

**City of Carson City
Agenda Report**

Date Submitted: January 20, 2012

Agenda Date Requested: February 2, 2012

Time Requested: Consent

To: Mayor and Supervisors
From: Max Cortes, Court Administrator
Chief Rory Planeta, Alternative Sentencing

Subject Title: Action to approve transferring the Fines and Fees Payment Center's personnel and functions from the supervision of the Department of Alternative Sentencing to the First Judicial District Court and the Carson City Justice/Municipal Court Judges and/or their designee.

Staff Summary: Approximately in 2001, the responsibility to collect the fines and fees imposed by the Justice/Municipal Court Judges was transferred from the court to the Treasurer's Office. During the time the Treasurer's Office had the responsibility, the Fines and Fees Payment Center was created. Sometime in 2003, the responsibility of supervising the Fines and Fees Payment Center was transferred from the Treasurer's Office to the Department of Alternative Sentencing. Over the past two years, the Fines and Fees Payment Center have expanded their responsibilities by collecting restitution ordered by the Justice/Municipal Court Judges and collecting fines and fees imposed by the First Judicial District Court Judges. The Fines and Fees Payment Center has been an integral part in the collection efforts made by the courts. Additionally, the Justice/Municipal Court Judges have the responsibility for reporting the collection of fines and fees pursuant to NRS 4.100.

Lastly, the First Judicial District Court and the Justice/Municipal Courts must comply with the Minimum Accounting Standards (MAS) as ordered by the Supreme Court. Order of January 13, 2012 (attached). In order to ensure compliance, the Fines and Fees Payment Center should be transferred to the court's supervision.

Type of Action Requested: (check one)

Resolution Ordinance
 Formal Action/Motion Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move to approve transferring the Fines and Fees Payment Center's personnel and functions from the supervision of the Department of Alternative Sentencing to the First Judicial District Court and the Carson City Justice/Municipal Court Judges and/or their designee.

Applicable Statue, Code, Policy, Rule or Regulation: NRS 4.100

NRS 4.100 Quarterly financial statements.

1. On the first Mondays of January, April, July and October, the justices of the peace who receive fees pursuant to the provisions of NRS 4.060, 4.063 and 4.065 shall make out and file with the boards of county commissioners of their several counties a full and correct statement under oath of all fees or compensation, of whatever nature or kind, received in their several official capacities during the preceding 3 months. In the statement they shall set forth the cause in which, and the services for which, such fees or compensation were received.

2. This section does not require personal attendance in filing statements, which may be transmitted by mail or otherwise directed to the clerk of the board of county commissioners.

[Part 19:49:1883; BH § 2360; C § 2484; RL § 2021; NCL § 2952]—(NRS A 1991, 328, 918, 920; 1993, 1213)

Fiscal Impact: None. This move will require the transfer of (2) FTE in the amount of \$146,927.00 (includes salary/benefits) from Budget Number #4705 to the Court’s Budget #4700. The 2 FTE positions are dedicated to the Fines and Fees Payment Center and have been approved and budgeted for FY 2011. Office supplies and operating costs for the Fines and Fees Payment Center will be absorbed by the Court’s Budget. The employees will be reclassified into the applicable Judicial Clerk I-III classifications. Cross-training and coverage will be performed by existing court personnel who are in the same Judicial Clerk I-III classifications.

Funding Source: General Fund

Supporting Material: Supreme Court (MAS) Order dated January 13, 2012 and Organizational Chart.

Prepared By: Max Cortes, Court Administrator

Reviewed By: James E. Russell for
(James T. Russell, First Judicial District Court Judge, Dept I)

Date: 1/23/12

James E. Wilson Jr.
(James E. Wilson Jr., First Judicial District Court Judge, Dept II)

Date: 1/23/12

John Tatro
(John Tatro, Justice/Municipal Court Judge, Dept II)

Date: 1/23/12

Thomas R. Armstrong
(Thomas R. Armstrong, Justice/Municipal Court Judge, Dept I)

Date: 1-23-2012

[Signature]
(City Manager)

Date: 1/24/12

[Signature]
(District Attorney)

Date: 1/24/12

[Signature]
(Finance Director)

Date: 1/24/12

Board Action Taken:

Motion: _____

1) _____

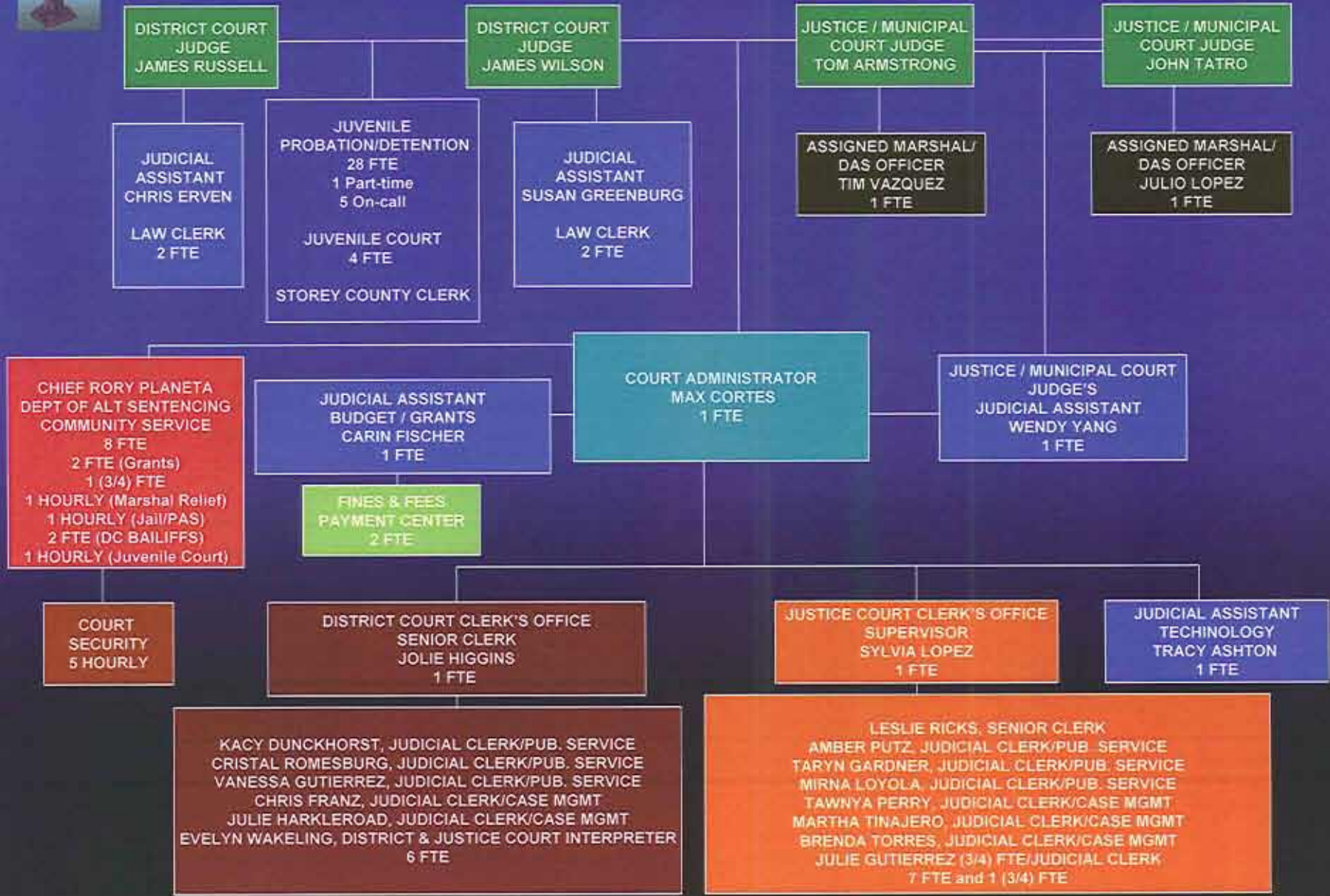
Aye/Nay

2) _____

(Vote Recorded By)



FIRST JUDICIAL DISTRICT ORGANIZATION CHART



IN THE SUPREME COURT OF THE STATE OF NEVADA

IN RE REVISED MINIMUM
ACCOUNTING STANDARDS FOR
NEVADA DISTRICT, JUSTICE AND
MUNICIPAL COURTS.

