



UCPDA Audit
July 2020



Table of Contents

Executive Summary	1
Background and Purpose.....	1
What We Found	1
What We Recommend	3
Summary of Agency Response	4
Introduction.....	5
Background.....	5
Objectives	10
Scope and Methodology.....	10
Review Results.....	11
Non-profit Annual IRS Filing	11
Financial Statements	15
FUNDING SOURCES	15
Expenses.....	18
Non-Utah County Public Defender Cases.....	20
UCPDA Staff and Caseload.....	22
Appendix A: Appendix A Title	26
Agency Response.....	27

Executive Summary

Background and Purpose

We recently completed a financial statement review of the Utah County Public Defenders Association or “UCPDA” for the years ended 2015 through 2019. A review provides limited assurance, but not absolute assurance that the financial statements provided by the UCPDA are true and fair. We have become aware of matter which causes us to believe the financial statements do not present a true and fair view.

The UCPDA was established in 1994, and includes three divisions:

- District
- Juvenile
- Appellate

The divisions managed by the UCPDA provide legal defense services to indigent individuals facing charges in Utah County.

What We Found

Total number of employees of the UCPDA has increased every year, except one.

Total number of employees of the UCPDA has increased from 26.5 in 2015 to 41 in 2019. That is an increase of 14.5 employees (55%) over those five years. The number of attorneys has increased from 17.5 to 28, an increase of 10.5 (60%) attorneys.

Funding from Utah County to the UCPDA has increased every year.

Funding from Utah County has increased from \$3,999,540 in 2015 to \$7,450,447 in 2019. That is an increase of \$3,450,907 (86%) over those five years. The yearly increases during this time was 2.87%, 1.62%, 15.75%, and 50.02%.

Utah County population has increased from 585,694 people to 651,409 people in 2019. This population growth of 65,715 over the same five years shows a slower growth rate of 11%. Salary and benefit costs for the UCPDA have increased from \$150,926 per employee in 2015 to \$196,041 per employee in 2019, an increase of 30%.

Funding from Juab County to the UCPDA began in 2017.

Funding from Juab County has fluctuated over the period from 2017 through 2019. Going from \$252,020, to \$370,214, and finally to \$203,625. How are the payments from Juab County determined? Are they expected to level out to a more consistent amount?

Funding from Nephi City and Sanpete County began in 2018.

Funding from Nephi City began with \$30,000 in 2018 and decreased to \$20,746 in 2019. Funding from Sanpete County began with \$131,000 in 2018 and increased to \$173,239 in 2019.

Funding from Millard County, Wasatch County, and the Indigent Defense Commission (IDC) began in 2019.

The amount of funding from Wasatch County is the same as all but one county included with the IDC money. Should the funding from Wasatch County be included with IDC money or is this just a coincidence? There is an "other" category included with the IDC money that is \$33,497 more than all other counties included with the IDC. Without specific counties attached to this money how does the UCPDA determine its use?

Expenses have increased each year.

Payroll related expenses have increased from \$2,801,557 in 2015 to \$5,083,599 in 2019. That is an increase of \$2,282,042 (81%) over those five years. All non-payroll related expenses have increased from \$1,138,943 in 2015 to \$2,860,848. That is an increase of \$1,721,905 (151%) over those five years.

Payroll related expenses used 70% of the revenue in 2015 and declined each year until the 2018 payroll related expenses used 62% of the revenue. While there was an increase in the 2019 payroll use of revenue, the increase only went to 63%.

Conversely non-payroll related expenses have increased each year as a percentage of total revenue.

Juab County expenses have increased every year, but revenue has not.

Revenue has fluctuated each year from \$252,010 in 2017, \$370,214 in 2018, and \$203,625 in 2019. However, expenses have increased each year from \$213,120 in 2017, \$376,576 in 2018, and \$393,116 in 2019. For the three years that the UCPDA has served Juab County, only in the first did revenues cover all expenditures. In addition, there has been an enormous increase in both "Support Personnel" and "Mileage" expenses.

All revenue associated with the Indigent Defense Commission (IDC) have covered costs for each county.

While 2019 was the first year receiving revenue from the IDC, no county had expenses that exceeded funding.

The number of checking accounts has increased each year as the UCPDA has partnered with additional cities and counties. However, there is not a dedicated account for each city or county.

A separate checking account for each entity that the UCPDA represents is a good idea however, there does not appear to be checking accounts for Wasatch County or for any county receiving benefit from the IDC.

Other than checking and savings accounts there are no assets recorded. Other than two years of immaterial payroll liabilities there are no other liabilities recorded.

This is unusual for any organization.

UCPDA retained earnings has increased 84% from 2015 to 2019.

Retained earnings has increased from \$208,915 in 2015 to \$383,679 in 2019. The 2019 end of year financial statements show that the beginning balance for 2020 retained earnings is \$495,567. Other than an immaterial amount of payroll liabilities, retained earnings reflects year-end checking and savings accounts.

The QuickBooks financial statements provided by the UCPDA office manager do not agree with the financial records provided by the UCPDA director.

It is unclear as to what statements are used when information is presented to Utah County or the UCPDA Board of Directors, or any other entity that relies on UCPDA financial statements.

What We Recommend

To create accountability over the funds received from Utah County:

The UCPDA should provide monthly financial statements to the Utah County Commissioners and present year-end audited financial reports to the Utah County Commissioners.

To create accountability over the financial statements:

The Board of Directors should actively seek out a financial manager to take responsibility of the budget, the recognition of revenue and expenditures, and ultimately the financial statements. If the Board of Directors cannot hire a financial manager, then additional training for the office manager or whoever is responsible for the management of finances is necessary.

To properly account for division use of funds:

The financial manager or whoever is responsible for management of finances should consider allocating revenue, expenses, assets, and liabilities across each division.

To create transparency between the UCPDA and Utah County:

The UCPDA Director, The Utah County Attorney, and the Utah County Commissioners should meet quarterly to discuss case types, caseloads, funding, and personnel needs for the UCPDA to provide what they feel is adequate representation.

To substantiate the time needed to close out a case:

Attorneys should keep detailed records of time spent on each case. Depending on the type of case, time should be reported to the chief counsel or one of the assistant directors.

Summary of Agency Response

We received a response to the audit from the Utah County Public Defenders Association Director. No action plan was outlined to remediate any of the findings. Per a voicemail from the UCPDA Director, the response to the review was, "None of us have the time to sit down and devote the time that would be required to critically critique it." There appears to be intention to acknowledge, or address the 19 findings.

Introduction

Background

Financial Statement Review

We recently completed a financial statement review of the Utah County Public Defenders Association (UCPDA) for the years ended 2015 through 2019. A review provides limited assurance, but not absolute assurance that the financial statements provided by the UCPDA are true and fair. We have become aware of several matters that cause us to believe the financial statements do not present a true and fair view.

The Utah County Public Defenders Association

The UCPDA is Utah County's exclusive indigent service provider as defined by the Utah Indigent Defense Act and provides the following services:

- Not less than twelve (12) licensed attorneys, at least four of which shall have had a minimum of two years' experience in handling felony matters
- Not less than four (4) attorneys to handle Juvenile Court matters
- Not less than four (4) attorneys or groups of attorneys to handle conflict of interest cases in both felony and juvenile court matters
- Subcontracting with other qualified attorneys occurs in order to handle matters in the Utah County Justice Court, the appellate courts of the State of Utah, and indigent Utah County residents in involuntary mental health or intellectual disability commitment hearings

The UCPDA is generally separated into the following three areas:

District Court: From the Utah Courts website, utcourts.gov, "The District Court has original jurisdiction to try all civil cases, all criminal felonies, such as homicides, assaults, sex and drug offenses, forgery, arson, and robbery, and misdemeanors in certain circumstances. An important part of the District Court caseload is domestic relations cases, such as divorces, child custody and support, adoption, and probate."

Juvenile Court: From the Utah Courts website, utcourts.gov, "The Juvenile Court has exclusive original jurisdiction over youths, under 18 years of age, who violate any federal, state or municipal law, and any child who is abused, neglected or dependent. The court has the power to determine child custody, support and visitation in some circumstances; to permanently terminate parental rights, and to authorize or require treatment for mentally ill children or children with disabilities. The court may also place children under the supervision of the court's probation department; place children in the custody or care of foster homes, group homes, special treatment centers, or secure institutions. The Court works closely with the Office of Guardian ad Litem on cases involving abuse, neglect or dependency. The Court may also require children to pay fines or make restitution for damage or loss resulting from their delinquent acts. It also has jurisdiction over habitual truants, runaways and ungovernable youth if efforts by other social service agencies are not successful.

In addition, the Court has exclusive jurisdiction in traffic offenses involving minors related to automobile homicide, driving under the influence of alcohol or drugs, reckless driving, joy riding, and fleeing a police

officer. It has concurrent jurisdiction with the District and Justice Courts over adults contributing to the delinquency and neglect of a minor.

