



# Town of Green Island Justice Court Operations

## Report of Examination

Period Covered:

January 1, 2015 — June 30, 2016

2016M-349



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**

December 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 Green Island, entitled 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 are 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 Green Island (Town) is located in Albany County and has approximately 2,600 residents. The Town is governed by an elected Town Board (Board) composed of four Board members and a Supervisor. The Board is responsible for the general management and control of Town finances and overseeing financial activities, including those of the Justice Court (Court). The Town has two elected Justices who preside over Court operations and one full-time and two part-time clerks who are appointed by the Board.

The Court has jurisdiction over vehicle and traffic, criminal, civil and small claims cases. The Justices' principal duties include adjudicating legal matters within the Court's jurisdiction and administering money collected from fines, bail, surcharges, civil fees and restitution. Justices are required to submit monthly reports to the Office of the State Comptroller's Justice Court Fund (JCF) on the financial activities of the preceding month.

The clerks collect payments to the Court and assist the Justices with their financial duties. The Court collected \$333,922 in fines and fees and \$15,498 in bail during our audit period. Justice Liotta served during our entire audit period, Justice Dorrance served from January 1, 2015 through March 7, 2015 and Justice Sterling was elected and replaced Justice Dorrance effective January 1, 2016.

## Objective

The objective of our audit was to review the processes and procedures for the Court's financial operations. Our audit addressed the following related question:

- Did the Court properly collect, record, deposit and report Court money in a timely manner?

## Scope and Methodology

We examined the Court's records and reports for the period January 1, 2015 through June 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  
Town 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. Town officials agreed with our report.

## Justice Court Operations

Justices are responsible for adjudicating cases brought before them and accounting for and reporting Court-related financial activities. Justices must safeguard all money collected by the Court. Each month, Justices are required to account for collections and disbursements, verify the accuracy of their financial records and reconcile all court bank accounts. Justices also should perform an accountability of funds they hold by preparing a list of court liabilities and comparing it with reconciled bank balances and money on hand.

All money received by the Justices must be deposited within 72 hours and Justices must report all money collected each month (excluding pending bail) to the JCF. Lastly, disbursements should be made only for appropriate Court purposes, properly recorded in the accounting records and supported by the monthly reports to the JCF or other related documentation.

The Justices properly collected, recorded and reported Court money in a timely manner. Court records were current and accurate and reports to the JCF were timely and complete. The Justices also ensured that Court money was deposited in a timely manner. We reviewed the Justices' bank reconciliations and accountabilities and found that accountabilities were accurately prepared and the money collected by the Court were properly accounted for.

The clerks collected Court funds, entered collection and other relevant case information into the computerized Court management system and issued computer generated receipts for all payments received. The full-time clerk deposited the funds collected for the Justices and prepared monthly reports submitted to the JCF and the bank reconciliations. The Justices and the Board reviewed the monthly reports and bank reconciliations. The Justices signed the monthly reports and the checks paid to the JCF.

We reviewed 25 pending cases<sup>1</sup> (17 for Justice Liotta and eight for Justice Sterling)<sup>2</sup> and 30 closed cases (20 for Justice Liotta, five for Justice Sterling and five for Justice Dorrance) and traced each case to supporting documentation to determine if collections were properly recorded and reported. Our review disclosed no discrepancies and every case was either dismissed, settled with fines paid by the defendants, referred to the New York State Department of Motor

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

<sup>2</sup> We did not review pending cases for Justice Dorrance because these cases were transferred to Justice Liotta on March 12, 2015.

Vehicles (DMV) Scofflaw Program<sup>3</sup> or properly remained outstanding as of the end of our audit.

Additionally, we examined eight months of collections (698 receipts from the three Justices totaling \$98,624) to determine if they were recorded in the Justices' cashbooks, deposited intact (i.e., in the same amount and form as the collections) into the appropriate bank account in a timely manner and included on the monthly reports to the JCF. Except for minor issues which we discussed with Town officials, we found receipts were accurately recorded, reported and deposited intact and in a timely manner.

We also examined all 126 disbursements totaling \$343,463 (including bail) to determine if they were properly recorded, adequately supported and made for appropriate Court purposes. We found no discrepancies and each disbursement was properly recorded, adequately supported and made for an appropriate Court purposes.

We commend Court officials and employees for establishing and implementing adequate procedures to ensure Court money is properly collected, recorded, deposited and reported in a timely manner.

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<sup>3</sup> The Scofflaw Program allows local justice courts to notify the DMV when a vehicle registrant has an unresolved (failure to pay the fine or failure to appear on the court date) traffic ticket for a 60-day period. When this occurs, the DMV notifies the individual and gives them 30 additional days to address the issue. If the individual has not taken action, then the DMV suspends the individual's license until they address the outstanding ticket.

## **APPENDIX A**

### **RESPONSE FROM TOWN OFFICIALS**

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

**TOWN OF GREEN ISLAND**

69 Hudson Avenue  
Green Island, New York 12188



December 12, 2016



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

Re: Town of Green Island audit entitled Justice Court Operations

Dear 

On behalf of the Town of Green Island, please accept this letter in response to the audit entitled Justice Court Operations completed in 2016. The Town Board Members and Town Justices have accepted this report and since there were no corrective findings there will be no corrective action plan submitted. We thank you and your staff and we will continue to strive in keeping our internal controls as they should be.

Sincerely,

Rachel A. Perfetti  
Town Supervisor

## APPENDIX B

### AUDIT METHODOLOGY AND STANDARDS

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

- We examined cashbook activity reports for both the regular and bail accounts for each Justice during our audit period and identified gaps in the numerical sequence of receipts issued. Where there were gaps, we then determined if the receipt was on the bail report or on the internal tracking worksheet for voided receipts.
- We randomly selected 25 pending cases from the pending cases reports (17 for Justice Liotta and eight for Justice Sterling). We also randomly selected 30 closed cases (20 for Justice Liotta, five for Justice Sterling and five for Justice Dorrance). We traced the case information to supporting documentation, including the actual case files, correspondence from the Court to the defendant, paid receipts, the monthly JCF reports, plea agreements and DMV reports, to determine the statuses of the cases as of the end of field work.
- We judgmentally selected and reviewed eight months of collections (698 receipts from all three Justices: four months for Justice Liotta, two for Justice Dorrance and two for Justice Sterling) to determine if the amounts collected were recorded in the Justices' cashbooks, deposited intact into the appropriate bank account in a timely manner and included on the monthly reports to the JCF.
- We judgmentally selected and reviewed eight months of Court cases (four months for Justice Liotta, two for Justice Dorrance and two for Justice Sterling) to determine if Justices and clerks accurately accounted for Court money received, monthly accountabilities were prepared and Court liabilities agreed with the Justices' available cash balances as recorded in the cashbooks at month-end. We also reviewed the monthly accountabilities, bank reconciliations and bank statements for each month for each Justice. We selected these months based on the Justice presiding during that month and distributed our selection over our audit period.
- We compared the disbursements for each Justice with the monthly report to JCF or other documentation, such as a bail defendants report (in the case of a transfer), to determine if the amounts disbursed were properly recorded, adequately supported and made for appropriate Court purposes.

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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**DIVISION OF LOCAL GOVERNMENT**  
**AND SCHOOL ACCOUNTABILITY**

Andrew A. SanFilippo, Executive Deputy Comptroller  
Gabriel F. Deyo, Deputy Comptroller  
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