

AGENDA
CITY OF FALLON – CITY COUNCIL
55 West Williams Avenue
Fallon, Nevada
January 22, 2019 – 9:00 a.m.

The Honorable City Council will meet in a regularly scheduled meeting on January 22, 2019 at 9:00 a.m. in the City Council Chambers, 55 West Williams Avenue, Fallon, Nevada.

Items on the agenda may be taken out of order. The Council may combine two or more agenda items for consideration. The Council may remove an item from the agenda or delay discussion relating to an item on the agenda at any time. Unless otherwise allowed by the City Council, public comments by an individual will be limited to five minutes.

1. Pledge of Allegiance to the Flag.
2. Certification of Compliance with Posting Requirements.
3. Public Comments: General in nature, not relative to any agenda items.
No action may be taken on a matter raised under this item until the matter has been specifically included on an agenda as an item upon which action will be taken. **(For discussion only)**
4. Consideration and approval of Council meeting minutes for December 12, 2018. **(For possible action)**
5. Approval of Warrants: **(For possible action)**
 - A) Accounts Payable
 - B) Payroll
 - C) Customer Deposit
6. Consideration and possible approval and adoption of the updated Airport Master Plan for the Fallon Municipal Airport. **(For possible action)**
7. Consideration and possible approval of engagement letter and appointment of Eide Bailly for professional services to complete the mandatory independent audit of the records of the City of Fallon Municipal Court for the year ended June 30, 2018 for the estimated fee of Seven Thousand Seven Hundred Fifty Dollars (\$7,750.00) plus out of pocket travel costs. **(For possible action)**
8. Public Comments **(For discussion only)**
9. Council and Staff Reports **(For discussion only)**

10. Executive Session (closed):

Discuss Litigation Matters **(For discussion only)** (NRS 241 et.seq.)
Negotiations with Operating Engineers Local Union No. 3 **(For discussion only)**
Negotiations with Fallon Peace Officers Association **(For discussion only)**

This agenda has been posted on or before 9:00 a.m. on January 16, 2019 at City Hall, District Court Building, Churchill County Office Complex, Churchill County Public Library and posted to the City's website (<https://fallonnevada.gov>) and the State of Nevada public notice website (<https://notice.nv.gov/>). Members of the public may request the supporting material for this meeting by contacting Elsie M. Lee, Deputy City Clerk, City Clerk's Office, City Hall, 55 West Williams Avenue, Fallon, Nevada, (775) 423-5104. The supporting material for this meeting is also available to the public on the City's website (<https://fallonnevada.gov>) and the State of Nevada public notice website (<https://notice.nv.gov/>).