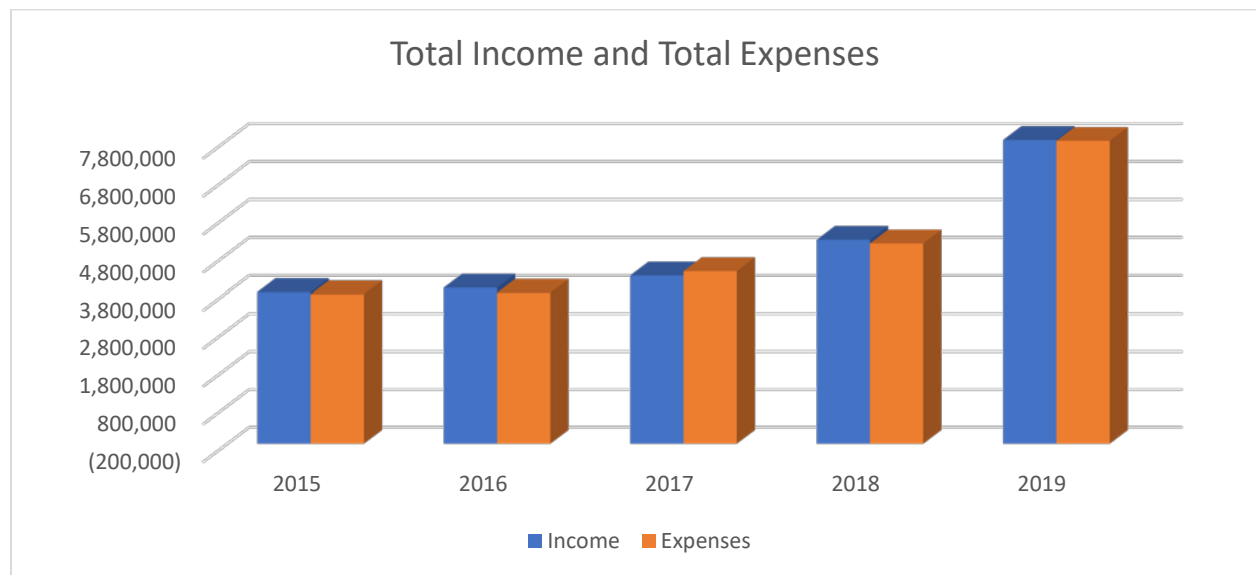
The Juvenile Court, unlike other state courts of record, administers a probation department. Probation officers prepare dispositional reports, supervise youth who have been placed on probation by the Court, conduct evaluations, and submit reports on the progress of each juvenile. A clerical division prepares the legal documents and maintains the official court record.”

Appellate Court: From the Utah Courts website, utcourts.gov, “An appeal of a justice court decision goes to the district court, and results in a trial or hearing de novo. ‘De novo’ means the matter is tried all over again.”

Budget and Financial Information

The UCPDA had total income of \$3,999,540 in 2015 and by the end of 2019 income had increased 102% to \$8,063,314.

Figure 1. UCPDA Income and Expenses from 2015 through 2019

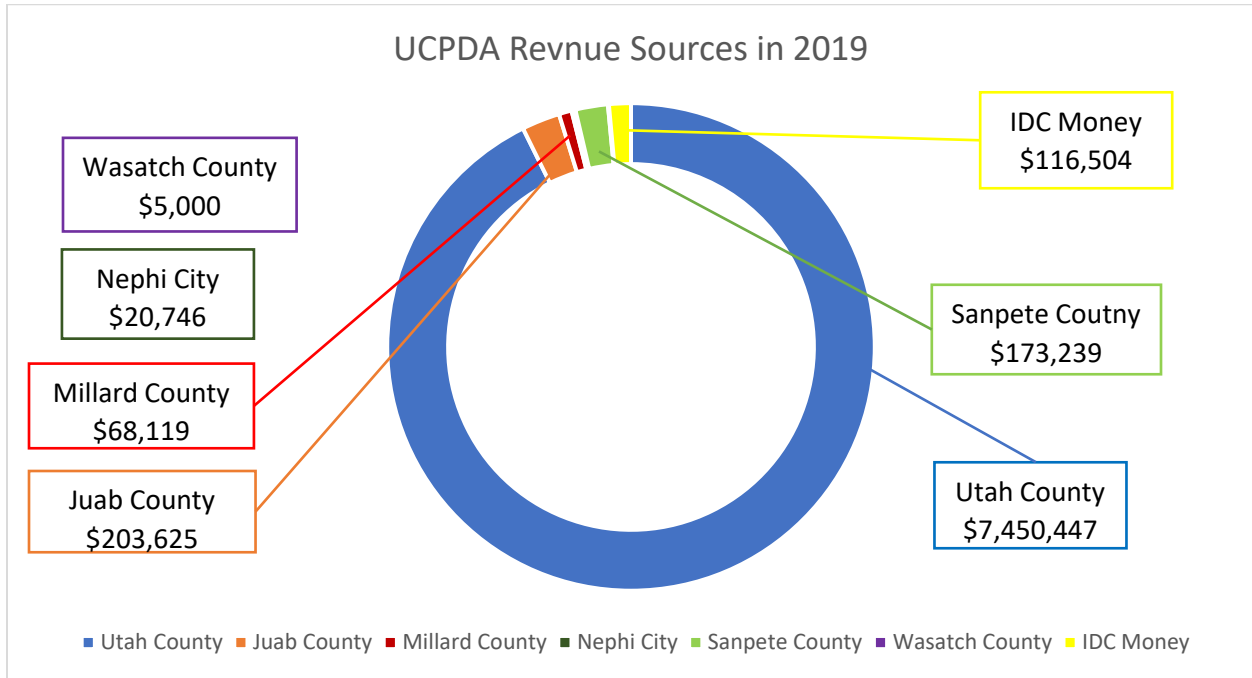


Even with additional sources of income beginning in 2017, Utah County was 94% of the UCPDA’s income in 2017, 90% in 2018, and 93% in 2019.

UCPDA recorded a net loss of \$112,114 for the year ended 2017. All other years reviewed had net income ranging from \$59,040 to \$132,006 with an average of \$99,717. Including the 2017 net loss the average net income was \$57,350.

The UCPDA had total revenues of 8,037,680 million dollars in 2019. Most of these revenues were derived from Utah County contributions. Figure 2 illustrates the amount of budgeted revenues by source.

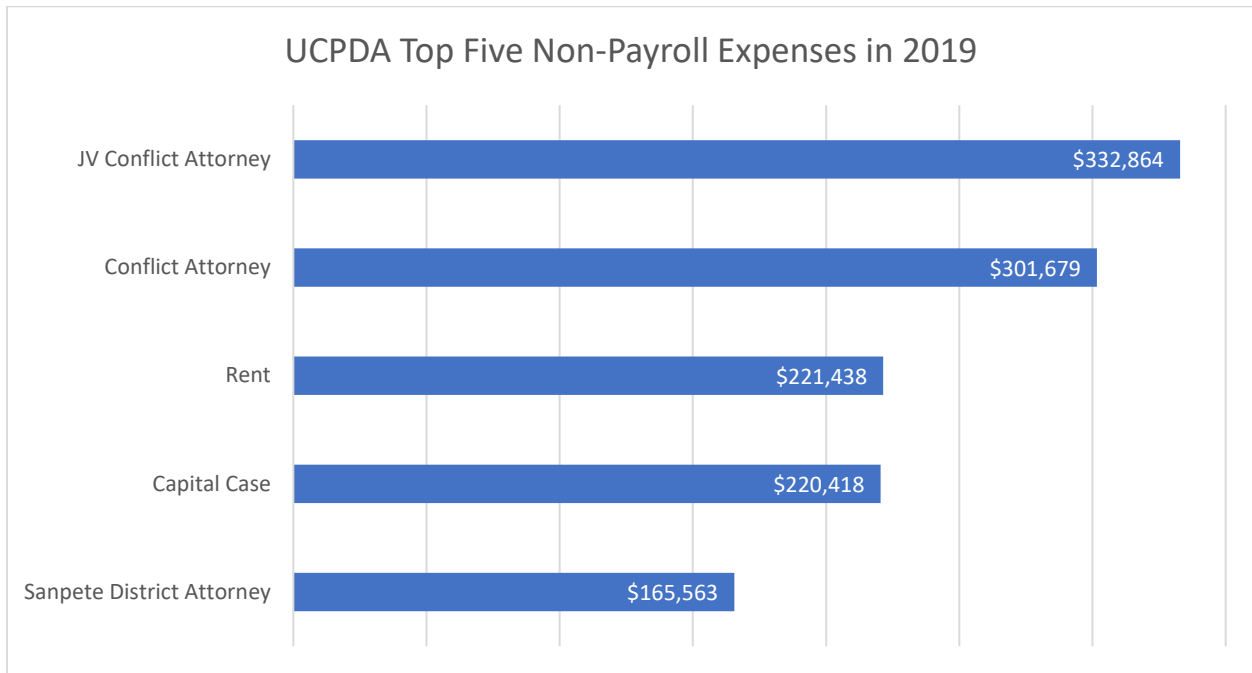
Figure 2. UCPDA’s Revenue Sources in 2019



Utah County was the most substantial source of UCPDA revenue in 2019. UCPDA records indicate that Utah County was the sole source of income in 2015 and 2016; with Juab County contributions beginning in 2017; Nephi and Sanpete Counties contributions beginning in 2018; and Millard County, Wasatch County and the Indigent Defense Commission contributions beginning in 2019.

