



Village of Johnson City

Oversight of Justice Court Operations

Report of Examination

Period Covered:

June 1, 2013 – August 21, 2014

2015M-29



Thomas P. DiNapoli

Table of Contents

	Page
AUTHORITY LETTER	1
EXECUTIVE SUMMARY	2
INTRODUCTION	4
Background	4
Objective	5
Scope and Methodology	5
Comments of Local Officials and Corrective Action	5
OVERSIGHT OF JUSTICE COURT OPERATIONS	6
Monthly Accountability	7
Enforcement	8
Segregation of Duties	10
Annual Audit	12
Recommendations	12
APPENDIX A Response From Local Officials	14
APPENDIX B Audit Methodology and Standards	16
APPENDIX C How to Obtain Additional Copies of the Report	18
APPENDIX D Local Regional Office Listing	19

State of New York Office of the State Comptroller

Division of Local Government and School Accountability

June 2015

Dear Village Officials:

A top priority of the Office of the State Comptroller is to help local government officials manage government resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations and Board governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard local government assets.

Following is a report of our audit of the Village of Johnson City, entitled Oversight of Justice Court Operations. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law.

This audit's results and recommendations are resources for local government officials to use in effectively managing operations and in meeting the expectations of their constituents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller
Division of Local Government
and School Accountability*



State of New York Office of the State Comptroller

EXECUTIVE SUMMARY

The Village of Johnson City (Village) is located in the Town of Union in Broome County and has a population of over 15,000 residents. The Village is governed by a Board of Trustees (Board), which comprises four elected members and an elected Mayor. The Board is responsible for the general management and control of the Village's financial affairs, which includes designing and implementing specific controls to safeguard Village assets. The Village provides general administrative services including the operation of a Justice Court (Court) with one Justice and one Acting Justice,¹ who are responsible for Court operations. The Court employs two full-time and three part-time court clerks. The Justice handles the majority (97 percent) of the Court's activity.

During our audit period, the court clerks collected over \$628,000 in receipts and disbursed over \$641,000. Furthermore, the Justices reported 6,879 cases from June 2013 to June 2014 and remitted \$460,222 to the State Comptroller's Justice Court Fund. According to Court records, approximately 3,500 parking tickets were issued during our audit period.²

Scope and Objective

The objective of our audit was to review internal controls over the Court's financial operations for the period June 1, 2013 through August 21, 2014. We reviewed information related to unpaid parking and vehicle and traffic tickets as of October 21, 2014, which dated back to 1986 and 1991, respectively, when necessary to complete our audit objective. Our audit addressed the following related question:

- Did the Board and Justices ensure that Court receipts were properly collected, accounted for and deposited, and disbursements were for proper Court purposes?

Audit Results

The Board and Justices did not provide adequate oversight of Court operations to ensure that Court cash receipts were properly collected, accounted for and deposited, and disbursements were for proper Court purposes. Instead, they relied on the head court clerk to perform most of the recordkeeping duties and failed to establish procedures or provide adequate oversight of the work she performed. For example, the Justices did not ensure that the head court clerk maintained sufficient accounting records or performed bank reconciliations or accountability analyses to account for all Court funds. As a result, as of July 31, 2014, the available cash in the Acting Justice's bank account reconciled to his known liabilities; however, the available cash in the Justice's bank account exceeded his known liabilities by

¹ In October 2013, the Acting Justice was replaced with a new Acting Justice.

² Because of inadequate records, we were unable to verify the number of parking tickets issued.

\$903. We determined that the adjusted bank balance for the bail account exceeded the Court's records of outstanding bail by \$7,633. These amounts represent cash that could not be traced to individual cases or other type of supporting documentation and remains unidentified.

