/or Reversing Disbursement Instruments

53. If an error is made when creating/processing a voucher request or check, determine through interviews and observations that the court voids/reverses the instrument by performing the following procedures: (MAS 3.16)
- a. Write “VOID” or “REVERSAL” across the face of the instrument, documenting the date and the initials of the judge or designated court staff member/authorizer.
 - b. Document an explanation for the void/reversal, either on the instrument or on a void/reversal log.
 - c. A secondary court staff member/authorizer (if possible, a supervisor or higher) approves the voided/reversed voucher request or check at the time it occurs. Evidence of the approval should be documented on the face of the voided/reversed instrument. (MAS 3.17)
 - i. If a second person is not available at the time of the void/reversal, a second court staff member should review all voided/reversed voucher requests and checks for reasonableness as a compensating control. This should include reviewing the disbursements journal, automated case management system record (if applicable), and/or the local government’s computerized system records for reasonableness. **[Document the method.]**
 - d. The court retains all voided/reversed voucher requests and checks as indicated by the administrative record retention schedule. (MAS 3.18)

Recording Disbursements

(NOTE: The court may keep a detailed check register instead of producing a disbursements journal. Additionally, the court may use a voucher report or a budget status report with detail about disbursements. This report can be in hard copy or the information may be electronically accessed through the local government’s computerized system.)

54. Document the audit trail of disbursement transactions for manual and computerized processes. (MAS 3.21)
55. Determine if the court produces a report at least monthly describing what was disbursed in a disbursements journal. (MAS 3.22)
- a. If the local government disburses payments on the court’s behalf, determine if the court obtains a report or information from their local government at least monthly.
56. Determine if disbursements authorized by the court and processed by the local government on the court’s behalf are reconciled to the voucher requests and/or voucher request documents on a monthly basis. (MAS 3.23) (NOTE: This would include receiving a monthly disbursement report from the local government and/or having immediate access to voucher requests and payments processed in the local government’s computerized system (e.g., budget status reports).)

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Disbursement Testing

57. Randomly select 1% of each type of disbursement processed by the court (e.g., cash, checks, voucher requests) not to exceed 100 disbursements for each type of disbursements processed during the audit period. If the 1% calculated sample is less than 100 disbursements for each type; then test 100% of each type of disbursement. Trace the sample selected to the: **[Document each type of disbursement processed by the court. Additionally, document the total number of each type of disbursement during the audit period and the sample selection calculation.]** (MAS 3.19)
- a. Case file(s).
 - b. Disbursements journal.
 - c. Local government automated systems (if applicable).
 - d. General ledger(s).
58. From the sample selected at step 57 determine if detailed entries specifically identifying disbursement instruments are entered into at least one of the following documents: (MAS 3.20)
- a. Case file(s).
 - b. Disbursements journal.
 - c. Automated case management system.
59. Obtain the backup for each disbursement selected at step 57 and determine if each disbursement is properly authorized pursuant to the court's established procedures.
60. Obtain the backup for each disbursement selected at step 57 and verify the signatures on the disbursement instrument against the maintained signature cards. (MAS 3.8)
61. Review 1% of voided/reversed disbursements for the audit period. If the 1% calculated sample is less than 25 voids/reversals; test 100% of the voids/reversals. From the sample selected, determine if: **[Document the total number of voided/reversed disbursements during the audit period and the sample selection calculation.]**
- a. "VOID" or "REVERSAL" is written across the face of the document. (MAS 3.16)
 - b. The voided disbursement is initialed by at least two staff members (if possible, a supervisor or higher). (MAS 3.17)
 - c. A reason for the void/reversal is included on the face of the document. (MAS 3.16)
62. Review the court's month-end voucher inventory for all months in the audit period and determine if: (MAS 3.13)
- a. All missing vouchers are investigated by the court.
 - b. If investigations reveal the disappearance of vouchers, verify that the court notified their local government of the missing document(s) and followed the local government's procedures.