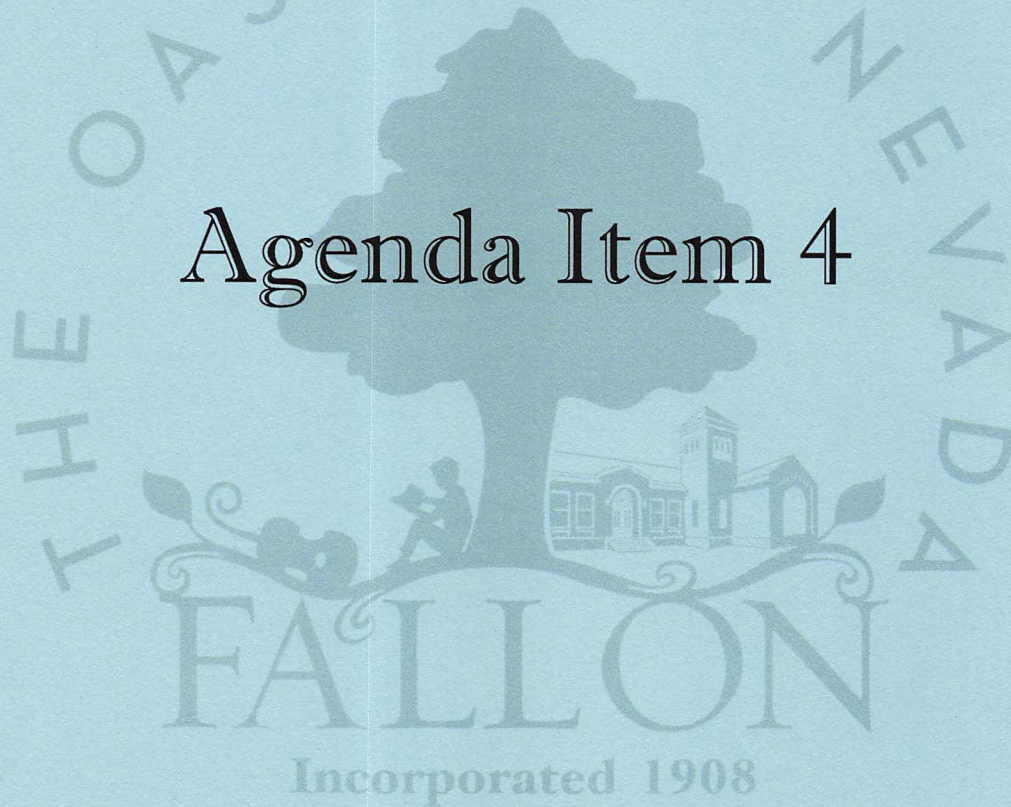


Elsie M. Lee

NOTICE TO PERSONS WITH DISABILITIES: Reasonable effort will be made to assist and accommodate physically handicapped persons desiring to attend the meeting. Please call the City Clerk's Office at 423-5104 in advance so that arrangements may be conveniently made.

January 22, 2019

Agenda Item 4



Consideration and possible approval of Council meeting minutes for December 12, 2018.
(For possible action)

**MINUTES
CITY OF FALLON
55 West Williams Avenue
Fallon, Nevada
December 12, 2018**

The Honorable City Council met in a special Council meeting on the above date in the Council Chambers, 55 West Williams Avenue, Fallon, Nevada.

Present:

Mayor Ken Tedford
City Councilman, Robert H. Erickson
City Councilman, James D. Richardson
City Councilwoman, Kelly Frost
City Clerk, Gary C. Cordes
City Attorney, Michael F. Mackedon
Deputy Public Works Director, Ryan A. Swirczek
Deputy Public Works Director, Adrian Noriega
Police Captain, Kris Alexander
Deputy City Attorney, Leonard E. Mackedon
Legal & Administrative Director, Robert Erquiaga
Deputy City Clerk, Elsie M. Lee
Director of Tourism & Special Events, Jane Moon
Public Works Director, Brian A. Byrd
Marketing & Communications Coordinator, Kaitlin Ritchie
Deputy City Attorney, Trent deBraga

The meeting was called to order by Mayor Tedford at 9:00 a.m.

Mayor Tedford led the Pledge of Allegiance.

Mayor Tedford inquired if the agenda had been posted in compliance with NRS requirements.

City Clerk Cordes advised that the agenda was posted in compliance with NRS 241.

Public Comments

Mayor Tedford inquired if there were any public comments. He noted that comments are to be general in nature, not relative to any agenda items. No action may be taken on a matter raised under this item until the matter has been specifically included on an agenda as an item upon which action will be taken.

No public comments were noted.

Consideration of application by Ana Hardy, owner of Ana's Café LLC, for a drinking establishment (on premise) liquor license for events within the City of Fallon

Deputy City Clerk Lee explained that Ana Hardy, owner of Ana's Café LLC, located at 2055 Trento Lane, has made application for a drinking establishment liquor license to sell alcohol at to be determined events within the City of Fallon, beginning with the Fallon Ford Toyota Christmas Party on December 15, 2018 at the Convention Center, 100 Campus Way. A drinking establishment liquor license is a privileged license that allows the licensee to sell alcoholic beverages from a fixed and definite place of business for consumption upon the premises only. The application has been reviewed by Police Chief Gehman, Deputy City Clerk Lee, and Legal and Administrative Director Erquiaga and has been recommended for approval.

Mayor Tedford inquired if the Council had any questions for Captain Alexander, who is sitting in for Chief Gehman today, Deputy City Clerk Lee, or Legal and Administrative Director Erquiaga.

No questions were noted.

Mayor Tedford inquired if the Council had any comments or questions for Captain Alexander, as he was sitting in for Chief Gehman today, or Deputy City Clerk Lee or Legal and Administrative Director Erquiaga.

No comments were noted.

Mayor Tedford inquired if there were any public comments or questions.

No comments were noted.