In addition, the Justices did not ensure that the head court clerk had formal procedures to ensure that all outstanding moneys owed to the Court were pursued and collected, with any deletions or adjustments to the records being sufficiently supported. As a result, there were 819 unpaid parking tickets (approximately 23 percent of the total tickets issued during our audit scope period),³ totaling \$27,301 for our audit period. As of August 15, 2014, the Court's accounting software identified 20,470 unpaid parking tickets totaling \$1.1 million issued between August 6, 1986 and May 31, 2013. Furthermore, there were 1,715 instances where three or more parking tickets were written for the same license plate. Moreover, 196 of those offenders had 10 or more tickets. Although Court personnel were properly pursuing the majority of the pending cases we tested, as of October 21, 2014, the Court's accounting software identified a combined \$406,000 in unpaid Vehicle and Traffic Law (VTL), Village ordinance and penal tickets⁴ dating back to 1991. Had the Board performed an annual audit of the Court, the weaknesses in Court operations could have been identified and corrected in a timely manner.

Comments of Local Officials

The results of our audit and recommendations have been discussed with Village officials and their comments, which appear in Appendix A, have been considered in preparing this report. Village officials agreed with our recommendations and indicated they planned to take corrective action.

³ Of the 3,565 parking tickets issued during our audit scope period, the Court received payments on 2,746 parking tickets totaling \$35,997.

⁴ According to the head court clerk, the amount of unpaid VTL, Village ordinance and penal tickets could not be separated by the Court's accounting software.

Introduction

Background

The Village of Johnson City (Village) is located in the Town of Union in Broome County and has a population of over 15,000 residents. The Village is governed by a Board of Trustees (Board), which comprises four elected members and an elected Mayor. The Board is responsible for the general management and control of the Village's financial affairs, which includes designing and implementing specific controls to safeguard Village assets. The Village provides general administrative services including the operation of a Justice Court (Court) with one Justice and one Acting Justice,⁵ who are responsible for Court operations. The Court employs two full-time and three part-time court clerks. The Justice handles the majority (97 percent) of the Court's activity.

The Court has jurisdiction over vehicle and traffic, criminal, civil and small claims cases brought before the Court. The Justices' principal duties include adjudicating legal matters within the Court's jurisdiction and administering money collected from fines,⁶ bail,⁷ surcharges and civil fees. At the end of each month, the Justices prepare a report of adjudicated cases, together with the fines and fees collected, and file the report with the State Comptroller's Justice Court Fund (JCF).

The court clerks' principal duties include maintaining records and documents pertaining to the cases handled within the Court and certain financial duties to account for Court-related transactions. The court clerks' financial duties include entering data into the Court's accounting software, mailing fine and delinquency notices and court dates, collecting fines, recording receipts and disbursements into the Court's accounting software and transmitting the receipt and disbursement information to the New York State Department of Motor Vehicles (DMV).

During our audit period, the court clerks collected over \$628,000 in receipts and disbursed over \$641,000. Furthermore, the Justices reported 6,879 cases from June 2013 to June 2014 and remitted \$460,222 to the JCF. According to Court records, approximately 3,500 parking tickets were issued during our audit period.⁸

⁵ In October 2013, the Acting Justice was replaced with a new Acting Justice.

⁶ The Village fines individuals in violation of traffic, parking and penal laws and collects civil fees associated with Court operations.

⁷ The Court receives bail money, in exchange for the release of an arrested person, as a surety that the arrested person will appear in Court at a future date.

⁸ Because of inadequate records, we were unable to verify the number of parking tickets issued.

Objective

The objective of our audit was to review internal controls over the Court's financial operations. Our audit addressed the following related question:

- Did the Board and Justices ensure that Court receipts were properly collected, accounted for and deposited, and disbursements were for proper Court purposes?

Scope and Methodology

We examined the Court's records for the period June 1, 2013 through August 21, 2014. We reviewed information related to unpaid parking and vehicle and traffic tickets, as of October 21, 2014, which dated back to 1986 and 1991, respectively, when necessary to complete our audit objective.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit are included in Appendix B of this report.