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Section 4 – Conversion of Monetary Penalties Imposed by the Court to Alternative Sentencing and Modification of Sentencing

63. Determine through interviews and observation if: (MAS 4.1)
- a. Only judge(s) or appointed judicial officers have the authority to convert fines/fees to sentencing alternatives.
 - b. Individuals classified as non-judicial officers who have authority to convert fines/fees to sentencing alternatives are clearly identified in the court’s written procedures. **[Document what individuals have been granted the authority to adjust fines and fees.]** (NOTE: Clear identification includes position titles, authority types/levels, and amounts that may be converted.)
64. *Reserved for Future Reference*
65. Determine through interviews and observations if:
- a. All fine/fee conversions authorized by the judge are recorded in the case file and/or the automated case management system. (MAS 4.3)
 - b. The original fine/fee information assessed and ordered by the judge(s) is retained in court records. (NOTE: This should be performed regardless of whether or not the conversion/modification rates are consistently applied.) (MAS 4.4)
 - c. All conversions, modifications, and reductions/increases of originally issued fines/fees in the case files and the automated case management system are documented. (MAS 4.5)

Sentence Modification Testing

66. Randomly select 1% of each type of monetary sentence conversions (e.g., time served, community service, etc.) not to exceed 50 during the audit period. If the 1% calculated sample is less than 50; test 100% of the monetary sentence conversions. From the sample selected, determine the following: **[Document the total number of each type of monetary sentence conversions processed by the court during the audit period and the sample selection calculation.]** (MAS 4.3; MAS 4.4; MAS 4.5)
- a. If the original fine/fee information assessed and ordered is retained in the court records.
 - b. Trace the conversion and subsequent payment (if applicable) to:
 - i. The case file(s).
 - ii. Financial history.
 - iii. Automated case management system (if applicable).

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Section 4A – Reserved for Future Reference

67. – 73. *Reserved for Future Reference*

Section 4B – District Court Ordered Fines and Fees

(NOTE: These procedures are only applicable to district courts effective July 1, 2011 (NRS 176.0625))

74. Through interviews and observation, determine if the court is forwarding all necessary information to the county treasurer or other office designated by the county to collect fines, administrative assessments, and/or fees resulting from an entered judgment of conviction against a defendant for a felony or gross misdemeanor. A hard copy or electronic copy of the information forwarded should be maintained by the court. (MAS 4B.1; MAS 4B.2; MAS 4B.3)
75. Review either hard copy or electronic correspondence retained by the court in step 74 and determine if the following information is transferred: ***[Document the frequency in which the court transfers the information to the county treasurer or other office designated by the county to collect fines, administrative assessments, and/or fees.]*** (MAS 4B.2; MAS 4B.3)
- a. The name of the defendant.
 - b. The date of birth of the defendant.
 - c. The social security number of the defendant
 - d. The last known address of the defendant.
 - e. The nature and amount of money owed by the defendant.

(NOTE: This information is often contained in the pre-sentence report prepared by the State of Nevada Department of Parole and Probation.)

Section 5 – Trust Accounts and Bonds

76. Determine through interviews and observations if the court maintains trust funds in a bank account separate from receipts obtained during normal operations. (MAS 5.7)
- a. If the court does not keep a separate bank account for trust monies, determine if the court is able to accurately identify and reconcile trust monies separate from operating funds through their automated case management system, and through the monthly bank reconciliation procedures. ***[Document the method used to maintain monies held in trust.]***

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77. Review court documentation and determine if the court maintains logs and ledgers separate from normal cash receipts that track all money collected in conjunction with trust accounts that: (MAS 5.8)
- a. Contain information regarding bond, restitution, and other trust funds held by the court.
 - b. Reflect receipts, disbursements, and the outstanding balance for each case.

Trust Account and Bond Testing

78. Randomly select 1% of trust account transactions during the audit period. If the calculated 1% sample is less than 25; test 100% of the trust account transactions. Trace the sample selected to: ***[Document the total number of trust account transactions that occurred during the audit period and the sample selection calculation.]*** (MAS 5.7; MAS 5.8)
- a. The trust account receipt log.
 - b. The trust account general ledger.
 - c. The bank account where trust monies are maintained.
79. Based on the sample selected at Step 78, determine if each transaction is properly segregated from operating funds. (MAS 5.7; MAS 5.8)
80. Based on the sample selected at Step 78, evaluate the court's monthly trust account reconciliations during the audit period and determine if the purpose for each transaction in which the money was posted remains, requiring that the money continue to be held. Additionally, evaluate the monthly trust account reconciliations for accuracy. Any reconciliation variances identified by the court must be documented. (MAS 5.10)
- a. If the requirement to hold the trust no longer exists, determine if the court has made reasonable efforts to return the money to the party who posted it.
 - i. If the party posting the trust money could not be located and the money has been unclaimed for at least one year, determine if the court has followed the Nevada unclaimed property rules for remittance to the Nevada Treasurer or the county district attorney pursuant to NRS 4.3755(3).
 - b. If the court has not performed monthly trust account reconciliations during the audit period; perform the trust account reconciliation for the audit period including tracing the beginning and ending balances to the case management system and financial/general ledgers, as applicable. Document all variances noted during the audit period for court review and resolution.