Councilwoman Frost motioned to approve the application by Ana Hardy, owner of Ana's Café LLC, for a drinking establishment liquor license to sell alcohol at events within the City of Fallon; seconded by Councilman Erickson and approved with a 3-0 vote by the Council.

Public Comments

Mayor Tedford inquired if there were any public comments.

No public comments were noted.

Council and Staff Reports

City Attorney Mike Mackedon: No comments were noted.

Deputy City Attorney Leonard Mackedon: No comments were noted.

City Clerk Cordes: No comments were noted.

Captain Alexander: No comments were noted.

Legal and Administrative Director Erquiaga: No comments were noted.

Deputy City Clerk Lee: No comments were noted.

Tourism Director Moon: No comments were noted.

Marketing & Communications Coordinator Ritchie: No comments were noted.

Deputy Public Works Director Swirczek: No comments were noted.

Public Works Director Byrd: No comments were noted.

Deputy Public Works Director Noriega: No comments were noted.

Deputy City Attorney deBraga: No comments were noted.

Councilwoman Frost: Noted that she heard great comments about the Christmas Tree Lighting and the Saturday Winter Wonderland event. She thanked all the City staff for everything that they did to prepare for the events.

Councilman Richardson: Echoed the positive comments. He was at the Lumos & Associates office on South Maine Street and they invited a lot of their out of town staff and for many of them, it was their first time experiencing the Christmas Tree Lighting and they were blown away. They said they were definitely coming back and bringing their kids.

Councilman Erickson: Concurred, it is certainly gaining regional recognition and a reputation as an outstanding event; getting more and more people from throughout the greater region to come to Fallon to experience it.

Mayor Tedford: Thanked the Council for their comments. Everyone did a nice job and the attendance in City Hall during the Open House, from 4:00 p.m. on, was the highest ever. It was nice for people to come and see their building, it is theirs as citizens and constituents; they can see their appointed officials and talk to them. They can eat food and visit with City staff and their neighbors, then go out and watch the Christmas Tree Lighting. It is very nice and honors those pioneers which was the deBraga family this year and was very special. The people who come from out of town see it as something very special because they do not have it in their own town. The decorating that public works does, and a shout out to the interns, they outdid themselves this year and did a tremendous job of presenting their plan to decorate City Hall to him for his approval; which he gave and then they proceeded with their plan. It was a nice project for them to all work together on. He was proud of their efforts. He added that public works knocks it out of the park every year and he appreciated them. He hinted that they had even bigger things in mind for next year.

Executive Session

Mayor Tedford tabled the executive session, as it was not needed at this time.

Adjournment

There being no further business to come before the Council, Mayor Tedford adjourned the meeting at 9:06 a.m.

Mayor Ken Tedford

Attest: _____
Gary C. Cordes, City Clerk/Treasurer

January 22, 2019

Agenda Item 6

Consideration and possible approval and adoption of the undated Airport Master Plan for the Fallon Municipal Airport. **(For possible action)**

**CITY OF FALLON
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 6

DATE SUBMITTED: January 14, 2019

AGENDA DATE REQUESTED: January 22, 2019

TO: The Honorable City Council

FROM: Robert Erquiaga, Legal and Administrative Director

SUBJECT TITLE: Consideration and possible approval and adoption of the updated Airport Master Plan for the Fallon Municipal Airport. **(For possible action)**

TYPE OF ACTION REQUESTED: (Check One)

- | | |
|--|------------------------------------|
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Ordinance |
| <input checked="" type="checkbox"/> Formal Action/Motion | <input type="checkbox"/> Other |

RECOMMENDED COUNCIL ACTION: Motion to approve and adopt the updated Airport Master Plan for the Fallon Municipal Airport.

DISCUSSION: The Federal Aviation Administration (FAA) recommends that airports update their long-term planning documents every 7-10 years. The City previously engaged Atkins North America, Inc. and Coffman Associates, Inc. to complete the process of updating the Airport Master Plan for the Fallon Municipal Airport. The process included the formation of a Master Plan Advisory Committee consisting of representatives from the City, Churchill County, Naval Air Station Fallon, the Nevada Department of Transportation, local pilots and the FAA. The committee held 3 meetings and there were 3 public meetings / informational sessions held where members of the public could attend, ask questions and receive information about the master plan and the airport in general.