FILED

JAN 13 2012

TRACIE K. LANGRISHAN
CLERK OF SUPREME COURT
BY *[Signature]*
CHIEF DEPUTY CLERK

ORDER ESTABLISHING REVISED MINIMUM ACCOUNTING
STANDARDS FOR DISTRICT, JUSTICE AND MUNICIPAL COURTS

WHEREAS, in January of 1995, the Legislative Auditor completed an audit of the processing, collecting, recording, and remittance of state fines and administrative assessments in Nevada's courts; and

WHEREAS, this court adopted the auditor's recommendation to establish minimum financial and administrative/accounting control standards, and subsequently entered an Order on February 19, 1997 (1997 Order) in connection therewith; and

WHEREAS, the Administrative Office of the Courts, in accordance with the 1997 Order, developed such standards for justice and municipal courts; and

WHEREAS, this court adopted revised standards on October 2, 2006, requiring all courts within this State to complete the Minimum Accounting Standards checklist annually; and

WHEREAS, experience has shown that annual submission of the checklists does not improve the data and may be unduly burdensome on the courts; and a new Minimum Accounting Standards workgroup was organized to review the checklist and recommend modifications; and

WHEREAS, the Court suspended the Minimum Accounting Standards for one year to allow recommendations to be made as entered in the Order on November 3, 2009 (2009 Order); and

WHEREAS, the Court subsequently suspended the Minimum Accounting Standards checklist and independent audit submissions indefinitely and in its place required courts to submit their written procedures addressing the active version of the Minimum Accounting Standards as entered in the Order on June 29, 2011 (2011 Order); and

WHEREAS, this Court recognizes substantial changes to the Minimum Accounting Standards submission requirements and audit procedures will make the submissions more comprehensive, cost-effective, and usable; and

WHEREAS, the Minimum Accounting Standards workgroup has developed a revised set of Minimum Accounting Standards in order to simplify the organization of the standards, eliminate ambiguity and redundancy in checklist questions, and add questions to address topics missing in the previous version; and

WHEREAS, the revised Minimum Accounting Standards, Version 3.0, was circulated to all courts for review and comment and additional modifications made to incorporate suggested changes; and

WHEREAS, the revised Minimum Accounting Standards, Version 3.0, a copy of which is attached, reflects all suggested revisions, and has been reviewed and approved by the Judicial Council of the State of Nevada; and

WHEREAS, the Judicial Council of the State of Nevada has recommended that the Supreme Court adopt the revised Minimum Accounting Standards, Version 3.0.

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The revised Minimum Accounting Standards, Version 3.0, attached hereto, are hereby adopted and shall be effective on the date of entry of this Order. This Order supersedes all prior Orders referenced herein.

2. The revised Minimum Accounting Standards, Version 3.0, shall be fully and effectively implemented by the Nevada Supreme Court and all district courts, justice courts, and municipal courts within the State of Nevada.

3. Beginning in December 2012, and each even-numbered calendar year thereafter, all district, justice, and municipal courts in Carson, Storey, Washoe, Lyon, Churchill, Elko, Lander, Pershing, Humboldt, and Douglas counties (40 courts) identified as Group 1, shall complete and deliver written procedures or verifications as required by the active version of the Minimum Accounting Standards to the Administrative Office of the Courts, Audit Unit by electronic submission no later than December 31, of each even-numbered year.

4. Beginning in December 2013, and each odd-numbered year thereafter, all district, justice, and municipal courts in Nye, Esmeralda, Mineral, Lincoln, Eureka, White Pine, and Clark counties including the Supreme Court (37 courts) identified as Group 2, shall complete and deliver written procedures or verifications as required by the active version of the Minimum Accounting Standards to the Administrative Office of the Courts Audit Unit by electronic submission no later than December 31, of each odd-numbered year.

5. The submissions of procedures identified in #2 through #4 above, shall be accompanied by an acknowledgement on a form provided

by the Administrative Office of the Courts Audit Unit, signed by the chief judge of the court or by all judges of the court when there is no chief judge, asserting that the procedures accurately reflect the operating practices of the court and that the written procedures are in compliance with the active version of the Minimum Accounting Standards. The submissions shall be made electronically no later than December 31 of the applicable calendar year.