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81. Through observation determine if the court maintains a list of bonding companies and agents, including bonding limits of individuals who are authorized to post bonds with the court. (The bonding companies and agents are required by NRS 20.050 to post information annually with the County Clerk. If the court does not readily maintain this information, the court must be able to obtain this information from the local jail/detention center and the County Clerk.) (MAS 5.4)
82. Through observations and interviews determine if the court's procedures used to process bond forfeitures and exonerations of bonds are in accordance with NRS 178.506–NRS 178.532. (MAS 5.5)
83. Evaluate the court's monthly bond reconciliations during the audit period and determine if: (MAS 5.6)
 - a. The status of all pending (active) and outstanding bonds are verified against the court order.
 - b. The bond tracking register is reconciled against the manual/automated case files.
84. Randomly select 1% of trust account and bond refunds (including bail refunds) during the audit period. If the 1% calculated sample is less than 25; test 100% of the trust account and bond refunds (including bail refunds). From the sample selected, verify that:
[Document the total number of trust account and bond refund transactions (including bail refunds) during the audit period and the sample selection calculation.]
 - a. The court only disbursed refunds upon the court ordering an exoneration of a bond, or by authorized operation of court process. (MAS 5.12)
 - b. The court has followed appropriate separation of duties regarding the disbursement of bond refunds (i.e., no one individual has access to create, authorize, and issue/distribute bond refunds). (MAS 3.2; MAS 3.3)
 - b. The bond money is returned to the original poster. (MAS 5.13)
 - i. In the event that the original poster requests money to be remitted to a third party, determine if: (MAS 5.14)
 1. The court obtained written authorization by the original bond poster indicating the third party should receive the disbursed funds.
 2. The court verified the third party's identity by reviewing a valid form of identification.
85. If the court (justice and municipal courts) collects and disburses restitution payments, randomly select 1% of the restitution payments disbursed during the audit period. If the 1% calculated sample is less than 25; test 100% of the restitution payments. From the sample selected, determine if the court is handling restitution pursuant to NRS 4.3755(3) and verify the following: **[Document the total number of restitution payments disbursed during the audit period and the sample selection calculation.]** (MAS 5.15)

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- a. The transaction was properly documented in the case management system and disbursed by the court or the applicable local government to the person named in the order within 30 business days.
- b. If after making a good faith effort, the court or local government cannot locate the person named in the order, the funds are paid over to the district or city attorney's fund for victims of crime. Funds must be paid to the victims of crime fund on at least an annual basis.

Section 6 – Bank Accounts

Authority and Security

86. Review court documentation and determine if the court permits only authorized individuals to open and close court operated bank accounts. ***[Document the positions permitted to perform this function.]*** (MAS 6.1)
87. Through observations and interviews document the following: (MAS 6.2)
 - a. The circumstances in which a new bank account will be established.
 - b. The circumstances in which a bank account will be closed.
 - c. The name on the account(s) and the name of the banking institution(s) where the accounts are held. (MAS 6.3; MAS 6.5)
 - d. The type of bank account that is established (e.g., trust, interest-bearing, non-interest bearing).
 - e. Which court staff members have the authority to: (MAS 6.7)
 - i. Sign checks.
 - ii. Authorize electronic disbursements.
 - iii. Prepare bank deposits.
 - iv. Reconcile the court's bank statements.
 - f. Procedures employed to ensure separation of duties.
88. Through observations, interviews, and a review of documentation, determine if all of the court's bank accounts are insured by using generally accepted policies (e.g., FDIC insurance for all accounts <= \$250,000, and ensuring accounts are collateralized if amounts are > \$250,000). ***[Document how the court ensures their accounts are collateralized (e.g., through their local government, Nevada pooled collateral through the Nevada Treasurer, or another similar entity providing collateral to safeguard and insure public monies).]*** (MAS 6.4)
89. Review bank account information and trace each authorized signatory to the court's signature cards and determine if all cards are updated (if the court does not maintain the signature cards, this procedure is not applicable). (MAS 6.6)

