

Town of Walton

Justice Court Operations

JULY 2021



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

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Report Highlights

Town of Walton

Audit Objective

Determine whether the Town of Walton (Town) Justice Court (Court) properly accounted for, deposited, disbursed and reported fines and fees.

Audit Results

The Court properly accounted for, deposited, disbursed and reported fines and fees we examined.

There were no recommendations as a result of this audit.

Background

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

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

The clerk assists the Justices with processing cases and related financial transactions, including submitting monthly financial activity reports and the disposition of tickets to various local and New York State agencies.

Quick Facts

Transactions	
Total	Audited
714	192
\$91,634	\$66,992

Audit Period

January 1, 2019 – June 30, 2020

Justice Court Operations

How Should a Justice Account for Court Fines and Fees?

Justices are responsible for maintaining complete and accurate accounting records and safeguarding all funds collected by a court. This includes ensuring that money received by the court is accurately recorded in the accounting system and deposited as soon as possible, but no later than 72 hours from the date of collection, exclusive of Sundays and holidays.

Justices are required to remit, within 10 days, all fees collected from the preceding month to the town supervisor and report to the Justice Court Fund (JCF) the financial activities of the preceding month.

On a monthly basis, justices or court clerks 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. Any unidentified funds should be remitted to the JCF. Bank reconciliations and accountability analyses are critical procedures to determine the status of money held by the court and to enable a justice to check for and correct errors or identify cash shortages.

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 Properly Accounted for Court Fines and Fees

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

We reviewed the Justices' bank reconciliations and accountabilities and found that accountabilities were accurately prepared, and money collected by the Court was properly accounted for.

The clerk 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 clerk deposited the funds collected for the Justices and prepared bank reconciliations and monthly reports submitted to JCF. The Justices reviewed and signed the monthly reports, checks written to the Supervisor and the monthly bank reconciliations.

During our audit period, the clerk recorded 678 cash receipts totaling \$44,296 and 36 disbursements totaling \$47,338. We reviewed 64 cash receipt transactions totaling \$3,985 and found that these transactions were properly recorded and that

Justices are responsible for maintaining complete and accurate accounting records and safeguarding all funds collected by the court.

the Justices' adjudications were properly reported to the Department of Motor Vehicles (DMV), when necessary.¹ Our review included 64 receipts, issued by the clerk, composed of eight duplicate tickets (multiple charges associated with the same ticket number),² 21 tickets disposed of and properly reported to the DMV, five tickets still pending, 26 non-traffic related tickets and four traffic tickets that were properly collected and deposited by the clerks, but not found in the DMV database.

We reviewed another 92 cash receipts totaling \$15,669 to determine whether they were properly recorded, deposited and remitted to the Supervisor in a timely manner.

We determined that these collections were properly accounted for and fees were appropriately remitted to the Supervisor and deposited in a timely manner.

Also, we reviewed all 36 disbursements from the Justices' bank accounts made during our audit period to determine whether they were properly supported and for appropriate purposes. We found that all the disbursements were for proper purposes and checks written were signed by the Justices.

Each month, the clerk prepared reconciliations and accountabilities for each Justice's bank account, 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 public accounting 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

Town officials established and implemented adequate procedures to ensure the Court fines and fees we reviewed were properly collected, deposited, disbursed and reported in an accurate and timely manner.

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

2 Each charge is recorded separately but adjudicated as one ticket.

Appendix A: Response From Town Officials

WALTON TOWN JUSTICE COURT

129 North Street
Walton, New York 13856
Phone 607-865-5182
Fax 607-865-4616
waltontowncourt@nycourts.gov

Carl Gregory
Town Justice

Michael Ripa
Town Justice

July 14, 2021

Office of the New York State Comptroller
Division of Local Government and School Accountability
110 State Street, 12th Floor
Albany, New York 12236

Dear Office of the New York State Comptroller:

We the Judges of the Town of Walton Court agree with the Town of Walton Justice Court Operations report of Examination 2021M-72 as presented.

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Sincerely,

Carl Gregory,
Town of Walton Justice

Michael Ripa,
Town of Walton Justice

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 Court officials and reviewed the Court's policies and procedures to gain an understanding of Court operations and internal controls.
- We randomly selected the months June 2019 and March 2020 from the 18 months of our audit period. We identified and reviewed all 64 transactions from these months to determine whether they were properly accounted for and whether the Justices' adjudication of these tickets was properly reported to DMV as either disposed or pending.
- We used our professional judgement to select May (2019 and 2020), August (2019) and December (2019) for Justice Gregory, and March, May, August and October 2019 for Justice Laauser. We reviewed the 92 fines, fees and bail receipts collected during these months to determine whether they were properly recorded and deposited in a timely manner. We excluded 28 receipts totaling \$4,176 from our timeliness testing because those were credit card receipts that were not within the clerk's control to deposit timely. We tested the remaining 64 non-credit card receipts to determine whether the collections were properly deposited and recorded, and fees were appropriately remitted to the Supervisor in a timely manner.
- We compared all tickets on record with the Court to electronic records from the DMV to ensure that information including fines, fees and/or surcharges was properly reported. For any discrepancies found, we traced to supporting documentation, such as case files or ticket copies.
- We prepared monthly accountabilities for each Justice for their three highest months of activity, to determine whether cash on hand agreed with known liabilities. Justice Gregory's test months were February 2019, and March and May of 2020. Justice Laauser's test months were March, July, and November of 2019.
- We prepared bank reconciliations for the Justices' bank accounts for select months to determine whether the Court's reconciliation process was accurate. For Justice Laauser, we selected March, June, September and November 2019. For Justice Gregory, we selected March, June, September, November and December 2019, and March and June 2020.
- We reviewed all disbursements from the Justices' bank accounts made during our audit period and traced them to monthly reports and bail returns to determine whether they were properly supported and for appropriate purposes.

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

<https://www.osc.state.ny.us/files/local-government/pdf/regional-directory.pdf>

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

<https://www.osc.state.ny.us/local-government/publications>

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

<https://www.osc.state.ny.us/local-government/publications>

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

<https://www.osc.state.ny.us/files/local-government/publications/pdf/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

<https://www.osc.state.ny.us/local-government/publications>

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

Contact

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