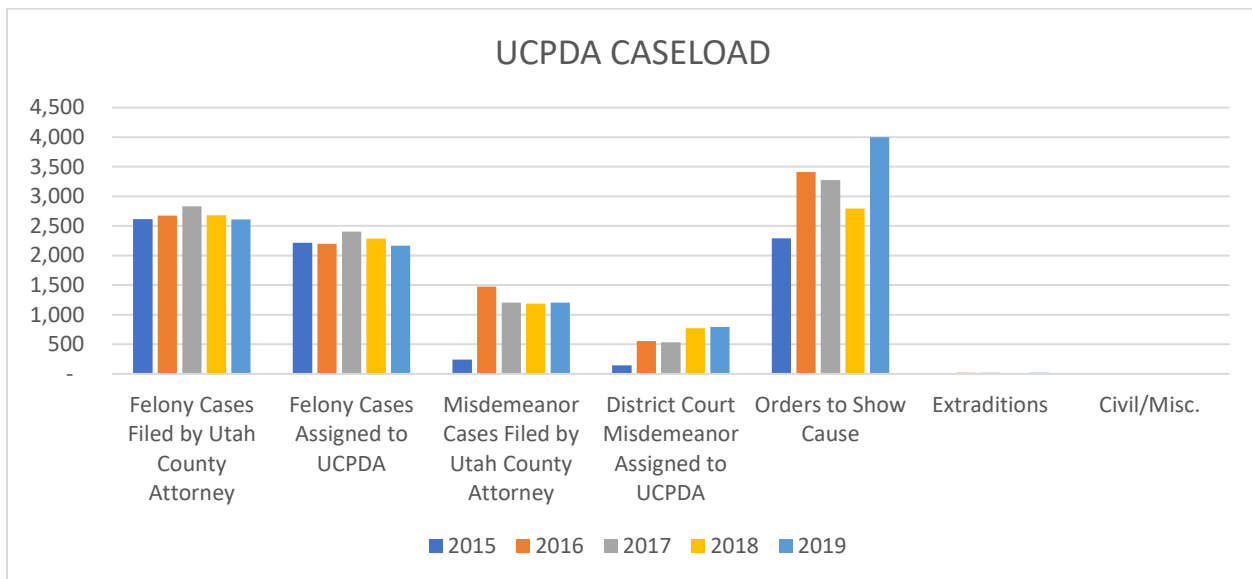
The UCPDA had total operating expenses of \$7,944,447 million in 2019. This led to net ordinary income of \$93,233. The highest non-payroll expense incurred by the UCPDA was for Juvenile Court conflict attorneys (\$332,864). Figure 3 illustrates the top five actual expenses from 2019.

Figure 3. UCPDA’s Top Five Non-Payroll Expenses in 2019



The largest non-payroll expenses incurred by UCPDA were Juvenile Conflict Attorneys.

Figure 4. UCPDA’s Caseload from 2015 through 2019



Over the five-year period from 2015 to 2019, felony cases filed by the Utah County Attorney’s Office have decreased from 2,614 in 2015 cases to 2,610 in 2019. The peak was in 2017 with 2,831 felony cases filed. The average number of felony cases over this time was 2,682. The UCPDA was assigned 83% of felony cases filed by the Utah County Attorney’s Office in 2019.

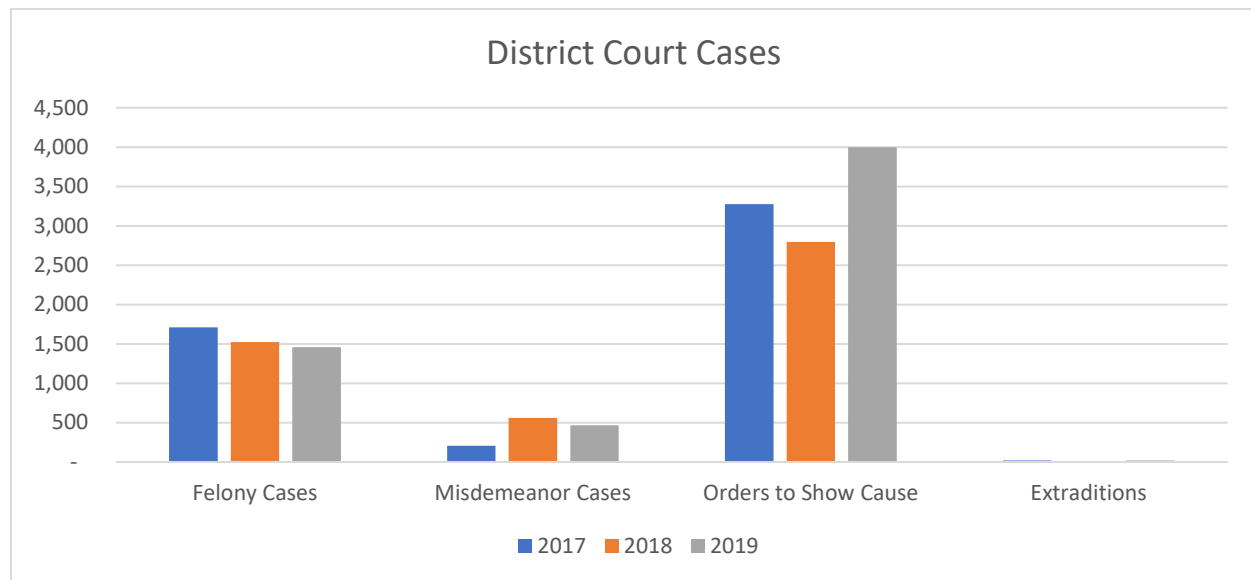
Over the five-year period from 2015 to 2019, misdemeanor cases filed by the Utah County Attorney’s Office have increased from 240 in 2015 cases to 1,206 in 2019. The peak was in 2016 with 1,473 misdemeanor cases filed. The average number of misdemeanor cases over this time was 1,062. The UCPDA was assigned 66% of misdemeanor cases filed by the Utah County Attorney’s Office.

While the UCPDA percentage of assigned cases for both felony and misdemeanor cases have been fairly consistent “Orders to Show Cause” cases have increased from 2,291 in 2015 to 3,999 in 2019. The 75% increase in “Orders to Show Cause” cases is the single biggest contributor to the total cases “touched” by the UCPDA.

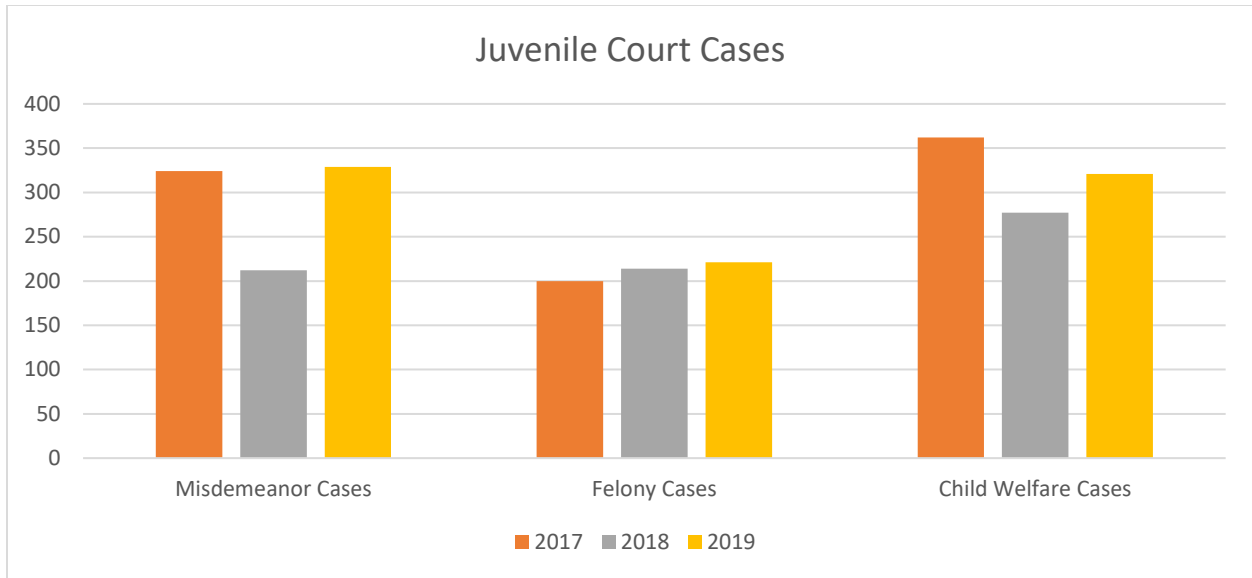
It is of note that the UCPDA has had extradition cases but 2016 was the year with the most extradition cases and they only accounted for 0.4% of all cases. Also, during the five-year period reviewed only one “Civil/Misc.” case was touched by the UCPDA.

Figure 5. UCPDA’s Caseload from 2017 through 2019 by Court

The juvenile court case type was not available prior to 2017. Therefore, the following graphs for both District Court and Juvenile Court include only information from 2017 through 2019.



Order to Show Cause cases have averaged 62.8% of all District Court cases from 2017 through 2019. Felony cases decreased 14.7% but have averaged 29.3% of all District Court cases. Even though Misdemeanor cases have more than doubled over this period, they only average 7.7% of the District Court Cases. Leaving extradition cases 0.2% of all District Court cases.



Total Juvenile Court cases have decreased from 2017 to 2019 by 15 cases. Child Welfare cases have averaged 39% of all Juvenile cases from 2017 through 2019. Felony cases decreased 10% but have averaged 25.8% of all Juvenile Court cases. Misdemeanor cases average 35.2% of the Juvenile Court Cases.

Objectives

Our review objective was to analyze the financial statements and UCPDA organizational chart to evaluate the funding needs of the UCPDA. It was unclear if management had implemented key internal controls over their financial processes in a manner sufficient to comply with Nonprofit Policy and to provide reasonable assurance against the risk of fraud, waste, and abuse.

Scope and Methodology

Our review covered the periods for the years ended December 31, 2015 through December 31, 2109. Our audit work included a formal examination of the following financial statements:

- Income Statement
- Balance Sheet
- Statement of Cash Flows

In addition to examining financial statements, we reviewed information provided by the Director and Assistant Director of the UCPDA. This information included the organizational structure of the UCPDA, the employee structure, caseloads, investigative costs, historical funding and expenditures, costs per case, population growth, and several other metrics. We examined the trends in annual revenue and expenditures in relation to the trends in caseload and population growth.