Comments of Local Officials and Corrective Action

The results of our audit and recommendations have been discussed with Village officials, and their comments, which appear in Appendix A, have been considered in preparing this report. Village officials agreed with our recommendations and indicated they planned to take corrective action.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and forwarded to our office within 90 days, pursuant to Section 35 of the General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, Responding to an OSC Audit Report, which you received with the draft audit report. We encourage the Board to make this plan available for public review in the Village Clerk's office.

Oversight of Justice Court Operations

A well-designed system of internal controls ensures that moneys received by the Court are safeguarded and that Court activities are properly recorded and reported. The Justices are responsible for adjudicating cases brought before their Court and accounting for and reporting all Court-related financial activities. To meet that responsibility, the Justices should ensure that Court personnel maintain complete and accurate records and safeguard all moneys collected. Essential procedures include the monthly reconciliation of bank accounts to Court records and a monthly accountability, which compares cash on hand and on deposit to detailed lists of amounts due to the JCF and other outstanding liabilities, such as bail. Such records should include sequentially numbered duplicate receipts for all collections and adequate disbursement records.

The Board should adopt policies for enforcing unpaid tickets to ensure fines are being collected as soon as possible. Court personnel should maintain sufficient records to identify unpaid fine balances. Furthermore, the Justices must ensure that controls are in place and working effectively to help ensure that money collected is properly receipted. These controls are particularly crucial when there is limited segregation of duties of Court personnel. Lastly, the Board is required to perform an annual audit of the Justices' records or may engage the services of an independent public accountant for that purpose.

The Board and Justices did not provide adequate oversight of Court operations to ensure that Court cash receipts were properly collected, accounted for and deposited, and disbursements were for proper Court purposes. Instead, they relied on the head court clerk to perform most of the recordkeeping duties and failed to establish procedures for or provide adequate oversight of the work she performed. For example, the Justices did not ensure that the head court clerk maintained sufficient accounting records or performed bank reconciliations or accountability analyses to account for all Court funds. As a result, the reconciled cash balance for the bail account exceeded the Court's records of outstanding bail by \$7,633.

In addition, the Justices did not ensure that the head court clerk had formal procedures to ensure that all outstanding moneys owed to the Court were pursued and collected, with any deletions or adjustments to the records being sufficiently supported. As a result, there were 819 unpaid parking tickets (approximately 23 percent of the total tickets issued during our audit scope period),⁹ totaling \$27,301 for

⁹ Of the 3,565 parking tickets issued during our audit scope period, the Court received payments on 2,746 parking tickets totaling \$35,997.

our audit period. The Court also had up to \$1.1 million of unpaid parking tickets dating back to 1986. The Court's accounting software also identified a combined total of \$406,000 in unpaid Vehicle and Traffic Law (VTL), Village ordinance and penal tickets dating back to 1991. Had the Board performed an annual audit of the Court, the weaknesses in Court operations could have been identified and corrected in a timely manner.

Monthly Accountability

Justices are required to account for cash receipts and disbursements each month,¹⁰ complete reports of all adjudicated cases and properly report ticket dispositions to the DMV. Therefore, it is important for Justices to verify the accuracy of financial records maintained by Court personnel and establish controls over cash by routinely reconciling the Court's running cash balances to adjusted bank balances. Justices should compare the amount of cash on hand and on deposit in the bank to detailed lists of amounts due to the JCF and other outstanding liabilities. This comparison is referred to as an accountability analysis. Performing bank reconciliations and accountability analyses are critical procedures that document the status of Court-held money at a given point in time.

The Justices did not ensure that the head court clerk performed bank reconciliations or properly performed monthly accountabilities. Instead, the head court clerk stated that she reviewed bank statements monthly to ensure that all deposits were included and all checks that cleared the bank were proper Court expenditures. She also said that she compared month-end bank balances, for the fine accounts, to Court reports showing the amounts to be remitted to the JCF. However, she did not maintain a record of running cash balances for the fine accounts or an accurate running cash balance of bail. In addition, the head court clerk did not maintain accurate, up-to-date records of bail moneys or ensure that all bail disbursements were recorded in the Court's accounting software. Therefore, she also could not reconcile the amounts in the bail account records to the amounts in the bank account.