The results of the process, an updated Airport Master Plan for the Fallon Municipal Airport, will be presented to the Council by representatives from Atkins North America, Inc. and Coffman Associates, Inc.

FISCAL IMPACT: N/A

FUNDING SOURCE: N/A

PREPARED BY: Robert Erquiaga, Legal and Administrative Director

The Airport Master Plan is
available for review in the
City Clerk's Office.

January 22, 2019

Agenda Item 7

Consideration and possible approval of engagement letter and appointment of Eide Bailly for professional services to complete the mandatory audit of records of the City of Fallon Municipal Court for the year ended June 30, 2018 for the estimated fee of Seven Thousand Seven Hundred Fifty Dollars (\$7,750.00) plus out of pocket travel costs. **(For possible action)**

**CITY OF FALLON
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 7

DATE SUBMITTED: January 14, 2019

AGENDA DATE REQUESTED: January 22, 2019

TO: The Honorable City Council

FROM: The City of Fallon Audit Committee

SUBJECT TITLE: Consideration and possible approval of engagement letter and appointment of Eide Bailly for professional services to complete the mandatory independent audit of the records of the City of Fallon Municipal Court for the year ended June 30, 2018 for the estimated fee of Seven Thousand Seven Hundred Fifty Dollars (\$7,750.00) plus out of pocket travel costs. **(For possible action)**

TYPE OF ACTION REQUESTED: (Check One)

- | | |
|--|------------------------------------|
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Ordinance |
| <input checked="" type="checkbox"/> Formal Action/Motion | <input type="checkbox"/> Other |

RECOMMENDED COUNCIL ACTION: Motion to approve engagement letter and appoint Eide Bailly for professional services to complete the mandatory independent audit of the records of the City of Fallon Municipal Court for the year ended June 30, 2018 for the estimated fee of Seven Thousand Seven Hundred Fifty Dollars (\$7,750.00) plus out of pocket travel costs.

DISCUSSION: The Fallon Municipal Court is required by the Supreme Court of Nevada and the Nevada Administrative Office of the Courts to contract with an independent auditor once every four years to complete an independent audit of the records of the Court. The four-year independent audit must be completed by a certified public accountant or certified internal auditor, or under the direction of a CPA or CIA. The independent audit includes a review of the Court's accounting records, procedures, automated financial management system records, and internal controls. If approved, Teri Gage would be the engagement partner for this engagement. Eide Bailly and Teri Gage are fully qualified to complete the independent audit and have provided exceptional service to the City of Fallon during past City audits. The proposed Engagement Letter and the Nevada Courts Minimum Accounting Standards Guide for External Audits are attached for further information.

FISCAL IMPACT: Seven Thousand Seven Hundred Fifty Dollars (\$7,750.00)

FUNDING SOURCE: The General Fund

PREPARED BY: Robert Erquiaga, Legal and Administrative Director



CPAs & BUSINESS ADVISORS

January 7, 2019

City of Fallon Municipal Court
55 West Williams Avenue
Fallon, Nevada 89406

This letter sets forth our understanding for applying agreed-upon procedures which the Administrative Office of the Courts of the Supreme Court of Nevada has specified in its Minimum Accounting Standards Guide to External Audits Version 1.1, dated January 2018. The agreed upon procedures will be applied to the records of the City of Fallon Municipal Court for the year ended June 30, 2018.

This engagement is solely for the purpose of reporting our findings in regards to the results of the procedures performed as compared to the Minimum Accounting Standards Guide to External Audits Version 1.1. The procedures we will perform have been agreed to by the specified parties to this engagement listed as follows:

Administrative Office of the Courts of the Supreme Court of Nevada
City of Fallon Municipal Court

We will apply the procedures listed in the attached schedule.

We will conduct our engagement in accordance with the attestation standards for agreed-upon procedures engagements of the American Institute of Certified Public Accountants. We are responsible for carrying out the procedures and reporting findings in accordance with these standards. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation as to the sufficiency of these procedures for the purposes of the specified parties or for any other purpose.

The agreed-upon procedures to be performed do not constitute an examination or review of the subject matter. Accordingly, we will not express an opinion or conclusion on the subject matter. If we did perform additional procedures, other matters might come to our attention that would be reported to you.

Our report will list the procedures performed and our findings. Our report will be addressed to the Judge of the City of Fallon Municipal Court and will be intended for use by and restricted to the use of the specified parties as identified above. Our report will contain such restricted-use language.