Review Results

Non-profit Annual IRS Filing

Per the Internal Revenue Service, “Tax-exempt organizations, nonexempt charitable trusts, and section 527 political organizations file Form 990 to provide the IRS with the information required by section 6033.” As a tax-exempt organization, the UCPDA is required to file Form 990. This form has been prepared and filed with the IRS by the UCPDA’s external auditor, Squire & Company, PC, located in Orem, UT.

Findings and Recommendations

Finding 1.1: The information recorded in the UCPDA QuickBooks file does not agree with the information recorded in an Excel file provided by the UCPDA director, nor do these records agree with the annual 990 Form filed with the IRS.

We examined the 990 Filings required by the IRS of nonprofit organizations. The UCPDA uses an external accounting firm to file all tax forms required by the IRS. As of the date of this report the 2019 990 form had not been filed and is not included in these findings.

An opportunity for dissemination of inaccurate financial information to the Utah County Commission, the State of Utah, and the IRS is possible when two sets of records are kept that do not reconcile.

Recommendation

- ***We recommend that the UCPDA review Form 990 prepared by the external auditors before it is officially filed with the IRS.***
- ***We recommend that the UCPDA uses one set of financial information prepared by an employee with a financial record keeping background such as a financial manager.***

Finding 1.2: The total number of employees recorded on all forms 990 do not agree with the number of employees.

The number of employees submitted by the UCPDA office does not match any year of Form 990 filings. It is unclear if this is due to the UCPDA using an average number of employees compared to Form 990 requiring the “Total number of individuals employed in calendar year.”

For each year of comparable data, Form 990 has more employees reported than what the UCPDA office reported to the Utah County internal auditors. The range is from one and a half to five employees reported to the IRS versus what the UCPDA has reported to the Utah County internal auditors.

When the total number of employees don’t agree it is difficult to have confidence in either the caseload per attorney information provided by the UCPDA or in caseload per attorney if using the numbers provided on Form 990.

Recommendations

We recommend that the UCPDA review Form 990 prepared by the external auditors before it is officially filed with the IRS.

Finding 1.3: Revenue recorded on Form 990 matched revenue on UCPDA QuickBooks financial statements two out of the four years. Revenue from the UCPDA director's financial information never matched Form 990.

For the two QuickBooks records where revenue didn't match Form 990, the UCPDA recorded \$43,917 less in 2016, and \$38,752 more in 2018 than what was reported to the IRS. The financial information provided by the UCPDA director was less than the amount reported to the IRS in each year. The amounts varied from \$195,000 in 2015, \$118,917 in 2016, \$302,010 in 2017, and \$134,229 in 2018.

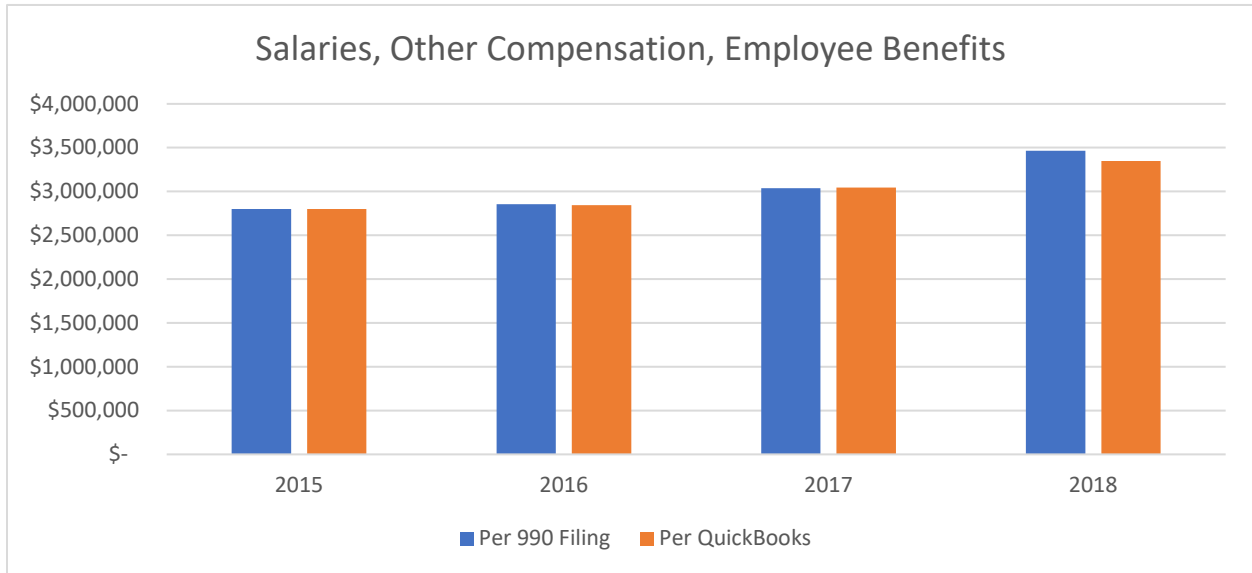
Recommendation

- *We recommend that the UCPDA review Form 990 prepared by the external auditors before it is officially filed with the IRS.*
- *We recommend that the UCPDA uses one set of financial information prepared by an employee with a financial record keeping background such as a financial manager.*

Finding 1.4: Expense categories on Form 990 do not match either the QuickBooks financial statements or the UCPDA director's financial information.

Form 990 requires the reporting of "Salaries, other compensation, employee benefits" and "Other expenses." The 2015 "Salaries, other compensation, employee benefits" is the only year and category in which UCPDA financial information matched the 990 filings. The director of the UCDPA did not separate these expenses into these two categories. Rather, these expenses were added together for a total expense amount.

Table 1.1 Salaries, Other Compensation, Employee Benefits



While the differences may seem immaterial based on total revenue and percentage of the expense, the IRS does not officially take materiality into consideration. The 2015 difference of \$1 is due to rounding but it is unclear as to why Form 990 for 2016 and 2018 have \$12,787 and \$115,784 more reported in payroll expenses than recorded in QuickBooks. Nor, is there any understanding as to why 2017 QuickBooks records have \$6,688 more recorded in payroll expenses than what was reported on Form 990.

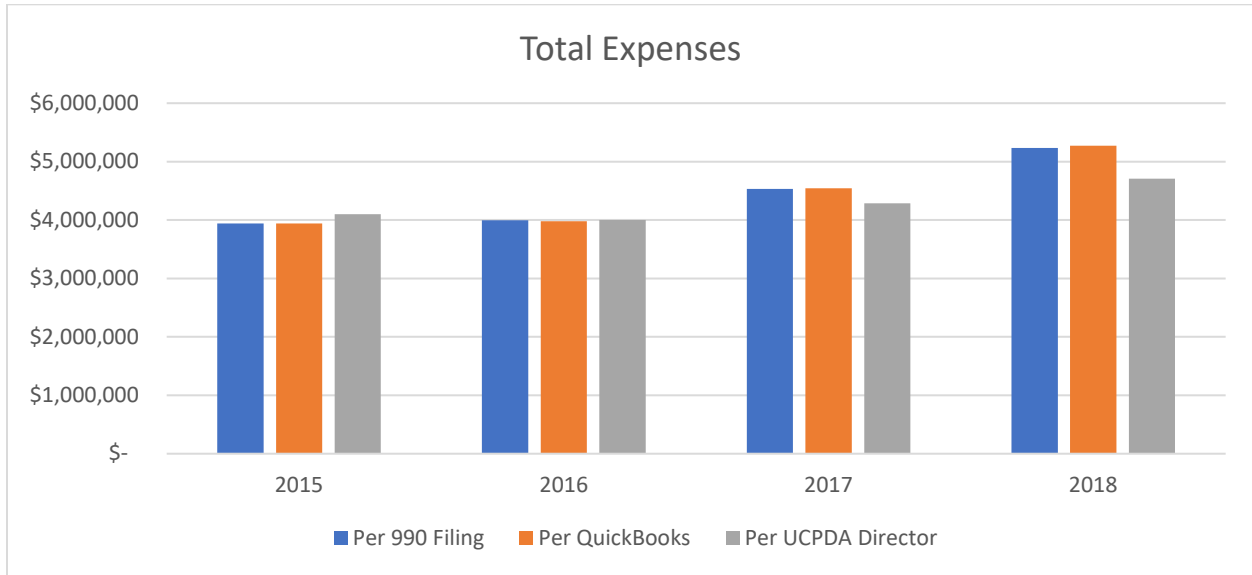
Recommendation

- *We recommend that the UCPDA review Form 990 prepared by the external auditors before it is officially filed with the IRS.*
- *We recommend that the UCPDA uses one set of financial information prepared by an employee with a financial record keeping background such as a financial manager.*

Finding 1.5: Total expenses on Form 990 do not match either the QuickBooks financial statements or the UCPDA director’s financial information.

In addition to payroll expenses, Form 990 requires the reporting of “Other Expenses.” None of the information on Form 990 reconciled with either the QuickBooks financial statements or the UCPDA director’s financial information. As a result, total expenses did not reconcile.

Table 1.2 Total Expenses



Differences between the 990 forms and the QuickBooks financial statements may seem immaterial but as mentioned before the IRS does not officially take materiality into consideration. Differences from 2015 through 2018 are \$2,477, \$12,880, \$(12,929), and \$(38,625) respectively. The differences between Form 990 and the information provided by the UCPDA director from this same period are \$(158,162), \$(3,854), \$248,342, and \$526,975 respectively.