The head court clerk told us she was unable to reconcile outstanding bail moneys because of time limitations and because the bail account had not reconciled when she became the head court clerk in 2005. In addition, the head court clerk told us she did not realize she failed to record all bail disbursements in the Court's accounting software because of the inability to reconcile the bail cash account.

¹⁰ Unlike other municipal operations, village justices do not account for financial transactions on a fiscal-year basis and are not required to complete annual financial statements. Village justices are required to account for cash receipts and disbursements on a monthly basis and determine accountability as of the end of each month.

We attempted to verify liabilities and reconcile the cash balances for the Justices' fines accounts. As of July 31, 2014, the available cash in the Acting Justice's bank account reconciled to his known liabilities. However, the available cash in the Justice's bank account exceeded his known liabilities by \$903. We determined that the adjusted bank balance for the bail account exceeded the Court's records of outstanding bail by \$7,633. These amounts represent cash that could not be traced to an individual case or other type of supporting documentation and remains unidentified.

Without accurate reconciliations and monthly accountabilities, there is a risk that the Court is not remitting all the moneys owed to the JCF or that the Court does not have sufficient funds to cover its liabilities. Furthermore, the lack of adequate accounting records prevents the Justices from properly accounting for the Court's receipts and disbursements.

Enforcement

Fines can be a substantial revenue source for Village operations. Accordingly, the Justices should have policies regarding the enforcement of the various tickets issued. Justices¹¹ are responsible for establishing procedures for enforcing the collection of unpaid tickets and monitoring unpaid balances (i.e., comparing DMV reports¹² and Court accounting software reports of pending tickets to Court records to ensure all pending cases are pursued as necessary). Court personnel are responsible for maintaining sufficient records to determine if effective actions are taken to enforce unpaid tickets. Multiple options are available for collecting unpaid tickets, including using collection agencies or participating in the DMV Scofflaw Program¹³ (scofflaw program).

Parking Ticket Enforcement – Court personnel send delinquency notices to enforce the payment of unpaid parking tickets. The head court clerk sends delinquency notices notifying offenders and

¹¹ Since 2007, the Justices have been tasked with enforcing the collection of unpaid parking tickets.

¹² The DMV tracks VTL tickets by adding pertinent information to its Traffic Safety Law Enforcement and Disposition (TSLED) database. When all fines are paid, the Court must send a copy of the tickets to the DMV for them to be removed from the pending ticket database. Among the reports available to the Court is a list of all pending VTL cases, which Court personnel may use to help ensure that tickets are processed by the Court in a timely manner. This report can also identify individuals who either have not appeared in Court to resolve their tickets or have not paid their fines.

¹³ The DMV has a parking ticket scofflaw program in which participating municipalities can notify the DMV when a vehicle registrant has three or more unresolved parking tickets in an 18-month period. When this occurs, the DMV denies the vehicle registration renewal until the violator appropriately addresses the outstanding tickets. The DMV also has a traffic ticket scofflaw program which allows the DMV to suspend driving privileges if a driver has unpaid traffic tickets. The Court has to wait 60 days from either the date of appearance or last payment before sending paperwork to the DMV to suspend a motorist's driving privileges.

requesting payment of unpaid balances, but she does not consistently mail notices to all offenders nor does she have a specific schedule of when or how often to send notices. Further, the Justices have not established formal procedures for mailing delinquency notices nor does the Village use the scofflaw program to enforce unpaid parking violations. We determined the head court clerk had not mailed delinquency notices for three of the 10 unpaid tickets we selected for testing. As of August 15, 2014, the Court's accounting software identified 819 unpaid parking tickets (of the 3,565 tickets issued during our audit scope period) totaling \$27,301 and 20,470 unpaid parking tickets totaling \$1.1 million issued between August 6, 1986 and May 31, 2013. Furthermore, there were 1,715 instances where three or more parking tickets were written for the same license plate. Moreover, 196 of those offenders had 10 or more tickets.