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Bank Deposits

90. Through observations and interviews:
 - a. Document the frequency of court bank deposits. (MAS 6.8)
 - b. Document the methods employed by the court to secure prepared deposits in a manner that precludes unauthorized access prior to transport. (MAS 6.9)
 - c. If the court does not make a daily bank deposit, determine if all payments received are reconciled to the cash receipts journal and/or the automated case management system on a daily basis. (MAS 6.10)
 - d. Document the security methods employed over the transport of deposits. (MAS 6.14)
91. Through observations and interviews, determine if the court deposits all payments in the same form as received by the court, unless the deposit is made by mail. (MAS 6.11)
92. Through observations and interviews determine if at least two separate court staff members create and verify bank (i.e., the creator is not the verifier) deposits with evidence of the creation/verification maintained on the deposit slip or another reliable document used as part of the process. (MAS 6.13)
93. If the court mails deposits to the bank, determine through observations, interviews, and a review of court documentation if: (MAS 6.12)
 - a. Cash payments are converted into a money order.
 - b. A copy of the deposit slip and the money order receipt is retained by the court.
 - c. Bank deposits are mailed through the US Mail with a certified, return receipt for tracking purposes.
 - d. Deposits sent by other means (e.g., FedEx, DHL, UPS) are tracked to ensure proper delivery to the bank.

Lost, Stolen, Stale Dated Instruments

94. Determine through interviews and a review of court documentation if:
 - a. A stop payment is placed on stale dated instruments after an established number of days identified by the court's operations. [**Document the number of days.**] (MAS 6.16)
 - b. The court researches all lost or stolen instruments to ensure they have not been cashed. Once research has proven the instrument is still active, a stop payment is requested. (MAS 6.17)

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95. Determine through interviews and a review of court documentation that any time the court issues a replacement payment, whether through voucher request or the issuance of a new check, determine if the newly issued check number and/or voucher request number is cross-referenced to the cancelled check and this information appears on all case file records. (MAS 6.18)
96. Determine through interviews and a review of court documentation if the court investigates stale dated instruments (e.g., outstanding checks over 180 days old) and: (MAS 6.19)
- a. The investigations include notifying individuals of outstanding checks by calling or sending correspondence.
 - b. The court retains all correspondence records evidencing investigation.

Unclaimed Property

(NOTE: Unclaimed restitution is not applicable under the unclaimed property rules set forth by the Nevada Revised Statutes and the Nevada Treasurer. Refer to External Audit Guide Step 85 and associated MAS 5.15)

97. Determine if the court identifies and remits unclaimed property (e.g., stale dated instruments) annually as required by the rules set forth by the Nevada Treasurer (<https://nevadatreasurer.gov>) [**Review court records and document the date of the court's most recent remittance of unclaimed property to the Nevada Treasurer. Additionally, document the court's explanation if no remittance has been made as required**]. (MAS 6.20)
98. Determine if the court performs due diligence on unclaimed property by attempting to contact the business or individual at the last known address on file, not less than 60, nor more than 120 days before the unclaimed property report is due for each owner whose balance is more than \$50. (MAS 6.21)
99. Determine if all unclaimed property (i.e., trust account and bail refunds) is tracked by the court and kept in a secure location until remitted to the Nevada Treasurer or county district attorney's office. (MAS 6.22)

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Bank Account Testing

100. Based on information obtained regarding the frequency of bank deposits made by the court in Step 90; choose a testing sample size based on one of the following:
- If the court makes more than one bank deposit during a week, randomly test at least 1 deposit per week of the audit period.
 - If the court makes weekly bank deposits test 2 deposits per month of the audit period.
 - If the court makes monthly bank deposits test each bank deposit made during the audit period.

From the sample selected, perform the following: (MAS 6.8)

- a. Trace the prepared deposit slip to the deposit receipt or other alternative method.
- b. Recalculate the deposit.
- c. Trace the credited deposit to the general ledger.
- d. Trace the deposit to the bank statement and subsequent reconciliation.
- e. Examine the deposit and verify that:
 - i. The established procedures were followed with regards to the preparation and verification as detailed in step #92.
 - ii. Deposits were made on the established days (if deposits are not made daily) as detailed in step #90.

Section 7 – Financial Management

101. Determine if, on at least a daily basis, the court records all financial transactions processed into at least one of the following documents: (MAS 7.1)
- a. The cash receipts journal.
 - b. The cash disbursements journal.
 - c. The automated case management system.

102. Determine if on a daily basis: (MAS 7.2)
- a. Each court staff responsible for a lock box, cash drawer, locking cash bag, and safe/vault verify beginning operating funds before usage, and document the count on a checkout sheet.
 - b. Each court staff responsible for operating funds counts his/her lock box, cash drawer, locking cash bag, and safe/vault after each shift or when staff responsible for the operating funds change, and document the count on a checkout sheet.
 - c. Each court staff reconciles and balances all monies received after each shift with the cash receipts journal. Any variances noted must be documented and investigated timely.