It is unclear as to why the differences from the QuickBooks financial statements and the UCPDA director are so great. It is also concerning that the difference between Form 990 and the UCPDA director continues to increase each year.

Recommendation

- *We recommend that the UCPDA review Form 990 prepared by the external auditors before it is officially filed with the IRS.*
- *We recommend that the UCPDA uses one set of financial information prepared by an employee with a financial record keeping background such as a financial manager.*

Finding 1.6: Total assets and total liabilities on Form 990 do not match either the QuickBooks financial statements.

In addition to income statement type items, Form 990 requires the reporting of balance sheet items such as assets and liabilities. While the UCPDA director did not provide balance sheet information to the internal auditors the QuickBooks balance sheet did not reconcile in any year with Form 990.

2015 records show that QuickBooks recorded \$43,890 more in total assets than what was reported on Form 990. The difference in 2016 and 2017 was \$27 but these years show these differences being less recorded in QuickBooks than reported on Form 990. 2018 goes back to \$135 less being reported on Form 990 than what was recorded in QuickBooks.

In 2015 the QuickBooks total liabilities agreed with Form 990 in that there were no liabilities recorded that year. Form 990 from 2016 shows \$12,879 in liabilities when the UCPDA did not have any liabilities recorded in the QuickBooks financial statements. The opposite is true in 2017, when Form 990 has no liabilities reported but \$50 were recorded in QuickBooks. In 2018 there is a two-dollar difference which is most likely due to rounding.

Recommendation

- *We recommend that the UCPDA review Form 990 prepared by the external auditors before it is officially filed with the IRS.*
- *We recommend that the UCPDA uses one set of financial information prepared by an employee with a financial record keeping background such as a financial manager.*

Financial Statements

Review Objectives:

Evaluate the financial trends of the UCPDA over the years ended December 31st, 2015 through December 31st, 2019.

The UCPDA had revenue in 2015 of \$3,999,540. This money was used for 4,667 indigent cases in Utah County. The UCPDA had revenue in 2019 of \$8,037,680. In 2019 this money was used for 6,978 indigent cases in Utah County and for Indigent Defense Commission (IDC) cases. We reviewed and analyzed the financial statements provided by the UCPDA and noted areas of concern.

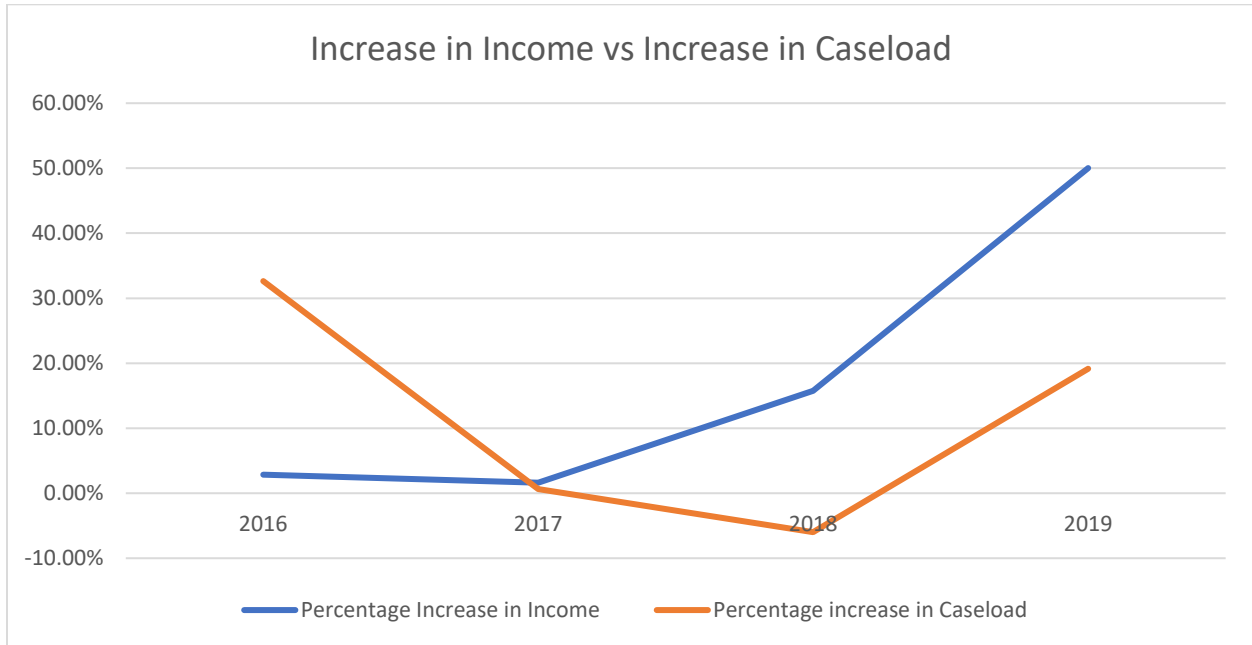
In addition to revenue from Utah County the UCPDA receives money from the IDC, Juab County, Millard County Sanpete County, and Nephi City. This revenue is included in the previously mentioned 2019 revenue.

FUNDING SOURCES

Finding 2.1: Revenue increased by what appears to be a disproportional rate when compared to caseload increases over the same five-year period.

In our review of financial statements and caseloads we noted that both income and total number of cases increased over the five-year period. However, as the following table shows income is increasing at a greater rate than the number of cases handled by the UCPDA.

Table 2.1 Income and Caseload



Income has seen increases each year with all but one year increasing from the prior year. In addition, the five-year increase from Utah County funding was 86.28%. IDC funding will be discussed in finding 2.2.

Caseloads increased in three of the four prior years but at a lower rate than income. Also, from 2017 to 2018 there was a decrease in caseloads while income increased by 15.75% that same year. Overall, the five-year increase in caseload was 49.52%.

Recommendation

We recommend that the UCPDA meet with the Utah County Commissioners and the Utah County Attorney’s Office at least quarterly to discuss among other things how the caseload of the UCPDA is affecting the income needs for both the UCPDA and Utah County.

Finding 2.2: IDC Income Recorded in QuickBooks does not Reconcile with IDC Income Recorded by the UCPDA Director.

QuickBooks financial statements do not record IDC income until 2019. The total amount recorded was \$116,504. The financial information provided by the UCPDA director indicates that the UCPDA received IDC money beginning in 2018, totaling \$613,815; and received \$1,581,210 in 2019. Over the two-year period in question, there is a difference of \$2,078,521 in recorded income.

If there was IDC income for 2018 why wasn’t it recorded in QuickBooks? And why is there an over two-million-dollar difference?

Without conducting a full audit of the UCPDA financial statements it is impossible to express with any confidence which sets of financial statements are correct or why there is such a huge difference in what

has been recorded. There is no good reason for the UCPDA to have two sets of financial statements as it creates confusion and possible misrepresentation to Utah County.

Recommendation

We recommend that the UCPDA train current office staff on how to record financial information into QuickBooks or hire a financial manager that has experience in financial statements. In addition, we recommend that only one set of financial information be recorded.

Finding 2.3: In No Year Did Income from QuickBooks Reconcile with Income Recorded by the UCPDA Director.

-
- 2015 QuickBooks \$3,999,540 – 2015 UCPDA Director \$3,804,540 (\$195,000 Difference)
 - 2016 QuickBooks \$4,114,307 – 2016 UCPDA Director \$4,039,307 (\$75,000 Difference)
 - 2017 QuickBooks \$4,433,010 – 2017 UCPDA Director \$4,131,000 (\$302,010 Difference)
 - QuickBooks included \$252,010 in income from Juab County that the UCPDA Director did not record
-
- 2018 QuickBooks \$5,370,564 – 2018 UCPDA Director \$5,197,583 (\$172,981 Difference)
 - QuickBooks included \$4,181,000 in income from Utah County whereas the UCPDA Director recorded \$4,465,510
 - QuickBooks included \$370,214 in income from Juab County whereas the UCPDA Director recorded \$118,258
 - QuickBooks included \$30,000 in income from Nephi City that the UCPDA Director did not record
 - QuickBooks included \$131,000 in income from Sanpete County that the UCPDA Director did not record
 - The UCPDA included \$613,815 in income from the IDC that was not included in QuickBooks
-
- 2019 QuickBooks \$8,037,680 – 2019 UCPDA Director \$6,684,343 (\$1,369,248 Difference)
 - QuickBooks included \$7,450,447 in income from Utah County whereas the UCPDA Director recorded \$4,925,363
 - QuickBooks included \$203,625 in income from Juab County whereas the UCPDA Director recorded \$177,770
 - QuickBooks included \$20,746 in income from Nephi City that the UCPDA Director did not record
 - QuickBooks included \$173,239 in income from Sanpete County that the UCPDA Director did not record
 - QuickBooks included \$68,119 in income from Millard County that the UCPDA Director did not record
 - QuickBooks included \$5,000 in income from Wasatch County that the UCPDA Director did not record
 - QuickBooks included \$116,504 in income from the IDC whereas the UCPDA Director recorded \$1,581,210