The head court clerk told us she did not mail delinquency notices for all unpaid parking tickets because paper tickets issued prior to 2007 had been discarded by the previous Village Clerk and there were instances, she believed, in which a delinquency notice would not prompt the individual to pay the unpaid balance. During our fieldwork, both Village officials and Court personnel told us they were in the process of contacting the DMV to reactivate the parking ticket scofflaw program. The failure to use the parking ticket scofflaw program limits the Court's ability to collect the fines for unpaid parking tickets.

VTL Enforcement – The head court clerk routinely used the scofflaw program to enforce VTL cases 60 days after payments were due, but she did not use either the DMV (i.e., TSLED reports) or the Court's accounting software reports to ensure that all pending cases were pursued as necessary. We obtained reports from the DMV that identified 7,169¹⁴ pending cases, some of which dated back to 1985. We analyzed 20 of these pending cases and determined 12 cases are no longer pending as they have either been paid or dismissed, and seven of the remaining eight pending cases were either being enforced using the scofflaw program or in the process of being enforced by the scofflaw program. The 12 cases still showed as pending because Court personnel made data entry errors. We informed Court personnel of these errors, and they appropriately corrected the errors that we identified. Although Court personnel were properly pursuing the majority of the pending cases we tested, as of October 21, 2014, the Court's accounting software identified a combined \$406,000 in unpaid VTL, Village ordinance and penal tickets¹⁵ dating back to 1991.

¹⁴ As of August 2, 2014, the 7,169 pending tickets included 1,684 tickets issued from June 1, 2013 through August 2, 2014.

¹⁵ According to the head court clerk, the amount of unpaid VTL, Village ordinance and penal tickets could not be separated by the Court's accounting software.

The head court clerk told us she did not regularly use either the DMV reports (i.e., monthly TSLED reports) or the Court's accounting software reports to ensure that all pending cases were pursued as necessary because she believed her review of individual case files combined with her infrequent review of TSLED reports was sufficient to ensure that all VTL tickets were properly enforced. Furthermore, the head court clerk said she was unfamiliar with the Court's accounting software reports of pending cases. Without reconciling the Court's records with the DMV pending ticket information, there is an increased risk that pending cases are not being pursued.

Penal – Justices can use bench warrants¹⁶ to enforce the payment of unpaid penal fines. However, the Justice told us that he does not consistently issue bench warrants for unpaid penal fines. Furthermore, no report is generated to determine the unpaid balance of penal fines. The Justice and the head court clerk told us they did not always issue bench warrants because the cost of incarcerating an individual would exceed the amount of money owed.

The Justices did not implement procedures to enforce the collection of unpaid tickets; instead, the Justices relied on the informal procedures implemented by the head court clerk. Although the Court's accounting software has the ability to generate a balance due report for each type of ticket mentioned, Court personnel have not reviewed these unpaid amounts to determine if the amounts are collectible or if the appropriate collection actions have been taken. When Court personnel do not use effective collection techniques and monitor unpaid balances, including the reconciling of monthly DMV reports with current caseload activity, unpaid fines and fees may not be enforced in a timely manner, resulting in lost revenue to the State and the Village.

Segregation of Duties

The Justices are responsible for establishing controls so that no one individual handles all or most aspects of the Court's accounting functions. Specifically, it is important that one person does not have the ability to control the entire process of collecting cash, disbursing cash and maintaining the Court's records. This helps to ensure that all fines and fees received are properly recorded, remitted and protected against error, loss or misappropriation. When it is not practical to segregate Court duties, compensating controls can be implemented through timely and effective oversight by the Justices. Furthermore, Court personnel should not share user accounts when accessing the Court's accounting software in order to establish accountability. The Justices should ensure that the work performed by Court personnel is

¹⁶ An order of a judge to law enforcement officers to arrest an individual who has failed, without excuse, to attend a scheduled court appearance or disobeyed other court orders

monitored and reviewed routinely, particularly when there is a limited segregation of duties.

