

SEPARATION OF CRITICAL DUTIES IN TRANSACTION CYCLES WITHIN A JUSTICE COURT USING CORIS

The purpose of “separation of duties” is to ensure that no single individual is placed in such a circumstance that (s)he can cause and conceal errors and/or irregularities (or be vulnerable to others doing so), while performing regularly assigned duties. Three fundamental categories of duties must be separated for ideal control:

1. Custody of assets
2. Authorization of transactions (including authorization to execute a transaction); and
3. Record keeping/accounting/reconciliation.

Critical duties are those duties, which should be divided among employees to establish accountability and to reduce opportunities for misuse of funds. Other *non-critical duties* may also occur in a given transaction cycle, but need not be addressed for the purpose of “separation of duties.”

Achieving a complete division of critical duties depends on the staff available in a court. A court with a small staff may have to allow some overlap of duties. In a larger court, overlap of duties may occur due to clerk absences. In each instance of overlap, court management needs to plan for an “External Review” of the documents and transactions that relate to that transaction cycle. The review needs to be done by an employee who is independent of that transaction cycle, at least quarterly, but monthly is preferred. Non-court employees (e.g., city or county employees) may be enlisted to perform the External Review duties.

Adequate separation of duties would exist if only one employee performs the set of critical duties for any one category within the three fundamental categories of a transaction cycle. No employee should have control over all three categories of duties for a transaction cycle, either formally or informally.

Following are charts, which outline and separate the critical duties in the court transaction cycles. The analysis is based on a court that has a sufficient number of staff to separate duties.(4/29/2019)

TRANSACTION CYCLE: CASH CHANGE FUND USE

DUTY 1: Custody of Asset	DUTY 2: Authorized to Use	DUTY 3: Record Keeping	Duty 4: Accounting
<p>Change Fund Custodian</p> <p>Assigns Change Fund(s) to Cashier Clerk(s) to use in the receipting process. Retains a portion to make change for Cashier Clerks who run short of change.</p> <p>The custodian is responsible for any shortages or irregularities in accounting for the Change Fund.</p> <p><u>MUST CHECK: Does change fund custodian retain a portion to make change?</u> <u>yes</u> <input type="checkbox"/> <u>no</u> <input type="checkbox"/></p>	<p>Cashier Clerk(s) assigned a Change Fund</p> <p>Clerks use assigned Change Fund to make change in the receipting process.</p> <p>The Cashier Clerk secures his/her assigned Change Fund in his/her locked device during the day. The fund is kept overnight in the court safe or vault in the clerk assigned locking device.</p> <p>Cashier Clerk(s) counts the change fund with all coin and currency recorded on the daily CORIS Cash Count Form,</p> <p>The Cashier's Change Fund amount needs to be entered in CORIS Personnel Maintenance for each cashier with a fund.</p>	<p>Deposit Verifier/Preparer</p> <p>During the daily close out, the Deposit Verifier/Preparer performs a verifying count of Cashier Clerk(s) and the assigned Change Fund and Revenue and Trust receipts, in the presence of each Cashier.</p> <p>When approved, the Cash Count Form is printed and signed by both the Cashier Clerk and Deposit Verifier/Preparer to document each Cashier Clerk's assigned Cash Change Fund is intact. The Cashier Clerk gives the original Cash Count Form to the Accounting Clerk.</p> <p>The Deposit Verifier/Preparer takes custody of the Cashiers' receipts and prepares the deposit.</p>	<p>Change Fund Verifier</p> <p>An unannounced count of the total Cash Change Fund is performed and documented at least three times a year by someone not assigned a Cash Change fund portion.</p>
Individual(s) assigned:	Individual(s) assigned:	Individual(s) assigned:	Individual(s) assigned:

IF NEEDED, EXTERNAL REVIEW PERFORMED BY: Name: _____ Phone: _____ Court Location: _____

TRANSACTION CYCLE: *MAIL PAYMENTS*

DUTY 1: Record Keeping	DUTY 2: Record Keeping	DUTY 3: Custody of Assets	DUTY 4: Authorization and Custody of Assets	DUTY 5: Record Keeping/Accounting
<p>Mail Log Preparer Records mail payments on the Daily Mail Log.</p>	<p>Mail Log Witness Witnesses that all payments received by mail are recorded on the log.</p>	<p>Cashier Clerk(s) Who Receipt Mail payments If both the Mail Log Preparer and Witness sign the Mail Log attesting to the accuracy of the payments listed, either clerk can receipt mail payments on the computer.</p>	<p>Deposit Verifier/Preparer The Deposit Verifier/Preparer performs a verifying count of Cashier Clerk(s) receipts, including mail payments, and the Cash Change Fund in the presence of each Cashier. Both the Cashier and the Verifier sign the Cash Count Form (which is prepared on CORIS) as accurate. Verifies that the Cashier Clerk(s) receipts, including mail payments, agree with the amounts received per the daily receipt records for each Cashier (Cashier Totals Report and Cash Count Forms). Prepares the deposit.</p>	<p>Accounting Clerk Reconciles the mail log to the CORIS Mail Log Report. Verifies that mail payments were receipted in CORIS within 3 days: 1) to the same case, 2) in the same cash/check composition as recorded on the mail log.</p>
Individual(s) assigned:	Individual(s):	Individual(s) assigned:	Individual(s) assigned:	Individual(s):