Recommendation

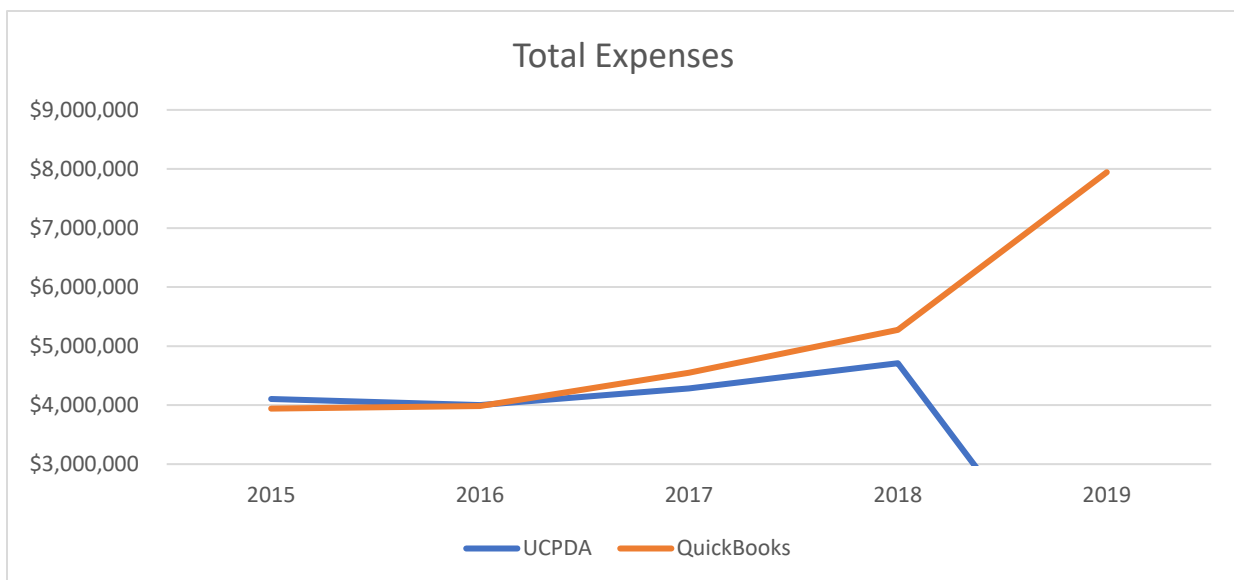
We recommend that the UCPDA train current office staff on how to record financial information into QuickBooks or hire a financial manager that has experience in financial statements. In addition, we recommend that only one set of financial information be recorded.

Expenses

Finding 3.1: In No Year Did Expenses from QuickBooks Reconcile with Expenses Recorded by the UCPDA Director.

Over the five-year period the reported income from the UCPDA director became increasingly under recorded when compared to what was recorded in QuickBooks. Also, there are no expenses for 2019 recorded by the UCPDA director.

Table 3.1 Total Expenses



Both the QuickBooks and UCPDA Director expense figures suggest that expenses are increasing. However, it is unclear as to which set of records could or should be relied upon.

Recommendation

We recommend that the UCPDA train current office staff on how to record financial information into QuickBooks or hire a financial manager that has experience in financial statements. In addition, we recommend that only one set of financial information be recorded.

Finding 3.2: Salary as a Percentage of Total Income Has Decreased Over the Five-Year Period

Income has increased over the five-year period helping to add district and juvenile attorneys, along with district paralegals and social workers. However, even with the added salary and benefit costs that come with these new positions the salary costs are decreasing as a percentage of total income. If the increase in funding isn't covering a proportional increase in new employees, then what are the expected areas of increased costs?

Recommendation

We recommend that the UCPDA train current office staff on how to record financial information into QuickBooks or hire a financial manager that has experience in financial statements. In addition, we recommend that only one set of financial information be recorded.

Finding 3.3: Top Expenses Don't Seem to Reflect the Areas of Greatest Need

The top five expenses in 2019 related to Utah County cases are as follows:

-
- JV Conflict Attorney - \$332,864
 - Conflict Attorney - \$301,679
 - Investigations - \$83,804
 - Capital Case – 220,418
 - Dues & Subscriptions - \$88,008
-

While this list highlights the top expenses, it does not give an accurate depiction as to where the additional funding is being spent. The expense for Juvenile Conflict Attorney has increased at an average rate of 21.77% over the five-year period reviewed (98% overall). The expense for Conflict Attorney has increased at an average rate of 6.02% over the five-year period reviewed (26% overall). Investigations has increased at an average rate of 15.64% over the five-year period reviewed (43% overall). The Capital Case expense began in 2017 but even though it continued to increase each year it is difficult to budget for as the UCPDA typically does not handle capital cases. Dues and subscriptions have increased at a rate that exceeds the rate attorneys employed by the UCPDA. On a per attorney cost, dues and subscriptions have gone from \$913 in 2015 to \$2,515 in 2019. What can account for the nearly tripling in dues and subscriptions per attorney and more than quadrupling in total cost?

When looking at the greatest percentage increase from 2015 to 2019 the top five non-payroll, non-office expense are:

- JV Transc/Tapes (4474% increase)
- JV Expert (1990% increase)
- JV Appeal Att (931%)
- Dues & Subscriptions (329%)
- JV Off Exp Misc (268%)

Four of the top five expenses are related to the Juvenile Court when the District Court has 87% of the cases assigned by the Utah County Attorney's Office. With 13% of the cases assigned to the UCPDA the Juvenile Court on average has accounted for 27% of the expenses associated with Utah County cases. In addition, on a caseload per attorney basis the Juvenile Court attorneys in 2019 handled roughly 134 cases compared to the District Court attorneys handled roughly 290 cases. Is there something unique about juvenile cases that require a greater percentage of expenses even though they handle less than half the amount of district cases?

Recommendation

We recommend that the UCPDA evaluate and update their budgetary process. This might include counsel from the Utah County Commissioner's and Auditor's Offices.

Non-Utah County Public Defender Cases

Finding 4.1: Funding for Juab County Has Only Covered Expenses in One of Three Years

Funding for Juab County in 2017 covered expenses leaving income of \$38,890. Funding for 2018 and 2019 did not cover expenses and the resulting losses were \$(6,362) and \$(189,491) respectively. Over the three-year period for which there is financial information recorded in QuickBooks the total loss from Juab County is \$(156,963).

Review of the income statement shows that expenses for Support Personnel has increased from \$6,240 in 2017 to \$163,722 (2524%) in 2019. Also, expenses for Investigations has increased from \$1,947 in 2017 to \$10,287 (428%) in 2019.

In addition to the expenses mentioned above, mileage expense is of concern. There were zero mileage expenses in 2017, \$3,057 in 2018, and \$10,122 in 2019. Using IRS mileage reimbursement rates, the miles driven in 2017 were zero, 5,609 miles in 2018, and 17,452 miles in 2019. The roundtrip distance between the Juab County Courthouse and the Provo Historic Courthouse is 80 miles. This equates to 38 trips to the Juab County Courthouse in 2018 and 218 trips to the Juab County Courthouse during 2019. What can be attributed to the increase in miles driven for Juab County cases?

Recommendation

We recommend that the UCPDA review revenue and expenses related to Juab County with the Juab County Commissioners and Attorney's Offices to evaluate the financial needs and circumstances for both the UCPDA and Juab County Attorney's Office.

Finding 4.2: Funding for Sanpete County Has Only Covered Expenses in One of Two Years

Funding for Sanpete County in 2018 covered expenses leaving income of \$22,096. Funding for 2019 did not cover expenses and the resulting loss was \$(114,958). Over the two-year period for which there is financial information recorded in QuickBooks the total loss from Sanpete County was \$(92,862).

Review of the income statement shows that all but two expense categories for Sanpete County had increases. The largest increase was for “Sanpete District Atty” which went from \$64,375 in 2018 to \$165,563 (157%) in 2019. In terms of percentage increases, the range went from 150% to 803%. Was there anything unique in Sanpete County during 2019 that could explain why expenses increased by such significant amount?

In addition to the expenses mentioned above, mileage expense is of concern. There were \$2,697 in mileage expenses in 2018, and \$9,407 in 2019. Using IRS mileage reimbursement rates, 4,949 miles were driven in 2018, and 16,219 miles in 2019. The roundtrip distance between the Sanpete County Courthouse and the Provo Historic Courthouse is 161 miles. This equates to 17 trips to the Sanpete County Courthouse in 2018 and 101 trips to the Sanpete County Courthouse in 2019. What can be attributed to the increase in miles driven for Sanpete County cases?

Recommendation

We recommend that the UCPDA review revenue and expenses related to Sanpete County with the Sanpete County Commissioners and Attorney’s Offices to evaluate the financial needs and circumstances for both the UCPDA and Sanpete County Attorney’s Office.

Finding 4.3: Funding for Nephi City Has Only Covered Expenses in One of Two Years

Funding for Nephi City in 2018 covered expenses leaving income of \$2,872. Funding for 2019 did not cover expenses and the resulting loss was \$(13,545). Over the two-year period for which there is financial information recorded in QuickBooks the total loss from Nephi City was \$(10,673).

Recommendation

We recommend that the UCPDA review revenue and expenses related to Nephi City with the Nephi Mayor and City Council, along with the Nephi City Justice Court Judge to evaluate the financial needs and circumstances for both the UCPDA and the Nephi City Justice Court Judge.

Finding 4.4: Funding for Millard County Did Not Cover Expenses for the Only Year of Data

Funding for Millard County for 2019 did not cover expenses and the resulting loss was \$(180,117). Millard County has a population of roughly 13,000 and Juab has a population of roughly 12,000. In 2019 the UCPDA recorded “Support Personnel” expenses of \$163,722 for Juab County and only \$35,000 for Millard County. That is 4.68 times more for a county that has 1,000 fewer residents.