The head court clerk receives, disburses, records and deposits cash and enforces unpaid balances without proper oversight. For example, no one compares bank statements, canceled check images or deposit slips to receipt records, case files or the Court's accounting software reports. Moreover, the head court clerk has custody of check stock and prepares and records disbursements without proper oversight. Further, the Court's accounting software allows users to delete and alter receipt amounts for fines relating to parking, VTL and penal transactions. In fact, we identified 151 receipts totaling \$21,143 deleted from the Court's accounting software and 980 gaps in the sequential order of receipts. Moreover, even though the five court clerks have their own unique user accounts in the Court's accounting software, they often share the same user account.

Court personnel told us they were unable to properly segregate duties because of limited staff resources and instead relied on the head court clerk to perform most of the recordkeeping duties. The head court clerk told us that the 151 deletions resulted from clerical errors but she could not provide any additional documentation. Furthermore, Court personnel were unaware of a mechanism to appropriately adjust for receipt recording errors. Court personnel told us that they shared user accounts because it was more time efficient than having a previous user log off and then having a new user log in each time a different clerk accessed the system.

Due to the risks associated with a lack of segregation of duties and the ability to delete receipts in the Court's accounting software, we tested 10 of the 151 deleted receipts, totaling \$2,635. We determined that none of the 10 deleted receipts had documentation explaining the purpose for the deletion. We tested 10 of the 980 gaps and found that no documentation was available to explain the reason for the gaps. Furthermore, we verified that 20 bail disbursements, totaling \$6,085, and all 34 disbursements related to the Justices' monthly fines account, totaling \$533,374, were for appropriate purposes. Lastly, we traced 106 paid parking tickets, totaling \$1,640, from the Court's accounting software reports to the original tickets and bank deposits to ensure that the proper amounts were recorded and deposited. We found seven instances where a copy of the ticket was not on file. Without a copy of the ticket, there is a risk that more money was collected than recorded and deposited. Without adequate segregation of duties or compensating controls, discrepancies could occur and go undetected and uncorrected. Moreover, because the court clerks frequently share user accounts, it would be more difficult to identify the person responsible for discrepancies.

Annual Audit

The Law requires Justices to present their records and dockets to their governing Boards for audit at least once a year. The Board members must then either audit the records or engage an independent public accountant to do so. The purpose of this annual audit is to provide assurance that public money was properly deposited in a timely manner and accurately recorded and accounted for, identify conditions that need improvement and provide general oversight of Court operations. A thorough annual audit also provides the Board with an added measure of assurance that the Justice's financial records and reports contain reliable information on which to base management decisions.

The Board did not audit or cause the Justice's records and reports to be audited during our audit period. The Mayor stated an audit was not performed mainly because Court personnel resisted requests to participate in an annual audit. Court personnel disagreed with the Mayor's assertion and stated the Village officials simply failed to perform an annual audit of Court records. We found no discussion in the Board meeting minutes regarding an attempt to request or perform such an audit.

The failure of the Board and Justices to properly monitor the Court's operations contributed to the deficiencies identified in this report. Proper oversight, such as an effective annual audit of the Court, could have identified these deficiencies and assisted the Board and officials in the development of procedures to ensure that fines and fees received are properly recorded, remitted and protected against error, loss or misappropriation. The lack of an annual audit diminishes the Board's ability to effectively monitor the Village's financial operations and could result in errors or irregularities continuing to occur and remain undetected and uncorrected.