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- d. An independent court staff member verifies and reconciles the daily deposit with the cash receipts journal. Any variances noted are documented and investigated timely.
 - e. All counts and verifications are evidenced and retained.
103. Determine if the court posts all financial information into a general ledger on a monthly basis. (MAS 7.4)
- a. If the court is not responsible for posting to the general ledger, determine if the local government that handles their general ledger accounts is provided a summary report on a monthly basis and:
 - i. Determine if the provided summary report contains enough detail to allow the local government to post financial information into the general ledger on the court's behalf.
104. If the local government posts court financial information to the general ledger, determine if the court requests and is provided with a summary of financial information posted on a monthly basis. (MAS 7.5)
105. Through interviews, observation, and a review of court documentation, determine if on a monthly basis court staff: (MAS 7.6)
- a. Balance the cash receipts journal.
 - b. Balance the cash disbursements journal.
 - c. Reconcile payment receipts with deposits.
 - d. Prepare a bank reconciliation that includes documentation of any discrepancies between the bank or local government treasurer's records and the court's records.
 - e. Reconcile the record of open items, such as bonds, with all bank accounts and cash balances.
 - f. Reconcile voucher requests processed by the local government with checks issued (if used by the court).
 - g. Reconcile the petty cash fund, including documenting any variances noted (if used by the court).
106. Document how the court ensures an independent verification of monthly reconciliations [e.g., bank reconciliation] is performed and documented to ensure accuracy of the court's financial records. (MAS 7.7)
107. Determine if the court maintains daily and monthly financial reconciliations and supporting documentation in accordance with the administrative record retention schedule as detailed earlier in the document. (MAS 7.8)

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108. Determine if the court retains the following specific records for each bank account as required by the administrative record retention schedule: (MAS 7.9)
- a. Copy of the bank reconciliation.
 - b. Outstanding checks.
 - c. Deposits in transit.
 - d. Bank statements.
 - e. Canceled checks.
 - f. Canceled deposit slips.
 - g. Bank issued debit and credit memos.
109. If the court is not responsible for its bank account(s), determine if the city/county local government reconciles the bank account on the court's behalf. (MAS 7.10)
110. Review court documentation and determine if the court has prepared documents and a remittance report as required by their local governments for the remittance of local and state funds collected on a monthly basis. (MAS 7.11)

Financial Management Testing

111. For each month in the period, examine all bank reconciliations performed by the court to determine if:
- a. The reconciliation is accurate.
 - b. Discrepancies identified by the court are investigated with the results and follow-up procedures documented.
112. If the auditor's examination of the court's monthly bank reconciliations is found to be inaccurate/incomplete during the audit period; re-perform the bank reconciliation(s) for the audit period and document the results. Additionally, if the court has not performed monthly bank reconciliations during the audit period; perform the monthly bank reconciliations for each month of the audit period and document results.

Section 8 – Computer Access and Security

113. Evaluate the court's standards over computer access and security and determine through observations and interviews if:
- a. All computerized systems used by the court are secured in a manner that prevents unauthorized individuals from accessing the systems. [*Document how the court prevents unauthorized individuals from accessing the system.*] (MAS 8.1)
 - b. The court provides individual authorizations and passwords to each judge and court staff member accessing their computerized systems. (MAS 8.2)

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- c. Authorization passwords are changed on a quarterly basis unless the court's local government requires stricter password change requirements. (MAS 8.3)
- d. If the computerized systems do not automatically prompt for password changes, the court documents changes on a password change log. (MAS 8.4)
 - i. Determine if the password change log contains:
 - 1. Date of password change.
 - 2. Name of individual.
 - 3. Individual's initials/signature evidencing the change.

114. If the court's automated case management system assigns payment receipt numbers that can be overridden or the numbering can be altered due to system failures; verify through interviews and observations that the court maintains a log indicating the following information: (MAS 8.5)

- a. Individual accessing the system. [***Determine if the individual accessing the system had appropriate authorization.***]
- b. When the system was accessed.
- c. The reason for altering the numbering mechanism.

(NOTE: If a vendor or state/local government has access to the court's automated case management system, the vendor or state/local government is responsible for maintaining such access logs.)

