

May 2013



Highlights

Internal Audit Report to the Board of Supervisors

Why We Did This Review

Every three years, Arizona courts are required to have an independent Minimum Accounting Standards (MAS) review.

The MAS review is an Agreed-Upon Procedures engagement in which an independent accountant performs standard audit procedures set forth by the Supreme Court of Arizona, Administrative Office of the Courts (AOC).

Minimum accounting standards were developed to standardize accounting practices and procedures, and to assist court personnel in bringing financial operations into compliance with statute and generally accepted accounting principles (GAAP).

Our review assists the AOC in evaluating each court's compliance with MAS. The AOC is responsible for following up on all exceptions.

We conducted this review as part of our FY 2013 Board-approved audit plan. Our work was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing standards, as well as standards established by the American Institute of Certified Public Accountants.

For more information, please contact Eve Murillo, Deputy County Auditor, at 602-506-7245 or emurillo@mail.maricopa.gov

Justice Courts Accounting Review

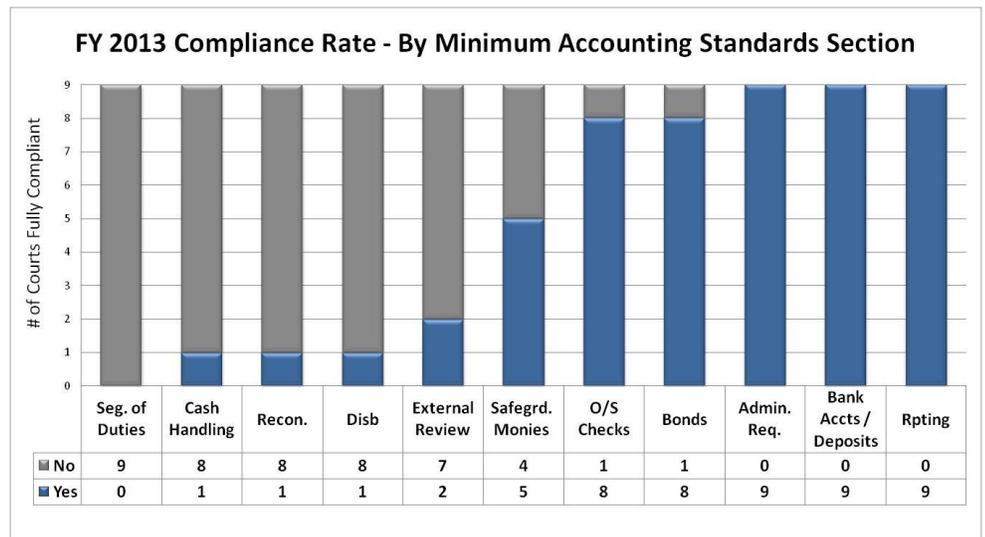
Minimum Accounting Standards (MAS) Agreed-Upon Procedures Review

What We Found

We reviewed the eight justice courts and one municipal court listed in the chart below. Minimum Accounting Standards compliance rates by court ranged from 78% at Hassayampa Justice Court to 89% at Gila Bend Municipal Court.



The following chart shows the eleven Minimum Accounting Standards areas reviewed, along with the number of courts not fully compliant in each area (depicted in gray). As shown, most exceptions were related to segregation of duties, cash handling, reconciliations, disbursements, external reviews, and safeguarding of monies. These types of exceptions increase the risk that errors and/or fraud could occur and go undetected.



We appreciate the excellent cooperation received from Justice Court management and staff while conducting this review.

"Do the Right Things Right!"

Maricopa County Internal Audit Department