Recommendations

The Board should:

1. Provide for an annual audit of the Justices' records.

The Justices should:

2. Determine the causes of overages in their accounts, reimburse the appropriate parties based on this determination and bring their records and reports up to date.
3. Implement policies for the enforcement of unpaid parking tickets, including enrolling in the DMV parking ticket scofflaw program.
4. Periodically review reports of unpaid balances to ensure Court personnel are effectively pursuing collections.

The head court clerk should:

5. Perform monthly reconciliations and accountabilities for fine and bail accounts.
6. Utilize reports of unpaid balances for parking, VTL and penal cases to ensure the appropriate collection actions are implemented.
7. Periodically review and reconcile the DMV pending ticket report with caseload activity to ensure that tickets are properly reported as paid or enforced in a timely manner.
8. Ensure that all bail disbursements are recorded in the Court's accounting software.
9. Ensure that all Court personnel use their unique user accounts to access the Court's accounting software.
10. Ensure that all Court receipts are sequentially numbered and implement controls to help prevent the deletion or alteration of records in the Court's accounting software.

APPENDIX A
RESPONSE FROM LOCAL OFFICIALS

The local officials' response to this audit can be found on the following page.



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Mayor Gregory W. Deemie

May 27, 2015

To Whom It May Concern,

The Village is in full agreement with your draft findings and recommendations. At this time we have a new Justice and Chief Court Clerk and had started implementing some of your findings and recommendations prior to the release of the Draft Audit.

Respectfully,

Gregory W. Deemie, Mayor
Village of Johnson City
Office-607-798-9803
[REDACTED]

APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

During this audit, we examined the Court operations for the period June 1, 2013 through August 21, 2014. We reviewed information related to unpaid parking and vehicle and traffic tickets as of October 21, 2014, which dated back to 1986 and 1991, respectively, when necessary to complete our audit objective. To accomplish our audit objective and obtain relevant audit evidence, our procedures included the following:

- We interviewed four Board members, the Justices and the head court clerk to gain an understanding of Court operations.
- We obtained information electronically from the DMV, the JCF and the Court's records and compared the information to determine if cases were accounted for properly. We followed up on various samples of the discrepancies identified.
- We interviewed the head court clerk and Justices to determine if bank reconciliations were prepared during the audit period and tested one month's bank statements (February 2014 for the fines account and July 2014 for the bail account) and accounting records to determine if they were properly prepared.
- We performed an accountability analysis for July 2014 to determine whether Court assets and liabilities balanced.
- We reviewed outstanding VTL tickets as of August 2, 2014 to determine if the Court was effectively pursuing collections.
- We reviewed computer-generated reports to determine the amount of unpaid parking tickets on file. We also performed analyses of the number of instances a license plate received three or more parking tickets and 10 or more parking tickets.
- We selected 10 unpaid parking tickets to determine if delinquency notices had been mailed, in order to help ensure payment was received.
- We reviewed available records to determine the amount and number of unpaid penal cases. We also selected 10 unpaid penal cases to determine what actions had been taken to help ensure payment was received.
- We reviewed monthly filings with the JCF to determine if those reports were filed timely.
- We tested all disbursements relating to the fines bank statement and 20 from the bail bank statement to determine whether they were supported and legitimate expenditures.
- We selected 55 transactions from the August 2013 and January 2014 monthly reports submitted to the JCF to determine if fine amounts were accurately dismissed and if reduced case fines

were appropriately substantiated. We also compared amounts deposited on those transactions, if any, to what was on the monthly reports.

- We reviewed bank records, disbursements ledgers and Court monthly reports as of July 2014 to determine the amount of bail and to determine if there was evidence of “stale” bail (bail that has been retained for an extended period of time and not turned over to the Village’s general fund).
- We compared cash receipt reports from the Court’s accounting software to bank deposits for July 2014 to determine if receipts were deposited in a timely manner and intact.
- We reviewed reports to determine the total number of tickets issued in the audit period.

We conducted this performance audit in accordance with GAGAS. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

APPENDIX C

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