Recommendation

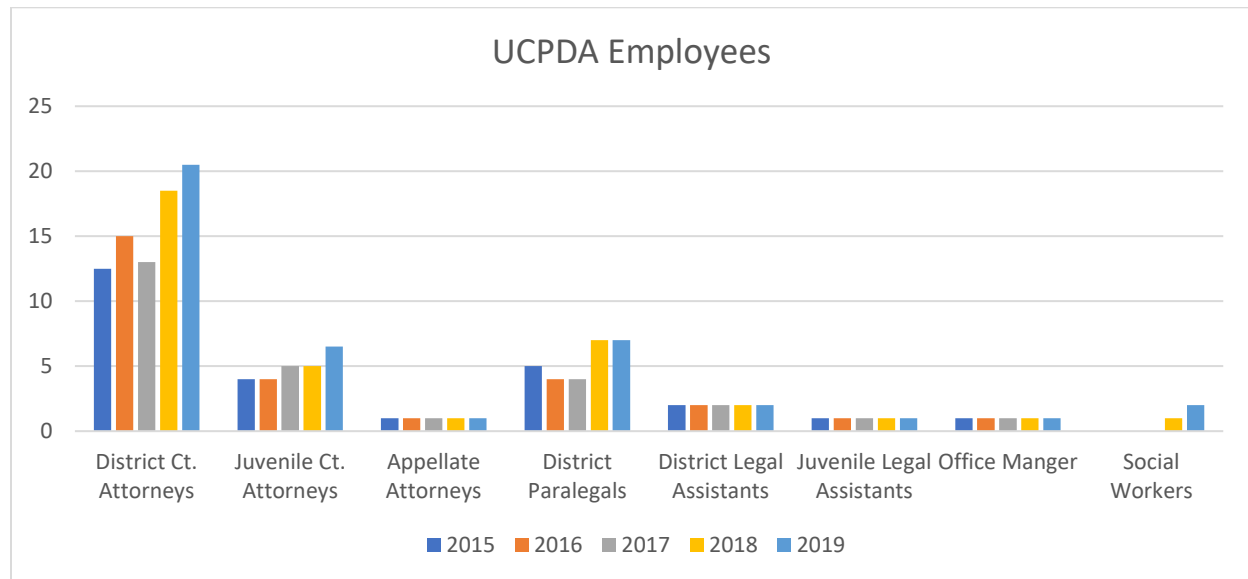
We recommend that the UCPDA review revenue and expenses related to Millard County with the Millard County Commissioners and Attorney’s Offices to evaluate the financial needs and circumstances for both the UCPDA and Millard County Attorney’s Office.

UCPDA Staff and Caseload

Finding 5.1: Total Salaried Employees Has Increased in All but One Year.

The UCPDA salaried staff has increased from 27 employees in 2015 to 41 employees in 2019. This 55% increase is primarily due to the increase in staffing for District Court Attorneys, Juvenile Court Attorneys, and District Paralegals.

Table 5.1 UCPDA Employees



There have been no additional Appellate Attorneys, District Legal Assistants, Juvenile Legal Assistants, or Office managers added to the UCPDA staff as the funding has increased. However, from 2015 to 2019 District Court Attorneys have increased by 64%, Juvenile Court Attorneys by 63%, and District Paralegals by 40%.

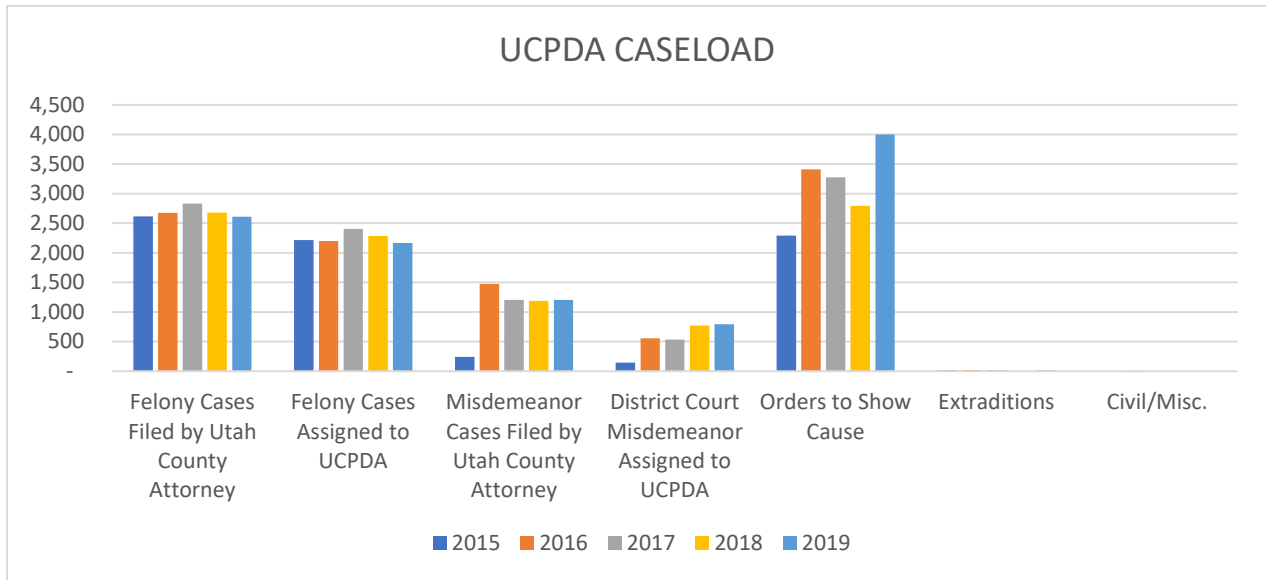
Recommendation

Evaluate the staffing plan of the UCPDA on an annual basis and have an independent market study for each job at the UCPDA bi-annually.

Finding 5.2: Total Cases Handled by the UCPDA Has Increased Over the Five-Year Period.

Total cases that the UCPDA touches has increased by 50% from 2015 to 2019. This is due primarily to an increase in Order to Show Cause cases and Misdemeanor cases assigned to the UCPDA by the Utah County Attorney.

Table 5.2 UCPDA Caseload



The number of felony cases filed by the Utah County Attorney’s Office and in turn assigned to the UCPDA has remained relatively consistent over the five-year period. Total felony cases assigned to the UCPDA has decreased by 2.21% over this time frame and due to cases referred to Conflict Counsel the total number of felony cases retained in the UCPDA office has decreased by 9.98%.

Orders to Show Cause cases have increased by 74.55% from 2,291 in 2015 to 3,999 in 2019. With the number of felony cases remaining consistent is there a reason that Orders to Show Cause cases would increase so significantly?

Other than in 2015, misdemeanor cases filed by the Utah County Attorney’s Office and in turn assigned to the UCPDA has been fairly consistent. Is there a reason that misdemeanor cases filed by the Utah County Attorney’s Office would jump from 240 in 2015 to 1,473 in 2016? From 2016 to 2019 misdemeanor cases have averaged 1,268 cases. However, the number of misdemeanor cases assigned to the UCPDA has increased from 30% in 2015 to 66% in 2019.

What can be attributed to the consistent number of total felony cases filed by the Utah County Attorney’s Office and assigned to the UCPDA but the number of misdemeanor cases assigned to the UCPDA has increased in all but one year when the total number of misdemeanors filed by the Utah County Attorney’s Office has been consistent?

Recommendation

Evaluate the staffing plan of the UCPDA for opportunities of the Juvenile Court attorneys to help with District Court cases or the possibility of attorneys handling both District and Juvenile Court cases. If this is not possible, then evaluate the possibility to move a Juvenile Court Attorney to the District Court.

Finding 5.3: UCPDA Total Caseload Has Increased Over the Five-Year Period

For the years 2017, 2018, and 2019 the UCPDA was able to separate cases by either District or Juvenile cases. The District cases fell into four categories: felony, misdemeanor, orders to show cause, and extradition. While the Juvenile cases fell into three categories: felony, misdemeanor, and child welfare.

Table 5.3 District Court Cases

	DISTRICT COURT CASES		
	2017	2018	2019
Felony Cases	1,710	1,525	1,457
Misdemeanor Cases	208	558	465
Orders to Show Cause	3,274	2,795	3,999
Extraditions	21	5	18
Total	5,213	4,883	5,939

While over this three-year time period felony cases dropped by 253 cases, the misdemeanor cases have increased by 257 cases. As noted before, the increase in orders to show cause cases that are adding the biggest strain for the UCPDA.

Table 5.4 Juvenile Court Cases

	JUVENILE COURT CASES		
	2017	2018	2019
Felony Cases	200	214	221
Misdemeanor Cases	324	212	329
Child Welfare Cases	362	277	321
Total	886	703	871

Other than significant decreases in misdemeanor and child welfare cases in 2018, the caseload from 2017 and 2019 appear to be similar.

Table 5.5 District Court Cases per Attorney

	DISTRICT COURT CASES		
	2017	2018	2019
Felony Cases	132	82	71
Misdemeanor Cases	16	30	23
Orders to Show Cause	252	151	195
Extraditions	2	0	1
Total	401	264	290

The number of attorneys for the District Court has increased from 13 in 2017 to 21 in 2019. The additional eight District Court attorneys have helped reduce the caseload per attorney by 27.8%.

Table 5.6 Juvenile Court Cases per Attorney

	JUVENILE COURT CASES		
	2017	2018	2019
Felony Cases	65	42	51
Misdemeanor Cases	40	43	34
Child Welfare Cases	72	55	49
Total	177	141	134

The number of attorneys for the Juvenile Court has increased from 5 in 2017 to 7 in 2019. The additional two Juvenile Court attorneys have helped reduce the caseload per attorney by 24.4%.