115. Review court documentation and determine if the court examines/reviews its fee codes and fee schedules (e.g., distribution schedule/breakout table) to verify funds are being distributed appropriately based upon NRS or other applicable statute at least every 6 months. (MAS 8.6)

116. Through interviews and observations of the court operations, document the individual(s) who have access to override the court's fee codes and fee schedules [e.g., distribution breakout table], as well as the circumstances in which these items would be overridden. (MAS 8.7)

Payment Card Data Security (Credit Card Information Security)

117. If the court accepts credit and debit cards in person, via telephone, or through other methods, review appropriate documentation to determine if the court is complying with PCI-DSS audit and reporting standards¹.

¹ The purpose of this requirement is to assess compliance with the applicable requirements not to perform the procedures required pursuant to PCI-DSS standards.

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- a. Examine the court's annual self-assessment questionnaire required by PCI-DSS to ensure completion. If the court fully outsources credit card processing to a 3rd party; ensure the court has obtained verification/documentation that the 3rd party processor is in compliance with PCI-DSS. (MAS 8.10)
- b. Determine if the court or local government has developed and maintains an up-to-date data security standards policy. (MAS 8.12)
- c. Determine if the court or local government has provided court staff annual training on the security standards policy. (MAS 8.12)
- d. Determine if the court is following best practices to protect credit card information obtained from court customers: (MAS 8.11)
 - i. Credit card numbers are input directly into the credit card processing system/computer.
 - ii. Credit card numbers should not be written down for processing. If the credit card number is written down; it should be destroyed immediately after use, preferably by shredding.
 - iii. Each court staff member has a unique identification/sign-on into the credit card processing system.
 - iv. All court equipment, network(s), software used to access credit card processing have unique passwords.
 - v. All court staff is regularly changing their passwords for credit card processing equipment and software.
 - vi. User accounts for credit card processing are disabled/deleted for court staff no longer employed by the court.

Section 9 – General Administrative Security and Key Controls

- 118. Evaluate the court's operations and document which positions are responsible for changing locks and/or combinations.
- 119. Review the court's operations and determine if:
 - a. Upon termination the court requires employees to return issued keys to locking devices and areas. (MAS 9.1)
 - b. The court changes combinations and locks (as necessary) upon termination of employees with access to court funds. (MAS 9.2)
- 120. Review the personnel key log/listing (or equivalent) showing individuals who have been issued keys to locations where payments, disbursements, and operating funds are secured and verify that all keys are accounted for. (MAS 9.3)

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Section 10 – Record Retention

121. Review the court’s record retention policies and determine if the court is in compliance with the Nevada Courts Administrative Record Retention Schedule as directed by the Supreme Court of Nevada (ADKT 410 issued on April 13, 2010, or subsequent amendments). (MAS 10.1; MAS 10.2)

Section 11 – Definitions

“Administrative record retention schedule” A schedule adopted by Supreme Court administrative order which identifies the minimum amount of time that administrative court records must be kept to satisfy operational, legal, fiscal and historical needs. The purpose of the retention schedule is to establish and monitor the retention, storage, and destruction of records. The retention periods are assigned according to the record's useful business life within a court, applicable statutes and regulations, and any policies. The retention schedule is a living document designed to reflect each court's records and procedures. It will be reviewed and updated on a regular basis. Local situations may require retention beyond the periods listed, and nothing prevents a court from retaining records longer than the specified period of time. (In the Matter of the Creation of a Committee to Review the Preservation, Access, and Sealing of Court Records: Order Adopting Schedule for Retention of Administrative Records, 2010)

“Automated Case Management System” An automated system, which electronically links financial transactions with case financial records, cash receipts, disbursements journals, and other appropriate accounting journals and ledgers. The system can also be used by the court to track, process, and manage case files with the court. The automated case management system may have different modules. (Minimum Accounting Standards Version 3.0, 2012)

“Bond (Judicial)” A cash or surety instrument required to be given in a court proceeding established pursuant to statutes, rules, and/or court order. (Merriam-Webster's Dictionary of Law, 1996)

“Case Financial Record” The listing of financial sanctions assessed in a case that includes receipts, disbursements, and the balance held or due on the case. (Minimum Accounting Standards Version 3.0, 2012)

“Cash Receipts Journal” The listing of all monies received by distribution type (juvenile and city/county administrative assessments, domestic violence programs, divorce fees, bail bond filing fees, 90% forfeiture for victims of crime, 10% forfeiture for specialty courts, etc.) by date. (Minimum Accounting Standards Version 3.0, 2012)