6. In even-numbered calendar years subsequent to 2012, all courts in Group 1 shall submit a verification, on a form prepared by the Administrative Office of the Courts Audit Unit, signed by the chief judge of the court or by all judges of the court when there is no chief judge, asserting that the written procedures of the court accurately reflect the current operating practices of the court, compliance with the active version of the Minimum Accounting Standards, and the written procedures are being followed by the court. This submission shall be made electronically no later than December 31 of the applicable calendar year.

7. In odd-numbered calendar years subsequent to 2013, all courts in Group 2 shall submit a verification, on a form prepared by the Administrative Office of the Courts Audit Unit, signed by the chief judge of the court or by all judges of the court when there is no chief judge, asserting that the written procedures of the court accurately reflect the current operating practices of the court, compliance with the active version of the minimum accounting standards, and the procedures are being followed by the court. This submission shall be made electronically no later than December 31 of the applicable calendar year.

8. In the event that the operating practices of a court change so that a modification of the written procedures of that court is necessary

to accurately reflect the practices and compliance with the active version of the Minimum Accounting Standards, the court shall make the changes and submit the revised written procedures to the Administrative Office of the Courts Audit Unit electronically within sixty (60) days of the change in operating procedures.

9. The Administrative Office of the Courts Audit Unit shall develop a schedule for courts in each group to engage and submit to an independent audit once every four years beginning in calendar year 2014. Additionally, the Audit Unit shall develop uniform checklist and guidelines to be used by the independent auditors in conducting their audits. The independent audits shall be conducted utilizing the following requirements:

Courts shall contract with an independent auditor acceptable to the AOC Audit Unit once every four years on a schedule developed by the AOC Audit Unit. The four-year independent audit shall be completed by a certified public accountant (CPA) licensed by the Nevada State Board of Accountancy or a certified internal auditor (CIA) licensed by the Institute of Internal Auditors, or under the direction of a CPA or CIA.

Additionally, the four-year independent audit shall be performed in accordance with the American Institute of Certified Public Accountants, Codification of Professional Standards, AT Section 201, Statements on Standards for Attestation Engagements (SSAE) No.10 and No.11, Agreed-Upon Procedures Engagements. This includes using the AOC Audit Unit, Guide for External Auditors and the MAS checklist developed by the AOC Audit Unit for conducting the audit.

The independent auditor shall follow all procedures as identified and published by the AOC Audit Unit, Guide for External Auditors. This shall include a review of the court's accounting records, procedures, automated financial management system records, and internal controls in order to make certain determinations as identified by the guide.

The final report issued by the independent auditor must follow the format as requested by the AOC Audit Unit, Guide for External Auditors and shall contain the elements described in the Codification of Statements on Auditing Standards, AT 201.31.

Upon completion of the independent audit, the auditor shall deliver the final audit report to the court within 90 days after the audit is completed. The court shall address the independent auditor's recommended corrective action and recommendations for improvement. The final audit report, completed MAS checklist, and the court's action plan addressing corrective measures and recommendations shall be submitted by the court to the AOC Audit Unit within 60 days after receipt of the final audit report, or by no later than December 31, in the year in which the audit was performed. All submissions shall be remitted electronically or sent through US Mail.

10. The Administrative Office of the Courts Audit Unit shall further be authorized to conduct audits of the courts at its discretion.

11. The Administrative Office of the Courts Audit Unit shall provide a report to the Supreme Court in April of each year concerning the courts' compliance with the Minimum Accounting Standards. The report shall include those courts not meeting the Minimum Accounting

Standards and the steps they are taking towards meeting these minimum standards.

DATED this 13th day of January, 2012.

Saitta C.J.
Saitta

Douglas, J.
Douglas

Gibbons, J.
Gibbons

Hardesty, J.
Hardesty

Cherry, J.
Cherry

Pickering, J.
Pickering

Parraguirre, J.
Parraguirre

cc: All District Court Judges
All Justices of the Peace
All Municipal Court Judges
All District Court Clerks and County Clerks
Administrative Office of the Courts