IF NEEDED, EXTERNAL REVIEW PERFORMED BY: Name: _____ Phone: _____ Court Location: _____

TRANSACTION CYCLE: *REVENUE/TRUST FUNDS*

DUTY 1: Record Keeping	DUTY 2: Custody of Assets	DUTY 3: Authorization and Custody of Assets	DUTY 4: Record Keeping/Accounting
<p>Accounts Receivable Set Up Clerk</p> <p>Sets up amounts due from judicial order or citation.</p> <p>A clerk other than a clerk with access or custody to money should enter citations or set up Accounts Receivables</p>	<p>Cashier Clerk(s) receipting Revenue and Trust payments</p> <p>Receipts revenue and trust payments, and maintains funds in a secure device.</p>	<p>Deposit Verifier/Preparer</p> <p>The <i>Deposit Verifier/Preparer</i>: (1) Prints a Transaction Detail Report and Cashiers Total Report for each cashier. 2) Performs a verifying count of Cashier Clerk(s) receipts, including mail payments, and the Cash Change Fund in the presence of each Cashier. Both the Cashier and the Verifier sign the Cash Count Form (which is prepared on CORIS) as accurate.</p> <p>Verifies that the Cashier Clerk(s) receipts, including mail payments, agree with the amounts receipted per the daily receipt records for each Cashier (Cashier Totals Report and Cash Count Forms). Prepares the deposit.</p>	<p>Accounting Clerk</p> <p>Researches any deposit overages/shortages in cash and enters the O/S transaction to balance the journal. Reconciles Cash Count Forms (including cash/check composition) to receipt records and the verified deposit receipt. (CORIS Receipt records include: 1) Cashier Totals Report, Transaction Detail Report, and 2) yellow copy hand receipts, if any hand receipts were issued.</p> <p>Reviews CORIS daily journal End of Day reports to verify mail payments, credits, adjustments, and reversals (voided receipts) to supporting documentation, e.g. mail log, judicial order, or proof of compliance.</p>
Individual(s):	Individual(s) assigned:	Individual(s) assigned:	Individual(s) assigned:

IF NEEDED, EXTERNAL REVIEW PERFORMED BY: Name: _____ Phone: _____ Court Location: _____

TRANSACTION CYCLE: TRUST DISBURSEMENTS (this page if Trust Checks are issued by the Local Government)

DUTY 1:	DUTY 2:	DUTY 3:	DUTY 4:	DUTY 5:
Record Keeping	Authorization	Custody of Assets	Court Reconciliation	Local Govt Reconciliation
Disbursement Request Preparer	Disbursement Approval	Check Writer, Check Signer, and Check Mailer	CORIS Disbursement Reconciler	Reconciler
<p>Prepares disbursement request based on judicial order or other circumstances (e.g. refund of overpayment). Attaches supporting documentation (e.g. judicial order or case history sheet showing the overpayment) to show that the disbursement is valid.</p> <p>If court has activated the “Allow Bail Forfeiture Directly to Fine”, a disbursement is not processed for Cash Bail forfeiture and/or application to the fine.</p> <p>Records disbursement request on the Disbursements Journal.</p> <p>Presents disbursement request to a second person for review and authorization.</p> <p>Issues a “mock” check using CORIS Trust Check Processing using the check number (per the check copy provided by the local government) on the Disbursements Journal for each disbursement requested.</p>	<p>Disbursement is authorized by judicial order (e.g. cash bail refund or court-ordered restitution paid through the court), or by circumstances (e.g. refund of overpayment),</p> <p>A second person (one who did not prepare the disbursement request) reviews the disbursement request and supporting documentation (e.g. judicial order or case history sheet showing the overpayment) to verify the disbursement is proper and valid.</p> <p>The second-person reviewer signs the disbursement request to show that the request was reviewed and authorized.</p>	<p>Checks are prepared, signed, and mailed by the local government. A copy of the check is forwarded to the Disbursement Reconciler at the court.</p> <p>Note: If a check is returned to the court as undeliverable, and the payer cannot be located, the check should be forwarded to the local government to be remitted to Unclaimed Property Division after the statutory period. (Per UCA 67-4a, Unclaimed Property Act) If a check is returned: 1) the check needs to be safeguarded (recorded on a mail log to show receipt and stored in a locking cash bag), and 2) the events needs to be documented in the case history.</p>	<p>Monthly, reviews monies held in trust per the Trust Account Summary Report to ensure funds are held properly and applied or disbursed timely.</p>	<p>Local Government Auditor per UCA 17-19a-207). Monthly, reconciles disbursements per the Disbursements Journal to the court accounts in the general ledger (e.g. bail, restitution, overpayments, etc.) to the CORIS Trust Account Summary Report, and to the bank statement. Verifies that a check was issued for each disbursement requested. Also verifies that disbursements per the ledger accounts are valid and recorded on the disbursements journal.</p>
Individual(s) assigned:	Individual(s) assigned:	Individual(s) assigned:	Individual(s) assigned:	Individual(s) assigned:

IF NEEDED, EXTERNAL REVIEW PERFORMED BY: Name: _____ Phone: _____ Court Location: _____

TRANSACTION CYCLE: TRUST DISBURSEMENTS

(Fill out this page Only if Trust Checks are *issued by the Court in CORIS*)

DUTY 1:	DUTY 2:	DUTY 3:	DUTY 4:	DUTY 5:
Custody of Assets	Record Keeping	Authorization	Reconciliation	Local Gov't Reconciliation
Trust Account Check Stock Custodian	Trust Account Check Writer	Trust Account Check Signers	Trust Account Reconciler	
<p>Secures the inventory of the blank check stock paper. Retrieves the check stock needed for the trust account check writer.</p>	<p>Requests blank check stock paper from custodian. Generates a Trust Checks Available to Write Report and reviews case events and judicial orders to determine disposition of funds. Preferably, uses CORIS to issue checks and update the CORIS Check Register simultaneously.</p> <p>Reviews trust funds held in the trust account quarterly to ensure funds are disbursed timely.</p> <p>An alternate check writer should be assigned who is not also a trust check signer or reconciler.</p>	<p>After review of supporting documentation, the two authorized signers approve each trust check by signing.</p> <p>The employee performing the second signature mails the checks and/or delivers the checks, payable to the court revenue account, to a cashier.</p>	<p>The employee reconciling the trust account should open the trust bank statement, access the reconciliation feature on CORIS, and prepare the monthly reconciliation.</p> <p>The reconciler must account for the numerical sequence of all trust checks, including voided and cancelled checks.</p> <p>Each cancelled check must be agreed to the CORIS Trust Check Register detail for the check. Differences must be resolved or reported to management.</p> <p>Only the employee performing the daily accounting (not the reconciler) is authorized to enter deposit/bank adjustments into CORIS.</p>	<p>Local Government Auditor per UCA 78A-7-121 and 17-19a-207. Monthly, reconciles disbursements per the Disbursements Journal to the court accounts in the general ledger (e.g. bail, restitution, overpayments, etc.) to the CORIS Trust Account Summary Report, and to the bank statement. Verifies that a check was issued for each disbursement requested. Also verifies that disbursements per the ledger accounts are valid and recorded on the disbursements journal.</p>
Individual(s) assigned:	Individual(s) assigned:	Individual(s) assigned:	Individual(s) assigned:	Individual(s) assigned:

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TRANSACTION CYCLE: TRUST

LOCAL GOVERNMENT

Duty 1:	DUTY 2:	DUTY 3:	DUTY 4:
Custody of Assets	Authorization	Check Writer	Record Keeping/Accounting
<p>Juror/Witness Justice Court Judge/Local Government Disbursement Process</p>	<p>Payment Approval</p>	<p>The certificate/juror summons/subpoena signed by the judge, clerk, and/or prosecutor is presented to the local government for the payment of services. The local government's disbursement process is followed per UCA 78B-1-122(2)</p>	<p>Juror/Witness Payments Reconciler (Performed by the Local Government)</p>
<p>Per UCA 78B-1-122, the justice court shall follow the established disbursement process for juror and witness fees within the town, city, or county, or use the following procedure.</p> <p>Justice court judge provides a juror or witness on a criminal case a numbered certificate.</p>	<p>The prosecutor authorizes the payment of juror/witness fees per UCA 78B-1-122(2).</p> <p>The subpoena signed by the prosecutor serves as authorization for payment; juror service summons or clerk authorization (jury list).</p>		<p>County auditor/city recorder's office reconciles the monthly disbursements of juror and witness payments to the supporting documentation per UCA 78B-1-122(3)</p>
Individual(s) assigned:	Individual(s) assigned:	Individual(s) assigned:	Individual(s) assigned:

IF NEEDED, EXTERNAL REVIEW PERFORMED BY: Name: _____ Phone: _____ Court Location: _____