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“Change Fund” A separate amount of money kept at the court in a secure manner used solely to provide for the exchange of larger denominations into smaller denominations for cash drawers, lock boxes, locking cash bags, safe/vault used in the daily operations of the court. (Minimum Accounting Standards Version 3.0, 2012)

“Court Staff” A non-contract employee of the court, including judges, other judicial officers, clerk staff, and local government employees accepting payments on the court’s behalf. (Minimum Accounting Standards Version 3.0, 2012)

“Disbursements Journal” The listing of all payments made by the court by distribution type (restitution, administrative assessments, local government and state fines, victims of crime, etc.) by date. The journal may be a combination of computer reports, check register stubs, or copies of check request forms/voucher request forms containing required information. (Minimum Accounting Standards Version 3.0, 2012)

“Independent Contractor” Someone not employed as a staff person of the court including a payment processor, a defensive driving school provider, collection agency, alcohol screener, or any other school, agency or provider that performs services to carry out court orders. (Minimum Accounting Standards Version 3.0, 2012)

“Monetary Penalties Imposed by the Court” Money owed to the court as the result of a judicial order or court policy, but not paid at the time of imposition of the order or policy. Generally, these penalties are composed of fines and/or fees imposed by the court and the defendant is granted time to pay the ordered amounts. (Minimum Accounting Standards Version 3.0, 2012)

“Petty Cash” Funds used to make small operational purchases (e.g., office supplies, postage, juror lunches, etc.). The petty cash fund should be a separate fund from the court’s normal operating banks. (Minimum Accounting Standards Version 3.0, 2012)

“Remittance/Transmittal Report” A report prepared by the court and submitted to the local treasurer listing how monies collected by the court are to be allocated by the local treasurer. This also includes a report prepared by the court and submitted to the Nevada Controller listing how monies collected by the court are to be allocated by the Controller. (Minimum Accounting Standards Version 3.0, 2012)

“Trust, Trust Account, Money held in trust” Money collected by the court as a result of court order or policy that may be ordered to be refunded to a party other than the court or other state entity. Examples of money held in trust include jury fees deposited prior to a civil trial, cash bail or cash bond posted by a defendant prior to adjudication of a criminal case, mediation fees posted by parties in a civil case, or restitution collected by the court on behalf of a victim in a criminal case. Trust accounts should be kept separate from accounts that track fines and fees imposed and/or collected by the court. (Minimum Accounting Standards Version 3.0, 2012)

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Works Cited

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Appendix A
CPA's/Auditor's Report on Applying Agreed-Upon Procedures

To the Judge(s) of ABC Court:

[Introductory Paragraphs]

We have performed the procedures enumerated below, which are required by the Minimum Accounting Standards Guide for External Audits, solely to assist the Court and the Nevada Supreme Court in evaluating the ABC Court's compliance with the requirements of Minimum Accounting Standards (MAS) during the year ended [date of the fiscal year audited]. The court's judges and staff are responsible for the ABC Court's compliance with the applicable Minimum Accounting Standards issued by the Nevada Supreme Court.

The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

[Include paragraphs to enumerate procedures and findings.]

The procedures that we performed and our findings are as follows:

1. We obtained from the judge(s) and staff a copy of the [ABC Court]'s submitted written procedures, as required to be maintained by Supreme Court Order dated [DATE], which the judge(s) and staff informed us was submitted to the Nevada Supreme Court and was in effect during the year ended June 30, 20XX.
2. We obtained from the Nevada Supreme Court a copy of the Minimum Accounting Standards published by the Administrative Office of the Courts and in effect during the period from July 1, 20XX through June 30, 20XX.
3. We compared the detailed controls and procedures, provided in the Minimum Accounting Standards, obtained in procedure 2, to the detailed controls and procedures described in the written procedures, obtained in procedure 1, to determine whether the required controls and procedures specified in the MAS were included in the written procedures.

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We noted [no] instances where the required MAS controls and procedures were not included in the written procedures or the written procedures did not comply with the MAS. Such instances of noncompliance have been included in _____ [or “list findings here”]. [The last sentence would be deleted if there were no instances.]

4. In accordance with the Minimum Accounting Standards Guide for External Audits effective [DATE], we completed testing procedures. We noted instances of noncompliance that have been included in _____ to this report [or “list findings here”] [or we noted no instances of noncompliance].
5. [If applicable, list additional procedures performed at the request of the ABC Court.] We noted instances of noncompliance that have been included in _____ to this report [or “list findings here”] [or we noted no instances of noncompliance].