Should we have any reservations with respect to the subject matter, we will discuss them with you before the report is issued.

We have no responsibility to update our report for events and circumstances occurring after the date of our report.

As part of our engagement, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the agreed upon procedures.

City of Fallon Municipal Court's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

During the engagement, we may communicate with you or with your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We plan to begin our procedures in January 2019 and, unless unforeseeable problems are encountered, the engagement should be completed by March 1, 2019.

Teri Gage is the engagement partner for the services specified in this letter. Responsibilities include supervising services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the agreed-upon procedures report.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices are payable upon presentation. We estimate that our fee for the engagement will be \$7,750 plus out of pocket travel costs. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate.

In addition, we will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our agreed upon procedures are completed and a report issued, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

We will maintain the confidentiality of your personal information and will apply procedures to protect against any unauthorized release of your personal information to third parties.

We agree to retain our attest documentation or work papers for a period of at least seven years from the date of our report.

DISPUTE RESOLUTION

The following procedures shall be used to resolve any disagreement, controversy or claim that may arise out of any aspect of our services or relationship with you, including this engagement, for any reason ("Dispute"). Specifically, we agree to first mediate.

Mediation

All Disputes between us shall first be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator. The mediator will be selected by mutual agreement, but if we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA").

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute. Mediation will be conducted with the parties in person in Elko, NV.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Either party may commence suit on a Dispute after the mediator declares an impasse.

INDEMNITY

You agree that none of Eide Bailly LLP, its partners, affiliates, officers or employees (collectively "Eide Bailly") shall be responsible for or liable to you for any misstatements in your financial statements that we may fail to detect as a result of knowing representations made to us, or the concealment or intentional withholding of information from us, by any of your owners, directors, officers or employees, whether or not they acted in doing so in your interests or for your benefit, and to hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees from any such misstatement, provided that the services performed hereunder were performed in accordance with professional standards, in all material respects.

If a claim is brought against you by a third-party that arises out of or is in any way related to the services provided under this engagement, you agree to indemnify Eide Bailly LLP, its partners, affiliates, officers and employees (collectively "Eide Bailly"), against any losses, including settlement payments, judgments, damage awards, punitive or exemplary damages, and the costs of litigation (including attorneys' fees) associated with the services performed hereunder provided that the services were performed in accordance with professional standards, in all material respects.

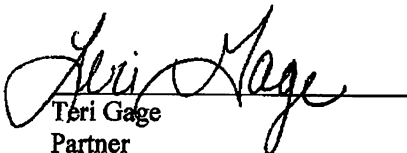
ASSIGNMENTS PROHIBITED

You agree that you will not and may not assign, sell, barter or transfer any legal rights, causes of actions, claims or Disputes you may have against Eide Bailly, its partners, affiliates, officers and employees, to any other person or party, or to any trustee, receiver or other third party.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement including our respective responsibilities. If you have any questions, please let us know.

We appreciate the opportunity to be of service to you and look forward to working with you and your staff.

Respectfully,


Teri Gage
Partner

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the City of Fallon Municipal Court by:

Name: _____

Title: _____

Date: _____

**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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Supreme Court of Nevada
ADMINISTRATIVE OFFICE OF THE COURTS

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Supreme Court of Nevada
ADMINISTRATIVE OFFICE OF THE COURTS

MINIMUM ACCOUNTING STANDARDS GUIDE FOR EXTERNAL AUDITS

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.

Supreme Court of Nevada
ADMINISTRATIVE OFFICE OF THE COURTS

MINIMUM ACCOUNTING STANDARDS GUIDE FOR EXTERNAL AUDITS

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.

Supreme Court of Nevada
ADMINISTRATIVE OFFICE OF THE COURTS

MINIMUM ACCOUNTING STANDARDS GUIDE FOR EXTERNAL AUDITS

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)

Supreme Court of Nevada
ADMINISTRATIVE OFFICE OF THE COURTS

MINIMUM ACCOUNTING STANDARDS GUIDE FOR EXTERNAL AUDITS

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.

Supreme Court of Nevada
ADMINISTRATIVE OFFICE OF THE COURTS

MINIMUM ACCOUNTING STANDARDS GUIDE FOR EXTERNAL AUDITS

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 receiving 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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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.