Standard 13.12 Workload of Public Defenders from the National Advisory Commission on Criminal Justice Standards and Goals, The Defense (1973) recommends that:

The Caseload of a public defender office should not exceed the following: felonies per attorney per year: not more than 150; misdemeanors (excluding traffic) per attorney per year: not more than 400; juvenile court cases per attorney per year: not more than 200; Mental Health Act cases per attorney per year: not more than 200; and appeals per attorney per year: not more than 25.

Per discussion with the UCPDA director, Orders to Show Cause cases contain both felony and misdemeanor cases at about the same ratio of the cases assigned by the Utah County Attorney's Office. Prorating for these figures, the UCPDA District attorneys handled roughly 356 felony and 43 misdemeanor cases per attorney in 2017, 193 felony and 71 misdemeanor cases per attorney in 2018, and 219 felony and 70 misdemeanor cases per attorney in 2019.

Based off these numbers it appears that the District Court Attorneys are handling a significant amount of felony cases above what is recommended as the maximum amount cases in a year. Conversely it appears that that the Juvenile Court Attorneys are handling less than half of the recommended maximum.

Recommendation

Evaluate the staffing plan of the UCPDA for opportunities of the Juvenile Court attorneys to help with District Court cases or the possibility of attorneys handling both District and Juvenile Court cases. If this is not possible, then evaluate the possibility to move a Juvenile Court Attorney to the District Court.

Appendix A: Appendix A Title

Agency Response

Agency Response from the Utah County Public Defenders Association			
Finding 1.1: The information recorded in the UCPDA QuickBooks file does not agree with the information recorded in an Excel file provided by the UCPDA director, nor do these records agree with the annual 990 Form filed with the IRS.			
RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<p><i>We recommend that the UCPDA review Form 990 prepared by the external auditors before it is officially filed with the IRS.</i></p> <p><i>We recommend that the UCPDA uses one set of financial information prepared by an employee with a financial record keeping background such as a financial manager.</i></p>	NO RESPONSE	NO RESPONSE	08/2020
Finding 1.2: The total number of employees recorded on all forms 990 do not agree with the number of employees.			
RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<p><i>We recommend that the UCPDA review Form 990 prepared by the external auditors before it is officially filed with the IRS.</i></p>	NO RESPONSE	NO RESPONSE	08/2020
Finding 1.3: Revenue recorded on Form 990 matched revenue on UCPDA QuickBooks financial statements two out of the four years. Revenue from the UCPDA director’s financial information never matched Form 990.			
RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<p><i>We recommend that the UCPDA review Form 990 prepared by the external auditors before it is officially filed with the IRS.</i></p>	NO RESPONSE	NO RESPONSE	08/2020

<p><i>We recommend that the UCPDA uses one set of financial information prepared by an employee with a financial record keeping background such as a financial manager.</i></p>			
<p>Finding 1.4: Expense categories on Form 990 do not match either the QuickBooks financial statements or the UCPDA director’s financial information.</p>			
RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<p><i>We recommend that the UCPDA review Form 990 prepared by the external auditors before it is officially filed with the IRS.</i></p> <p><i>We recommend that the UCPDA uses one set of financial information prepared by an employee with a financial record keeping background such as a financial manager.</i></p>	<p>NO RESPONSE</p>	<p>NO RESPONSE</p>	<p>08/2020</p>
<p>Finding 1.5: Total expenses on Form 990 do not match either the QuickBooks financial statements or the UCPDA director’s financial information.</p>			
RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<p><i>We recommend that the UCPDA review Form 990 prepared by the external auditors before it is officially filed with the IRS.</i></p> <p><i>We recommend that the UCPDA uses one set of financial information prepared by an employee with a financial record keeping background such as a financial manager.</i></p>	<p>NO RESPONSE</p>	<p>NO RESPONSE</p>	<p>08/2020</p>

Finding 1.6: Total assets and total liabilities on Form 990 do not match either the QuickBooks financial statements.			
RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<p><i>We recommend that the UCPDA review Form 990 prepared by the external auditors before it is officially filed with the IRS.</i></p> <p><i>We recommend that the UCPDA uses one set of financial information prepared by an employee with a financial record keeping background such as a financial manager.</i></p>	NO RESPONSE	NO RESPONSE	08/2020
Finding 2.1: Revenue increased by what appears to be a disproportional rate when compared to caseload increases over the same five-year period.			
RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<p><i>We recommend that the UCPDA meet with the Utah County Commissioners and the Utah County Attorney's Office at least quarterly to discuss among other things how the caseload of the UCPDA is affecting the income needs for both the UCPDA and Utah County.</i></p>	NO RESPONSE	NO RESPONSE	08/2020
Finding 2.2: IDC Income Recorded in QuickBooks does not Reconcile with IDC Income Recorded by the UCPDA Director.			
RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<p><i>We recommend that the UCPDA train current office staff on how to record financial information into QuickBooks or hire a financial manager that has experience</i></p>	NO RESPONSE	NO RESPONSE	08/2020

<i>in financial statements. In addition, we recommend that only one set of financial information be recorded.</i>			
Finding 2.3: In No Year Did Income from QuickBooks Reconcile with Income Recorded by the UCPDA Director.			
RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<i>We recommend that the UCPDA train current office staff on how to record financial information into QuickBooks or hire a financial manager that has experience in financial statements. In addition, we recommend that only one set of financial information be recorded.</i>	NO RESPONSE	NO RESPONSE	08/2020
Finding 3.1: In No Year Did Expenses from QuickBooks Reconcile with Expenses Recorded by the UCPDA Director.			
RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<i>We recommend that the UCPDA train current office staff on how to record financial information into QuickBooks or hire a financial manager that has experience in financial statements. In addition, we recommend that only one set of financial information be recorded.</i>	NO RESPONSE	NO RESPONSE	08/2020
Finding 3.2: Salary as a Percentage of Total Income Has Decreased Over the Five-Year Period			
RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<i>We recommend that the UCPDA train current office staff on how to record financial information into QuickBooks or hire a financial</i>	NO RESPONSE	NO RESPONSE	08/2020

<p><i>manager that has experience in financial statements. In addition, we recommend that only one set of financial information be recorded.</i></p>			
<p>Finding 3.3: Top Expenses Don't Seem to Reflect the Areas of Greatest Need</p>			
<p>RECOMMENDATION(S)</p>	<p>AGREE/ DISAGREE</p>	<p>ACTION PLAN</p>	<p>TARGET DATE</p>
<p><i>We recommend that the UCPDA evaluate and update their budgetary process. This might include counsel from the Utah County Commissioner's and Auditor's Offices.</i></p>	<p>NO RESPONSE</p>	<p>NO RESPONSE</p>	<p>08/2020</p>
<p>Finding 4.1: Funding for Juab County Has Only Covered Expenses in One of Three Years</p>			
<p>RECOMMENDATION(S)</p>	<p>AGREE/ DISAGREE</p>	<p>ACTION PLAN</p>	<p>TARGET DATE</p>
<p><i>We recommend that the UCPDA review revenue and expenses related to Juab County with the Juab County Commissioners and Attorney's Offices to evaluate the financial needs and circumstances for both the UCPDA and Juab County Attorney's Office.</i></p>	<p>NO RESPONSE</p>	<p>NO RESPONSE</p>	<p>08/2020</p>
<p>Finding 4.2: Funding for Sanpete County Has Only Covered Expenses in One of Two Years</p>			
<p>RECOMMENDATION(S)</p>	<p>AGREE/ DISAGREE</p>	<p>ACTION PLAN</p>	<p>TARGET DATE</p>
<p><i>We recommend that the UCPDA review revenue and expenses related to Sanpete County with the Juab County Commissioners and Attorney's Offices to evaluate the financial needs and circumstances for both the</i></p>	<p>NO RESPONSE</p>	<p>NO RESPONSE</p>	<p>08/2020</p>

UCPDA and Sanpete County Attorney's Office.			
Finding 4.3: Funding for Nephi City Has Only Covered Expenses in One of Two Years			
RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<i>We recommend that the UCPDA review revenue and expenses related to Nephi City with the Nephi Mayor and City Council, along with the Nephi City Justice Court Judge to evaluate the financial needs and circumstances for both the UCPDA and City Attorney's Office.</i>	NO RESPONSE	NO RESPONSE	08/2020
Finding 4.4: Funding for Millard County Did Not Cover Expenses for the Only Year of Data			
RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<i>We recommend that the UCPDA review revenue and expenses related to Millard County with the Millard County Commissioners and Attorney's Offices to evaluate the financial needs and circumstances for both the UCPDA and Millard County Attorney's Office.</i>	NO RESPONSE	NO RESPONSE	08/2020
Finding 5.1: Total Salaried Employees Has Increased in All but One Year.			
RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<i>Evaluate the staffing plan of the UCPDA on an annual basis and have an independent market study for each job at the UCPDA bi-annually.</i>	NO RESPONSE	NO RESPONSE	08/2020
Finding 5.2: Total Cases Handled by the UCPDA Has Increased Over the Five-Year Period.			

RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<i>Evaluate the staffing plan of the UCPDA for opportunities of the Juvenile Court attorneys to help with District Court cases or the possibility of attorneys handling both District and Juvenile Court cases. If this is not possible, then evaluate the possibility to move a Juvenile Court Attorney to the District Court.</i>	NO RESPONSE	NO RESPONSE	08/2020
Finding 5.3: UCPDA Total Caseload Has Increased Over the Five-Year Period			
RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<i>Evaluate the staffing plan of the UCPDA for opportunities of the Juvenile Court attorneys to help with District Court cases or the possibility of attorneys handling both District and Juvenile Court cases. If this is not possible, then evaluate the possibility to move a Juvenile Court Attorney to the District Court.</i>	NO RESPONSE	NO RESPONSE	08/2020