



# Town of Glenville

## Justice Court Collections

### Report of Examination

Period Covered:

January 1, 2015 — April 30, 2016

2016M-246



Thomas P. DiNapoli

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# State of New York Office of the State Comptroller

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## **Division of Local Government and School Accountability**

October 2016

Dear Town 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 Town 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 Town of Glenville, entitled Justice Court Collections. 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 are a resource 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*

# Introduction

## Background

The Town of Glenville (Town) is located in Schenectady County, has a population of approximately 30,000 residents and includes the Village of Scotia within its borders. The Town is governed by an elected five-member Town Board (Board), which is composed of four Board members and a Supervisor. The Board is responsible for general oversight of Town operations and finances. The Supervisor, as chief fiscal officer, is responsible for the receipt, disbursement and custody of Town money. The Town Comptroller is the accounting officer and has the overall responsibility for the Town's accounting records and providing financial reports to the Board.

The Town's Justice Court (Court) has jurisdiction over vehicle and traffic, criminal, civil and small claims cases brought before it. The Town has two elected Justices who oversee Court operations and each Justice has a full-time clerk. The Justices' principal duties include adjudicating legal matters within the Court's jurisdiction; administering money collected from imposing fines, bail, surcharges, civil fees and restitutions; and reporting the Court's financial activities monthly to the Office of the State Comptroller's Justice Court Fund (JCF). The Justices' combined collections in 2015 totaled approximately \$390,600 for fines, fees and surcharges and \$48,000 for bail.

## Objective

The objective of our audit was to examine the Court's operations over the collection, recording and reporting of receipts. Our audit addressed the following related question:

- Are Court collections properly and accurately recorded and reported?

## Scope and Methodology

We examined the Court's financial operations over the collection, recording and reporting of receipts for the period January 1, 2015 through April 30, 2016.

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. Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

**Comments of  
Local Officials**

The results of our audit have been discussed with Town officials, and their comments, which appear in Appendix A, have been considered in preparing this report.

## Justice Court Collections

The Justices are responsible for adjudicating cases brought before them, accounting for and reporting the Court's financial activities and reporting Court transactions to the JCF in a timely manner. They are also responsible for implementing effective internal controls to oversee operations and ensure that the appointed clerks maintain complete and accurate accounting records on their behalf and safeguard all funds collected. Justices are required to account for cash receipts and disbursements and determine accountability by preparing a list of Court liabilities and comparing it with cash in the bank accounts and on hand, on a monthly basis.

Bank reconciliations and accountability analyses document the status of funds held by the Court at any point in time and provide a means of verifying that the Court is properly addressing its custodial responsibilities. At any point in time, the liabilities of the Court, such as bail held on pending cases and unremitted fines and fees, should equal the Justices' available cash.

Each Justice has an appointed clerk who is responsible for receiving money through the mail, collecting money, issuing receipts, preparing the bank deposit slip and placing the money and deposit slip in a locked bank bag. Each Justice makes the bank deposit to their respective accounts. The court clerks maintain case files, record transactions and collections in the accounting system, and prepare the monthly accountability analysis and bank reconciliations. The Justices review the monthly accountability analysis and bank reconciliations prepared by the clerks. The clerks prepare the monthly report for each Justice from the computerized accounting system and each respective Justice reviews and signs the monthly report.

We reviewed all the duplicate receipts issued for collections during our audit period to determine if they were recorded in the computerized accounting system and moneys were deposited into the Justices' bank accounts. We reviewed bank reconciliations and accountabilities for each Justice for the audit period and found that the balances in the Justices' accounting records agreed to the amount on deposit in the Justices' bank accounts.<sup>1</sup> In addition, our review of 50 case files (25 cases for each Justice)<sup>2</sup> disclosed that the amounts reported as collected in these files agreed with the duplicate receipts, monthly accountability reports and monthly reports to the JCF. Except for

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<sup>1</sup> See Appendix B for more information on our methodology.

<sup>2</sup> For the audit period the Court handled 2,773 cases (Justice Davenport's cases totaled 1,345 and Justice McPhail's cases totaled 1,428).

minor exceptions which were discussed with Court officials, we found that Court collections were accurately accounted for and deposited into the Justices' bank accounts.

We commend the Justices for establishing effective internal controls over Court operations.

**APPENDIX A**  
**RESPONSE FROM LOCAL OFFICIALS**

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



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October 12, 2016

Office of the State Comptroller  
Division of Local Government  
and School Accountability  
One Broad Street Plaza  
Glens Falls, NY 12801

RE: Town of Glenville Justice Court Collections, 2016M-246

Dear Sir/Madam:

The Town of Glenville is in receipt of the Office of the State Comptroller audit of our Justice Court Collections, audit number 2016M-246. We are pleased that after a thorough examination of court records, the Office of the State Comptroller has commended the Glenville Town Justices for establishing effective internal controls over Court operations. We agree with this determination.

My staff and I appreciate the time and effort expended by the Office of the State Comptroller during this audit. The staff of OSC always conducted themselves in a professional and helpful manner throughout the weeks spent reviewing Town Court records at Glenville Town Hall.

Sincerely,

Christopher A. Koetzle  
Town Supervisor

## APPENDIX B

### AUDIT METHODOLOGY AND STANDARDS

To achieve our audit objective and obtain valid evidence, we performed the following procedures:

- We interviewed Court personnel to gain an understanding of the Court's operation.
- We scanned the manual receipt books for the period January 1, 2015 through April 30, 2016 for both Justices to determine if receipts were intact, sequential and properly recorded in the cash receipt records. We reviewed and accumulated the dollar total of manual cash receipts for each month for the period January 1, 2015 through April 30, 2016 and traced those totals to the receipts recorded in the computerized accounting system and deposited to the bank.
- We re-performed the monthly bank reconciliations and month-end accountability reports using the collections evidenced through the manual receipts. We then compared the Court collections to the monthly reports submitted to the JCF.
- We reviewed a current list of bail and determined the accuracy of the report. We then reviewed bail activity reports to determine outstanding bail at the end of each month of the audit period.
- Using a random number generator, we randomly selected 50 cases (25 cases for each Justice). We compared the Court collections noted in the case files to the manual receipt and computerized cash receipt records.

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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**AND SCHOOL ACCOUNTABILITY**

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