[Concluding Paragraphs]

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the ABC Court’s compliance with the applicable MAS. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

[Signature]

[Date]

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Requirements for Summarizing Findings of Procedures Performed

1. A separate report is to be prepared for each court unless the courts operate under the same internal controls, staff, and case management system. If a justice and municipal court operate under business processes, which include following the same internal controls, utilizing the same staff, and one case management system; a combined report is to be prepared unless otherwise requested by the courts.
2. Subdivide the findings/exceptions portion of the report by MAS section and subsections (i.e., payment handling and receipting, disbursements, district court ordered fines and fees, trust account and bonds, bank accounts, etc.). Under each audit section list the exceptions noted from the audit. If no exceptions are noted, indicate this under the applicable audit section heading. There should be an audit section heading for each audit performed during the period covered by the letter, whether or not exceptions are noted.
3. Clearly state the basis for the exception (i.e., MAS #). Do not indicate the MAS Guide for External Audit procedure number as the basis for the exception.
4. Indicate how the exception was discovered (i.e., interview with court staff on (MM/DD/YY), observation of (MM/DD/YY), detail testing on (MM/DD/YY), etc.).
5. If the exception was discovered through observations of a court staff performing his or her duties, indicate if the exception appears to be isolated or whether it is a part of the staff's routine procedures.
6. If the exception was discovered through detail testing, indicate the sample size examined (i.e., number of days reviewed, number of transactions reviewed, etc.) and the time period from which the sample was selected (i.e., MM/YY, first quarter, etc.).
7. If the exception identified prohibits the court from complying due to staffing limitations indicate the following:
 - a. Indicate the number of staff employed at the court.
 - b. The alternative procedures utilized by the court.
 - c. The adequacy of the alternative procedures utilized.
8. After each exception, indicate the applicable management response. The management's response can be on a separate document as long as it is clearly referenced to the applicable exception. Each exception must be accompanied by a separate response. The response should indicate specifically what procedures management has taken to correct the problem and the date such changes became effective or will become effective.

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9. If the CPA, local internal audit department, and/or the Nevada Supreme Court, AOC Audit Unit previously cited the same exception, a reference should be made to the date of the audit in which the exception was originally noted and who discovered it (i.e., CPA, internal audit, and/or AOC Audit Unit).

The reasons for the repeated noncompliance should also be noted (i.e., management implemented change but staff subsequently reverted to incorrect procedures, management did not implement change, etc.).

10. The exceptions noted may be in table form as long as the table contains all the necessary information in the format indicated above.
11. Instances of noncompliance determined to be immaterial may be disclosed as a separate section of the report. A table may be prepared indicating the type of audit, MAS#, noted exception and reason noted exception is determined to be immaterial. A broad management response is acceptable for acknowledging the instances of all immaterial noncompliance.

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Example Findings Report

ABC Court

Instances of Noncompliance Reported to Management by Independent Accountant/Auditor for
the Year Ended June 30, 20XX

Payment Handling and Receipting

MAS #2.1 states: The court must post the payment receipting procedures that are applicable to customers at a conspicuous location at the court.

- a) If the court does not post this information, it should be readily available for review by the public [e.g., the court's website and/or the local government's website].

During the interviews and observations of court proceedings and filings/payments handled by court staff at the main court window on August X, 20XX, we noted that the court does not post their payment receipting procedures. Additionally, a review of the court and local government's website found the information is not posted and readily available for customers of the court.

Management Response: The court has developed payment receipting procedures to cover all policies currently executed by the court. This information has been posted at the payment window and on the court's website as of October XX, 20XX to ensure availability to the general public.

Disbursements

MAS #3.13 states: Voucher inventory should be performed randomly or at least monthly during the bank reconciliation. All missing voucher should be investigated by the court. If investigations reveal the disappearance of vouchers, the court should notify their local government of the missing documents and follow the local government's procedures.

During our detail testing, an examination of the voucher inventory log found the court has not been documenting their inventory check. The last documented inventory check occurred on November XX, 20XX.

This exception appears to be isolated. We examined the quarterly voucher inventory log for the audit period as well as the prior year (8 inventory counts) which found staff is documenting the inventory in prior periods including our audit period. Only 1 of 8 voucher inventories was not appropriately documented.

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Management Response: All court staff have been reminded the quarterly voucher inventory results must be documented on the voucher inventory log to evidence it is appropriately completed and to document any instances of exception for further investigation.

General Administrative Security and Key Controls

No exceptions were noted.