

Town of Ithaca

Justice Court Operations

APRIL 2021



OFFICE OF THE NEW YORK STATE COMPTROLLER
Thomas P. DiNapoli, State Comptroller

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Report Highlights

Town of Ithaca

Audit Objective

Determine whether the Town of Ithaca (Town) Justices collected, deposited, disbursed, recorded and reported fines and fees in an accurate and timely manner.

Audit Results

The Justices collected, deposited, disbursed, recorded and reported the fines and fees we reviewed in an accurate and timely manner.

- During the audit period, the Justices deposited 2,111 cash receipts totaling \$306,770 and made 60 disbursements totaling \$318,091.
- We reviewed a sample of 556 cash receipts totaling \$78,948 and all 60 disbursements totaling \$318,091.

There were no recommendations as a result of this audit.

Background

The Town, located in Tompkins County, is governed by an elected Town Board (Board) composed of a Town Supervisor (Supervisor) and six Council members. The Board is responsible for the oversight and general management of operations and finances, including Court financial activities.

The Town has two elected Justices who are responsible for all money received and disbursed by the Court and for safeguarding Court resources.

Two full-time Court clerks (clerks), one appointed by each Justice, assist with processing cases and related financial transactions, including submitting monthly financial activity reports and the disposition of traffic tickets to various New York State agencies.

Quick Facts

Fines, Fees and Bail Collected During Audit Period	\$306,770
Justice Salk's Tenure	15 years
Justice Klein's Tenure	16 years

Audit Period

January 1, 2019 – June 30, 2020

Justice Court Operations

The Court has jurisdiction over vehicle and traffic, criminal, civil and small claims cases brought before it. The Justices adjudicate legal matters within the Court's jurisdiction and administer money collected from fines, surcharges, civil fees, restitution and bail.

The clerks receive and record collections from fines, fees and bail, issue receipts, record collections in a cash receipts journal, prepare and make bank deposits, report all money collected each month (excluding pending bail) to the Office of the State Comptroller's Justice Court Fund (JCF), and prepare checks to be signed by the Justices to disburse the funds collected to the Supervisor or defendant, as appropriate. In addition, the clerks report vehicle and traffic ticket dispositions to the New York State Department of Motor Vehicles (DMV).

How Should the Justices Account for Court Operations?

Justices are responsible for maintaining complete and accurate accounting records and safeguarding all money collected by the Court. In addition, Justices should ensure that clerks issue receipts to acknowledge the collection of all funds paid to the Court, record each receipt in the accounting records and deposit all funds intact (i.e., in the same amount and form as received) as soon as possible but no later than 72 hours from the date of collection, exclusive of Sundays and holidays.

On a monthly basis, Justices should ensure bank reconciliations and an accountability are completed by preparing a list of Court liabilities and comparing it to reconciled bank balances and money on hand. Court liabilities should equal the available cash balance and any discrepancies should be investigated and resolved.

Justices are required to accurately remit fines and fees collected to the town supervisor on a monthly basis and collect bail from defendants to ensure their appearance in Court to answer charges. Justices should maintain records indicating the date bail was remitted to the Court, who paid it and to which case it relates.

In addition, the Justices are required to submit monthly reports detailing all fines, fees, surcharges and forfeited bail collected to the JCF within the first 10 days of the ensuing month, and ensure that unpaid traffic tickets with fines and surcharges are enforced. Further, Justices are required to present their records at least once each year to be examined by the town board or an independent public accountant.

Justices Accurately Accounted for and Provided Proper Oversight of Court Operations

The Justices properly collected, deposited, disbursed, recorded and reported Court money we reviewed in a timely manner. Court records were current and

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accurate and reports to the JCF were timely and complete. We reviewed the Justices' bank reconciliations and accountabilities and found that accountabilities were accurately prepared and the money collected by the Court was 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 clerks deposited the funds collected for the Justices and prepared monthly reports submitted to JCF and the bank reconciliations. The Justices reviewed and signed the monthly reports, checks written to the Supervisor and the monthly bank reconciliations.

During our audit period, the clerks recorded 2,111 cash receipts totaling \$306,770 and 60 disbursements totaling \$318,091. We reviewed all 556 receipts totaling \$78,948 collected during four months of our audit period to determine whether the Court fines and fees collected during these months were deposited intact within the appropriate timeframe, recorded in a timely manner and reported to the JCF.¹ We found that all the receipts tested were deposited intact within 72 hours, as required, recorded in a timely manner and reported to the JCF.

We reviewed all 60 disbursements made during the audit period to determine whether payments were made for appropriate purposes and checks were signed by the Justices by examining the supporting documentation and tracing each disbursement to monthly reports and bail lists. We found that all the disbursements were for proper purposes and checks written were signed by the Justices.

Every month, the clerks prepared reconciliations and accountabilities for each Justice's fine and bail bank accounts, and the Justices reviewed and signed each before the month's fines and fees were disbursed to the Supervisor. In addition, the Board hired a certified public accountant firm to perform the annual audit of both Justices, which noted no significant findings. The Board accepted the results of the audit and noted its acceptance in its minutes.

Conclusion

Officials established and implemented adequate procedures to ensure Court money was properly collected, deposited, disbursed, recorded and reported in an accurate and timely manner.

¹ Refer to Appendix B for information on our sampling methodology.

Appendix A: Response From Town Officials



ITHACA TOWN COURT

215 N. Tioga Street, Ithaca, N.Y. 14850

James A Salk, Town Justice

Phone: 607-273-0493
Fax 607-275-0728

David L Klein, Town Justice



The undersigned Town Justices agree with the conclusions set forth in the report.

James A Salk *[Signature]*

David L Klein

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Appendix B: Audit Methodology and Standards

We conducted this audit 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. To achieve the audit objective and obtain valid audit evidence, our audit procedures included the following:

- We interviewed Town officials and reviewed Board minutes and annual audits to gain an understanding of Court financial activities.
- We compared fines and fees reported to DMV and JCF to determine whether there were any variances between the two reports. We also compared JCF reports with reports within the Court's financial accounting software to determine whether any variances existed between the two reports. We traced all variances to supporting documentation to determine the cause and significance.
- We used our professional judgment to select a sample of four months (February, June, and October 2019 and January 2020) to determine whether receipts were collected, deposited intact within 72 hours and recorded in a timely manner.
- We tested the accuracy and timeliness of the clerks' preparation and Justices' review of bank reconciliations for our audit period. We reviewed the accountability analyses prepared for each Justice during our audit period to determine whether there were any differences between the available cash and known liabilities.
- We reviewed all disbursements for our audit period to determine whether payments made were for proper purposes and the Justices signed the checks by reviewing supporting documentation and tracing to monthly reports and bail lists.

We conducted this performance audit in accordance with generally accepted government auditing standards (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.

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.

Appendix C: Resources and Services

Regional Office Directory

www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2018-12/regional_directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

www.osc.state.ny.us/local-government/publications?title=&body_value=&field_topics_target_id=263196&issued=All

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

www.osc.state.ny.us/local-government/fiscal-monitoring

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

www.osc.state.ny.us/local-government/publications?title=&body_value=&field_topics_target_id=263206&issued=All

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.state.ny.us/local-government/resources/planning-resources

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2020-05/cyber-security-guide.pdf

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.state.ny.us/local-government/required-reporting

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

www.osc.state.ny.us/local-government/publications?title=&body_value=&field_topics_target_id=263211&issued=All

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics

www.osc.state.ny.us/local-government/academy

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